

# ORIOLA CORPORATION'S INTERIM REPORT 1 January–31 March 2023

Released on 27 April 2023 at 8.30 a.m.



# Oriola Corporation's Interim Report

## 1 January–31 March 2023

Solid first quarter – stable net sales in constant currency, profitability in line with our expectations

### January–March 2023 highlights

- Invoicing decreased by 3.2% to EUR 858.3 (886.7) million. On a constant currency basis, invoicing increased by 1.1% and was EUR 896.7 million.
- Net sales decreased by 4.8% to EUR 354.7 (372.7) million. On a constant currency basis, net sales decreased by 0.6% and were EUR 370.5 million.
- Adjusted EBIT was EUR 3.5 (4.7) million. On a constant currency basis, the adjusted EBIT was EUR 3.7 million.
- EBIT was EUR 3.5 (3.3) million and included adjusting items of EUR -0.0 (-1.4) million. On a constant currency basis, EBIT was EUR 3.7 million.
- Profit for the period totalled EUR 1.1 (2.1) million and earnings per share were EUR 0.01 (0.01).
- Change in reporting of Oriola's share of the net result of Swedish Pharmacy Holding: Previously, Oriola's share of the net result was reported above the EBIT line, but starting from the first quarter of 2023, Oriola will report it under the EBIT line in the consolidated statement of comprehensive income. Outlook for 2023 has been updated according to the change in reporting.

Key figures EUR million	2023 1-3	2022 1-3	Change %	2022 <sup>1</sup> 1-12
Invoicing	858.3	886.7	-3.2	3,568.0
Net sales	354.7	372.7	-4.8	1,515.5
Adjusted EBIT <sup>2</sup>	3.5	4.7	-24.9	19.7
EBIT	3.5	3.3	6.6	9.5
Adjusted EBIT %	1.0	1.3		1.3
EBIT %	1.0	0.9		0.6
Profit for the period	1.1	2.1	-47.8	4.8
Earnings per share, EUR, continuing operations	0.01	0.01	-47.8	0.03
Earnings per share, EUR, discontinued operations	-	0.04		-0.04
Net cash flow from operating activities <sup>3</sup>	-42.6	28.7		77.9
Gearing, %	8.7	8.3		-10.5
Equity ratio, %	22.8	19.1		23.8
Return on capital employed (ROCE), %	4.0	2.8		2.4

<sup>1</sup> Year 2022 Adjusted EBIT and EBIT have been restated and exclude the share of result in joint venture.

<sup>2</sup> Adjusting items are specified in note Adjusting items.

<sup>3</sup> Comparative figures include continuing and discontinued operations.

*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 the "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 Alternative performance measures in the notes to this Interim Report.*

## Outlook for 2023

Due to the change in reporting of Oriola's share of the net result of Swedish Pharmacy Holding AB, Oriola has updated its outlook for 2023.

*The updated outlook for 2023 (published on 27 April 2023)*

Oriola expects the adjusted EBIT to remain on the same level compared to 2022.

The outlook takes into consideration the significant negative impact on Oriola's profitability from the loss of public tenders and consequently of patients in the dose dispensing business in Sweden. The dose dispensing business in Sweden will focus on new customer segments to develop the business. Furthermore, the recent overall inflationary environment and related cost pressures may have an impact on Oriola's profitability.

The adjusted EBIT in 2022 was EUR 19.7 million, excluding the contribution from the joint venture company Swedish Pharmacy Holding AB.

*The previous outlook for 2023 (published on 16 February 2023)*

Oriola expects the adjusted EBIT, excluding the contribution from the joint venture Swedish Pharmacy Holding AB, to remain on the same level compared to 2022.

The outlook takes into consideration the significant negative impact on Oriola's profitability from the loss of public tenders and consequently of patients in the dose dispensing business in Sweden. The dose dispensing business in Sweden will focus on new customer segments to develop the business. Furthermore, the recent overall inflationary environment and related cost pressures may have an impact on Oriola's profitability.

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## CEO Katarina Gabrielson:

I am pleased with the solid start to this year despite some uncertainties in our operating environment. On a constant currency basis, Oriola's net sales in the first quarter were at last year's level of EUR 370 million. Sales were supported by good development in the Distribution of pharmaceuticals, especially in Finland. The reduced import of parallel medicine had a negative impact on volumes in Sweden. Furthermore, towards the end of the first quarter in 2022, consumers hoarded pharmaceuticals in Sweden as a reaction to the war in Ukraine boosting sales in the comparison period.

In the first quarter, Oriola's profitability was burdened mainly by lower volumes in the Swedish Dose dispensing business and higher transportation costs in Sweden. The overall inflationary environment has continued to be challenging, but with strict cost control we have been able to mitigate the pressure. Operating expenses were below last year's level despite the higher transportation costs. Oriola's adjusted EBIT for the first quarter declined to EUR 3.5 (4.7) million and was largely in line with our expectations. Despite the high fluctuation in net working capital, which is typical for our industry, our liquidity and balance sheet remained strong.

After the successful implementation of our short-term turnaround and the restructuring of our business portfolio last year, we continue with our long-term transformation of the company to achieve its full potential. Oriola has a clear strategic direction that focuses on our core business, the improvement of profitability and our societal role as an infrastructure company in securing the availability of pharmaceuticals. We want to be the preferred business partner in the Nordics, and we offer high-quality and advanced distribution of pharmaceuticals and a wide assortment of health and wellbeing products to our customers. In addition, we provide advisory services to pharmaceutical companies and pharmacies. To ensure sustainable growth and shareholder value, we are further developing our commercial and supply chain excellence while ensuring profitability, efficiency and a collaborative

culture. We will also support the value creation in our joint venture company Kronans Apotek and gradually look for selective merger and acquisition targets to support our growth.

During the first quarter we have continued to strengthen our commercial operating model to create better customer understanding, improve the customer journey and generate customer value. This also included accelerating our commercial capability training and managerial change management training. In addition, one of our focus areas during the period was to continue the implementation of price increases to mitigate inflationary pressure. In our operations and supply chain we continued with efficiency improvements by simplifying processes and improving demand-planning. Another key action was the improvement of our information system security, especially our monitoring capabilities and the security of our digital service environment.

