

Financial Statements Release January-December 2023

16 February 2024

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Agenda

- Q4 2023 highlights
- Operating environment
- Financial review
- Strategic investment in ERP and warehouse management
- Q&A

FY 23

Net sales
in constant currency

1.6 (1.5) +2%

EUR billion

Adjusted EBIT excl. Dose Sweden

19.5 (11.9) +64%

EUR million

Adjusted EBIT

16.7 (19.7) -15%

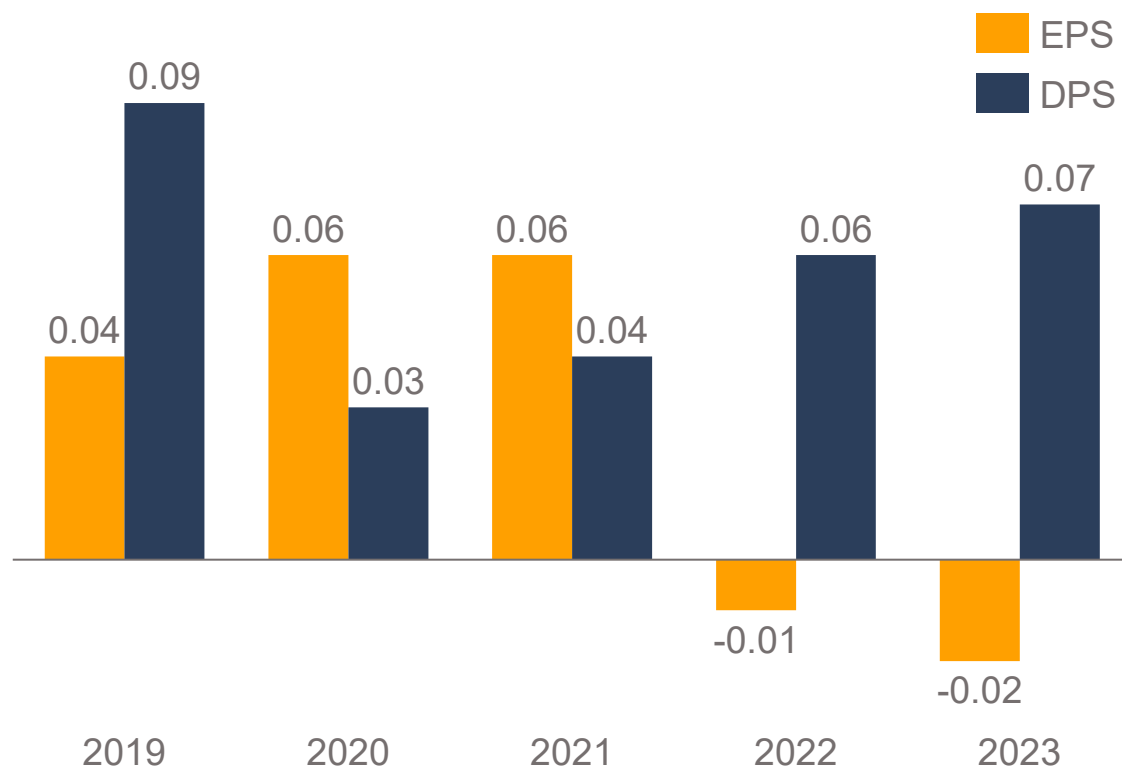
EUR million

Strong growth in profitability, excluding Swedish dose dispensing business

- Strong progress in the distribution business throughout the year, growth 7.3% on constant currency basis
- Net sales grew by 2% to EUR 1.6 billion on constant currency basis
- Adjusted EBIT was EUR 19.5 (11.9) million, excl. Dose Sweden
- Reported adjusted EBIT was EUR 16.7 (19.7) million
- Operating expenses were below last year's level and improved efficiency contributed positively on the result
- Kronans Apotek – set to improve profitability and strengthen business

Board's dividend proposal

Dividend payout EUR per share



The Board of Directors proposes to the AGM that a dividend of **EUR 0.07 per share** be paid for 2023.

Record date: 21 March

Payment date: 11 April

DIVIDEND POLICY

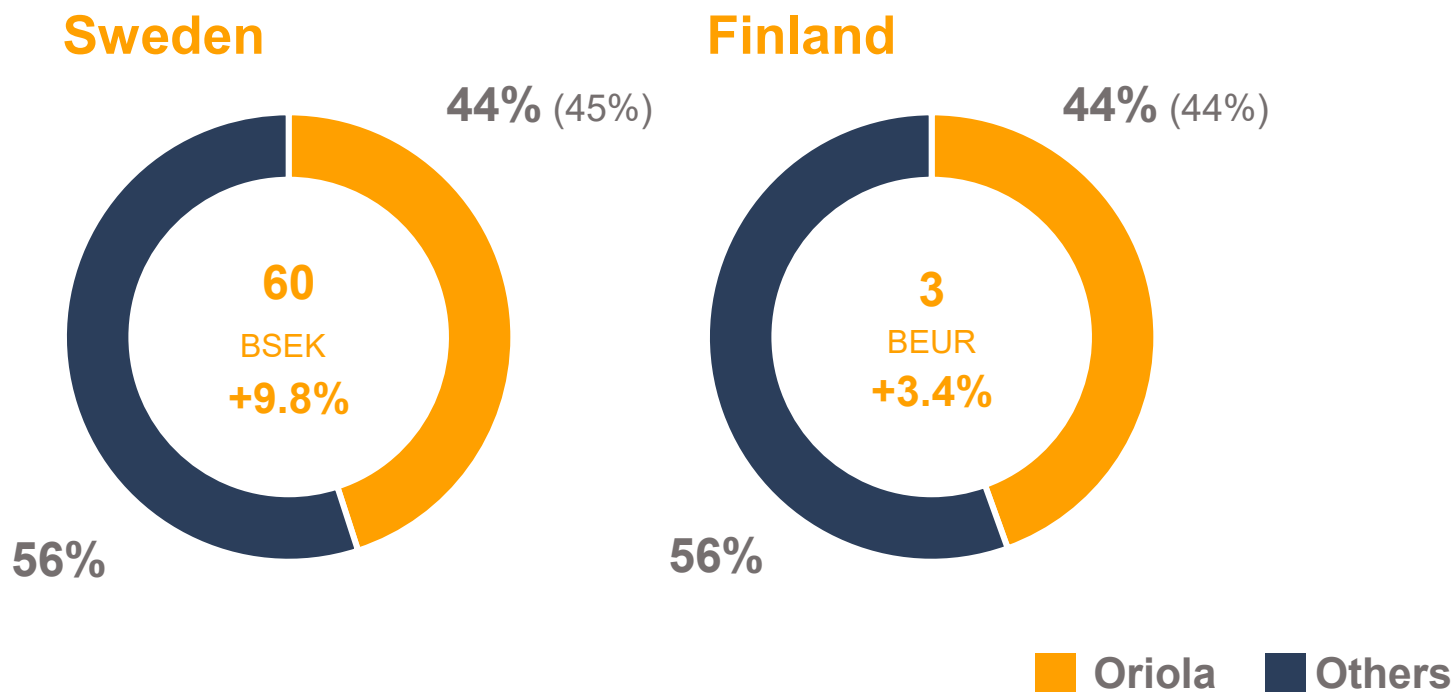
Oriola aims to pay out an increasing annual dividend of 2/3 of net profit.

