

Årsredovisning 2023

Orthex Sweden AB

556051-7160

Fastställelseintyg

Undertecknad styrelseledamot i Orthex Sweden AB intygar, att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämman den 4/4 2024.

Årsstämman beslutade att godkänna styrelsens förslag till hur vinsten ska fördelas.

Jag intygar också att innehållet i dessa handlingar stämmer överens med originalen.

Tingsryd den 18 16 2024



Hans Cronqvist

Årsredovisning 2023

Orthex Sweden AB

556051-7160

Styrelsen och verkställande direktören för Orthex Sweden AB avger härmed följande årsredovisning

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Styrelsens säte: Tingsryd

Företagets redovisningsvaluta: Svenska kronor (SEK)

Alla belopp redovisas, om inte annat anges, i tusentals kronor (tkr).

Ägarförhållanden

Bolaget är sedan 2011-01-27 ett helägt dotterbolag till Orthex Sweden Holding AB, org.nr. 556797-0636.

Flerårsöversikt	2023	2022	2021	2020	2019
Nettoomsättning (tkr)	724 036	663 302	666 327	581 029	479 857
Resultat efter finansiella poster (tkr)	58 172	-2 506	59 400	73 369	31 627
Rörelsemarginal (%)	8,1%	-0,1%	8,8%	13,5%	4,9%
Avkastning på eget kapital (%)	51%	-3%	71%	123%	54%
Balansomslutning (tkr)	359 573	325 519	331 735	230 970	207 494
Soliditet (%)	32%	25%	27%	26%	28%
Antal anställda	147	165	185	166	156

Förslag till resultatdisposition

Styrelsen föreslår att till förfogande stående medel

Balanserat resultat	56 819 254
Årets resultat	33 533 010
	90 352 264

Disponeras så att	
I ny räkning överföres	90 352 264
	90 352 264

Resultaträkning

	Not	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Nettoomsättning	1	724 036	663 302
Kostnad för sålda varor		-515 935	-517 549
Bruttoresultat		208 102	145 753
Försäljningskostnader		-108 667	-97 519
Administrationskostnader		-42 875	-41 260
Övriga rörelseintäkter		9 215	1 549
Övriga rörelsekostnader		-7 053	-9 273
Rörelseresultat	1,2,3,4,5,6	58 722	-751
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter	7	516	0
Räntekostnader och liknande resultatposter	8	-1 066	-1 755
		-550	-1 755
Resultat efter finansiella poster		58 172	-2 506
Bokslutsdispositioner	9	-15 800	755
Resultat före skatt		42 372	-1 751
Skatt på årets resultat	10	-8 839	274
Årets resultat		33 533	-1 477

2024061905124

Balansräkning

	Not	2023-12-31	2022-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Goodwill	11	0	0
		0	0
Materiella anläggningstillgångar			
Förbättringsutgifter på annans fastighet	12	3 481	3 637
Maskiner och andra tekniska anläggningar	13	5 511	8 874
Inventarier, verktyg och installationer	14	50 207	47 788
Pågående nyanläggningar	15	9 536	10 066
		68 735	70 365
Finansiella anläggningstillgångar			
Andelar i koncernföretag	16,17	1 481	1 481
Uppskjuten skattefordran	18	0	1 229
		1 481	2 710
Summa anläggningstillgångar		70 216	73 075
Omsättningstillgångar			
Varulager m m			
Råvaror och förnödenheter		9 677	8 296
Varor under tillverkning		357	178
Färdiga varor och handelsvaror		63 000	73 652
		73 034	82 126
Kortfristiga fordringar			
Kundfordringar		122 030	86 175
Fordringar hos koncernföretag		13 994	15 340
Övriga fordringar		762	957
Förutbetalda kostnader och upplupna intäkter	19	12 183	9 416
		148 968	111 888
Kassa och bank	20, 21	67 355	58 430
Summa omsättningstillgångar		289 357	252 444
SUMMA TILLGÅNGAR		359 573	325 519

Balansräkning, forts.

	Not	2023-12-31	2022-12-31
EGET KAPITAL OCH SKULDER			
<i>Eget kapital</i>			
<i>Bundet eget kapital</i>			
Aktiekapital	28	20 667	20 667
Reservfond		4 200	4 200
		24 867	24 867
<i>Fritt eget kapital</i>			
Balanserat resultat		56 819	58 296
Årets resultat		33 533	-1 477
		90 352	56 819
Summa eget kapital		115 219	81 686
<i>Avsättningar</i>			
Avsättningar för pensioner och liknande förpliktelser	26	32 077	28 821
		32 077	28 821
<i>Långfristiga skulder</i>			
Skulder till koncernföretag	22	0	0
		0	0
<i>Kortfristiga skulder</i>			
Leverantörsskulder		80 277	67 570
Skulder till koncernföretag		104 296	113 142
Skatteskulder		830	4 100
Övriga skulder		4 117	5 861
Upplupna kostnader och förutbetalda intäkter	23	22 758	24 339
		212 277	215 011
Summa skulder		244 354	243 832
SUMMA EGET KAPITAL OCH SKULDER		359 573	325 519

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Rapport över förändringar i eget kapital

	Aktie- kapital	Reserv- fond	Balanserat resultat	Årets resultat	Totalt
Ingående balans 2022-01-01	20 667	4 200	34 884	23 412	83 163
Omföring resultat föreg år			23 412	-23 412	0
Lämnad utdelning					0
Årets resultat				-1 477	-1 477
Utgående balans 2022-12-31	20 667	4 200	58 296	-1 477	81 686
Omföring resultat föreg år			-1 477	1 477	0
Lämnad utdelning					
Årets resultat				33 533	33 533
Utgående balans 2023-12-31	20 667	4 200	56 819	33 533	115 219

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Internt upparbetade immateriella anläggningstillgångar

Företaget tillämpar den s.k. "aktiveringsmodellen" avseende internt upparbetade immateriella anläggningstillgångar. Metoden innebär att samtliga utgifter som uppfyller kriterierna i K3 aktiveras som immateriell anläggningstillgång och skrivs av under tillgångens beräknade nyttjandeperiod.

Varulager

Varulager har värderats till det lägsta av dess anskaffningsvärde och dess nettoförsäljningsvärde på balansdagen. Med nettoförsäljningsvärdet avses varornas beräknade försäljningspris minskat med försäljningskostnader. Den valda värderingsmetoden innebär att eventuell inkurans i varulagret har beaktats.