Sustainability is embedded in everything we do. We are committed to reach carbon neutrality by 2030, and by 2025 in our own operations. As a result of our long-term work to reduce our carbon footprint, we have decreased emissions in our own operations by 70% compared with the base year 2019. To continue on this path, we have ongoing improvement projects at our sites relating to, for instance, LED lighting, waste handling, heat recovery and cooling systems. In addition, we have started the renewal of our sustainability programme and to prepare for the upcoming sustainability reporting requirements. As part of this project, we have completed a gap analysis and a double-materiality assessment among our stakeholders.

Looking forward in the financial year 2023, we continue to expect Oriola's adjusted EBIT to remain on the same level compared to last year. We expect the challenging inflationary environment to continue, and we will continue with strict cost control. I am very proud of the high motivation of our people to develop the company and the business, and I would like to take this opportunity to extend my sincerest thanks to everyone for their commitment and hard work.

# Oriola Corporation's Interim Report

## 1 January–31 March 2023

### Operating environment

High cost inflation and increasing interest rates have impacted consumer confidence and weakened consumers' expectations of their own economy. Nevertheless, the increased economic uncertainty did not affect the pharmaceutical market, which continued to grow steadily in the first quarter in Sweden and Finland.

The availability of raw materials for medical products continued to be tight during the first quarter, and this affected the availability of some medicines in Sweden and Finland. Energy and fuel prices have been stabilising and following the completed union negotiations during the first quarter, labour costs will increase in the coming quarters.

#### Market environment

In Sweden, the value of the pharmaceutical distribution market at wholesale prices, measured in Swedish krona, grew by 10.2% (7.6%) in the first quarter (source: IQVIA). In Finland, the market value grew by 4.3% (4.0%) in the first quarter (source: Pharmaca Health Intelligence). According to Oriola's estimate, Oriola's share of the pharmaceutical wholesale market in Sweden was approximately 43% (45%) in the first quarter. According to Oriola's estimate, the company's share of the pharmaceutical wholesale market in Finland was approximately 44% (44%) in the first quarter.

In the dose dispensing business, Oriola offers pharmaceuticals and dose dispensing for private and public healthcare sector operators. The total market size for dose dispensing is approximately 260,000 patients (250,000) in Sweden and 100,000 patients (90,000) in Finland. Oriola serves approximately 37,000 (105,000) patients in Sweden and approximately 30,000 (28,000) patients in Finland.

## Group financial performance January–March 2023

### Invoicing and net sales

Invoicing decreased by 3.2% to EUR 858.3 (886.7) million. The weak Swedish krona had a negative impact on reported invoicing and net sales figures. On a constant currency basis, invoicing increased by 1.1%. Net sales decreased by 4.8% to EUR 354.7 (372.7) million. On a constant currency basis, net sales decreased by 0.6%. Sales were supported by the solid development in the Distribution of pharmaceuticals, especially in Finland. The reduced import of parallel medicine had a negative impact on volumes in Sweden. Furthermore, consumers hoarded pharmaceuticals in Sweden as a reaction to the war in Ukraine towards the end of the first quarter in 2022, boosting sales in the comparison period.

### Profitability

Adjusted EBIT decreased to EUR 3.5 (4.7) million due to lower volumes in Swedish Dose dispensing. This decline was related to the loss of public tenders and consequently fewer patients, as communicated earlier. As a result of strict cost control, operating expenses were below last year's level despite the inflationary environment and higher transportation costs in Sweden. EBIT was EUR 3.5 (3.3) million. Adjusting items totalled EUR -0.0 (-1.4) million, and adjusted EBIT on a constant currency basis was EUR 3.7 million.

Net financial expenses increased to EUR 1.5 (0.6) million mainly due to higher interest rates. Profit for the period was EUR 1.1 (2.1) million. Earnings per share were EUR 0.01 (0.01).

## Joint venture Swedish Pharmacy Holding AB

Starting from the first quarter of 2023, Oriola will report its share of the net result in the Swedish Pharmacy Holding AB under the EBIT line in the consolidated statement of comprehensive income. Comparative information has been restated accordingly. In 2022 consolidated financial statements the share of the net result was reported above the EBIT line. The change will clarify the reporting and communication of Oriola's own operations performance and profitability.

In the first quarter of 2023, Oriola recognised a loss of EUR -0.5 million from Swedish Pharmacy Holding AB in the consolidated statement of comprehensive income.

In the first quarter of 2023, Swedish Pharmacy Holding AB reported net sales of EUR 279.7 (293.7) million. Adjusted EBIT was EUR -0.0 million, synergies during the reporting period totalled to EUR 2.1 million and one-off costs related to the integration of the two companies was EUR 0.5 million. EBITA (Earnings before interest, taxes and amortization) was EUR 1.7 million. At the end of March 2023, net interest-bearing debt was EUR 82.6 million.

The adjusted EBIT was a result of lower earnings from pharmacy sales as well as increased costs connected to pharmacy staff.

Oriola is committed to long-term ownership in Swedish Pharmacy Holding AB, and to support its value creation. The estimated annual synergies of EUR 25 million on EBITDA level are expected to be realised by the end of 2025. Oriola published illustrative financial information for Swedish Pharmacy Holding AB in connection with the publication of the transaction (9 February 2022). The illustrative net sales of Swedish Pharmacy Holding AB were EUR 1,140 million.

## Sustainability

Oriola takes pride in enhancing the availability and safe use of medicines and healthcare products. By combining the expertise and resources of Oriola and its customers, Oriola also contributes to more sustainable development of society. Around half of the pharmaceuticals used in Finland and Sweden pass through Oriola.

Oriola's sustainability programme is integrated in Oriola's strategy and structured under three focus areas: Planet, Society and People. Ambitious long-term sustainability goals have been set for each focus area.

**Planet**

Oriola is committed to achieving carbon neutrality in its own operations by 2025, and by 2030 when including indirect emissions from the supply chain (scope 3). Oriola's CO<sub>2</sub> emissions from its own operations (scope 1 and 2) have decreased by 70% compared with the base year 2019 level.