Operating environment

- Market value continued a steady growth in both countries.
- In the fourth quarter, volumes in the pharmaceutical distribution market in Sweden grew while volumes in Finland declined.
- Solid underlying long-term market drivers such as ageing population, wellbeing and health remain unchanged.
- The challenges in the availability of some pharmaceuticals have remained tight across Europe.
- Energy and fuel prices have stabilised.

Pharmaceutical distribution markets grew in value in 2023

Pharmaceutical wholesale – market share



Dose dispensing – market share



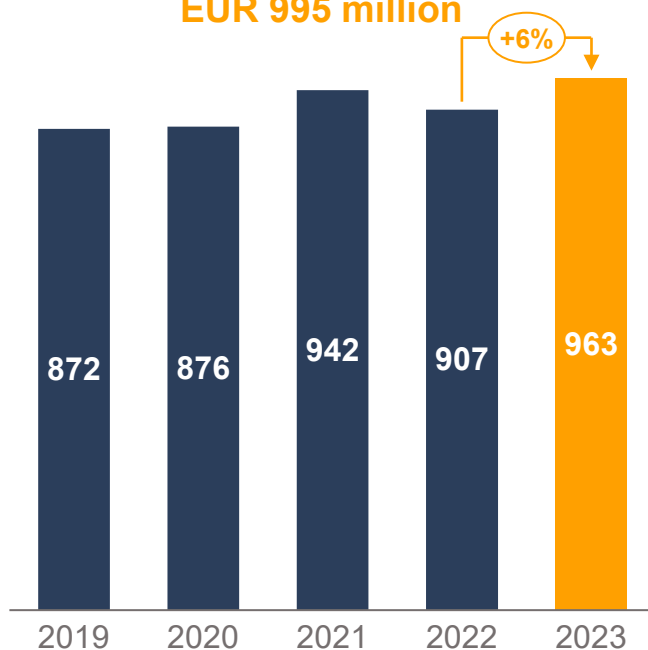
Market shares are year-to-date and market size rolling 12 months. Dose dispensing market share is year-to-date and market size at the end of reporting period.
Sources: IQVIA, Pharmaca Health Intelligence and Oriola estimates