Omräkning av poster i utländsk valuta

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Fordringar, skulder och avsättningar

Om inget annat anges ovan värderas kortfristiga fordringar till det lägsta av dess anskaffningsvärde och det belopp varmed de beräknas bli reglerade. Långfristiga fordringar och långfristiga skulder värderas efter det första värderingstillfället till upplupet anskaffningsvärde. Övriga skulder och avsättningar värderas till de belopp varmed de beräknas bli reglerade. Övriga tillgångar redovisas till anskaffningsvärde om inget annat anges ovan.

Ersättningar till anställda

Ersättningar till anställda avser alla typer av ersättningar som företaget lämnar till de anställda. Företagets ersättningar innefattar bland annat löner, betald semester, betald frånvaro, bonus och ersättningar efter avslutad anställning (pensioner). Redovisning sker i takt med intjänandet. Ersättningar till anställda efter avslutad anställning avser avgiftsbestämda eller förmånsbestämda pensionsplaner. Som avgiftsbestämda planer klassificeras planer där fastställda avgifter betalas och det inte finns förpliktelser, vare sig legala eller informella, att betala något ytterligare, utöver dessa avgifter. Övriga planer klassificeras som förmånsbestämda pensionsplaner. Företaget har inga övriga långfristiga ersättningar till anställda.

Skatt

Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekt redovisas i eget kapital.

Aktuell skatt

Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån per den skattesats som gäller per balansdagen.

Uppskjuten skatt

Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån beslutad skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadsats. Uppskjutna skattefordringar reduceras till den del det inte är sannolikt att den underliggande skattefordran kommer att kunna realiseras inom en överskådlig framtid. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Bokslutsdispositioner

Förändringar av obeskattade reserver redovisas som bokslutsdispositioner i resultaträkningen. Koncernbidrag redovisas också som bokslutsdispositioner.

Noter

Not 1. Nettoomsättningens fördelning

Nettoomsättningen fördelar sig på geografiska marknader enligt följande

	2023	2022
Norden	520 780	500 109
Europa, exkl. Norden	194 562	148 649
Nordamerika	7 199	12 777
Övriga marknader	1 495	1 766
	724 036	663 302

Not 2. Arvode till revisorer

Ernst & Young AB

	2023	2022
Revisionsuppdraget	347	366
Annan revisionsverksamhet	63	30
Skatterådgivning	50	50
Övriga tjänster	0	0
	460	446

Not 3. Operationella leasingavtal

	2023	2022
Kostnadsförda leasingavgifter avseende operationella leasingavtal.	22 518	21 224
Framtida minimileasingavgifter avseende ej uppsägningsbara operationella leasingavtal:		
Ska betalas inom 1 år	15 288	14 605
Ska betalas inom 1-5 år	61 151	58 421
Ska betalas senare än 5 år	33 459	41 010

Företaget har ingått följande väsentliga leasingavtal vilka redovisas som operationella leasingavtal. Väsentliga leasingavtal avser leasing av kontorsmaskiner och truckar som sträcker sig över 3 år.

Hysesavtalet på fastigheten i Tingsryd löper ut 2031-11-30.

Hysesavtalet på fastigheten i Gnosjö löper ut 2027-12-31.

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Not 10.	Skatt på årets resultat	2023	2022
	Aktuell skatt	7 610	0
	Justering avseende tidigare år	0	
	Uppskjuten skatt avseende temporära skillnader		1 229
	Förändring av uppskjuten skatt avseende temporära skillnader	955	
	Förändring av uppskjuten skattefordran avseende underskottsavdrag	274	
	Summa redovisad skatt	8 839	1 229
	Genomsnittlig effektiv skattesats	20,9%	
	Avstämning av effektiv skattesats		
	Redovisat resultat före skatt	42 372	-1 751
	Skatt på redovisat res.enligt gällande skattesats (20,6%)	8 728	0
	Skatteeffekt av:		
	Bokföringsmässiga avskrivningar på byggnader	54	43
	Övriga ej avdragsgilla kostnader	81	45
	Utnyttjat underskottsavdrag	-274	
	Skattemässiga avskrivningar på byggnader	-28	-28
	Ej skattepliktiga intäkter	-6	0
	Räntenetto från andra koncernenheter (minskning av skattepliktigt resultat)	0	0
	Uppskjuten skatt från tidigare år	0	0
	Skattereduktion inventarieköp 2021	-945	
	Redovisad skatt	7 610	61
	Effektiv skattesats	18,0 %	-3,5 %

Not 11.	Goodwill	2023-12-31	2022-12-31
	Ingående anskaffningsvärden	5 848	5 848
	Årets anskaffningar	0	0
	Utgående ackumulerade anskaffningsvärden	5 848	5 848
	Ingående avskrivningar	-5 848	-5 848
	Årets avskrivningar	0	0
	Utgående ackumulerade avskrivningar	-5 848	-5 848
	Utgående redovisat värde	0	0

Not 12.	Förbättringsutgifter på annans fastighet	2023-12-31	2022-12-31
	Ingående anskaffningsvärden	14 354	13 534
	Årets anskaffningar	105	820
	Utgående ackumulerade anskaffningsvärden	14 459	14 354
	Ingående avskrivningar	-10 717	-10 506
	Årets avskrivningar	-260	-211
	Utgående ackumulerade avskrivningar	-10 977	-10 717
	Utgående redovisat värde	3 481	3 637

Not 18.	Uppskjuten skattefordran	2023-12-31	2022-12-31
	Ingående saldo	1 229	955
	Tillkommande fordringar	0	274
	Återförda skattefordringar	-1 229	0
	Utgående redovisat värde	0	1 229

Uppskjuten skattefordran avseende investeringar som gjorts under räkenskapsåret enligt lag 2021:931.

