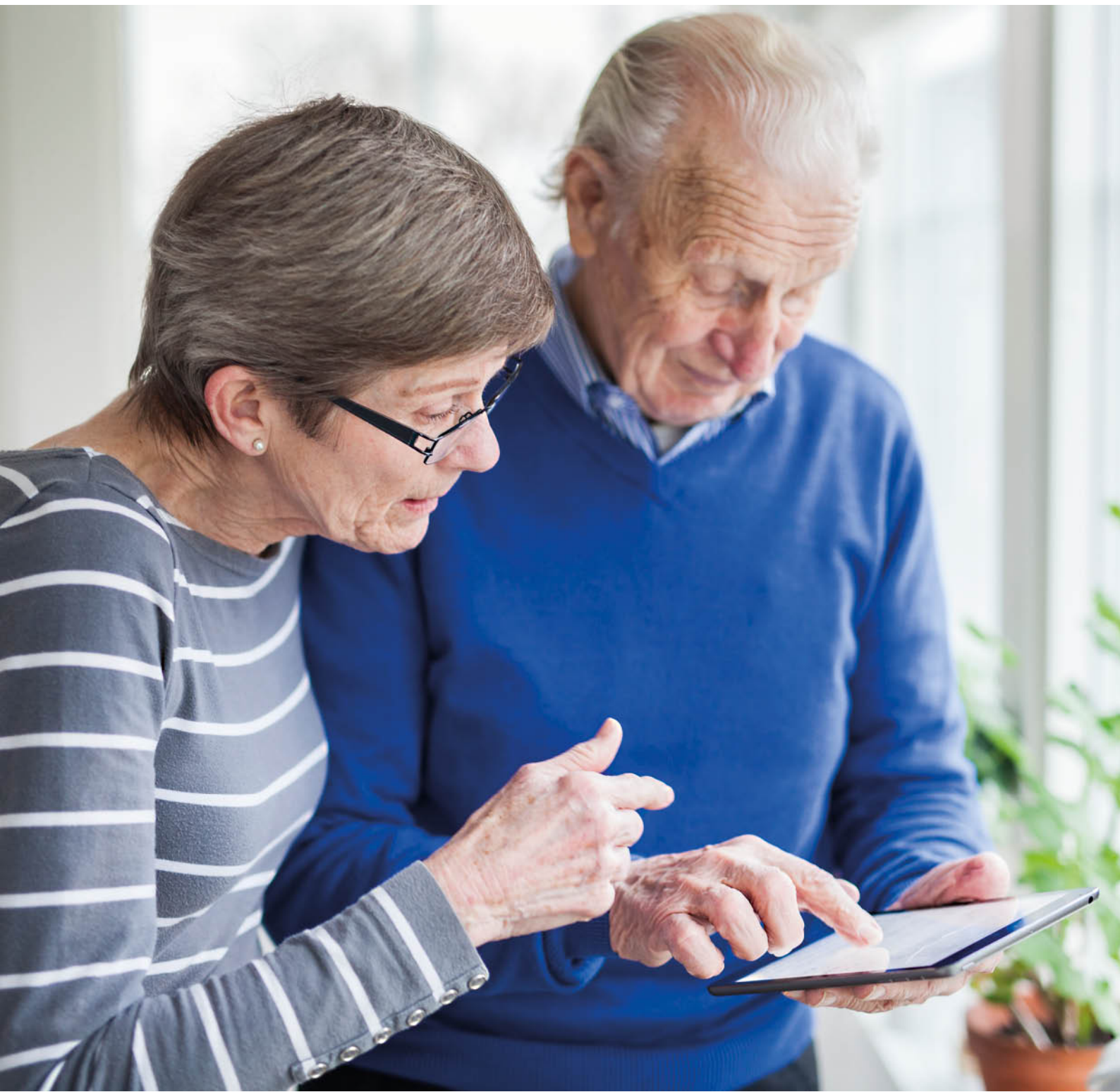


ORIOLA CORPORATION'S INTERIM REPORT 1 JANUARY – 31 MARCH 2020

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Oriola January 1– March 31, 2020

January–March 2020 highlights

- Invoicing increased by 7.9% (increased 5.4%) to EUR 965.3 (894.4) million. On a constant currency basis invoicing increased by 9.8% and was EUR 981.7 million.
- Net sales increased by 15.8% (increased 2.3%) to EUR 459.8 (397.1) million. On a constant currency basis net sales increased by 17.9% and were EUR 468.4 million.
- Adjusted EBIT was EUR 6.9 (3.7) million. On a constant currency basis the adjusted EBIT was EUR 7.1 million.
- Profit for the period totalled EUR 5.1 (1.7) million and earnings per share were EUR 0.03 (0.01).
- COVID-19 pandemic caused a peak in demand for pharmaceuticals and rapidly changed the operating environment.

Business outlook for 2020

The adjusted EBIT on a constant currency basis is estimated to increase from 2019 level.

Oriola's business outlook for 2020 is based on external market forecasts, agreements with pharmaceutical companies and pharmacies, and management assessments.

President and CEO Robert Andersson on the first quarter of 2020:

"Oriola's invoicing (EUR 965.3 million, +7.9%) and net sales (EUR 459.8 million, +15.8%) continued to grow during the first quarter of the year compared to last year. On a constant currency basis invoicing grew by 9.8% and net sales by 17.9%. Adjusted EBIT grew by 86.6% to EUR 6.9 million. On a constant currency basis adjusted EBIT was EUR 7.1 million.

The first quarter of the year was exceptional. During March, the COVID-19 pandemic impacted Oriola's operations strongly in both countries. Consumer behaviour led to unforeseen demand for pharmaceuticals and products for cold and pain relief in pharmacies. In mid-March, pharmaceuticals were prioritised in distribution to ensure patient safety. The exceptional peak in demand increased sales, but also burdened the result through increased personnel and freight costs.

In Consumer, net sales grew by 10.3% on a constant currency basis compared to the same period last year. The change in consumer behaviour accelerated sales during the first quarter of the year with online sales growing by 45%. The growth was especially strong in March, when online sales grew by nearly 100% compared to the same period last year.

Pharma continued strong growth in both operating countries. On a constant currency basis invoicing grew by 9.4% and net sales by 24.2% compared to the same period last year. Due to the pandemic, pharmaceutical sales grew especially in March. Profitability was burdened by high freight and distribution centre costs particularly in Sweden. The demand for expert services decreased.

Retail continued growth in the first quarter of the year. On a constant currency basis the net sales grew by 10.9% compared to the same period last year. Retail's sales grew due to the demand peak for common cold products caused by COVID-19, as well as the growth in dose dispensing business in Sweden compared to the same period in the last year. High costs in Swedish distribution operations burdened the profitability.

The restrictions on citizens' mobility, and the burden on public healthcare capacity caused by the pandemic inevitably also impact Oriola's business. We focus on securing the availability of pharmaceuticals and healthcare products in the society, while taking care of the health and safety of our own personnel."