Financial review

Q4: Strong end to the year

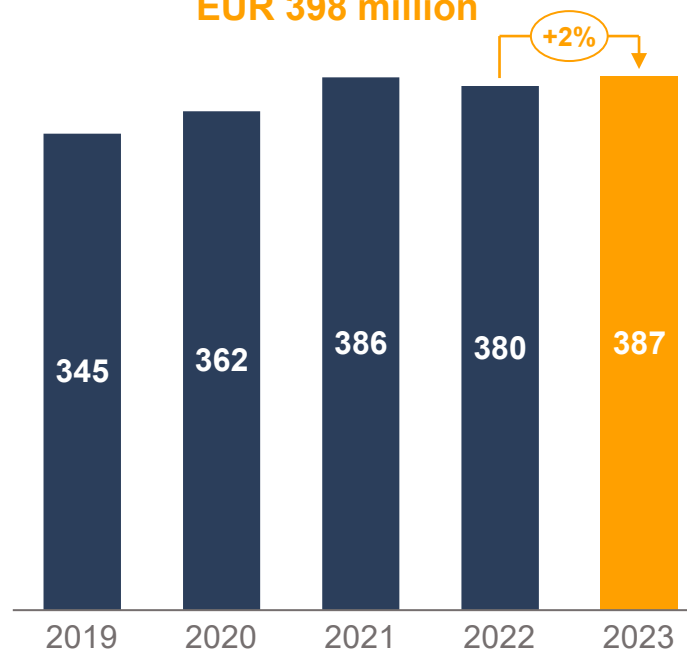
Invoicing Q4 EUR million

In constant currency:
+10%
EUR 995 million



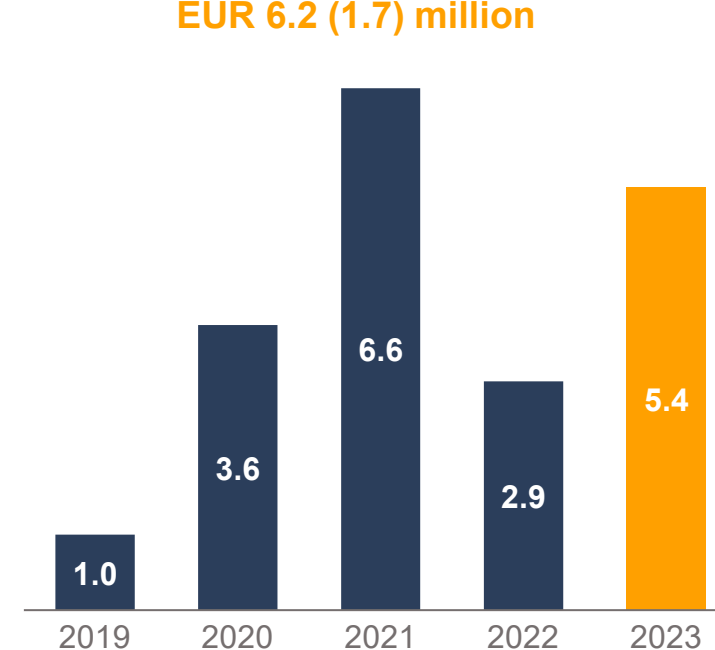
Net sales Q4 EUR million

In constant currency:
+5%
EUR 398 million



Adjusted EBIT Q4 EUR million

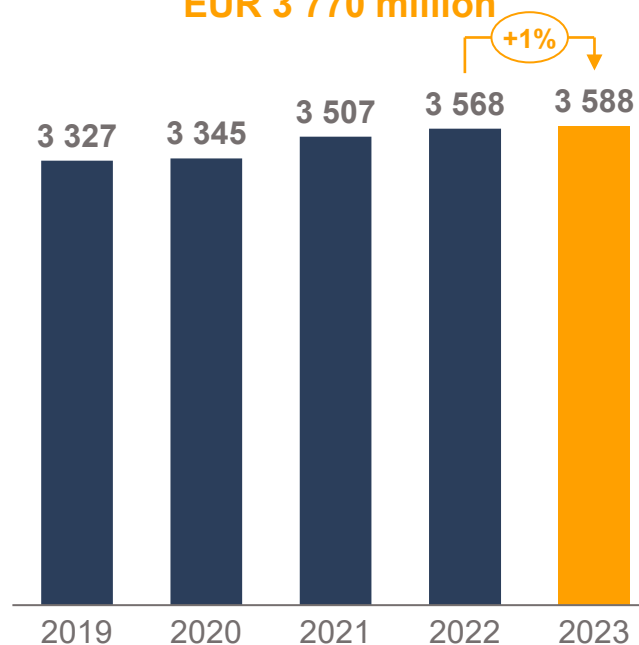
Adj EBIT excl Dose Sweden
+266%
EUR 6.2 (1.7) million