Not 19.	Förutbetalda kostnader och upplupna intäkter	2023-12-31	2022-12-31
	Upplupna intäkter	1 874	0
	Förutbetalda hyreskostnader	3 703	3 477
	Förutbetalda programvarukostnader	770	741
	Förutbetalda marknadsföringskostnader	1 534	1 317
	Förutbetalda försäkringspremier	3 741	2 955
	Övriga förutbetalda kostnader	561	926
		12 183	9 416

Not 20.	Kassa och bank	2023-12-31	2022-12-31
	Kassamedel	67 355	58 430
		67 355	58 430

Not 21.	Checkräkningskredit	2023-12-31	2022-12-31
	Beviljad checkräkningskredit	9 000	9 000
	Utnyttjad checkräkningskredit	0	0
		9 000	9 000

Not 22.	Långfristiga skulder	2023-12-31	2022-12-31
	Förfaller senare än 5 år efter balansdagen		
	Skulder till koncernföretag	0	100
	Fusion	0	-100
		0	0

Not 23.	Upplupna kostnader och förutbetalda intäkter	2023-12-31	2022-12-31
	Upplupna löner	984	733
	Upplupna semesterlöner	9 050	8 840
	Upplupna sociala avgifter	4 924	4 768
	Övriga förutbetalda intäkter	7 800	9 998
		22 758	24 339

Not 24.	Ställda säkerheter	2023-12-31	2022-12-31
	PRI ställd säkerhet för egen skuld	10 800	10 800
	Nordea ställd säkerhet till förmån för koncernföretag	44 700	44 700
		55 500	55 500

Not 25.	Eventualförpliktelser	2023-12-31	2022-12-31
	PRI	642	576
	Bankgaranti Tullverket	281	281
		923	857

Not 26.	Avsättningar	2023-12-31	2022-12-31
	<i>Pensionsskuld PRI</i>		
	Ingående balans	28 821	24 035
	Avsättning	3 256	4 786
		32 077	28 821
Not 27.	Väsentliga händelser efter räkenskapsårets utgång		
	Företagets försäljning sker huvudsakligen till dagligvaruhandeln som känt av oroligheterna av den rådande krigssituation i världen och därmed en ökad inflation.		
	Det råder en förändring på många marknader till förmån för ökad E-handel.		
Not 28.	Antal aktier	2023-12-31	2022-12-31
	Aktiekapital	20 667	20 667
	Antal a-aktier	206 667	206 667
	Kvotvärde	100	100
	Förslag till resultatdisposition	2023-12-31	2022-12-31
	Styrelsen föreslår att till förfogande stående medel		
	Balanserat resultat	56 819	58 296
	Årets resultat	33 533	-1 477
		90 352	56 819
	Disponeras så att		
	Till moderbolaget utdelas	0	0
	I ny räkning överföres	90 352	56 819
		90 352	56 819

Not 29. Hållbarhetsredovisning

Företaget upprättar enligt 7 kap 31 a§ ÅRL inte någon lagstadgad hållbarhetsrapport. Moderföretaget Oy Orthex Group Ab (org.nr. 2261742-3) med säte i Esboo, Finland, upprättar hållbarhetsrapport för koncernen där Orthex Sweden AB ingår. Koncernens hållbarhetsrapport finns tillgänglig via länk nedan:

www.orthexgroup.se/content/44-sustainability-at-orthex

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authority to sign

representative

tustodjal

asemavaltuus

nimenkirjoitusoikeus

huoltajanedunvalvoja

ställningsfullmakt

firmateckningsrätt

förvaltare

autoritet til å signere

representant

foresatte verge

myndighed til at underskrive

repræsentant

frihedsberøvende



Revisionsberättelse

Till bolagsstämman i Orthex Sweden AB, org.nr 556051-7160

Rapport om årsredovisningen

Vi har utfört en revision av årsredovisningen för Orthex Sweden AB för räkenskapsåret 2023-01-01 – 2023-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Orthex Sweden ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Orthex Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risker för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.



Rapport om andra krav enligt lagar och andra författningar

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning av Orthex Sweden AB för räkenskapsåret 2023-01-01 – 2023-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Vi har utfört revisionen enligt god revisions sed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Orthex Sweden AB enligt god revisors sed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisions sed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisions sed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisioner av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Karlskrona den dag som framgår av vår elektroniska underskrift
Ernst & Young AB

Anders Håkansson

Anders Håkansson
Auktoriserad revisor

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ANDERS HÅKANSSON (SSN-validerad)

Signing Partner

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FINANCIAL STATEMENTS



Consolidated financial statements, IFRS

Consolidated income statement

EUR thousand	Note	Jan 1 - Dec 31 2023	Jan 1 - Dec 31 2022
Net Sales	2	85,945	84,048
Cost of sales		-61,625	-66,129
Gross Margin		24,320	17,919
Other operating income	3	811	206
Selling and marketing expenses		-9,237	-7,846
Administrative expenses		-5,143	-5,089
Operating profit		10,750	5,191
Financial income and expenses	6	-2,231	-2,182
Profit before taxes		8,520	3,009
Income taxes	7	-1,628	-888
Profit for the period		6,892	2,121
Profit for the period attributable to:			
Equity holders of the parent		6,892	2,121
Earnings per share for profit attributable to the equity holders of the parent:			
Earnings per share, basic (and diluted), EUR		0.39	0.12

Consolidated statement of comprehensive income

EUR thousand	Note	Jan 1 - Dec 31 2023	Jan 1 - Dec 31 2022
Profit for the period		6,892	2,121
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Translation differences		85	-2,053
Items that will not be reclassified to profit or loss:			
Remeasurement gains (+) / losses (-) from defined benefit plans	5	-298	1,042
Other comprehensive income for the period, net of tax		-213	-1,011
Total comprehensive income for the period		6,679	1,110
Total comprehensive income attributable to:			
Equity holders of the parent		6,679	1,110

Consolidated statement of financial position

EUR thousand	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Intangible assets	8	22,303	22,377
Property, plant and equipment	9	13,942	13,547
Right-of-use assets	10	6,999	7,011
Other non-current assets		107	95
Deferred tax assets	7	695	760
Total non-current assets		44,046	43,790
Current assets			
Inventories	13	12,088	14,283
Trade and other receivables	14	17,866	13,387
Derivative financial instruments	11	-	93
Cash and cash equivalents	11	11,568	10,284
Total current assets		41,522	38,047
TOTAL ASSETS		85,568	81,837

EUR thousand	Note	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
Equity attributable to the equity holders of the parent company			
Share capital		80	80
Invested unrestricted equity fund		7,851	7,851
Retained earnings		26,941	22,301
Translation differences		-436	-521
Total equity	11	34,436	29,711
Non-current liabilities			
Loans from credit institutions	11	19,391	22,363
Lease liabilities	10, 11	6,629	6,480
Pension liabilities	5, 11	3,613	3,179
Deferred tax liabilities	7	796	769
Total non-current liabilities		30,429	32,791
Current liabilities			
Loans from credit institutions	11	3,000	3,000
Lease liabilities	10, 11	1,252	1,290
Trade and other payables	15	15,687	14,000
Derivative financial instruments	11	41	8
Income tax liabilities		723	1,037
Total current liabilities		20,703	19,335
Total liabilities		51,132	52,126
TOTAL EQUITY AND LIABILITIES		85,568	81,837