In 2022, 91% (95%) of Oriola's total energy consumption came from renewable or carbon neutral sources, while the target is 100% by the end of 2023. The decrease in 2022 was due to the divestment of Kronans Apotek. The recycling rate improved in 2022 to 83% (79%) and the target is to reach 87% recycling rate by the end of 2023.

**Society**

Pharmaceutical delivery accuracy, which is an indicator for picking accuracy of the ordered pharmaceuticals, reached 99.6% in Finland in 2022, which is above the target level of 98%.

**People**

Oriola measures employee engagement with the Employee Net Promoter Score (eNPS). In 2022, after the big organisational restructuring, Oriola's eNPS declined and was -22. The target is to achieve a significant improvement in 2023.

**Preparedness to comply with the EU Corporate Sustainability Reporting Directive**

Oriola is preparing to comply with the EU Corporate Sustainability Reporting Directive (CSRD) and to report according to the directive for the financial year 2024. As part of the readiness project, a gap analysis to identify key development areas was completed in January 2023.

An extensive double-materiality assessment survey among internal and external stakeholders was completed in March 2023. The survey gained good attention with a total of 511 responses well diversified among various stakeholder groups. For example, around 27% of the responses were from Oriola's employees while about 40% were from pharmacies, hospitals, veterinarians and pharmaceutical companies. Around 70% of the responses were from Sweden and 27% from Finland. The purpose of the survey is to identify the sustainability topics that are most important to Oriola's stakeholders and to build Oriola's future sustainability roadmap based on the results.

## Balance sheet, cash flow and financing

Oriola's total assets at the end of March 2023 were EUR 952.4 (1,160.9) million. Equity attributable to the equity holders was EUR 214.7 (217.9) million.

Cash and cash equivalents totalled EUR 119.1 (155.7) million. Net cash flow from operating activities in January–March 2023 was EUR -42.6 (28.7) million, of which changes in working capital accounted for EUR -47.6 (11.8) million. Strong fluctuation in working capital is typical for Oriola's industry. Net cash flow from investing activities was EUR -0.5 (-2.4) million. Net cash flow from financing activities was EUR 1.6 (21.4) million.

At the end of March 2023, interest-bearing debt was EUR 137.8 (173.8) million. Non-current interest-bearing liabilities amounted to EUR 67.6 (75.2) million and current interest-bearing liabilities amounted to EUR 70.2 (98.6) million. Non-current interest-bearing liabilities mainly consist of loans from financial institutions totalling EUR 57.7 (62.1) million and non-current lease liabilities totalling EUR 9.8 (13.1) million. Current interest-bearing liabilities mainly consist of commercial paper issues of EUR 53.7 (74.9) million, advance payments from Finnish pharmacies totalling EUR 11.4 (18.4) million, loans from financial institutions totalling EUR 2.0 (2.0) million and current lease liabilities totalling EUR 3.1 (3.3) million. Interest-bearing net debt was EUR 18.7 (18.2) million and gearing 8.7% (8.3%).

Non-recourse trade receivables sales programmes are in use in Sweden. At the end of March 2023, a total of EUR 97.6 (194.0) million in trade receivables had been sold. The average interest rate on the interest-bearing liabilities excluding lease liabilities was 2.92% (0.88%). Interest rate risk relating to the cash flow from selling of trade receivables has been hedged with interest rate swaps.

In June 2021, Oriola signed a new unsecured revolving credit facility agreement totalling EUR 140 million. The revolving credit facility will mature in June 2025. The margin of the revolving credit facility is linked to Oriola's

financial covenants and the performance of sustainability targets. The committed long-term revolving credit facility of EUR 140.0 million and the credit limits totalling EUR 34.9 million were unused at the end of March 2023.

At the end of March 2023, Oriola's equity ratio was 22.8% (19.1%). Return on capital employed was 4.0% (2.8%) and return on equity was 2.0% (3.9%).

## Investments and depreciation

Gross investments in January–March 2023 totalled EUR 0.4 (0.7) million and consisted mainly of investments in logistics and information systems.

Depreciation, amortisation and impairment amounted to EUR 3.6 (3.6) million.

## Personnel

At the end of March 2023, Oriola had 830 (1,039) employees, of which 411 (555) worked in Finland and 419 (484) in Sweden. The average number of personnel in January–March 2023 was 836 (1,041). The reported number of personnel consists of members of staff in active employment, calculated as full-time equivalents.

## Corporate Governance

### Annual General Meeting

The Annual General Meeting (AGM), held on 21 March 2023, 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 2022.

The AGM resolved that a dividend of EUR 0.06 per share shall be paid on the basis of the balance sheet adopted for the financial year ending 31 December 2022. The dividend was paid to shareholders registered in the company's shareholders register held by Euroclear Finland Ltd on the dividend record date 23 March 2023. The payment date of the dividend was 14 April 2023.

The AGM confirmed that the Board of Directors is composed of six members. Current members of the Board of Directors Ms Eva Nilsson Bågenholm, Ms Nina Mähönen and Mr Harri Pärssinen were re-elected to the Board of Directors and Ms Ellinor Persdotter Nilsson, Mr Yrjö Närhinen and Mr Heikki Westerlund were elected as new members of the Board of Directors. Mr Heikki Westerlund was re-elected as 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 2023 of the company. The Chairman of the Board of Directors receives an attendance fee of EUR 1,000 per meetings of the Board of Directors held in the Chairman's home country and EUR 2,000 for meetings of the Board of Directors held elsewhere and the other members of the Board of Directors receive attendance fees of EUR 500 per meeting for meetings held in the home country of the respective member of the Board of Directors and EUR 1,000 for meetings held elsewhere. Attendance fees are correspondingly also paid to the Chairman and members of 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 an invoice approved by the company.

All decisions of the Annual General Meeting are available on the company's website at [www.oriola.com](http://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 Mr Harri Pärssinen (Chairman), Ms Nina Mähönen and Mr Yrjö Närhinen to the Board's Audit Committee, and Ms Eva Nilsson Bågenholm (Chairman), Ms Ellinor Persdotter Nilsson and Mr Heikki Westerlund to the Board's Compensation and Human Resources Committee.