FY23: Solid performance throughout the year

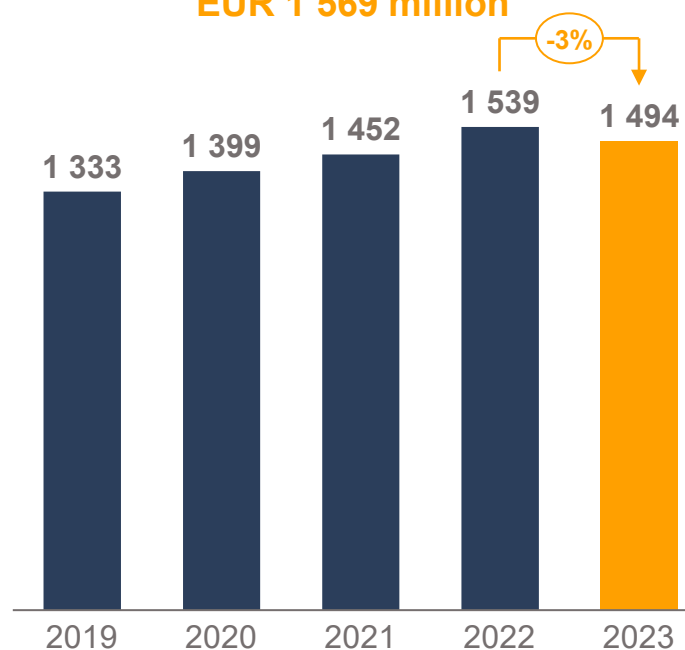
Invoicing FY23 EUR million

In constant currency:
+6%
EUR 3 770 million



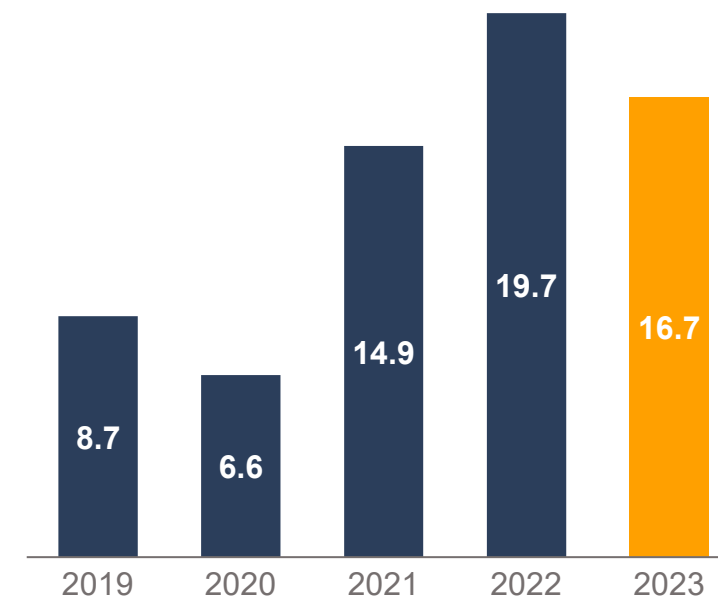
Net sales FY23 EUR million

In constant currency:
+2%
EUR 1 569 million



Adjusted EBIT FY23 EUR million

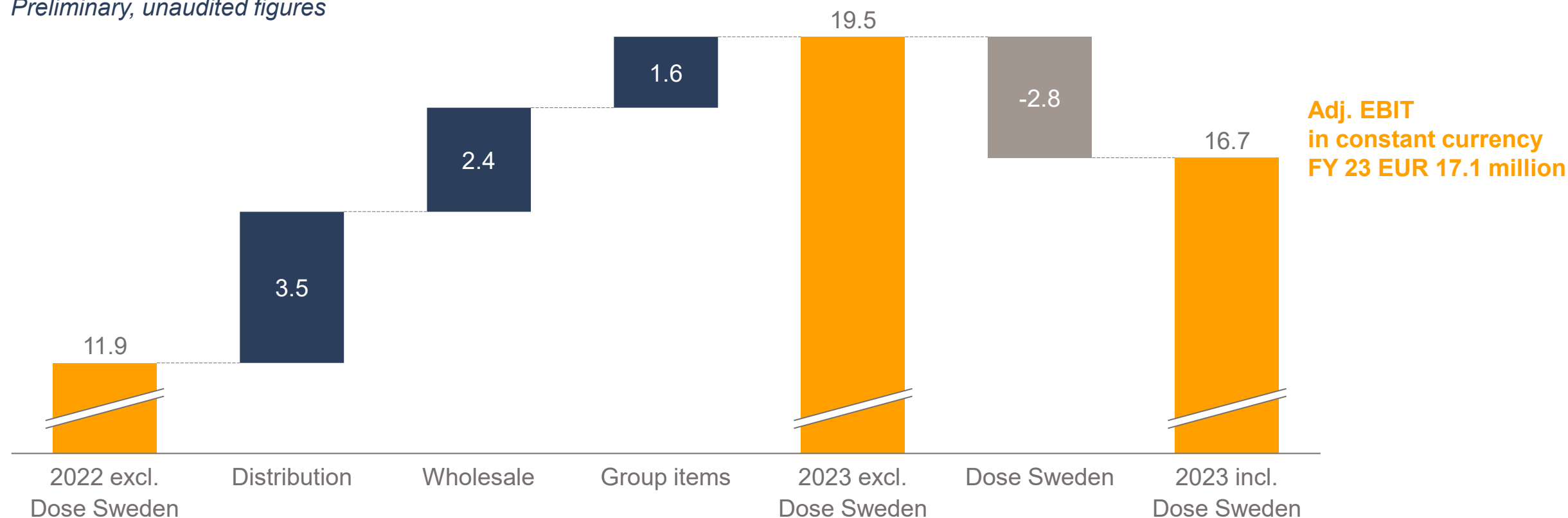
Adj EBIT excl Dose Sweden
+64%
EUR 19.5 (11.9) million