Consolidated statement of changes in equity

Equity attributable to the equity holders of the parent company (in thousands)	Share capital	Invested unrestricted equity fund	Retained earnings	Translation differences	Total equity
1 Jan 2023	80	7,851	22,301	-521	29,711
Profit for the period			6,892		6,892
Translation differences				85	85
Remeasurement gains (+) / losses (-) from defined benefit plans			-298		-298
Total comprehensive income for the period			6,593	85	6,679
Transactions with owners:					
Dividends paid			-1,953		-1,953
31 Dec 2023	80	7,851	26,941	-436	34,436
1 Jan 2022	80	11,047	19,138	1,532	31,798
Profit for the period			2,121		2,121
Translation differences				-2,053	-2,053
Remeasurement gains (+) / losses (-) from defined benefit plans			1,042		1,042
Total comprehensive income for the period			3,163	-2,053	1,110
Transactions with owners:					
Capital return from the invested unrestricted equity fund			-3,197		-3,197
31 Dec 2022	80	7,851	22,301	-521	29,711

Consolidated statement of cash flows

EUR thousand	Note	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Cash flows from operating activities			
Profit before taxes		8,520	3,009
Adjustments			
Depreciation, amortisation and impairment	4	4,142	3,964
Financial income and expenses	6	2,230	2,182
Other adjustments		-206	204
Cash flows before changes in working capital		14,686	9,358
Changes in working capital			
Decrease (+) / increase (-) in trade and other receivables		-4,383	1,324
Decrease (+) / increase (-) in inventories		2,196	-2,358
Decrease (-) / increase (+) in trade and other payables		1,346	1,155
Cash flows from operating activities before financial items and taxes		13,845	9,479
Interests paid		-1,918	-1,135
Income taxes paid		-1,757	-2,167
Net cash flows from operating activities		10,170	6,177
Cash flows from investing activities			
Investments in tangible and intangible assets		-2,594	-3,553
Sale of tangible and intangible assets		-	28
Net cash flows from investing activities		-2,594	-3,525

EUR thousand	Note	1 Jan - 31 Dec 2023	1 Jan - 31 Dec 2022
Cash flows from financing activities			
Repayment of lease liabilities	10	-1,329	-1,312
Proceeds from long-term borrowings		-	25,500
Repayment of long-term borrowings		-	25,500
Repayment of short-term borrowings	11	-3,000	-1,500
Capital return from the invested unrestricted equity fund	16	-	3,197
Dividends paid	16	-1,953	-
Net cash flows from financing activities		-6,283	-6,008
Net change in cash and cash equivalents		1,293	3,356
Net foreign exchange differences	11	-9	694
Cash and cash equivalents at 1 January		10,284	14,334
Cash and cash equivalents at 31 December		11,568	10,284

Notes to the consolidated financial statements

1. Accounting principles for the consolidated financial statements

Basic information about the Company

Orthex is principally engaged in producing and marketing household products. Orthex Group is a Nordic producer of household products that make everyday life easier for the consumer. Orthex sells its products to major retailers that sell the products to consumers. Orthex has customers in more than 40 countries and on four continents. It has three factories of its own and it launches a variety of functional products every year.

The consolidated financial statements of Orthex Corporation and its subsidiaries (collectively, the Group) for the year ended 31 Dec. 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 4 March 2024. According to the Finnish Companies Act, shareholders have the option of approving or rejecting the financial statements at the Annual General Meeting held after their publication. The Annual General Meeting also has the opportunity to make a decision to amend the financial statements. Orthex Corporation (the Company or the parent) is a public limited liability company incorporated and domiciled in Finland and whose shares are quoted on Nasdaq Helsinki since 29 March 2021. The registered office is located at Suomalaisentie 7 in Espoo.

Basis of preparation

Orthex's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and have been prepared in accordance with the IAS and IFRS standards and SIC and IFRIC interpretations in force on 31 Dec. 2023. The notes to the consolidated financial statements also comply with the Finnish accounting and corporate legislation.

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities that are measured and presented at fair value through profit or loss and defined benefit pension plans that are measured and presented at fair value.

The consolidated financial statements are presented in euros and all values are rounded to the nearest thousand, except when otherwise indicated.

In addition, the company has prepared a version of the financial statements in accordance with ESEF requirements, which is marked with XBRL codes.

The file can be downloaded from the company's website. The financial statements in ESEF format have not been verified.

Amendments and annual improvements to IFRS standards

Orthex Group has applied amendments and annual improvements to IFRS standards effective from 1 Jan. 2023. The standards that are affected by the amendments are: IFRS 17 Insurance contracts and Amendments to IFRS 17, amendments to IAS 8 Definition of accounting estimates, to IAS 1 and Practice Statement 2 Presentation of accounting principles, to IAS 12 Assets and liabilities arising from a single transaction related deferred tax.

Amendments and annual improvements have not had a major impact on the consolidated financial statements, but only on the presentation of the notes.

Standards issued but not yet effective

Orthex adopts new and amended standards and interpretations, if applicable, when they become effective. The new and amended standards that became effective of 1 Jan. 2024 or later are not expected to have an impact on Orthex's consolidated financial statements.

The following new and amended standards have been issued and become effective on 1 Jan. 2024 or later:

- Classification of Liabilities as Current or Non-current - Amendments to IAS 1
- Long-term liabilities with a covenant - Amendments to IAS 1
- Lease contract debt in sale and lease back - Amendments to IFRS 16
- Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7
- Sale or Contribution of Assets between an investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28.
- Lack of exchangeability - Amendments to IAS 21

Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's accounting policies, management has made various judgements. Those which management has assessed to have the most significant effect on the amounts recognised in the consolidated financial statements are discussed in the individual notes.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes of the related financial statement line items. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 Dec 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Control exists when Orthex has a majority of voting rights in a subsidiary or can otherwise demonstrate having control in a subsidiary.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. All Group companies follow uniform accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Foreign currencies

The consolidated financial statements have been prepared in euros that is both the operational and the presentation currency of the Group's parent company. Foreign currency transactions are translated into euros using the exchange rate at the date of the transaction. Receivables and liabilities denominated in foreign currency are translated into euros using the closing rate. Exchange differences arising on settlement or translation are recognised in the income statement.