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

**The Corporate Governance Statement**

The Corporate Governance Statement for 2022 was published as part of the Report of the Board of Directors, in accordance with the Finnish Corporate Governance Code 2020. The statement can be viewed on the company's website at <https://www.oriola.com/investors/corporate-governance>.

## Authorisations

The Annual General Meeting authorised the Board of Directors 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 eighteen (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 eighteen (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 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. The shares may also be repurchased in a proportion other than in which the shares are owned by the shareholders. The authorisation is in force for a maximum of eighteen (18) months following the decision of the Annual General Meeting.

All decisions of the Annual General Meeting 2023 are available on the company's website at [www.oriola.com](http://www.oriola.com).

## Changes in the Oriola Management Team

Elina Niemelä, Chief People Officer of Oriola Corporation, resigned and left Oriola on 3 March 2023. The search for Elina Niemelä's successor has started.

Oriola Management Team consisted of six members at the end of March 2023:

- Katarina Gabrielson, CEO
- Petri Boman, Chief Supply Chain Officer
- Hannes Hasselrot, Chief Commercial Officer
- Timo Leinonen, Chief Financial Officer
- Mikael Nurmi, Chief Digital Officer
- Petter Sandström, General Counsel

## Oriola Corporation shares

Trading of shares	Jan–Mar 2023		Jan–Mar 2022	
	class A	class B	class A	class B
Trading volume, million	0.5	6.3	4.4	14.9
Trading value, EUR million	0.8	10.1	8.7	30.6
Highest price, EUR	1.93	1.82	2.30	2.31
Lowest price, EUR	1.48	1.38	1.76	1.72
Closing quotation, end of period, EUR	1.50	1.42	1.92	1.88

Oriola Corporation's market capitalisation on 31 March 2023 was EUR 261.2 (343.9) million.

In January–March 2023, the traded volume of Oriola Corporation shares, excluding treasury shares, corresponded to 3.7% (10.6%) of the total number of shares.

At the end of March 2023, the company had a total of 181,486,213 (181,486,213) shares, of which 53,748,313 (53,748,313) were class A shares and 127,737,900 (127,737,900) were class B shares. The company held a total of 109,564 (109,564) treasury shares, of which 63,650 (63,650) were class A shares and 45,914 (45,914) were class B shares. The treasury shares held by the company account for 0.06% (0.06%) of the company's shares and 0.11% (0.11%) 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 January–March 2023, no class A shares were converted into class B shares.

## 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 its operating countries. The main trends 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, as well as sustainability.

More information on Oriola's risks and risk management can be found on Oriola's website at [www.oriola.com/investors/corporate-governance/risks/](http://www.oriola.com/investors/corporate-governance/risks/).

## Near-term risks and uncertainty factors

Risks related to instability in financial markets, cost inflation especially in energy and fuel prices, salary inflation and overheated labour markets, uncertain product availability due to material and supply chain constraints, and electricity shortages, remain. In addition, cyber-attacks against critical areas of society are expected to increase. These factors may have a significant impact on Oriola's net sales and profitability.

Oriola is deemed as a critical entity under the directive (2022/2557) of the European Parliament on the resilience of critical entities. Recognition of full-service healthcare distributors as critical infrastructure reduces Oriola's risks. The directive entered into force on 16 January 2023 and will have to be implemented at national level.

In regular contingency planning, the company has focused especially on securing the health of its personnel, availability of workforce, safety in the distribution centres and pharmacies, as well as the growing need for pharmaceutical stocking. In addition, Oriola engages in active dialogue with both customers and authorities about the quickly changing requirements and how to manage them. Oriola also aims to actively mitigate cost pressures. Oriola's strategic development projects involve operational risks which may have an effect on the company's profitability if realised. Oriola has IT system projects underway. The company has defined separate risk management plans for all major IT projects and aims to ensure seamless implementation of the systems through careful planning.

Oriola's distribution capabilities relies on automation and information systems. If the systems experience long or short-term malfunctions, Oriola's delivery accuracy might be affected.

From time to time, Oriola is 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, legal actions, claims and other proceedings are not expected to have a material impact on the financial position of the Group.

## Outlook for 2023

Due to the change in reporting of Oriola's share of the net result of Swedish Pharmacy Holding AB, Oriola has updated its outlook for 2023 as follows:

*The updated outlook for 2023 (published on 27 April 2023)*

Oriola expects the adjusted EBIT to remain on the same level compared to 2022.

The outlook takes into consideration the significant negative impact on Oriola's profitability from the loss of public tenders and consequently of patients in the dose dispensing business in Sweden. The dose dispensing business in Sweden will focus on new customer segments to develop the business. Furthermore, the recent overall inflationary environment and related cost pressures may have an impact on Oriola's profitability.

The adjusted EBIT in 2022 was EUR 19.7 million, excluding the contribution from the joint venture company Swedish Pharmacy Holding AB.

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## Financial calendar 2023

Oriola will publish financial reports in 2023 as follows:

- Friday 21 July 2023: Half Year Financial Report 1-6/2023
- Tuesday 31 October 2023: Interim Report 1-9/2023