2023: Strong performance by Distribution

Adjusted EBIT FY23 EUR million

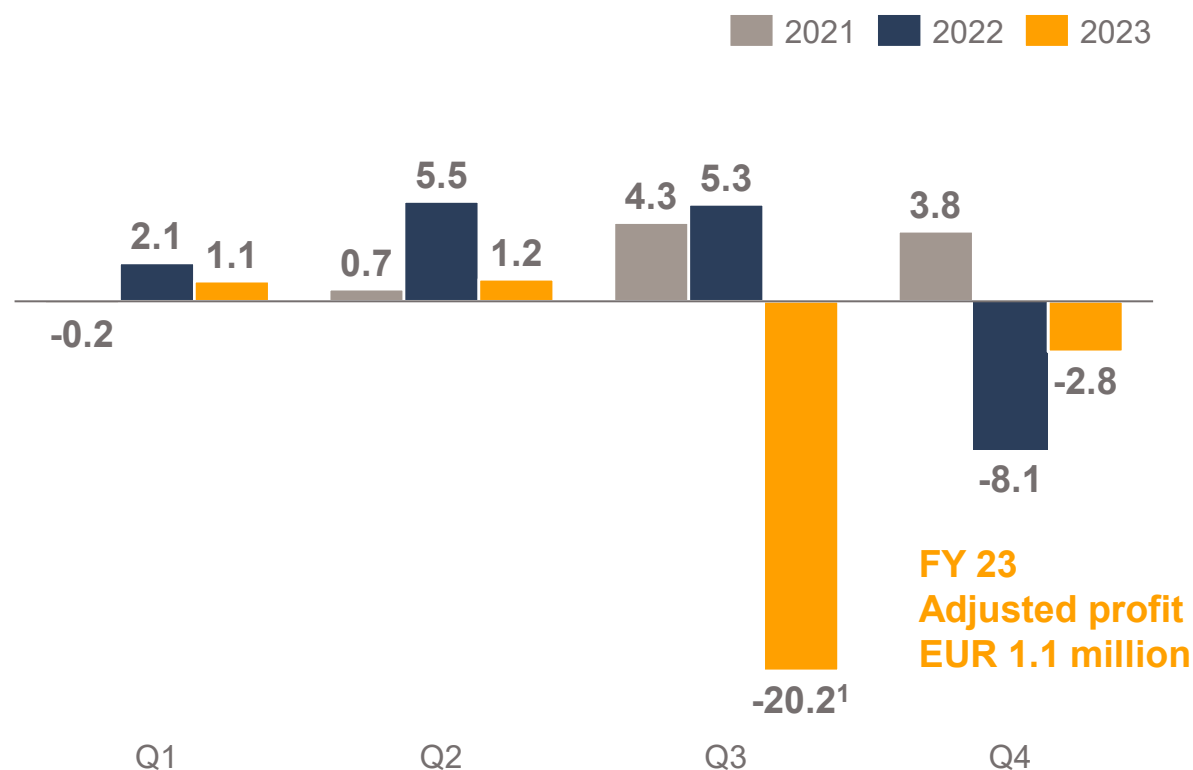
Preliminary, unaudited figures



Profit and EPS increased

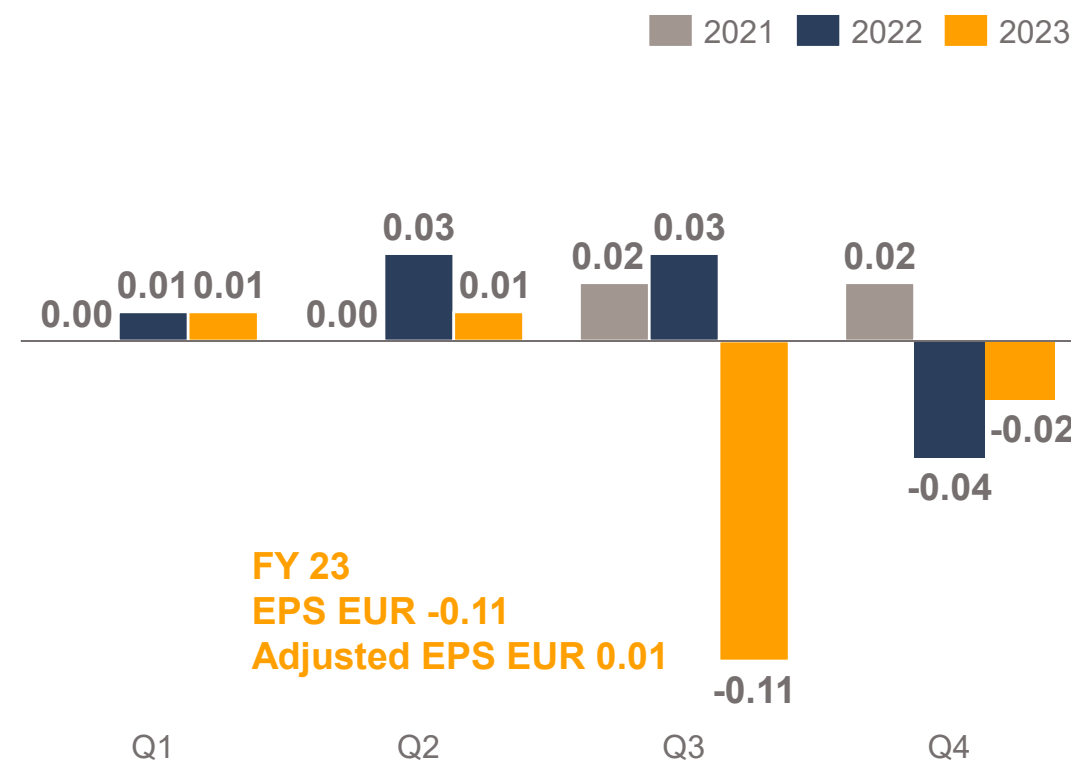
Profit for the period

EUR million



Earnings per share

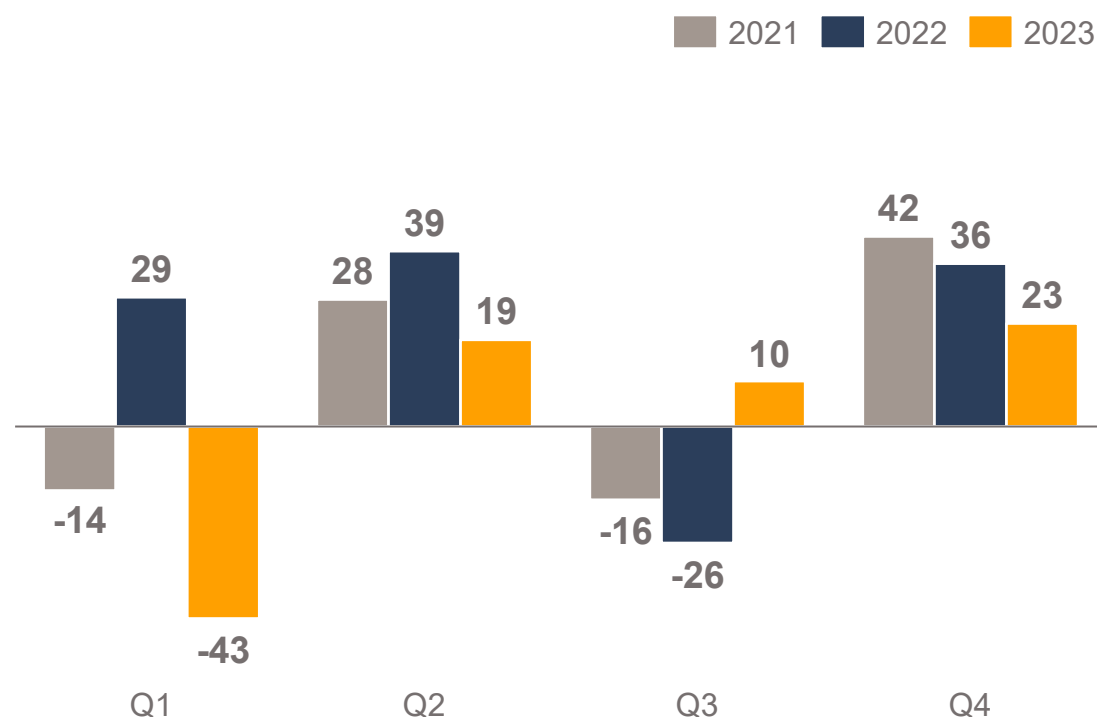
EUR



¹Q3 2023 includes impairment loss on goodwill in Dose dispensing cash generating unit