The income statement and balance sheet items of the subsidiaries operating outside the euro zone are initially recognised in the operational currencies of their operating environments. In the consolidated financial statements the income statements of foreign subsidiaries are translated into euros using the average exchange rates of the period. The balance sheet items of the subsidiaries are translated using the closing rates. The exchange differences are recognised in other comprehensive income and presented under translation differences in equity.

When a foreign subsidiary is disposed of, the translation differences accumulated in equity are transferred to profit or loss as part of the gain or loss on disposal.

Information about subsidiaries

The consolidated financial statements of the Group include the companies listed below. Group ownership is presented in percentages.

Name	Main products	Country of incorporation	31 DEC 2023	31 DEC 2022
Oy Orthex Finland Ab	Producing and marketing of household products	Finland	100%	100%
Orthex Sweden Holding AB	Producing and marketing of household products	Sweden	100%	100%
Orthex Sweden AB	Producing and marketing of household products	Sweden	100%	100%
Orthex Kitchen AB	Producing and marketing of household products	Sweden	100%	100%
Orthex Norway AS	Producing and marketing of household products	Norway	100%	100%
Orthex Denmark A/S	Producing and marketing of household products	Denmark	100%	100%
Gastromax Limited	Producing and marketing of household products	UK	100%	100%
Orthex Germany GmbH	Producing and marketing of household products	Germany	100%	100%
Orthex France SARL	Producing and marketing of household products	France	100%	100%

During the financial year 2022, Smartstore AB merged with Orthex Sweden AB.

Climate related issues

Climate commitments are part of Orthex's sustainability strategy. Orthex constantly strives to minimize its impact on the environment and climate. The products we manufacture are of high quality and made to last for years or even decades. Even after a product has worn out, it can be recycled, and the material reused for another purpose. The progress in the sustainability work is part of the CEO's and the Management Team's incentive plan (more information in note 5, in the Remuneration report 2023, and on the corporate website).

Climate change brings both business risks and opportunities to Orthex. Unfavourable changes in environmental laws or other related legislation, as well as factors related to product safety and employee health and safety may cause financial losses.

In the consolidated financial statements, climate-related matters may affect, for example, goodwill, as profitability, growth and the discount rate are defined as the key variables for impairment testing. The Group has assessed

and identified climate-related risks in connection with the strategy-based profitability figures together with other variables affecting the business (more information in note 8).

The Group has an external loan of EUR 25.5 million and the terms and conditions of the financial loan have sustainability-related measures related to energy consumption and waste percentage in production (more information in note 11).

Orthex's strategy together with the adaptability and resilience related to climate change also creates opportunities by promoting the transition to a low-carbon economy. The Group's strategy has been influenced by the opportunities related to renewable and recycled products. The global climate targets and increase in related regulations may increase sales of Orthex's environmentally-friendly products.

More information on climate-related matters is presented in the sustainability section of the Group's annual and sustainability report.

2. Net sales

Segment information

Orthex Group is a Nordic producer of household products that make everyday life easier for the consumer. Orthex Group has customers in more than 40 countries and on four continents. It has three factories of its own and annually launches new products with different functionalities.

The profitability of the Group is followed by the chief operative decision maker that is the CFO supported by the Group Management Team on the aggregated level of the Group for which financial information is available. The reports followed by the management are consistent with Orthex's consolidated IFRS figures. Due to the management structure and how the business is operated and managed, the Group as a whole is determined to be one operating segment that is also the reportable segment.

Accounting policy

Orthex applies the IFRS 15 Revenue from Contracts with Customers standard. The principle is that sales are recognised at an amount that reflects the consideration, which Orthex expects to receive in exchange for transferring goods or services to a customer. Sales are recognised when the control of goods or services is transferred to a customer. Control is transferred at one point in time.

Sale of household products

Orthex's revenue mainly consists of selling of household products to major retailers that sell Orthex's products to consumers. Each product sold by Orthex as part of an order is a distinct performance obligation and the products have similar terms of sale. Orthex does not provide any services relating to the products sold.

Revenue from the sales of household products is recognised at a point in time based on the delivery terms when the control of the products is transferred to the customer (i.e. when the performance obligation is satisfied). The revenue recognised reflects the consideration to which Orthex expects to be entitled to. Net sales is adjusted for exchange rate differences of foreign-currency denominated sales and volume rebates provided for the customers. The normal payment terms are 15 to 60 days upon delivery. Products sold are non-refundable.

No single customer's share of the net sales was at least 10% of the Group's net sales in 2023 and 2022.

Variable consideration

Variable consideration consists of volume rebates and cash discounts.

The sales prices are based on price lists but Orthex provides retrospective volume rebates for certain retailers that are based on growth in sales volumes. Volume rebates are calculated based on expected annual purchase volumes from the customer. The amount of volume rebates is estimated at the beginning of the year and adjusted at each reporting date. Orthex estimates the amount of variable payments using the expected value method. Orthex applies the requirements on constraining estimates of variable consideration in order to determine the amount recognised as revenue.

Contract balances

Orthex records a trade receivable when Orthex's right to payment is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Relating to trade receivables, refer to Notes 11 and 14.

The contracts with retailers do not include a right to return for any unsold products and therefore, no refund liabilities are recorded.

Accounting estimates and judgements

Orthex has applied management judgement relating to timing of revenue recognition and estimating the amount of variable consideration. The timing of the revenue recognition is based on the delivery terms of the products to the customer. For certain delivery terms Orthex is required to make assumptions of the timing when control of the goods is transferred to the customer. In addition, the amount of volume rebates included as an adjustment to net sales requires estimation before the uncertainty relating to the amount to be recognised is resolved.

The disaggregation of revenue by geography in the table below is based on the locations of the customers.

Net sales by geography

EUR thousand	2023	2022
Nordics	67,146	67,088
Rest of Europe	18,031	15,535
Rest of the world	768	1,425
Total	85,945	84,048

Net sales by product category

EUR thousand	2023	2022
Storage	58,630	54,016
Kitchen	18,136	19,392
Plant Care	4,678	5,476
Home & Yard	4,501	5,214
Total	85,945	84,048

3. Other operating income

EUR thousand	2023	2022
Electric support	741	-
Government grants	61	143
Net gain on disposal of property, plant and equipment	-	28
Other	9	35
Total	811	206

Accounting treatment of government grants

Electric support consists of Swedish state electricity support for the period 1 October 2021–30 September 2022. Government grants consist mainly of state subsidies due to sick leave. Government grants received are not subject to repayment terms.