Espoo, 26 April 2023

Oriola Corporation  
Board of Directors

# Consolidated statement of comprehensive income (IFRS)

EUR million	2023 1-3	2022 1-3	2022 <sup>1</sup> 1-12
<b>Continuing operations</b>			
<b>Net sales</b>	354.7	372.7	1,515.5
Other operating income	0.6	0.2	5.8
Materials and supplies	-312.7	-326.4	-1,329.6
Employee benefit expenses	-14.5	-17.7	-61.1
Other operating expenses	-21.1	-22.0	-95.9
Depreciation, amortisation and impairments	-3.6	-3.6	-25.2
<b>EBIT</b>	<b>3.5</b>	<b>3.3</b>	<b>9.5</b>
Financial income and expenses	-1.5	-0.6	-0.7
Share of results in joint venture	-0.5	-	-2.0
<b>Profit before taxes</b>	<b>1.5</b>	<b>2.7</b>	<b>6.9</b>
Income taxes	-0.4	-0.6	-2.1
<b>Profit (loss) for the period from continuing operations</b>	<b>1.1</b>	<b>2.1</b>	<b>4.8</b>
Profit (loss) for the period from discontinued operations	-	6.7	-7.2
<b>Profit (loss) for the period</b>	<b>1.1</b>	<b>8.8</b>	<b>-2.4</b>
<b>Other comprehensive income</b>			
<b>Items which may be reclassified subsequently to profit or loss:</b>			
Translation differences recognised in comprehensive income during the reporting period	-0.9	-2.1	40.8
Translation differences reclassified to profit or loss during the reporting period	-	-	-29.0
Cash flow hedge	-0.5	2.0	2.8
Income tax relating to other comprehensive income	0.1	-0.4	-0.6
	<b>-1.3</b>	<b>-0.5</b>	<b>13.9</b>
<b>Items which will not be reclassified to profit or loss:</b>			
Actuarial gains/losses on defined benefit plans	-	-	5.2
Income tax relating to other comprehensive income	-	-	-1.1
	<b>-</b>	<b>-</b>	<b>4.2</b>
<b>Total comprehensive income for the period</b>	<b>-0.2</b>	<b>8.3</b>	<b>15.7</b>
<b>Profit (loss) attributable to</b>			
Parent company shareholders	1.1	8.8	-2.4
<b>Total comprehensive income attributable to</b>			
Parent company shareholders	-0.2	8.3	15.7

<sup>1</sup> Comparative information has been restated. Share of result in joint venture is reported under EBIT.

EUR million	2023 1-3	2022 1-3	2022 1-12
<b>Earnings per share attributable to parent company shareholders:</b>			
<b>EUR</b>			
<b>Basic</b>			
Continuing operations	0.01	0.01	0.03
Discontinued operations	-	0.04	-0.04
<b>Group total</b>	<b>0.01</b>	<b>0.05</b>	<b>-0.01</b>
<b>Diluted</b>			
Continuing operations	0.01	0.01	0.03
Discontinued operations	-	0.04	-0.04
<b>Group total</b>	<b>0.01</b>	<b>0.05</b>	<b>-0.01</b>

# Consolidated statement of financial position (IFRS)

EUR million	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>Non-current assets</b>			
Property, plant and equipment	54.6	69.2	57.7
Goodwill	61.0	63.2	61.1
Other intangible assets	19.6	31.5	20.6
Investments in joint ventures	239.9	-	240.4
Other non-current assets	37.7	36.8	38.3
Deferred tax assets	1.4	2.8	1.2
<b>Non-current assets total</b>	<b>414.4</b>	<b>203.5</b>	<b>419.1</b>
<b>Current assets</b>			
Inventories	163.1	166.2	148.5
Trade receivables	249.4	202.3	226.8
Income tax receivables	1.2	0.3	1.1
Other receivables	5.2	6.5	4.7
Cash and cash equivalents	119.1	155.7	160.6
	<b>538.0</b>	<b>531.0</b>	<b>541.8</b>
Assets held for sale	-	426.5	-
<b>Current assets total</b>	<b>538.0</b>	<b>957.5</b>	<b>541.8</b>
<b>Assets total</b>	<b>952.4</b>	<b>1,160.9</b>	<b>960.9</b>

EUR million	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>Equity</b>			
Share capital	36.2	36.2	36.2
Fair value reserve	28.3	28.0	28.7
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	-17.6	-30.5	-16.7
Retained earnings	73.5	89.9	83.2
<b>Equity attributable to the parent company shareholders</b>	<b>214.7</b>	<b>217.9</b>	<b>225.6</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	4.8	5.2	4.9
Pension obligations	11.4	18.2	11.8
Interest-bearing liabilities	67.6	75.2	69.9
Other non-current liabilities	1.2	0.5	0.7
<b>Non-current liabilities total</b>	<b>84.9</b>	<b>99.1</b>	<b>87.3</b>
<b>Current liabilities</b>			
Trade payables	544.1	586.6	557.3
Interest-bearing liabilities	70.2	98.6	67.0
Income tax payables	0.3	1.4	1.0
Other current liabilities	38.2	41.2	22.8
	<b>652.8</b>	<b>727.8</b>	<b>648.0</b>
Liabilities related to assets held for sale	-	116.2	-
<b>Current liabilities total</b>	<b>652.8</b>	<b>844.0</b>	<b>648.0</b>
<b>Equity and liabilities total</b>	<b>952.4</b>	<b>1 160.9</b>	<b>960.9</b>

# Consolidated statement of changes in equity (IFRS)

EUR million	Share capital	Funds	Translation differences	Retained earnings	Equity total
<b>Equity 1 Jan 2022</b>	<b>36.2</b>	<b>120.7</b>	<b>-28.5</b>	<b>88.3</b>	<b>216.8</b>
Comprehensive income for the period					
Net profit for the period	-	-	-	8.8	8.8
Other comprehensive income:					
Cash flow hedge	-	2.0	-	-	2.0
Income tax relating to other comprehensive income	-	-0.4	-	-	-0.4
Translation difference	-	-	-2.1	-	-2.1
Comprehensive income for the period total	-	1.6	-2.1	8.8	8.3
Transactions with owners					
Dividend distribution	-	-	-	-7.3	-7.3
Share-based incentive	-	-	-	0.0	0.0
Transactions with owners total	-	-	-	-7.2	-7.2
<b>Equity 31 March 2022</b>	<b>36.2</b>	<b>122.3</b>	<b>-30.5</b>	<b>89.9</b>	<b>217.9</b>
<b>Equity 1 Jan 2023</b>	<b>36.2</b>	<b>122.9</b>	<b>-16.7</b>	<b>83.2</b>	<b>225.6</b>
Comprehensive income for the period					
Net profit for the period	-	-	-	1.1	1.1
Other comprehensive income:					
Cash flow hedge	-	-0.5	-	-	-0.5
Income tax relating to other comprehensive income	-	0.1	-	-	0.1
Translation difference	-	-	-0.9	-	-0.9
Comprehensive income for the period total	-	-0.4	-0.9	1.1	-0.2
Transactions with owners					
Dividend distribution	-	-	-	-10.9	-10.9
Share-based incentive	-	-	-	0.2	0.2
Transactions with owners total	-	-	-	-10.7	-10.7
<b>Equity 31 March 2023</b>	<b>36.2</b>	<b>122.5</b>	<b>-17.6</b>	<b>73.5</b>	<b>214.7</b>