Key figures	2020	2019	Change	2019
EUR million	1-3	1-3	%	1-12
Invoicing	965.3	894.4	7.9	3,733.1
Net sales	459.8	397.1	15.8	1,721.3
Adjusted EBIT ¹	6.9	3.7	86.6	20.5
EBIT	7.5	3.7	101.8	15.3
Adjusted EBIT %	1.5	0.9		1.2
EBIT %	1.6	0.9		0.9
Profit for the period	5.1	1.7	195.0	8.0
Earnings per share, EUR	0.03	0.01	194.9	0.04
Net cash flow from operating activities	-0.5	-25.4		84.4
Gearing, %	91.8	129.4		76.1
Equity ratio, %	12.4	15.0		15.5
Return on capital employed (ROCE), %	8.6	3.8		4.1

¹ Adjusting items are specified in note 12. Adjusting items.

The figures for Q1-Q3 2019 in this Interim Report have been restated due to an error related to previous periods. For more information on the correction of the error please refer to the 31 December 2019 Annual Financial Statements.

In order to reflect the underlying business performance and to enhance comparability between financial periods Oriola discloses certain performance measures of historical performance, financial position and cash flows, as permitted in "Alternative performance measures" guidance issued by the European Securities and Markets Authority (ESMA). These measures should not be considered as a substitute for measures of performance in accordance with the IFRS. The calculation methods of these measures are provided in note 11. Alternative performance measures in the notes to this Interim Report..

Oriola Corporation's Interim Report for 1 January–31 March 2020

Operating environment

Oriola has a strong position in the health and wellbeing markets in Sweden and Finland. The main businesses are distribution and wholesale of medical and health and wellbeing products, sales of services and products, as well as pharmacy operations.

Ageing population and growth in speciality pharmaceuticals are driving the growth of the pharmaceutical market in both of Oriola's operating countries. In January–March 2020, the pharmaceutical wholesale market grew by 14.7% in Sweden (source: IQVIA) and 10.9% in Finland in local currencies (source: LTK). Parallel imports' share of the Swedish pharmaceutical market was 9.4% (9.7%) (source: Apoteksförening).

Health and wellbeing trends, as well as the growth in e-commerce are growing the pharmacy business in Sweden. The pharmacy market is experiencing a digital transformation driven by fast growing e-commerce, accounting already for 14% (10%) of the total pharmacy market in Sweden by the end of March 2020. The pharmacy market in Sweden grew by 11.7% (5.9%) in Swedish krona driven by strong online market and the COVID-19 pandemic (source: Apoteksförening). At the end of March, there were 1,427 (1,434) pharmacies in Sweden.

The pharmacy network in Finland has remained unchanged. There are 819 pharmacy outlets in Finland and 109 service points of pharmacies in remote areas. Pharmacies are owned by approximately 600 proprietary pharmacists and the two Universities of Helsinki and Kuopio.

In the first quarter, the COVID-19 pandemic rapidly changed Oriola's operating environment as the restrictions set by governments impacted the consumer behaviour. Oriola secured the distribution of pharmaceuticals to pharmacies and helped consumers in this difficult situation. The restrictions on citizens' mobility, and the burden on public healthcare capacity caused by the pandemic is inevitably also impacting Oriola's business. As a result, Oriola's business environment may continue to be volatile.

Strategic programmes

Oriola has published two Group-wide strategic programmes: one focusing on cost savings and operational excellence, and the other one on strengthening and developing customer experience.

The strategic programme 20by20 Excellence focuses on Oriola's efficiency and profitability. Target is to deliver EUR 20 million annualised savings compared to the 2018 cost level. Savings are expected to materialise with full effect by the end of 2020. The programme will systematically review all operations and resources to ensure efficient and high-quality operations, as well as to reduce costs. The planned actions include improving logistics efficiency, savings in indirect and direct purchasing, product and service portfolio optimisation as well as lean and simplified processes throughout the Group.

As part of the programme, Oriola has announced that it will keep evaluating the pharmacy network in Sweden in 2020. In the first quarter, two pharmacies were closed according to plan. The programme continues regardless of the COVID-19 pandemic which started to have an effect on activities during the first quarter, but in the current situation a partial slowdown of the programme is possible.

The strategic programme Customer Experience focuses on developing and implementing more customer-oriented processes and tools, organisation and culture. The target for the programme is to strengthen

customer trust and satisfaction. The company's activities are customer-oriented also during the COVID-19 pandemic. Customer communication and collaboration has been lifted as one of the key activities to ensure timely information flow and the influencing opportunities between all stakeholders during the pandemic.

Sustainability

Oriola's sustainability strategy is strongly linked to the company's purpose, "Health for life". As a company operating in health and wellbeing sector, Oriola improves the prerequisites for healthier life especially in the context of three key sustainability themes: society, people and planet. Oriola is committed to the UN Sustainable Development Goals (SDGs) and has defined long-term sustainability goals aligned with the SDGs.

Oriola plays an important role in the society in ensuring safe and on-time deliveries and sustainable usage of pharmaceuticals. Oriola's mission is to bring its customers sustainable products and solutions for health and wellbeing. Oriola's target is to increase the share of sustainable products in the sales of private label products and introduce new services to promote people's health.

According to its vision, Oriola enables a healthier tomorrow for people and societies. Competent and engaged employees are the key success factor and the foundation of sustainable business for Oriola. The Company's goal is high employee engagement and to raise the engagement index to an excellent level, as well as to minimise employee turnover.

Oriola's Environmental Policy outlines the commitment to reduce environmental impacts of the company's operations. Oriola's goal is to achieve carbon neutrality by 2030. Oriola has set 100% renewable energy and increasing recycling rate to 85% as short-term targets towards this long-term carbon neutrality goal.

Oriola's quality management is founded on the laws and regulatory requirements applicable in the pharmaceutical sector, and on quality management standards. Pharmaceutical distribution and wholesale are regulated by the Good Distribution Practice (GDP) of the European Medicines Agency (EMA).

In the first quarter, Oriola published as part of the Annual Report company's first GRI supplement that was prepared in accordance with GRI Standards from the Global Reporting Initiative. The GRI supplement was limitedly assured by an independent sustainability expert. In addition, Oriola achieved second best (B) level in Carbon Disclosure Project (CDP) reporting, which is a worldwide initiative for evaluating environmental data and scoring companies' climate and environmental actions.

Group financial performance January–March 2020

Invoicing and net sales

Invoicing increased by 7.9% (increased 5.4%). On a constant currency basis invoicing increased by 9.8%, which was mainly due to continued growth in the pharmaceutical market as well as increase in demand for pharmaceuticals driven by the COVID-19 pandemic.

Net sales increased by 15.8% (increased 2.3%) to EUR 459.8 (397.1) million. On a constant currency basis net sales increased by 17.9%, driven by the growth in the pharmaceuticals sales, increase in demand for pharmaceuticals driven by the COVID-19 pandemic as well as changes in the distribution agreements for pharmaceuticals.