4. Operating expenses

Operating expenses by nature

EUR thousand	2023	2022
Materials and supplies	46,501	52,347
Change in inventory	2,196	-1,637
External services	2,403	1,846
Marketing	1,940	1,159
Employee benefits	17,921	18,300
Depreciation, amortisation and impairment	4,142	3,964
Other expenses	904	3,085
Total	76,006	79,064

Depreciation, amortisation and impairment by asset class

EUR thousand	2023	2022
Buildings	180	177
Machinery and equipment	2,396	2,258
Right-of-use assets	1,453	1,403
Other intangible assets	113	126
Total	4,142	3,964

Fees paid to companies' auditors

EUR thousand	2023	2022
Audit fees	208	174
Non-audit services	12	35
Total	220	210

The appointed auditor for 2023 and 2022 was Ernst & Young Oy

5. Employee benefits

Personnel expenses

EUR thousand	2023	2022
Included in cost of sales:		
Wages and salaries	7,725	8,161
Social security costs	1,655	1,790
Pension costs	921	1,006
Included in selling and marketing expenses:		
Wages and salaries	4,501	3,841
Social security costs	607	635
Pension costs	322	421
Included in cost of administrative expenses:		
Wages and salaries	1,641	1,447
Social security costs	366	366
Pension costs	182	632
Total	17,921	18,300

Personnel (FTE) in average

Headcount by function	2023	2022
Production	143	157
Warehouse	56	60
Sales	52	49
Administration	19	17
Marketing	10	11
Total	281	295

Management and Board remuneration

The top management comprises the Management Team. The remuneration paid based on the work performed consists of the following. The amounts disclosed in the table are the amounts paid during the reporting period related to key management personnel.

Remuneration of key management personnel of the Group, excluding the CEO

EUR thousand	2023	2022
Salaries and rewards	1,131	1,067
Pension costs	217	165
Severance pay	-	90
Total	1,348	1,322

Current termination provisions in the Management Team members' contracts have a period of notice of 4 months. A member of the Management Team is entitled to a severance pay equivalent to 4 months' salary due to the termination of the management contract. The Group has no other long-term benefits related to key management personnel.

Remuneration of the CEO

EUR thousand	2023	2022
Salaries and rewards	371	445
Pension costs	66	82
Total	437	527

Current termination provisions in the CEO's executive contract have a period of notice of 6 months and the CEO is entitled to compensation for termination of the executive contract corresponding to 6 months' salary.

Remuneration of the members of the Board of Directors

EUR thousand	2023	2022
Sanna Suvanto-Harsaae	48	48
Jens-Peter Poulsen	24	24
Markus Hellstrom ¹⁾	24	18
Jyrki Maki-Kala ²⁾	24	18
Anette Rosengren ³⁾	16	-
Satu Huber ⁴⁾	8	24
Ari Jokelainen ⁴⁾	-	6
Juuso Kivinen ⁴⁾	-	6
Total	144	126

¹⁾ Member of the Board as of 6 April 2022

²⁾ Member of the Board as of 18 April 2023

³⁾ Member of the Board until 18 April 2023

⁴⁾ Member of the Board until 6 April 2022

The non-executive directors do not receive pension entitlements from the Group.

Pension liabilities

Orthex Group provides pension benefits in accordance with local statutory regulation. The current plans mainly consist of defined contribution based plans. The contributions payable under defined contribution based plans are recognised as expenses in the income statement for the period to which the payments relate. In defined contribution based plans, Orthex does not have a legal or constructive obligation to pay further contributions, in case the payment recipient is unable to pay the retirement benefits.

In Sweden, Orthex Group has a pension plan classified as a defined benefit based plan. For this plan, Orthex may incur obligations after the payment of the contribution. Pension liabilities represent the present value of future cash flows from the benefits payable and the liability recognised on the balance sheet are pension liabilities at the closing. The present value of pension liabilities has been calculated using the projected unit credit method (PUC). Pension liabilities are recognised based on external actuarial calculations as of 31 Dec 2023 and 31 Dec 2022.

The cost of providing pensions is charged to the income statement as to spread the service cost over the service lives of employees. The net interest is presented in financial items and the rest of the income statement effect as pension cost. The discount rate assumed in calculating the present value of pension liabilities is the market yield of high-quality corporate bonds. Their maturity substantially corresponds to the maturity of the pension liability. Actuarial gains and losses are recognised in comprehensive income in the income statement. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss related to a curtailment is recognised immediately in profit or loss.

Critical accounting estimates and judgements, assumptions used to determine future pension obligations

The present value of the pension liabilities is based on actuarial calculations that use several assumptions. Any changes in these assumptions will impact the carrying amount of pension liabilities.

Pension liabilities

EUR thousand	31 Dec 2023	31 Dec 2022
Pension liabilities	3,613	3,179
Total	3,613	3,179

Net pension liabilities recognised in the income statement

EUR thousand	2023	2022
Current service cost	-39	-93
Interest cost on benefit obligation	-119	-87
Pension payments	120	115
Total	-39	-66

Movements in the obligation

EUR thousand	2023	2022
Obligation at 1 Jan	3,179	4,742
Amounts recognised in profit and loss		
Service cost, benefits earned during the year	39	93
Interest expense (+) / income (-)	119	87
Pension payments	-120	-115
Amounts recognised in other comprehensive income		
Translation differences	7	-321
Actuarial losses (+) / gains (-)	389	-1,308
Obligation at 31 Dec	3,613	3,179

Principal actuarial assumptions

%	31 Dec 2023	31 Dec 2022
Discount rate	3.3%	3.7%
Salary increase	2.6%	3.0%
Income base amount	2.6%	3.0%
Inflation	1.6%	2.0%

Key assumptions and sensitivity analyses

The cost of the defined benefit pension plan and the present value of pension liabilities are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, pension liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. Changes in the general level of interest rates and the market yield of high-quality bonds have an impact on the present value of pension liabilities. When the level of interest rates decreases, the present value of pension liabilities increases. The discount rate is set by referencing the yield on mortgage bonds and the duration of pension liabilities which is 16 years.

The mortality assumptions are based on publicly available mortality tables for Sweden. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

The sensitivity of pension liabilities to changes in the principal assumptions

Actuarial assumptions	Change in assumption	Impact on pension liabilities increase	Impact on pension liabilities decrease
2023			
Discount rate (%)	+/- 0.5%	323	452
Salary increase (%)	+/- 0.5%	-138	123
Inflation (%)	+/- 0.5%	-221	209
2022			
Discount rate (%)	+/- 0.5%	-291	335
Salary increase (%)	+/- 0.5%	-113	133
Inflation (%)	+/- 0.5%	-218	238

The sensitivity analyses above have been determined based on a method that extrapolates the impact on pension liabilities as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in pension liabilities as it is unlikely that changes in assumptions would occur in isolation of one another.