## Consolidated statement of cash flows (IFRS)

EUR million	2023 1-3	2022 <sup>1</sup> 1-3	2022 <sup>1</sup> 1-12
Profit (loss) for the period	1.1	8.8	-2.4
Adjustments for			
Depreciation, amortisation and impairments	3.6	6.7	28.1
Share of results in joint venture	0.5	-	2.0
Financial income and expenses	1.5	2.0	5.5
Loss on sale of discontinued operations	-	-	29.4
Income taxes	0.4	2.3	7.9
Other adjustments	-0.1	0.4	-0.9
Cash flow before change in working capital	7.0	20.3	69.6
Change in working capital	-47.6	11.8	27.7
<b>Cash flow from operating activities before financial items and taxes</b>	<b>-40.5</b>	<b>32.1</b>	<b>97.3</b>
Financial income received and costs paid	-0.6	-1.8	-15.4
Taxes paid	-1.5	-1.5	-4.0
<b>Net cash flow from operating activities</b>	<b>-42.6</b>	<b>28.7</b>	<b>77.9</b>
Investments in property, plant and equipment and intangible assets	-0.5	-2.5	-8.5
Proceeds from sale of property, plant and equipment and intangible assets	0.0	0.1	0.4
Investments in joint ventures	-	-	24.3
Sales of subsidiaries and business operations, net of cash disposed	-	-	-13.1
<b>Net cash flow from investing activities</b>	<b>-0.5</b>	<b>-2.4</b>	<b>3.0</b>
Repayment of loans	-1.0	-1.0	-52.0
Change in other current financing	3.5	27.5	-29.8
Amortisations of lease liabilities	-0.9	-5.1	-21.2
Purchasing of own shares	-	-	-0.1
Dividends paid	-	-	-7.3
<b>Net cash flow from financing activities</b>	<b>1.6</b>	<b>21.4</b>	<b>-29.3</b>
Net change in cash and cash equivalents	-41.6	47.7	51.6
Cash and cash equivalents at the beginning of the period	160.6	109.1	109.1
Translation differences	-0.0	-0.0	-0.1
Net change in cash and cash equivalents	-41.6	47.7	51.6
<b>Cash and cash equivalents at the end of the period</b>	<b>119.1</b>	<b>156.8</b>	<b>160.6</b>

<sup>1</sup> Includes continuing and discontinued operations.

# Notes to the Interim Report January–March 2023

## 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 consolidated financial statements as at and for the year ended 31 December 2022. The accounting policies and calculation methods applied in the release are the same as those in the 31 December 2022 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 2023. These standards did not have a significant impact on the Group in the current reporting period and they are not expected to have a material impact on the Group in the future reporting periods and on foreseeable future transactions. This Interim Report does not include all the information and notes presented in the financial statements. The figures in this Interim Report are unaudited.

### **Reporting the share of results in joint venture**

Starting from the first quarter of 2023, Oriola will report its share of the net result in the Swedish Pharmacy Holding AB under the EBIT line in the consolidated statement of comprehensive income. Comparative information has been restated accordingly. In 2022 consolidated financial statements the share of the net result was reported above the EBIT line. The change will clarify the reporting and communication of Oriola's own operations performance and profitability.

### **Reporting segments**

At the beginning of 2022, Oriola implemented a country-based organisation, where the Pharma and Retail business areas and the Operations function were transformed into a new organisational structure. Oriola reports these operations as one reportable segment.

Oriola offers advanced distribution, expert and advisory services for pharmaceutical companies and wide range of health and wellbeing products for pharmacies, veterinarians, other healthcare operators and retail operators in the Finnish and Swedish markets. Additionally, Oriola offers dose dispensing services for pharmacies and healthcare operators.

## Earnings per share

EUR million	2023 1-3	2022 1-3	2022 1-12
Profit attributable to equity owners of the parent			
Continuing operations	1.1	2.1	4.8
Discontinued operations	-	6.7	-7.2
<b>Group total</b>	<b>1.1</b>	<b>8.8</b>	<b>-2.4</b>
Average number of outstanding shares (1000 shares)			
Basic	181,377	181,355	181,371
Diluted	181,423	181,423	181,423
<b>Earnings per share (EUR)</b>			
Basic			
Continuing operations	0.01	0.01	0.03
Discontinued operations	-	0.04	-0.04
<b>Group total</b>	<b>0.01</b>	<b>0.05</b>	<b>-0.01</b>
Diluted			
Continuing operations	0.01	0.01	0.03
Discontinued operations	-	0.04	-0.04
<b>Group total</b>	<b>0.01</b>	<b>0.05</b>	<b>-0.01</b>

## Discontinued operations

There were no discontinued operations in the Group in the first quarter of 2023. In 2022, discontinued operations included Consumer business area.

In February 2022, Oriola signed a framework merger agreement with the Euroapotheca group for combining the respective pharmacy businesses in Sweden: Oriola's Consumer business area comprising of Kronans Apotek and Euroapotheca's Apoteksgruppen into a new jointly owned company. Oriola's share is 50 per cent of the investment and the result. Oriola accounts its interest in the joint venture using the equity method.

The consolidated statement of comprehensive income has been represented to show the discontinued operations separately from continuing operations. The elimination of transactions between the continuing operations and the discontinued operations is attributed in a way that reflects the continuance of these transactions after the arrangement was completed.

The discontinued operations' result, assets and liabilities, and cash flows have been presented in the consolidated financial statements of 2022 and in the interim report for the first quarter in 2022.