Profitability

Adjusted EBIT increased by 86.6% (decreased 36.4%) to EUR 6.9 (3.7) million, which was mainly due to increased sales in all business areas. Adjusting items during the reporting period totalled EUR 0.6 (-) million, and the EBIT was EUR 7.5 (3.7) million. The adjusted EBIT on a constant currency basis was EUR 7.1 million.

Net financial expenses were EUR 0.9 (1.4) million. Profit for the period was EUR 5.1 (1.7) million. Income taxes for January–March were EUR 1.4 (0.5) million, which corresponds to an effective tax rate of 22.1% (23.2%). Earnings per share were EUR 0.03 (0.01).

Consumer

Consumer business area offers products and services for health and wellbeing for customers through Kronans Apotek, the third largest pharmacy chain in Sweden.

Key Figures	2020	2019	2019	2019	2019	2019
EUR million	1-3	10-12	7-9	4-6	1-3	1-12
Invoicing	206.1	196.3	186.4	193.1	192.2	768.1
Net Sales	202.4	190.8	182.6	188.8	187.9	750.1
Adjusted EBIT	5.4	1.1	4.9	2.9	2.8	11.7
EBIT	6.3	-1.2	0.8	2.9	2.8	5.3
Adjusted EBIT %	2.7	0.6	2.7	1.5	1.5	1.6
EBIT %	3.1	-0.6	0.4	1.5	1.5	0.7
Number of personnel at the end of period	1,502	1,692	1,712	1,698	1,543	1,692

Market environment

The pharmacy market in Sweden grew by 11.7% (5.9%) in Swedish krona (source: Apoteksförening) and the number of pharmacies increased by one in January–March 2020.

Online sales in the Swedish pharmacy market continued to grow fast and reached approximately 14% (10%) of the pharmacy market by the end of March 2020.

Oriola's market share in the pharmacy market in Sweden in January–March 2020 was 16.7% (16.8%) (source: Apoteksförening). The relative share of OTC and traded goods from the net sales was 24.2% (24.8%). At the end of the reporting period, Oriola had 322 (327) pharmacies in Sweden. Oriola closed two pharmacies during the reporting period.

January–March 2020

The net sales increased by 7.7% (decreased 0.9%) to EUR 202.4 (187.9) million. On a constant currency basis net sales increased by 10.3%. Oriola's online sales grew by 45%, nearly at the same rate with the market (+48%), and it accounts for 4.7% (4.2%) of Oriola's Consumer sales in Sweden.

Adjusted EBIT increased by 94.6% (decreased 22.2%) to EUR 5.4 (2.8) million. Strong demand, especially at the end of the reporting period, driven by the COVID-19 pandemic increased the EBIT. At the same time, increase in cost level has been moderate and depreciation levels have decreased. Adjusting items during the reporting period totalled EUR 0.9 (-) million, and EBIT was EUR 6.3 (2.8) million.

Pharma

Pharma business area provides tailored logistics, expert and advisory services for pharmaceutical companies, as well as a wide range of pharmaceutical products for pharmacies, hospital pharmacies and veterinarians.

Key Figures	2020	2019	2019	2019	2019	2019
EUR million	1-3	10-12	7-9	4-6	1-3	1-12
Invoicing	745.5	768.5	715.5	734.3	692.3	2,910.6
Net Sales	244.2	242.2	231.4	244.9	199.6	918.1
Adjusted EBIT	3.6	4.2	5.2	4.7	3.5	17.7
EBIT	3.2	4.1	4.8	4.7	3.5	17.1
Adjusted EBIT %	1.5	1.7	2.3	1.9	1.8	1.9
EBIT %	1.3	1.7	2.1	1.9	1.8	1.9
Number of personnel at the end of period	440	468	469	501	490	468

Market environment

The pharmaceutical market at wholesale prices in Sweden grew by 14.7% (7.6%) in Swedish krona in January–March 2020 (source: IQVIA).

According to Oriola's estimate, Oriola's share of the Swedish pharmaceutical wholesale market was approximately 46% (40%).

The Finnish pharmaceutical market at wholesale prices grew by 10.9% (4.2%) in January–March 2020 (source: LTK). According to Oriola's estimate, Oriola's share of the Finnish pharmaceutical wholesale market was approximately 43% (45%).

January–March 2020

Invoicing increased from the previous year by 7.7% (increased 8.3%) to EUR 745.5 (692.3) million. On a constant currency basis invoicing increased by 9.4%. Net sales increased by 22.4% (increased 8.8%) to EUR 244.2 (199.6) million, and on a constant currency basis, net sales increased by 24.2%. This was driven by continued growth in pharmaceutical markets, changes in the distribution agreements for pharmaceuticals as well as increase in demand for pharmaceuticals at the end of the reporting period driven by the COVID-19 pandemic.

Adjusted EBIT increased by 0.6% (increased 14.0%) to EUR 3.6 (3.5) million. Despite the increased demand and growing net sales, the adjusted EBIT increased only moderately. Securing the pharmaceutical distribution to customers increased personnel and freight costs in the distribution centre in Sweden. Adjusting items during the reporting period totalled EUR -0.4 (-) million, and EBIT was EUR 3.2 (3.5) million.

Retail

Retail business area offers a wide range of health and wellbeing products to pharmacies, groceries, veterinarians, private and public healthcare operators and retailers, as well as services for pharmacies, including staffing and dose dispensing services.

Key Figures	2020	2019	2019	2019	2019	2019
EUR million	1-3	10-12	7-9	4-6	1-3	1-12
Invoicing	121.6	114.5	114.0	116.5	111.9	456.9
Net Sales	121.2	114.1	113.6	116.3	111.6	455.5
Adjusted EBIT	0.2	-0.8	0.3	0.2	-0.6	-0.9
EBIT	0.3	-0.6	-0.4	0.2	-0.6	-1.4
Adjusted EBIT %	0.2	-0.7	0.3	0.2	-0.5	-0.2
EBIT %	0.2	-0.5	-0.4	0.2	-0.5	-0.3
Number of personnel at the end of period	540	590	603	576	528	590

Market environment

In retail business, Oriola offers a wide range of healthcare products both in traded goods and in OTC pharmaceuticals. Traded goods are sold through pharmacies and grocery stores. In Sweden, the traded goods and OTC pharmaceuticals market grew by 14.4% (7.1%) in January–March 2020.

In dose-dispensing business, Oriola offers pharmaceuticals and dose dispensing for private and public healthcare sectors. The total market size for dose dispensing is approximately 225,000 patients in Sweden and 55,000 patients in Finland. Oriola is the market leader in Sweden serving over 95,000 patients. In Finland, Oriola serves approximately 22,000 patients.

In staffing business in Finland, 167 pharmacies out of 819 pharmacies are using Oriola's services at the end of reporting period.

January–March 2020

Net sales increased by 8.6% (decreased 1.4%) to EUR 121.2 (111.6) million. On a constant currency basis net sales increased by 10.9%, mainly driven by increased number of dose-dispensing patients in Sweden and increased demand for healthcare products at the end of the reporting period.