The Group expects to contribute EUR 181 thousand to its defined benefit pension plans in 2024.

6. Financial income and expenses

EUR thousand	2023	2022
Gains from changes in the fair value of derivative instruments	-	93
Total financial income	-	93
Interest on debts and borrowings	-1,404	559
Interest expense on lease liabilities	-522	516
Losses from changes in the fair value of derivative instruments	-22	-27
Exchange rate differences related to financial items	36	-515
Other financial expenses	-418	543
Total financial expenses	-2,231	-2,274
Total financial income and expenses	-2,231	-2,182

In 2022, Orthex signed a new EUR 325 million financing agreement, which includes a EUR 255 million loan for a period of 3+1+1 years and a EUR 70 million standby credit line, which partially increased the other financial items during 2022.

7. Income taxes

Current income tax

Orthex's income tax expense consists of current and deferred taxes. The current tax expense is calculated using the tax rates that are enacted or substantively enacted at the reporting date in the countries where Orthex operates. The current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

The major components of income tax expense for the years ended 31 Dec 2023 and 31 Dec 2022 are:

Consolidated income statement

EUR thousand	2023	2022
Current income tax charge	-1,442	-704
Taxes from previous years	-18	-12
Change in deferred taxes	-168	-173
Total	-1,628	-888

Consolidated statement of other comprehensive income

EUR thousand	2023	2022
Deferred taxes related to items recognised in OCI during the year:		
Remeasurement of net loss/(gain) on actuarial gains and losses	77	-258
Total	77	-258

Reconciliation of tax expense and the accounting profit multiplied by Finland's domestic tax rate for 2023 and 2022

EUR thousand	2023	2022
Profit before taxes	8,520	3,009
Tax calculated at nominal Finnish tax rate of 20% (2022: 20%)	-1,704	-602
Tax rates in foreign jurisdictions	-68	-48
Taxes from previous years	-18	-12
Non-deductible expenses	-39	-110
Non-deductible expenses from previous years	27	91
Unrecognized tax losses (-) / Utilization tax losses (+)	173	-186
Other	-	-21
At the effective income tax rate of 19.1% (2022: 28.5%)	-1,628	-888
Income tax expense reported in the consolidated income statement	-1,628	-888

Deferred taxes

Deferred tax assets and deferred tax liabilities are differences between the tax bases of assets and liabilities and their carrying amounts. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Orthex records a deferred tax liability for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and any unused tax losses carried forward to the extent that it is deemed probable that they can be utilised against future taxable profit. Deferred tax assets are reviewed at each reporting date. In case it is no longer probable that sufficient taxable profit will be available for the deferred tax asset to be utilised, the carrying amount of deferred tax asset is reduced.

Deferred tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in equity.

Orthex offsets deferred tax assets and deferred liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Orthex has offset deferred taxes related to IFRS 16 fixed assets and lease liabilities.

Accounting estimates and judgements

Management judgement is applied in determining the deferred tax assets as Orthex is required to make estimations about future taxable profit, the recoverability of the tax losses carried forward and potential changes to tax laws in the countries where Orthex operates

At Dec 2023, Orthex has no tax losses carried forward or deferred tax assets relating to taxable losses. A deferred tax asset amounting to EUR 272 thousand (2022: EUR 779 thousand) is recorded relating to interest expenses carried forward

In addition to the above, the most significant temporary differences arise from leases, timing difference of depreciations in the financial statements and taxation, defined benefit pension plans and transaction costs on external loans

Deferred taxes related to IFRS 16 right-of-use assets and leasing liabilities are netted in the consolidated balance sheet, but in the breakdown of changes in deferred taxes below, they are presented gross

Deferred taxes 2023

EUR thousand	Balance at 1 Jan 2023	Charged to income statement	Charged to OCI	Balance at 31 Dec 2023
Deferred tax assets				
Interest expenses carried forward	219	-7		212
Pension liabilities	186	-51	19	214
Leases	1,559	23		1,582
Financial instruments	0	6		6
Other	139	-114	-3	21
Netting of deferred tax assets and liabilities	-1,402	2		-1,400
Total	760	-140	75	695

EUR thousand	Balance at 1 Jan 2023	Charged to income statement	Charged to OCI	Balance at 31 Dec 2023
Deferred tax liabilities				
Tangible and intangible assets	143	31		174
Rights of use assets	1,402	-2		1,400
Financial instruments	26	-4		22
Netting of deferred tax assets and liabilities	-1,402	2		-1,400
Total	769	27	-	796

Deferred taxes 2022

EUR thousand	Balance at 1 Jan 2022	Charged to income statement	Charged to OCI	Balance at 31 Dec 2022
Deferred tax assets				
Interest expenses carried forward	370	-91		279
Pension liabilities	523	-79	-258	186
Leases	1,762	-203		1,559
Other	114	24		139
Netting of deferred tax assets and liabilities	-1,606	204		-1,402
Total	1,163	-145	-258	760

EUR thousand	Balance at 1 Jan 2022	Charged to income statement	Charged to OCI	Balance at 31 Dec 2022
Deferred tax liabilities				
Tangible and intangible assets	683	61		743
Rights of use assets	1,606	-204		1,402
Financial instruments	59	-33		26
Netting of deferred tax assets and liabilities	-1,606	204		-1,402
Total	742	27		769

8. Intangible assets

Orthex's intangible assets with finite useful lives includes software. Initially, intangible assets are measured at cost. After the initial recognition, intangible assets are recorded at cost less any accumulated amortisation and accumulated impairment losses.

Orthex's intangible assets with finite useful lives are amortised on a straight-line basis over their expected useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite useful lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

The expected useful lives and residual values are evaluated at least at the end of each reporting period.

The expected useful lives for the asset classes are as follows:

Software 3-10 years

In case any intangible assets are derecognised upon disposal, any gain or loss resulting from the derecognition of the asset is included in the statement of profit or loss.

Research and development costs

Research costs are expensed as they incur. Development costs are capitalised when the criteria in IAS 38 is met. Orthex has not capitalised any development costs since the capitalisation criteria has not been met.