## Tangible and intangible assets

Changes in property, plant and equipment, EUR million	2023 1-3	2022 1-3	2022 1-12
Carrying amount at the beginning of the period	43.9	76.6	76.6
Increases	0.1	0.6	3.2
Decreases	-0.0	-0.1	-0.1
Disposals of operations	-	-	-20.9
Reclassifications between asset categories	-0.0	-	0.4
Reclassifications to assets held for sale	-	-21.3	-
Depreciation, continuing operations	-1.6	-1.6	-6.6
Depreciation, discontinued operations	-	-0.5	-0.5
Impairments	-	-	-3.7
Foreign exchange rate differences	-0.4	-0.6	-4.6
<b>Carrying amount at the end of the period</b>	<b>42.0</b>	<b>53.1</b>	<b>43.9</b>

Changes in right-of-use assets EUR million	2023 1-3	2022 1-3	2022 1-12
Carrying amount at the beginning of the period	13.8	79.4	79.4
Increases	0.1	1.4	5.5
Decreases	-0.3	-0.1	-0.6
Disposals of operations	-	-	-59.3
Reclassifications to assets held for sale	-	-61.1	-
Depreciation, continuing operations	-0.8	-0.9	-4.0
Depreciation, discontinued operations	-	-1.8	-1.7
Impairments	-	-	-
Foreign exchange rate differences	-0.2	-0.7	-5.5
<b>Carrying amount at the end of the period</b>	<b>12.6</b>	<b>16.1</b>	<b>13.8</b>

Changes in goodwill, EUR million	2023 1-3	2022 1-3	2022 1-12
Carrying amount at the beginning of the period	61.1	273.5	273.5
Disposals of operations	-	-	-196.6
Reclassifications to assets held for sale	-	-208.6	-
Impairments	-	-	-
Foreign exchange rate differences	-0.0	-1.7	-15.8
<b>Carrying amount at the end of the period</b>	<b>61.0</b>	<b>63.2</b>	<b>61.1</b>

Changes in other intangible assets, EUR million	2023 1-3	2022 1-3	2022 1-12
Carrying amount at the beginning of the period	20.6	71.0	71.0
Increases	0.3	1.9	5.2
Decreases	0.0	-0.1	-0.4
Disposals of operations	-	-	-39.8
Reclassifications	0.0	-0.1	-0.4
Reclassifications to assets held for sale	-	-39.1	-
Amortization, continuing operations	-1.2	-1.1	-4.8
Amortization, discontinued operations	-	-0.7	-0.8
Impairments	-	-	-6.4
Foreign exchange rate differences	-0.0	-0.4	-3.1
<b>Carrying amount at the end of the period</b>	<b>19.6</b>	<b>31.5</b>	<b>20.6</b>

## Derivatives

31 Mar 2023 EUR million	Positive fair value	Negative fair value	Nominal values of contracts
<b>Derivatives recognised as cash flow hedges</b>			
Interest rate swaps	2.8	0.1	53.2
<b>Derivatives measured at fair value through profit or loss</b>			
Interest rate swaps	0.6	-	10.6
Foreign currency forward and swap contracts	0.1	0.9	103.3

31 Mar 2022 EUR million	Positive fair value	Negative fair value	Nominal values of contracts
<b>Derivatives recognised as cash flow hedges</b>			
Interest rate swaps	2.5	0.0	69.7
<b>Derivatives measured at fair value through profit or loss</b>			
Foreign currency forward and swap contracts	0.1	0.1	94.7

Derivatives measured at fair value through profit or loss are mainly related to hedging of the Group's internal transactions. Fair values of the derivatives have been recognised in the 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.

## Fair value hierarchy

31 Mar 2023 EUR million	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Derivatives designated as hedges	-	2.8	-	<b>2.8</b>
Derivatives measured at fair value through profit or loss	-	0.7	-	<b>0.7</b>
Other investments measured at fair value through OCI	-	-	34.2	<b>34.2</b>
Trade receivables for sale	-	10.7	-	<b>10.7</b>
<b>Liabilities</b>				
Derivatives designated as hedges	-	0.1	-	<b>0.1</b>
Derivatives measured at fair value through profit or loss	-	0.9	-	<b>0.9</b>

31 Mar 2022 EUR million	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Derivatives designated as hedges	-	2.5	-	<b>2.5</b>
Derivatives measured at fair value through profit or loss	-	0.1	-	<b>0.1</b>
Other investments measured at fair value through OCI	-	-	34.2	<b>34.2</b>
Trade receivables for sale	-	16.9	-	<b>16.9</b>
<b>Liabilities</b>				
Derivatives designated as hedges	-	0.0	-	<b>0.0</b>
Derivatives measured at fair value through profit or loss	-	0.1	-	<b>0.1</b>

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 according to the level 3**

	2023	2022	2022
Financial assets on level 3, EUR million	1-3	1-3	1-12
<b>Carrying amount at the beginning of the period</b>	<b>34.2</b>	<b>34.2</b>	<b>34.2</b>
Disposal of shares	-	-	-
Change in fair value	-	-	-
<b>Carrying amount at the end of the period</b>	<b>34.2</b>	<b>34.2</b>	<b>34.2</b>

Financial assets recognised at fair value through other comprehensive income (level 3) include Oriola's holding in the Swedish online medical centre Doktor.se. The applied valuation method for the shares in Doktor.se is based on realised transactions.

**Commitments and Contingent Liabilities**

EUR million	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>Commitments for own liabilities</b>			
Guarantees on behalf of own companies	6.4	7.1	6.5
Guarantees on behalf of other companies	0.2	-	0.3
Mortgages on company assets	1.9	2.0	1.9
Other guarantees and liabilities	4.8	6.9	5.8
<b>Total</b>	<b>13.3</b>	<b>16.0</b>	<b>14.5</b>
Committed future minimum lease liabilities	0.6	1.2	1.1

The most significant guarantees are bank guarantees against the Swedish wholesale company's trade payables. In addition, Oriola Corporation has granted parent company guarantees of EUR 0.2 (0.4) million against other subsidiaries' lease liabilities.

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.

**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 Oriola Management Team, 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 transactions between the group companies in the ordinary course of business. The Group has no significant business transactions with other related parties.