Adjusted EBIT was EUR 0.2 (-0.6) million. Growth in dose-dispensing business and improved profitability in product portfolio in Finland increased EBIT. Product portfolio profitability in Sweden was negatively impacted by the changes in customer agreements as well as high costs in the distribution centre, which were partly driven by the increased employee costs and freights due to the COVID-19 pandemic. Adjusting items during the reporting period totalled EUR 0.0 (-) million, and EBIT was EUR 0.3 (-0.6) million.

Balance sheet, cash flow and financing

Oriola's total assets at the end of March 2020 were EUR 1,087.9 (1,043.4) million. Equity attributable to the equity holders was EUR 133.1 (153.8) million, which was decreased by the dividend of EUR 16.3 million for 2019 recognised in March 2020. The impact of translation differences on equity was EUR -12.9 million during the reporting period. Cash and cash equivalents totalled EUR 117.7 (27.9) million. Net cash flow from operating activities in January–March 2020 was EUR -0.5 (-25.4) million, of which changes in working capital accounted for EUR -13.0 (-35.8) million. Net cash flow from investing activities was EUR -4.0 (-6.1) million. Net cash flow from financing activities was EUR 51.5 (-6.4) million.

At the end of March 2020, interest-bearing debt was EUR 239.8 (227.0) million. The non-current interest-bearing liabilities amounted to EUR 117.6 (139.0) million and current interest-bearing liabilities amounted to EUR 122.2 (88.0) million. Non-current interest-bearing liabilities mainly consist of loans from financial institutions totalling EUR 56.2 (58.2) million and non-current lease liabilities totalling EUR 61.4 (80.8) million. Current interest-bearing liabilities mainly consist of commercial paper issues of EUR 88.9 (53.0) million, advance payments from Finnish pharmacies totalling EUR 15.4 (15.3) million and current lease liabilities totalling EUR 17.9 (19.4). Interest-bearing net debt was EUR 122.2 (199.1) million, and gearing 91.8% (129.4%).

The non-recourse trade receivables sales programmes are in use in Sweden. At the end of March 2020, a total of EUR 174.9 (150.9) million in trade receivables had been sold. Including the sold trade receivables, the adjusted gearing was 223.2% (227.5%). The average interest rate on the interest bearing liabilities excluding lease liabilities recognised due to the application of IFRS 16 was 0.94% (0.92%).

The committed long-term revolving credit facility of EUR 100.0 million and EUR 34.5 million of short-term credit limit were unused at the end of March 2020.

At the end of the reporting period Oriola's equity ratio was 12.4% (15.0%). Return on capital employed was 8.6% (3.8%), and return on equity 14.9% (4.3%).

Investments and depreciation

Gross investments in January–March 2020 totalled EUR 4.5 (6.0) million and consisted mainly of investments in logistics, information systems, and renewal of pharmacies.

Depreciation, amortisation and impairment amounted to EUR 10.2 (10.4) million.

The capital expenditure in 2020 excluding acquisitions is estimated to be approximately EUR 25 million.

Personnel

At the end of March 2020, Oriola had 2,555 (2,634) employees, 59% (59%) of whom worked in Consumer, 17% (19%) in Pharma, and 21% (20%) in Retail. The Group administration employed 3% (3%) of the total number of employees. The average number of personnel in January-March 2020 was 2,565 (2,673). Personnel numbers consist of members of staff in active employment calculated as full time equivalents.

Corporate Governance

Annual General Meeting

The Annual General Meeting (AGM), held on 17 March 2020, adopted the financial statements and discharged the members of the Board of Directors and the President and CEO from liability for the financial year ending 31 December 2019.

The AGM resolved that a dividend of EUR 0.09 per share would be paid on the basis of the balance sheet adopted for the financial year ending 31 December 2019. The dividend was paid to shareholders registered in the company's shareholders register held by Euroclear Finland Ltd on the dividend record date 19 March 2020. The payment date of the dividend was 15 April 2020.

The AGM confirmed that the Board of Directors is composed of seven members. Current members of the Board of Directors Mr Juko-Juho Hakala, Ms Anja Korhonen, Ms Mariette Kristenson, Ms Eva Nilsson Bågenholm, Mr Harri Pärssinen and Ms Lena Ridström were re-elected to the Board of Directors and Mr Panu Routila elected new member of the Board of Directors. Mr Panu Routila was elected Chairman of the Board of Directors.

The AGM confirmed that the fee for the term of office of the Chairman of the Board of Directors is EUR 60,000, the fee for the term of office of the Vice Chairman of the Board of Directors and for the Chairman of the Board's Audit Committee is EUR 36,000 and the fee for the term of office of other members of the Board of Directors is EUR 30,000. Of the annual fee, 60 per cent shall be paid in cash and 40 per cent shall be used to acquire Oriola Corporation's class B shares for the Board members on the Nasdaq Helsinki Stock Exchange within two weeks from the release of the Interim Report 1 January - 31 March 2020 of the company. The Chairman of the Board of Directors receives an attendance fee of EUR 1,000 per meeting and the other members EUR 500 per meeting. Attendance fees are correspondingly also paid to the chairmen and the members of Board and company committees. Travel expenses are compensated in accordance with the travel policy of the company.

Authorised Public Accountants KPMG Oy Ab, who has put forward authorised public accountant Ms Kirsi Jantunen as principal auditor, was re-elected as the auditor of the company. The auditor's fees shall be paid according to invoice approved by the company.

The AGM resolved, in accordance with Chapter 3, Section 14 a, subsection 3 of the Finnish Companies Act, on the forfeiture of the rights to all the shares entered in the joint account as well as the rights attached to such shares. The concern, under Chapter 3, Section 14 a, subsection 3 of the Finnish Companies Act, the rights to all such Oriola Corporation's shares entered in the joint account that had not been requested to be registered in the book-entry system in accordance with Chapter 6, Section 3 of the Act on the Book-Entry System and Settlement Activities prior to the resolution concerning the matter by the AGM. After the AGM's decision on the forfeiture of the shares on the Joint Account and of the rights attached to such shares, such shares become treasury shares. The provisions of the Finnish Companies Act on treasury shares apply to the forfeited shares and the company may keep the shares in its possession or cancel or transfer them in accordance with the provisions of the Finnish Companies Act.

All decisions of the Annual General Meeting are available on the company's website www.oriola.com.

The constitutive meeting of the Board of Directors

In its constitutive meeting convening after the AGM, the Board of Directors of Oriola Corporation elected Eva Nilsson Bågenholm as Vice Chairman of the Board of Directors.

The Board appointed Ms Anja Korhonen (Chairman), Mr Harri Pärssinen, Ms Lena Ridström and Mr Panu Routila to the Board's Audit Committee, and Ms Eva Nilsson Bågenholm (Chairman), Mr Juko-Juho Hakala, Ms Mariette Kristenson and Mr Panu Routila to the Board's Compensation and Human Resources Committee.

The Board of Directors has assessed the independence of the members of the Board of Directors, and determined that all members of the Board of Directors are independent of the company and its significant shareholders.