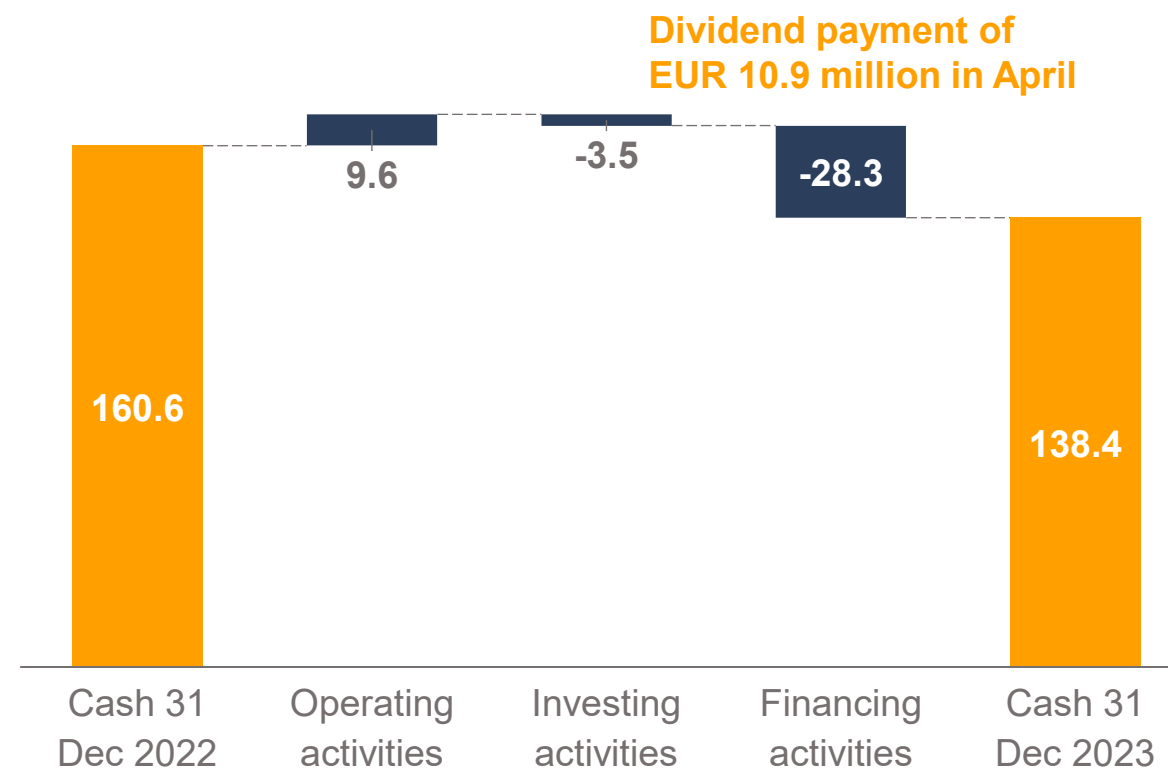
Positive cash flow in Q4

Quarterly net cash flow from operating activities¹ EUR million



¹2021 includes discontinued operations.

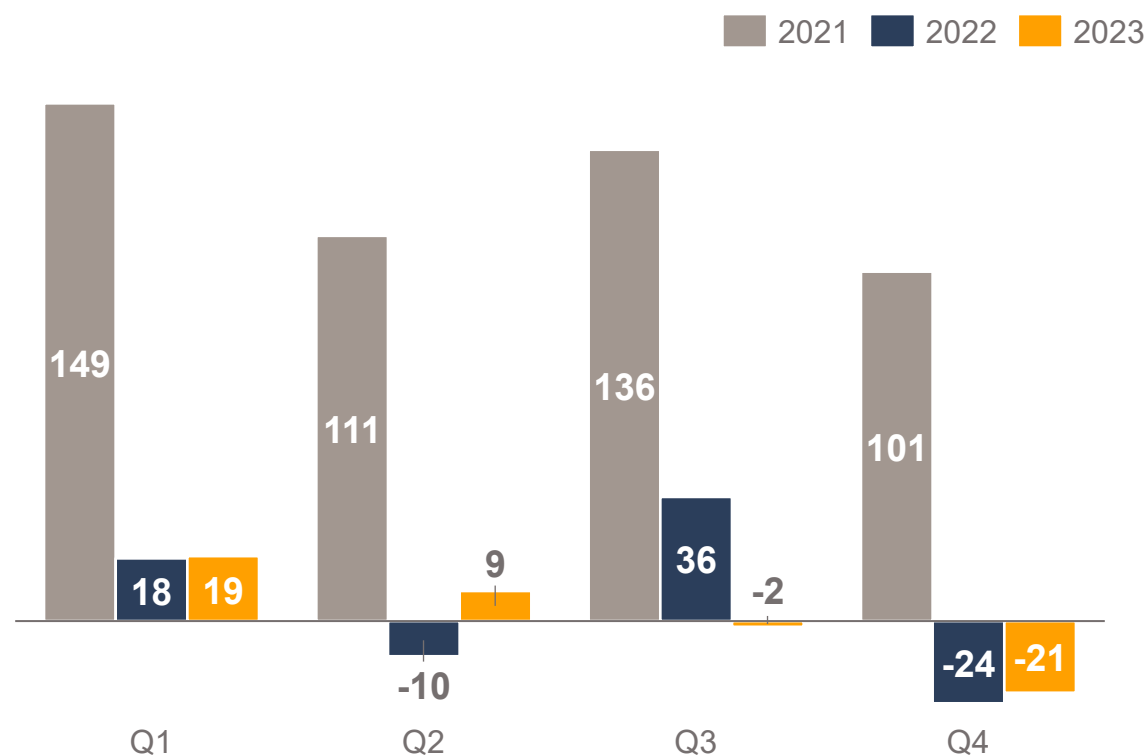
2023 change in cash EUR million



Net debt on a low level

Net interest-bearing debt¹

EUR million



¹2021 includes discontinued operations

Net interest-bearing debt items

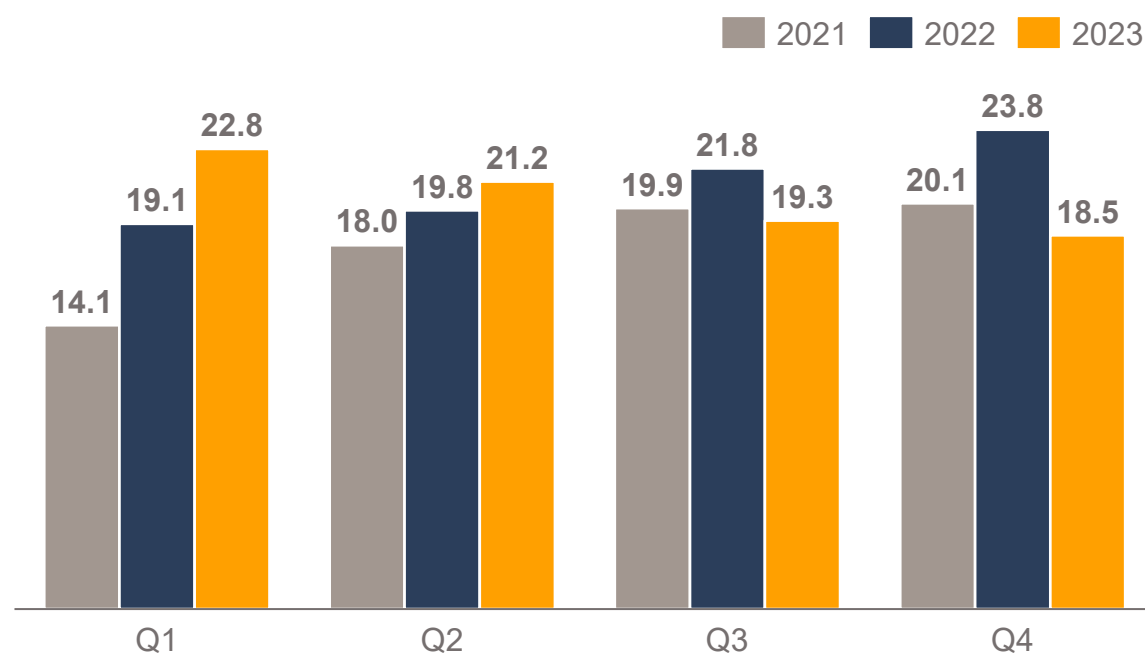
EUR million

Net interest-bearing debt item	31 Dec 2023	31 Dec 2022
Bank loans (syndicated Bank & term)	59.1	61.1
Commercial papers	39.3	49.8
Advance payment from pharmacies	10.4	11.8
Lease liabilities	8.9	14.3
Cash and cash equivalents	138.4	160.6
Net interest-bearing debt	-20.6	-23.7
Sold trade receivables	97.1	100.8
Gearing % ²	-12.1	-10.5