Oriola reports 50 per cent of the result of the joint venture Swedish Pharmacy Holding AB below EBIT. The transactions with the joint venture are presented in the following table:

	2023	2022	2022
EUR million	1-3	1-3	1-12
Sales	124.7	-	130.9
Purchases of goods and services	0.1	-	0.1
Trade and other receivables	73.7	-	20.7
Trade and other payables	0.1	-	0.2
Commitments	0.2	-	0.3

## Quarterly information

EUR million	2023 1-3	2022 10-12	2022 7-9	2022 4-6	2022 1-3
Invoicing	858.3	906.9	870.6	903.9	886.7
Net sales	354.7	374.2	373.9	394.6	372.7
Adjusted EBIT total	3.5	2.9	6.6	5.5	4.7
EBIT total	3.5	-7.1	6.3	7.0	3.3
Number of personnel at the end of the period, FTE's total	830	833	853	892	1,039

## Geographical information

1-3/2023 EUR million	Sweden	Finland	Other countries	Total
Net sales	207.4	122.7	24.7	<b>354.7</b>
Non-current assets <sup>1</sup>	78.5	330.9	-	<b>409.5</b>
Investments	0.2	0.2	-	<b>0.4</b>
Average number of personnel	424	412	-	<b>836</b>

1-3/2022 EUR million	Sweden	Finland	Other Countries	Total
Net sales	226.5	112.9	33.4	<b>372.7</b>
Non-current assets <sup>1</sup>	95.9	102.2	-	<b>198.1</b>
Investments	0.4	0.3	-	<b>0.7</b>
Average number of personnel	480	560	-	<b>1,041</b>

<sup>1</sup> Non-current assets exclude financial instruments and deferred tax assets.

## Disaggregation of revenue

In the following table, the Group's revenue from continuing operations is disaggregated by the Group's major revenue streams.

EUR million	2023 1-3	2022 1-3	2022 1-12
Wholesale	312.6	317.4	1,287.9
Other <sup>1</sup>	42.1	55.3	227.6
<b>Net sales total</b>	<b>354.7</b>	<b>372.7</b>	<b>1,515.5</b>

<sup>1</sup> Other includes sales of logistics services, dose dispensing and other services. Sale of staffing services has been included in other until March 2022.

## Alternative performance measures

Key figures EUR million	2023 1-3	2022 1-3	Change %	2022 1-12
Invoicing	858.3	886.7	-3.2	3,568.0
Net sales	354.7	372.7	-4.8	1,515.5
Adjusted EBIT <sup>1</sup>	3.5	4.7	-24.9	19.7
EBIT	3.5	3.3	6.6	9.5
Adjusted EBIT %	1.0	1.3		1.3
EBIT %	1.0	0.9		0.6
Profit for the period	1.1	2.1	-47.8	4.8
Earnings per share, EUR	0.01	0.01	-47.8	0.03
Net cash flow from operating activities <sup>2</sup>	-42.6	28.7		77.9
Gross capital expenditure	0.4	0.7		3.4
Net interest-bearing debt	18.7	18.2		-23.7
Gearing, %	8.7	8.3		-10.5
Equity per share, EUR	1.18	1.20		1.24
Equity ratio, %	22.8	19.1		23.8
Return on equity (ROE), %	2.0	3.9		2.2
Return on capital employed (ROCE), %	4.0	2.8		2.4
Average number of shares, 1000 pcs <sup>3</sup>	181,377	181,355		181,371
Average number of personnel <sup>4</sup>	836	1,041		914
Number of personnel at the end of the period <sup>4</sup>	830	1,039		833

<sup>1</sup> Adjusting items are specified in note Adjusting items.

<sup>2</sup> Year 2022 includes discontinued operations.

<sup>3</sup> Treasury shares held by the company not included.

<sup>4</sup> Full time equivalents

**Reconciliation of alternative performance measures to IFRS**

<b>Invoicing</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
<b>EUR million</b>	<b>1-3</b>	<b>1-3</b>	<b>1-12</b>
Net sales	354.7	372.7	1,515.5
+ Acquisition cost of consignment stock	503.5	513.8	2,052.5
+ Cash discounts	0.0	0.0	0.1
+ Exchange rate differences on sales	0.1	0.1	0.0
<b>Invoicing</b>	<b>858.3</b>	<b>886.7</b>	<b>3,568.0</b>

<b>Comparable adjusted EBIT and Adjusted EBIT</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
<b>EUR million</b>	<b>1-3</b>	<b>1-3</b>	<b>1-12</b>
EBIT	3.5	3.3	9.5
- Adjusting items included in EBIT	0.0	1.4	10.2
<b>Adjusted EBIT</b>	<b>3.5</b>	<b>4.7</b>	<b>19.7</b>

<b>Alternative performance measures calculated on a constant currency basis</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
<b>EUR million</b>	<b>1-3</b>	<b>1-3</b>	<b>1-12</b>
Invoicing	858.3	886.7	3,568.0
Translation difference	38.4	21.4	110.7
Invoicing calculated on a constant currency basis	896.7	908.0	3,678.7
Net sales	354.7	372.7	1,515.5
Translation difference	15.8	9.2	47.5
Net sales calculated on a constant currency basis	370.5	381.9	1,563.0
Adjusted EBIT	3.5	4.7	19.7
Translation difference	0.2	0.1	0.4
Adjusted EBIT calculated on a constant currency basis	3.7	4.8	20.2

**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 and exchange rate differences on sales and purchases, less employee benefit expenses and other operating expenses, less depreciation, amortisation and impairment plus other operating income.
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 calculated on a constant currency basis	= Invoicing calculated with the average exchange rate of the corresponding period of the comparative year.
Net sales calculated on a constant currency basis	= Net sales calculated with the average exchange rate of the corresponding period of the comparative year.
Adjusted EBIT calculated on a constant currency basis	= Adjusted EBIT calculated with the average exchange rate of the corresponding period of the comparative year.
Net interest-bearing 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, %	= $\frac{\text{Net interest-bearing debt}}{\text{Equity total}} \times 100$
Equity ratio, %	= $\frac{\text{Equity total}}{\text{Total assets – Advances received}} \times 100$

## 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	2023 1-3	2022 1-3	2022 1-12
Restructuring costs	-0.0	-	-0.5
Impairments and write-downs	-	-	-9.8
Other	-	-1.4	0.1
<b>Adjusting items from continuing operations</b>	<b>-0.0</b>	<b>-1.4</b>	<b>-10.2</b>

Adjusting items in 2022 relate to impairment of other tangible and intangible assets not yet available for use, the combination with Apoteksgruppen, the divestment of the staffing services business and restructuring costs related to the operating model.