The Corporate Governance Statement and the Remuneration Statement

The Corporate Governance Statement and the Remuneration Statement for 2019 were published as part of the Report of the Board of Directors, in accordance with the Finnish Corporate Governance Code 2015. The statements can be viewed on the company's website at: <http://www.oriola.com/CorporateGovernance>.

Authorisations

The Annual General Meeting authorised the Board to decide on a share issue against payment in one or more issues, including the right to issue new shares or to assign treasury shares held by the company. The authorisation covers a combined maximum of 5,500,000 class A shares and 12,500,000 class B shares of the company and includes the right to derogate from the shareholders' pre-emptive subscription right. The authorisation is in force for 18 months following the decision of the Annual General Meeting.

The Board was also authorised to decide on a share issue against payment of class B shares in one or more issues including the right to issue new class B shares or assign class B treasury shares held by the company. The authorisation covers a combined maximum of 18,000,000 class B shares of the company including the right to derogate from the shareholders' pre-emptive subscription right. The authorisation is in force for a maximum of 18 months following the decision of the Annual General Meeting.

The Annual General Meeting authorised the Board to decide on a share issue of class B shares without payment to the Company and on a directed share issue of class B shares in order to execute the share-based incentive plan for Oriola Group's executives and the share savings plan for Oriola Group's key personnel. The maximum number of new class B shares to be issued under this authorisation is 250,000, which represents of 0.14 % of all shares in the Company. The authorisation is in force for eighteen (18) months from the decision of the Annual General Meeting.

The Annual General Meeting authorised the Board to decide on repurchasing up to 18,000,000 of the company's own class B shares. Shares may be repurchased also in a proportion other than in which shares are owned by the shareholders. The authorisation is in force for a maximum of 18 months following the decision of the Annual General Meeting.

All decisions of the Annual General Meeting 2020 are available on the company's website www.oriola.com.

Changes in the Group Management Team

Thomas Gawell, Vice President, Pharma business area, left the company on 17 February 2020. Fredrik Pamp, who previously worked as Sales and Marketing director in Pharma business area, was appointed , Vice President, Pharma business area as of 17 February 2020.

After these changes Oriola's Group Management Team consists of 10 members: Robert Andersson, President and CEO; Katarina Gabrielson, Vice President, Retail business area; Anne Kariniemi, Vice President, Operations; Helena Kukkonen, CFO; Tuula Lehto, Vice President, Communications and Sustainability; Charlotta Nyström, CIO; Fredrik Pamp, Vice President, Pharma business area; Petter Sandström, General Counsel; Teija Silver, Vice President, HR; Anders Torell, Vice President, Consumer business area.

Oriola Corporation shares

Trading of shares	Jan-Mar 2020		Jan-Mar 2019	
	class A	class B	class A	class B
Trading volume, million	1.5	12.8	0.7	6.4
Trading volume, EUR million	3.1	24.0	1.5	14.7
Highest price, EUR	2.25	2.27	2.56	2.53
Lowest price, EUR	1.62	1.52	1.98	1.98
Closing quotation, end of period, EUR	1.95	1.64	2.35	2.35

Oriola Corporation's market capitalisation on 31 March 2020 was EUR 315.0 (425.9) million.

In the review period, the traded volume of Oriola Corporation shares, excluding treasury shares, corresponded to 7.9% (3.9%) of the total number of shares.

At the end of March 2020, the company had a total of 181,486,213 (181,486,213) shares, of which 55,127,313 (55,434,273) were class A shares and 126,358,900 (126,051,940) were class B shares. The company holds a total of 49,656 (103,773) treasury shares, all of which are class B shares. They account for 0.03% (0.06%) of the company's shares and 0.00% (0.01%) of the votes.

Under Article 3 of the Articles of Association, a shareholder may demand conversion of class A-shares into class B shares. During the period 1 January–31 March 2020, 306,960 A-shares were converted into B-shares. The conversion was entered into the Trade Register on 3 February 2020. After the conversion there are 55,127,313 A-shares and 126,358,900 B-shares in the company. The total number of shares is 181,486,213 and the total number of votes is 1,228,905,160.

Flagging announcements

Oriola Corporation did not receive flagging announcements during the reporting period.

Risks and uncertainty factors

Oriola's risk management seeks to identify, measure and manage risks that may threaten Oriola's operations and the achievement of set goals.

Oriola operates in regulated pharmaceutical distribution and retail markets monitored by authorities in both operating countries. The main megatrends impacting Oriola's business environment are ageing of the population, increased spending on health and wellbeing, growth in speciality pharmaceuticals, the digitalisation of the retail trade and services, and sustainability.

Oriola has identified the following principal strategic and operational risks that may have an adverse impact on the results: Changes in the pharmaceutical market regulation and related licences, pricing, parallel import and public reimbursement, as well as increased competition through the growing number of companies and pharmacies in e-commerce, the decreasing share of single channel distribution in public healthcare, and the loss of several key pharmaceutical company agreements.

The main financial risks for Oriola involve currency rate, liquidity, interest rate and credit risks. Changes in the value of the Swedish krona have an impact on Oriola's net sales, earnings and consolidated statement of financial position. Changes in cash flow forecasts may cause impairment of goodwill.

More information of Oriola's risk management can be found from Oriola's website:
www.oriola.com/investors/corporate-governance/risks/.

Near-term risks and uncertainty factors

Oriola's strategic development projects involve operational risks which may have an effect on the profitability. The ramp-up of the expansion and automation of the distribution centre in Sweden, which started during the first quarter of 2019, is ongoing. Thorough risk management and action plans have been prepared for the ramp-up phases. Oriola systematically improves the readiness and compatibility of its IT systems. The company has defined separate risk management plans for all IT projects and aims to ensure the go-lives of the systems through thorough planning.

In the first quarter of 2020, the COVID-19 pandemic rapidly changed Oriola's operating environment as the restrictions set by governments impacted the consumer behaviour. Oriola secured the distribution of pharmaceuticals to pharmacies and helped consumers in this difficult situation. The restrictions on citizens' mobility, and the burden on public healthcare capacity caused by the pandemic is inevitably also impacting Oriola's business. As a result, Oriola's business environment may continue to be volatile, which may have an effect on Oriola's net sales and profitability.

Oriola is from time to time involved in legal actions, claims and other proceedings. It is Oriola's policy to provide for amounts related to the proceedings if liability is probable and such amounts can be estimated with reasonable accuracy. Taking into account all available information to date, the legal actions, claims and other proceedings are not expected to have material impact on the financial position of the Group.

Business outlook for 2020

The adjusted EBIT on a constant currency basis is estimated to increase from 2019 level.

Oriola's business outlook for 2020 is based on external market forecasts, agreements with pharmaceutical companies and pharmacies, and management assessments.

Events after the period

There were no reportable events after the reporting period.

Next financial report

Oriola Corporation will publish its half-year financial report for January–June 2020 on 17 July 2020.