²Excluding the impact of IFRS 16 gearing would have been -17.2% (-17.6%)

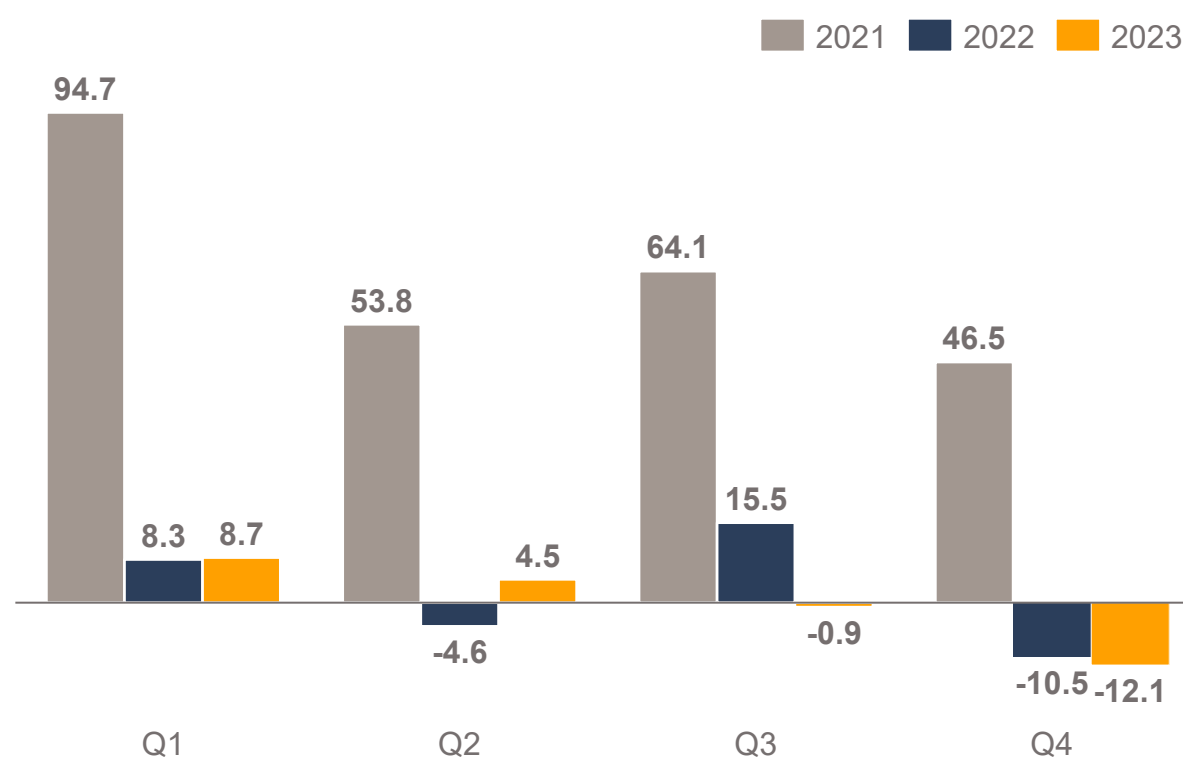
Financial position remained strong

Equity ratio¹ %



¹2021 includes discontinued operations

Gearing^{1,2} %



²2021 includes discontinued operations

²Excluding the impact of IFRS 16 gearing would have been -17.2% (-17.6%)



Kronans Apotek (Swedish Pharmacy Holding)

Key figures, EUR million	2023 10-12	2022 10-12	Change %	2023 1-12	2022 1-12	Change %
Net sales	283.5	276.7	2.4	1,126.9	1,158.2	-2.7
EBITA	-6.5	-1.3	-407.3	0.7		
EBITA %	-2.3	-0.4		0.1		
Adjusted EBIT	-5.1	-2.8	-78.8	-2.0		
Adjusted EBIT %	-1.8	-1.0		-0.2		
Net interest-bearing debt	93.0	95.3	-2.4	93.0	95.3	-2.4

Kronans Apotek's adjusted EBIT and net result were burdened by amortisations related to the purchase price allocations (PPA), which also have a significant impact on the recognised share of result of joint venture in Oriola's statement of comprehensive income.

Kronans Apotek is an important strategic partner for Oriola, and Oriola will actively support Kronans Apotek's value creation as a major shareholder. Kronans Apotek expects its full profit potential to materialise by the end of 2025.

Sale of Svensk dos AB

- The agreement to sell all shares in Svensk dos AB to Apotekstjänst Sverige AB was signed in October
- Oriola is exiting the dose dispensing business in Sweden
- The agreed sales price in cash is SEK 110 million (approximately EUR 9.5 million).
- The transaction is subject to the approval of the Swedish Competition Authority (Konkurrensverket), and the investigation was moved into phase II at the end of January 2024.
- **Oriola expects the transaction to be completed in the second quarter of 2024.**

Note: Svensk dos was acquired by Oriola in 2016.