Orthex's intangible assets with an indefinite useful life consist of goodwill. The accounting policies for impairment of goodwill have been described below.

Reconciliation of beginning and ending balances by classes of intangible assets

EUR thousand	Goodwill	Other intangible assets	Total
Acquisition cost			
Balance at 1 Jan 2022	23,680	1,189	24,870
Additions		30	30
Disposals		-32	-32
Transfers		30	30
Translation differences	-1,428	-	-1,428
Balance at 31 Dec 2022	22,252	1,218	23,471
Translation differences	39		39
Balance at 31 Dec 2023	22,292	1,218	23,510
Accumulated amortisation and impairment			
Balance at 1 Jan 2022	-	969	969
Amortisation and impairment		126	126
Translation differences		-2	-2
Balance at 31 Dec 2022	-	1,093	1,093
Amortisation and impairment		113	113
Balance at 31 Dec 2023	-	1,207	1,207
Carrying amount 1 Jan 2022	23,680	221	23,901
Carrying amount 31 Dec 2022	22,252	125	22,377
Carrying amount 31 Dec 2023	22,292	12	22,303

Goodwill

Goodwill is not amortised but it is tested for impairment annually and whenever there is an indication of impairment. Goodwill is measured at initial cost less any accumulated impairment losses. The majority of the goodwill at the time of transition in the Group's balance sheet arose in connection with the formation of the Group in 2015.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the goodwill may be impaired. The carrying amount of a cash-generating unit that includes goodwill is compared to the recoverable amount, which is the higher of value in use and fair value less costs to sell.

For impairment testing purposes, goodwill is allocated to two cash-generating units, Finland and Nordics. The recoverable amount is the higher of CGU's fair value less costs of disposal and its value in use. The recoverable amount is compared with its carrying amount to determine potential impairment. In case the carrying value of goodwill exceeds the recoverable amount, an impairment is recognised in the income statement.

Previously recognised impairment losses on goodwill are not reversed in future periods.

The value in use calculation is based on a DCF model. The recoverable amounts of CGUs are based on value in use calculations, where the estimated future cash flows of CGUs are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The cash flows are determined using a 5-year cash flow forecasts, which are based on Orthex's business plan that is based on Orthex's past experience as well as future expected market trends. The projected cash flows have been updated to reflect the budgeted demand for products.

Impairment losses are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

Orthex has performed its annual impairment test for 31 Dec 2023 and 31 Dec 2022. Based on the impairment calculations made, there was no indication of impairment of goodwill for the above mentioned periods.

Carrying amount of goodwill

EUR thousand	31 Dec 2023	31 Dec 2022
Finland	5,462	5,462
Nordics	16,829	16,790
Total	22,292	22,252

Accounting estimates and judgements

The key assumptions used for the value in use calculations are profitability growth rate, discount rate (pre-tax WACC) and long-term growth rate

Key parameters used in impairment calculations

%	December 2023		December 2022	
	Ireland	Nordest	Ireland	Nordest
Profitability growth rate	15.3	12.0	9.7	3/8
Discount rate (pre-tax)	14.2	13.5	13.6	12.3
Long-term growth rate	1.0	1.0	1.0	1.0

Profitability growth rate - The assumptions relating to profitability growth rate (average EBITDA growth over the 5 years forecast period) are based on organic growth under normal market situation, general development in household product market and long-term estimates made by the Group management

Discount rate - Orthex uses the pre-tax WACC as a discount factor in the calculations. The discount rate reflects the total cost of equity and debt while taking into consideration the specific risks related to the assets.

Long-term growth rate - The cash flows beyond the five-year period are estimated by extrapolating the cash flow estimates using a growth factor which is in line with the target inflation of the European Central Bank

Sensitivity analyses

The Group has assessed the sensitivity of the impairment testing to the effect of the most critical assumptions used in the calculation. The Group has tested the sensitivity of the calculation with respect to the discount rate, profitability growth rate and long-term growth rate that are determined as the key variables used in impairment testing

When assessing the recoverable amounts of cash generating units, management believes that no reasonably possible change in any of the key variables used would lead to a situation where the recoverable amount of the units would fall below their carrying amount.

9. Property, plant and equipment

Property, plant and equipment are recorded at historical cost less accumulated depreciations and impairment losses, if applicable. Subsequent improvement costs are included in the carrying amount of the asset or recognised as a separate asset only when the future economic benefits associated with the cost are probable and the cost can be measured reliably. Maintenance and repair costs are expensed as incurred.

Depreciation is calculated on a straight line basis over the expected useful lives of the assets. Land and water areas are not depreciated due to indefinite useful lives. The estimated useful lives of the tangible assets are as follows:

- Buildings 25-40 years
- Machinery and equipment 5-15 years
- Production moulds 5-15 years
- Other tangible assets 3-5 years

Expected useful lives are reviewed at each financial year end and in case there is a significant difference to the previous estimates, the useful lives are adjusted accordingly. Orthex has not recorded any impairment losses relating to property, plant and equipment.

Any gain or loss arising in derecognition of an asset is included in the statement of profit or loss when the asset is derecognised.

Reconciliation of beginning and ending balances by classes of assets

in thousand	Land and water areas	Buildings	Machinery and equipment	Construction in progress	Other intangible assets	Total
Acquisition cost						
Balance at 1 Jan 2022	86	6,301	58,507	1,996	47	66,938
Additions		74	3,874	1,467		5,414
Disposals			-284			-284
Transfers			1,804	-1,835		-30
Translation differences		-101	-2,841	-117		-3,059
Balance at 31 Dec 2022	86	6,273	61,061	1,511	47	68,979
Additions		9	2,772	1,076		3,857
Transfers			-	-864		-864
Translation differences		-	-25	2		-23
Balance at 31 Dec 2023	86	6,283	63,808	1,725	47	71,949
Accumulated depreciation and impairment						
Balance at 1 Jan 2022		4,923	48,841	-	43	53,807
Depreciation and impairment		177	2,258	-		2,435
Disposals			1,850	-		1,850
Translation differences		-79	-2,581	-		-2,660
Balance at 31 Dec 2022		5,020	50,369	-	43	55,432
Depreciation and impairment		180	2,396	-		2,575
Balance at 31 Dec 2023		5,200	52,764	-	43	58,007
Carrying amount 1.1.2022	86	1,378	9,666	1,996	4	13,131
Carrying amount 31.12.2022	86	1,253	10,692	1,511	4	13,547
Carrying amount 31.12.2023	86	1,083	11,043	1,725	4	13,942