Espoo, 22 April 2020

Oriola Corporation
Board of Directors

Consolidated statement of comprehensive income (IFRS)

EUR million	Note	2020 1-3	2019 1-3	2019 1-12
Net sales	9, 10	459.8	397.1	1,721.3
Other operating income		2.4	2.8	11.1
Materials and supplies		-367.4	-309.1	-1,364.5
Employee benefit expenses		-44.6	-43.4	-173.4
Other operating expenses		-32.5	-33.4	-133.9
Depreciation, amortisation and impairments	3	-10.2	-10.4	-45.3
EBIT	9	7.5	3.7	15.3
Financial income and expenses		-0.9	-1.4	-5.2
Profit before taxes		6.6	2.3	10.1
Income taxes		-1.4	-0.5	-2.1
Profit for the period		5.1	1.7	8.0
Other comprehensive income				
Items which may be reclassified subsequently to profit or loss:				
Translation differences recognised in comprehensive income during the reporting period		-12.9	-3.3	-4.4
Translation differences reclassified to profit and loss during the reporting period		-	-	0.0
Cash flow hedge		-0.1	0.0	0.2
Income tax relating to other comprehensive income		0.0	-0.0	-0.0
		-13.0	-3.3	-4.2
Items which will not be reclassified to profit or loss:				
Actuarial gains/losses on defined benefit plans		-	-	-2.8
Income tax relating to other comprehensive income		-	-	0.6
		-	-	-2.2
Total comprehensive income for the period		-7.9	-1.5	1.6
Profit attributable to				
Parent company shareholders		5.1	1.7	8.0
Total comprehensive income attributable to				
Parent company shareholders		-7.9	-1.5	1.6
Earnings per share attributable to parent company shareholders, EUR:				
Basic	2	0.03	0.01	0.04
Diluted	2	0.03	0.01	0.04

Consolidated statement of financial position (IFRS)

EUR million	Note	31 Mar 2020	31 Mar 2019	31 Dec 2019
Non-current assets				
Property, plant and equipment	3	149.8	174.3	158.3
Goodwill	3	259.5	271.5	270.5
Other intangible assets	3	64.2	73.0	66.9
Other non-current assets	6	9.7	9.7	9.7
Deferred tax assets		4.3	5.5	4.5
Non-current assets total		487.5	533.9	509.9
Current assets				
Inventories		239.9	250.8	234.2
Trade receivables		215.8	201.9	187.4
Income tax receivables		6.3	8.0	6.1
Other receivables		20.8	20.8	22.2
Cash and cash equivalents		117.7	27.9	70.8
Current assets total		600.4	509.4	520.7
Assets total		1,087.9	1,043.4	1,030.6

EUR million	Note	31 Mar 2020	31 Mar 2019	31 Dec 2019
Equity				
Share capital		36.2	36.2	36.2
Hedging reserve		-0.2	-0.3	-0.1
Contingency fund		19.4	19.4	19.4
Invested unrestricted equity reserve		74.8	74.8	74.8
Other reserves		0.1	0.1	0.1
Translation differences		-45.8	-31.8	-32.9
Retained earnings		48.6	55.4	59.7
Equity attributable to the parent company shareholders		133.1	153.8	157.2
Non-current liabilities				
Deferred tax liabilities		13.4	15.2	14.3
Pension obligations		16.3	13.8	17.1
Interest-bearing liabilities		117.6	139.0	123.6
Other non-current liabilities		0.8	0.9	0.7
Non-current liabilities total		148.2	168.8	155.7
Current liabilities				
Trade payables		608.7	559.1	606.7
Provisions	4	1.4	3.2	2.8
Interest-bearing liabilities		122.2	88.0	66.8
Income tax payables		0.5	1.1	1.0
Other current liabilities		73.9	69.1	40.4
Current liabilities total		806.6	720.7	717.7
Equity and liabilities total		1,087.9	1,043.4	1,030.6

Consolidated statement of changes in equity (IFRS)

EUR million	Share capital	Funds	Translation differences	Retained earnings	Equity total
Equity 1 Jan 2019	36.2	94.0	-28.6	76.3	177.9
Adjustment of adoption of IFRS 16 ¹	-	-	-	-6.3	-6.3
Restated equity 1 Jan 2019	36.2	94.0	-28.6	70.0	171.6
Comprehensive income for the period					
Net profit for the period	-	-	-	1.7	1.7
Other comprehensive income:					
Cash flow hedge	-	0.0	-	-	0.0
Income tax relating to other comprehensive income	-	-0.0	-	-	-0.0
Translation difference	-	-	-3.3	-	-3.3
Comprehensive income for the period total	-	0.0	-3.3	1.7	-1.5
Transactions with owners					
Dividend distribution	-	-	-	-16.3	-16.3
Share-based incentive	-	-	-	0.1	0.1
Transactions with owners total	-	-	-	-16.3	-16.3
Equity 31 Mar 2019	36.2	94.0	-31.8	55.4	153.8
Equity 1 Jan 2020	36.2	94.2	-32.9	59.7	157.2
Comprehensive income for the period					
Net profit for the period	-	-	-	5.1	5.1
Other comprehensive income:					
Cash flow hedge	-	-0.1	-	-	-0.1
Income tax relating to other comprehensive income	-	0.0	-	-	0.0
Translation difference	-	-	-12.9	-	-12.9
Comprehensive income for the period total	-	-0.1	-12.9	5.1	-7.9
Transactions with owners					
Dividend distribution	-	-	-	-16.3	-16.3
Share-based incentive	-	-	-	0.1	0.1
Transactions with owners total	-	-	-	-16.2	-16.2
Equity 31 Mar 2020	36.2	94.1	-45.8	48.6	133.1

¹ Net of tax

Condensed consolidated statement of cash flows (IFRS)

EUR million	2020 1-3	2019 1-3	2019 1-12
EBIT	7.5	3.7	15.3
Depreciation and amortisation	10.2	10.4	41.8
Impairment	-	-	3.5
Change in working capital	-13.0	-35.8	26.5
Cash flow from financial items and taxes	-4.2	-3.8	-4.4
Other adjustments	-0.9	0.1	1.7
Net cash flow from operating activities	-0.5	-25.4	84.4
Net cash flow from investing activities	-4.0	-6.1	-21.8
Net cash flow from financing activities	51.5	-6.4	-57.6
Net change in cash and cash equivalents	47.1	-37.9	5.0
Cash and cash equivalents at the beginning of the period	70.8	65.8	65.8
Translation differences	-0.1	-0.0	-0.0
Net change in cash and cash equivalents	47.1	-37.9	5.0
Cash and cash equivalents at the end of the period	117.7	27.9	70.8

Notes to the Interim Report January–March 2020

1. Principal accounting policies

This Interim Report has been prepared in accordance with IFRS standards (IAS 34 Interim Financial Reporting) and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2019. The accounting policies and calculation methods applied in the report are the same as those in the 31 December 2019 Annual Financial Statements, however with the addition of the standards and interpretations published by the International Accounting Standards Board (IASB) that are mandatory as of 1 January 2020. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. This Interim Report does not include all of the information and notes presented in the Annual Financial Statements. The figures in this Interim Report are unaudited.