New reporting segments as of 1 Jan 2024

Oriola is updating its segment reporting to reflect the new strategy and to improve transparency. Oriola's two reporting segments as of 1 January 2024 will be:

Segment name	Definition	Preliminary, unaudited figures for 2023 including dose dispensing business in Sweden
Distribution segment	Pharmaceutical logistics and dose dispensing services	<ul style="list-style-type: none"> • Net sales EUR 1,189.0 million • Adjusted EBIT EUR 14.5 million
Wholesale segment	Wholesale of traded goods and over-the-counter (OTC) products, parallel import, special licensed medicines, and advisory services	<ul style="list-style-type: none"> • Net sales EUR 305.7 million • Adjusted EBIT EUR 8.9 million

Note: Eliminated internal sales between segments in 2023 were EUR 0.9 million and non-allocated group items' effect to adjusted EBIT was EUR -6.8 million.

Oriola's Interim Report for January-March 2024 will be prepared according to the new segment reporting. Oriola's unaudited restated segment information for the financial years 2023 and 2022 will be published during Q1 2024.

Outlook 2024

In 2024, the pharmaceutical distribution market is expected to continue to grow. A continuation of a weak consumer confidence might impact the wholesale market development.

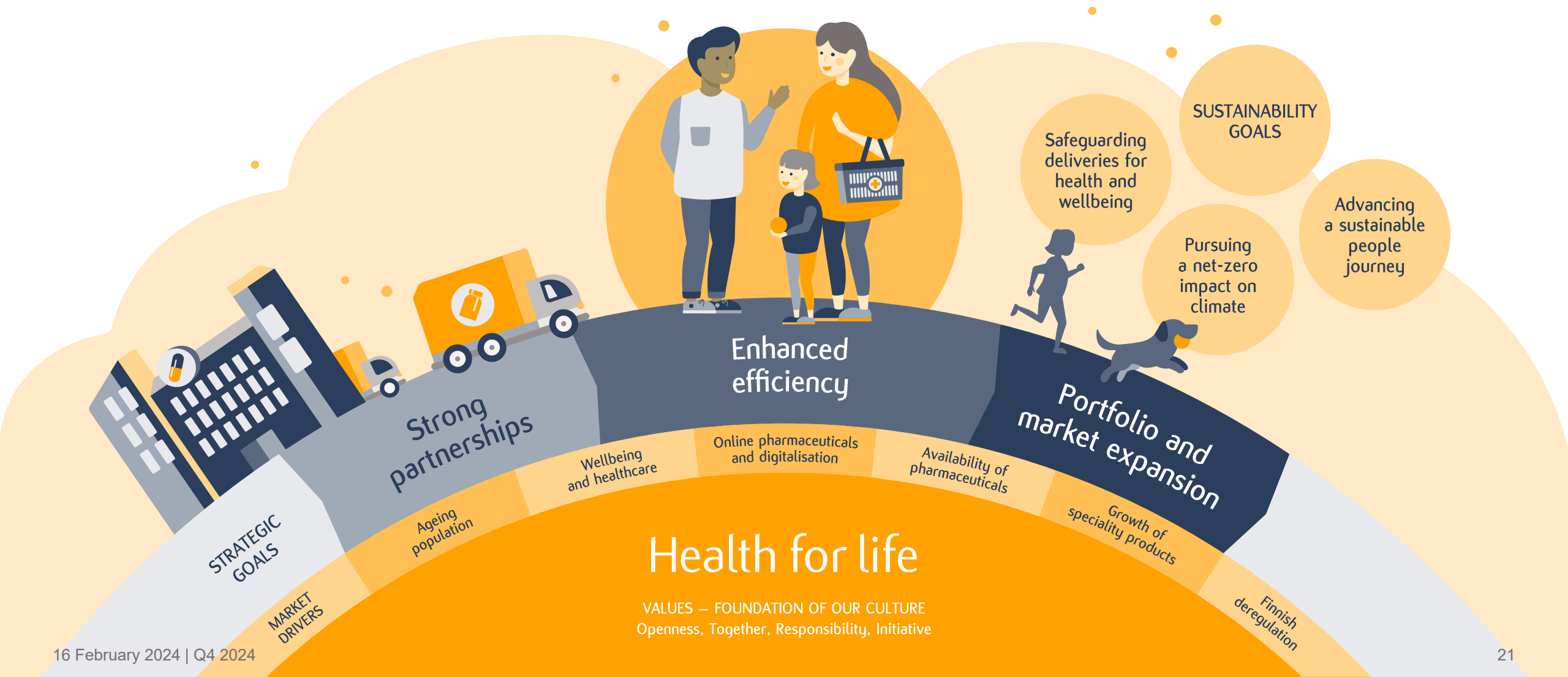
The recent overall inflationary environment and related cost pressures may have an impact on Oriola's profitability.

Oriola expects the adjusted EBIT, excluding the dose dispensing business in Sweden, for the year 2024 to increase from the adjusted EBIT for 2023 (EUR 19.5 million).

Published on 16 February 2024

Strategic investment in ERP and warehouse management

The leading specialist in wholesale of pharmaceuticals and health products



Strategic investment in ERP and warehouse management

- The investment comprises the renewal of Oriola's ERP (enterprise resource planning) and warehouse management during the years 2025–2027.
- The aim of the project is to have one common system which will enable to harmonise business processes, strengthen data management and enhance customer experience.
- The value of the total investment is about EUR 35 million of which capital expenditure is estimated to be about 3/4 of the total investment.
- The new ERP and warehouse management will replace the current two separate systems in Sweden and Finland.
- The project will start in 2024 and the new system will be deployed in phases during 2025–2027. The first deployment will be in Sweden followed by the deployment in Finland.

Key takeaways

1

Solid ending to the year with strong growth in profitability driven by distribution business.

2

Board's dividend proposal EUR 0.07 per share.

3

For 2024, we expect adjusted EBIT to increase from previous year's level (EUR 19.5 million).



Our next events

week 9
Annual Report 2023

19 March 2024
Annual General Meeting

25 April 2024
Q1 Interim Report

Thank you!



A warm, sunlit indoor scene featuring a man with a beard and glasses, wearing a grey t-shirt and jeans, kneeling on a wooden floor. He is smiling and holding the hands of a young child who is taking steps. The child is wearing a white long-sleeved shirt and brown pants. The room is bright with sunlight streaming in from a window on the left, creating a warm atmosphere. In the background, there is a white table, a hanging basket, and some toys on the floor.

Health for life