2. Earnings per share

EUR million	2020 1-3	2019 1-3	2019 1-12
Profit attributable to equity owners of the parent	5.1	1.7	8.0
Average number of outstanding shares (1000 shares)			
Basic	181,420	181,382	181,395
Diluted	181,486	181,486	181,486
Earnings per share (EUR)			
Basic	0.03	0.01	0.04
Diluted	0.03	0.01	0.04

3. Tangible and intangible assets

Changes in property, plant and equipment, EUR million	2020 1-3	2019 1-3	2019 1-12
Carrying amount at the beginning of the period	75.6	77.2	77.2
Increases	2.5	3.6	13.4
Decreases	-0.1	-	-0.1
Reclassifications	-	-1.0	-1.1
Depreciation	-3.0	-2.8	-11.6
Impairments	-	-	-1.0
Foreign exchange rate differences	-3.2	-0.8	-1.2
Carrying amount at the end of the period	71.8	76.3	75.6

Changes in right-of-use assets EUR million	2020 1-3	2019 1-3	2019 1-12
Carrying amount at the beginning of the period	82.7	97.3	97.3
Increases	4.2	7.1	6.4
Decreases	-	-0.3	-0.4
Depreciation	-4.5	-4.7	-18.7
Foreign exchange rate differences	-4.3	-1.3	-2.0
Carrying amount at the end of the period	78.1	98.0	82.7

Changes in goodwill, EUR million	2020 1-3	2019 1-3	2019 1-12
Carrying amount at the beginning of the period	270.5	274.3	274.3
Foreign exchange rate differences	-11.1	-2.8	-3.7
Carrying amount at the end of the period	259.5	271.5	270.5

Changes in other intangible assets, EUR million	2020 1-3	2019 1-3	2019 1-12
Carrying amount at the beginning of the period	66.9	75.1	75.1
Increases	2.0	1.4	6.7
Decreases	-	-	-0.1
Reclassifications	-	-	0.2
Amortisation	-2.6	-2.9	-11.5
Impairments	-	-	-2.5
Foreign exchange rate differences	-2.1	-0.6	-1.0
Carrying amount at the end of the period	64.2	73.0	66.9

4. Provisions

At the end of the reporting period the Group's provisions in the consolidated statement of financial position totalled EUR 1.4 (3.2) million. The provisions in 2020 consist of restructuring provisions relating to the cooperation negotiations in 2019 aiming to improve operational efficiency and continue re-organising operations in Finland and in Sweden as well as to changes in the Group Management Team.

The provisions at the end of March 2019 consisted of liabilities relating to Hehku, for which Oriola recognised a provision totalling EUR 3.1 million in the financial statements for 2018 as well as of restructuring provisions related to the organisation changes.

5. Derivatives

31 Mar 2020 EUR million	Positive fair value	Negative fair value	Nominal values of contracts
Derivatives recognised as cash flow hedges			
Interest rate swaps	-	0.3	47.4
Derivatives measured at fair value through profit and loss			
Foreign currency forward and swap contracts	0.1	0.1	45.6

31 Mar 2019 EUR million	Positive fair value	Negative fair value	Nominal values of contracts
Derivatives recognised as cash flow hedges			
Interest rate swaps	-	0.4	50.0
Derivatives measured at fair value through profit and loss			
Foreign currency forward and swap contracts	0.0	0.0	49.7

Derivatives measured at fair value through profit and loss are mainly related to hedging of the Group's internal transactions. Fair values of the derivatives have been recognised to balance sheet in gross amount as the derivatives contracts are related to credit events and cannot be netted in financial statements. The Group has not given nor received collateral to/from derivatives counterparties.

6. Fair value hierarchy

31 Mar 2020 EUR million	Level 1	Level 2	Level 3	Total
Assets				
Derivatives measured at fair value through profit and loss	-	0.1	-	0.1
Other investments measured at fair value through OCI	-	-	9.4	9.4
Liabilities				
Derivatives designated as hedges	-	0.3	-	0.3
Derivatives measured at fair value through profit and loss	-	0.2	-	0.2

31 Mar 2019 EUR million	Level 1	Level 2	Level 3	Total
Assets				
Derivatives measured at fair value through profit and loss	-	0.0	-	0.0
Other investments measured at fair value through OCI	-	-	9.4	9.4
Liabilities				
Derivatives designated as hedges	-	0.3	-	0.3
Derivatives measured at fair value through profit and loss	-	0.1	-	0.1

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Reconciliation of financial assets recognised at fair value through profit and loss according to the level 3

	2020	2019	2019
Financial assets on level 3, EUR million	1-3	1-3	1-12
Book value at the beginning of the period	9.4	9.4	9.4
Book value at the end of the period	9.4	9.4	9.4

Financial assets recognised at fair value through profit and loss (level 3) include Oriola's holding in Swedish online medical centre Doktor.se.

7. Commitments and Contingent Liabilities

EUR million	31 Mar 2020	31 Mar 2019	31 Dec 2019
Commitments for own liabilities			
Guarantees on behalf of own companies	6.6	7.1	7.0
Mortgages on company assets	1.9	3.5	2.0
Other guarantees and liabilities	1.0	1.1	1.1
Total	9.5	11.7	10.1
Committed future minimum lease liabilities	0.8	0.7	0.8

The most significant guarantees are bank guarantees against trade payables in Sweden. In addition, Oriola Corporation has granted parent company guarantees of EUR 0.4 (0.3) million against other subsidiaries' trade payables.

Committed future minimum lease liabilities consist of leasing commitments related to low-value assets and short-term leases, to which the Group elected to apply recognition exemptions permitted by IFRS 16.

8. Related parties

Related parties in the Oriola Group are deemed to comprise the members of the Board of Directors and the President and CEO of Oriola Corporation, the other members of the Group Management Team of the Oriola Group, the immediate family of the aforementioned persons and the companies controlled by the aforementioned persons, the Group's subsidiaries and joint ventures.

The Group has no significant business transactions with related parties.

9. Segment information

Oriola's operations are divided into three business areas: Consumer, Pharma and Retail. These three business areas are also Oriola's financial reporting segments.

1-3/2020					Group	
EUR million	Consumer	Pharma	Retail	items	Total	
External Invoicing	206.1	682.4	76.7	-	965.3	
Internal Invoicing	0.0	63.0	44.9	-108.0	-	
Invoicing	206.1	745.5	121.6	-108.0	965.3	
External Net Sales	202.3	181.2	76.3	-	459.8	
Internal Net Sales	0.0	63.0	44.9	-108.0	-	
Net Sales	202.4	244.2	121.2	-108.0	459.8	
EBIT	6.3	3.2	0.3	-2.3	7.5	
Adjusted EBIT	5.4	3.6	0.2	-2.3	6.9	
Assets	417.5	388.8	124.9	156.6	1,087.9	
Liabilities	126.9	582.4	64.2	181.3	954.8	
Investments	2.5	1.4	0.4	0.2	4.5	
Depreciation, amortisation and impairments	6.5	2.1	1.6	0.0	10.2	
Average number of personnel	1,495	446	550	74	2,565	
1-3/2019					Group	
EUR million	Consumer	Pharma	Retail	items	Total	
External Invoicing	192.2	636.5	65.8	-	894.4	
Internal Invoicing	0.0	55.8	46.1	-101.9	-	
Invoicing	192.2	692.3	111.9	-101.9	894.4	
External Net Sales	187.9	143.8	65.5	-	397.1	
Internal Net Sales	0.0	55.8	46.1	-101.9	-	
Net Sales	187.9	199.6	111.6	-101.9	397.1	
EBIT	2.8	3.5	-0.6	-2.0	3.7	
Adjusted EBIT	2.8	3.5	-0.6	-2.0	3.7	
Assets	450.3	370.4	145.3	77.3	1,043.4	
Liabilities	132.3	547.8	58.6	150.8	889.5	
Investments	2.6	1.3	2.2	0.0	6.0	
Depreciation, amortisation and impairments	7.2	1.9	1.3	0.0	10.4	
Average number of personnel	1,593	488	519	73	2,673	

Geographical information

1-3/2020	Other			
EUR million	Sweden	Finland	countries	Total
Net Sales	331.0	101.4	27.5	459.8
Assets	745.2	342.7	-	1,087.9
Investments	3.1	1.4	-	4.5
Average number of personnel	1,958	607	-	2,565

1-3/2019	Other			
EUR million	Sweden	Finland	countries	Total
Net Sales	280.3	96.1	20.7	397.1
Assets	779.9	263.4	0.0	1,043.4
Investments	5.1	0.9	-	6.0
Average number of personnel	2,006	666	2	2,673

10. Disaggregation of revenue

In the following table, the Group's external revenue is disaggregated by the Group's major revenue streams and reconciled with the Group's reportable segments.

1-3/2020				
EUR million	Consumer	Pharma	Retail	Total
Wholesale	-	165.6	44.2	209.8
Retail sale	202.3	-	-	202.3
Services	-	15.6	32.1	47.7
Net sales total	202.3	181.2	76.3	459.8

1-3/2019				
EUR million	Consumer	Pharma	Retail	Total
Wholesale	-	127.6	42.4	170.0
Retail sale	187.9	-	-	187.9
Services	-	16.2	23.1	39.2
Net sales total	187.9	143.8	65.5	397.1

11. Alternative performance measures

Key figures EUR million	2020 1-3	2019 1-3	Change %	2019 1-12
Invoicing	965.3	894.4	7.9	3,733.1
Net sales	459.8	397.1	15.8	1,721.3
Adjusted EBIT ¹	6.9	3.7	86.6	20.5
EBIT	7.5	3.7	101.8	15.3
Adjusted EBIT %	1.5	0.9		1.2
EBIT %	1.6	0.9		0.9
Profit for the period	5.1	1.7	195.0	8.0
Earnings per share, EUR	0.03	0.01	194.9	0.04
Net cash flow from operating activities	-0.5	-25.4		84.4
Gross capital expenditure	4.5	6.0		21.8
Net interest-bearing debt	122.2	199.1		119.6
Gearing, %	91.8	129.4		76.1
Equity per share, EUR	0.73	0.85		0.87
Equity ratio, %	12.4	15.0		15.5
Return on equity (ROE), %	14.9	4.3		4.9
Return on capital employed (ROCE), %	8.6	3.8		4.1
Average number of shares, 1000 pcs ²	181,420	181,382		181,395
Average number of personnel	2,565	2,673		2,800
Number of personnel at the end of the period	2,555	2,634		2,818

¹ Adjusting items are specified in note 12. Adjusting items.

² Treasury shares held by the company not included.

Reconciliation of alternative performance measures to IFRS

Invoicing EUR million	2020 1-3	2019 1-3	2019 1-12
Net sales	459.8	397.1	1,721.3
+ Acquisition cost of consignment stock	501.4	492.8	1,993.2
+ Cash discounts	3.9	4.5	18.6
+ Exchange rate differences on sales	0.1	0.0	0.0
Invoicing	965.3	894.4	3,733.1

Calculation of alternative performance measures

Alternative performance measure	Definitions
Invoicing	= Net sales + acquisition cost of consignment stock + cash discounts + exchange rate differences on sales
EBIT	= Net sales less material purchases, less employee benefit expenses and other operating expenses, less depreciation, amortisation and impairment plus other operating income plus share of results in joint venture
Adjusted EBIT	= EBIT excluding adjusting items
Adjusting items	= Adjusting items include gains or losses from the sale or discontinuation of business operations or assets, gains or losses from restructuring business operations, and impairment losses of goodwill and other non-current assets, or other income or expenses arising from rare events, and changes in estimates regarding the realisation of contingent consideration arising from business acquisitions.
Invoicing on a constant currency basis	= Invoicing calculated with the average exchange rate of the corresponding period of the comparative year
Net sales on a constant currency basis	= Net sales calculated with the average exchange rate of the corresponding period of the comparative year
Adjusted EBIT on a constant currency basis	= Adjusted EBIT calculated with the average exchange rate of the corresponding period of the comparative year
Net debt	= Interest-bearing liabilities – cash and cash equivalents
Investments	= Capitalised investments in property, plant and equipment and in intangible assets including goodwill arising from business combinations, as well as investments in associates and joint ventures and in other shares and holdings
Return on capital employed (ROCE), %	= $\frac{\text{EBIT}}{\text{Total assets – Non-interest-bearing liabilities (average between the beginning and the end of the year)}} \times 100$
Return on equity (ROE), %	= $\frac{\text{Profit for the period}}{\text{Equity total (average between the beginning and the end of the year)}} \times 100$
Gearing, %	= $\frac{\text{Net debt}}{\text{Equity total}} \times 100$
Equity ratio, %	= $\frac{\text{Equity total}}{\text{Total assets – Advances received}} \times 100$

12. Adjusting items

Adjusted EBIT excludes gains or losses from the sale or discontinuation of business operations or assets, gains or losses from restructuring business operations, and impairment losses of goodwill and other non-current assets, or other income or expenses arising from rare events, and changes in estimates regarding the realisation of contingent consideration arising from business acquisitions.

Adjusting items included in EBIT EUR million	2020 1-3	2019 1-3	2019 1-12
Restructuring costs	0.5	-	-5.1
Costs and impairment charges relating to Hehku	0.1	-	2.4
Impairment of other intangible assets	-	-	-2.5
Adjusting items total	0.6	-	-5.1

Adjusting items in 2020 consist of changes in restructuring provisions, restructuring costs related to the changes in the Group Management Team as well as proceeds related to Hehku. Adjusting items in 2019 consist of restructuring costs including impairment charges totalling EUR 1.0 million, impairment charges on intangible assets related to the Consumer business in Sweden as well as a provision release relating to Hehku.