

# ORIOLA CORPORATION'S INTERIM REPORT 1 JANUARY – 31 MARCH 2022

Released on 28 April 2022 at 8.30 a.m.



# Oriola January 1– March 31, 2022

## Q1 2022: Turnaround actions and market demand improved profit – market environment uncertain

Reporting information for 2021 has been restated to reflect Oriola's operating model change announced October 2021 and February 2022 announced framework merger agreement with Euroapothecca for combining the respective pharmacy businesses in Sweden. Restated information, which was published on 26 April 2022, contained the new segment structure. Continuing operations is combining the old business areas Pharma and Retail into new Oriola Services segment, and discontinued operations consist of Consumer segment including pharmacy operations in Sweden, which are planned to be merged with Euroapothecca's Apoteksgruppen.

### January–March 2022 highlights

#### Continuing operations

- Invoicing increased by 6.3% to EUR 886.7 (834.1) million. On a constant currency basis invoicing increased by 8.9% and was EUR 908.0 million.
- Net sales increased by 7.6% to EUR 372.7 (346.4) million. On a constant currency basis net sales increased by 10.2% and were EUR 381.9 million.
- Comparable adjusted EBIT was EUR 4.7 (0.9) million. On a constant currency basis, the comparable adjusted EBIT was EUR 4.8 million.
- Adjusted EBIT was EUR 4.7 (0.9) million. On a constant currency basis, the adjusted EBIT was EUR 4.8 million.
- Profit for the period totalled EUR 2.1 (-0.2) million and earnings per share were EUR 0.01 (-0.00).

#### Discontinued operations

- Invoicing increased by 2.6% to EUR 209.6 (204.3) million. On a constant currency basis invoicing increased by 6.3% and was EUR 217.1 million.
- Net sales increased by 2.7% to EUR 205.1 (199.7) million. On a constant currency basis net sales increased by 6.4% and were EUR 212.4 million.
- Comparable adjusted EBIT was EUR 6.8 (-0.6) million. On a constant currency basis, the comparable adjusted EBIT was EUR 7.0 million.
- Adjusted EBIT was EUR 10.3 (-0.6) million. On a constant currency basis, the adjusted EBIT was EUR 10.6 million.
- Adjusted EBIT includes a positive impact EUR of 3.5 million from lower depreciations, as discontinued operations' non-current assets are classified as held for sale and not depreciated. Comparable adjusted EBIT excludes the positive impact from depreciations.

#### Continuing and discontinued operations

- Invoicing increased by 6.2% to EUR 1 000.7 (942.5) million. On a constant currency basis invoicing increased by 8.9% and was EUR 1 026.1 million.
- Net sales increased by 7.1% to EUR 482.3 (450.2) million. On a constant currency basis net sales increased by 10.0% and were EUR 495.3 million.
- Comparable adjusted EBIT was EUR 11.5 (0.3) million. On a constant currency basis, the comparable adjusted EBIT was EUR 11.8 million.
- Adjusted EBIT was EUR 15.0 (0.3) million. On a constant currency basis, the adjusted EBIT was EUR 15.4 million.
- Adjusted EBIT includes a positive impact of EUR 3.5 million from lower depreciations, as discontinued operations' non-current assets are classified as held for sale and not depreciated. Comparable adjusted EBIT excludes the positive impact from depreciations.

Key figures	2022	2021	Change	2021
EUR million	1-3	1-3	%	1-12
<b>Continuing operations</b>				
Invoicing	886.7	834.1	6.3	3,506.9
Net sales	372.7	346.4	7.6	1,452.2
Comparable adjusted EBIT <sup>1</sup>	4.7	0.9		14.9
Adjusted EBIT <sup>1</sup>	4.7	0.9		14.9
EBIT	3.3	-0.0		10.7
Adjusted EBIT %	1.3	0.3		1.0
EBIT %	0.9	-0.0		0.7
Profit for the period	2.1	-0.2		8.6
Earnings per share, EUR, continuing operations	0.01	-0.00		0.05
Earnings per share, EUR, discontinued operations	0.04	-0.01		0.01
<b>Continuing and discontinued operations</b>				
Invoicing	1,000.7	942.5	6.2	3,959.1
Net sales	482.3	450.2	7.1	1,882.4
Comparable adjusted EBIT <sup>1,4</sup>	11.5	0.3		26.3
Adjusted EBIT <sup>1,2</sup>	15.0	0.3		26.3
EBIT <sup>2</sup>	13.2	-0.5		20.5
Comparable adjusted EBIT % <sup>4</sup>	2.4	0.1		1.4
Adjusted EBIT % <sup>2</sup>	3.1	0.1		1.4
EBIT % <sup>2</sup>	2.7	-0.1		1.1
Net cash flow from operating activities <sup>3</sup>	28.7	-14.2		40.0
Gearing, % <sup>3</sup>	34.3	94.7		46.5
Equity ratio, % <sup>3</sup>	19.1	14.1		20.1
Return on capital employed (ROCE), % <sup>3</sup>	12.6	-0.5		4.6

<sup>1</sup> Adjusting items are specified in note 13. Adjusting items.

<sup>2</sup> The periods presented in the table are not fully comparable because when a non-current asset is classified as held for sale, it is not depreciated.

<sup>3</sup> Includes discontinued operations.

<sup>4</sup> Includes depreciations for the period in which the non-current assets are classified as held for sale.

*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 12. Alternative performance measures in the notes to this Financial Statements Release.*

## Outlook for 2022

The comparable adjusted EBIT is estimated to increase from the 2021 level.

The COVID-19 pandemic continues and severity as well as duration of the pandemic remain unclear in Oriola's operating environment. Furthermore, the recent overall inflationary increases and related cost pressures may have a significant impact on Oriola's profitability.

The outlook remains based on current group structure, including both continuing operations and discontinued operations. The comparable adjusted EBIT in 2021 was EUR 26.3 million.

## CEO Katarina Gabrielson:

"In the first quarter, both Oriola's continuing operations and discontinued operations generated good results. This was driven by high market demand and increased sales as well as progressing turnaround actions, especially in operational efficiency. Also, the strong performance in dose dispensing business continued. In February, we announced the planned merger with Euroapotheca for pharmacy operations in Sweden. Due to this we are reporting our Consumer business as discontinued operations.

During the first quarter we continued our short-term action plan to secure Oriola's turnaround. We proceeded with strict cost control, improved efficiency and commercial excellence in many areas. To streamline our business further, we implemented the new operating model in the beginning of the year. In March, we announced the decision to sell our pharmacy staffing business in Finland.

We are committed to continue to work with the turnaround actions consisting of four key elements: cost savings, efficient net working capital management, excellent customer relationship management and commercial excellence. The impact of these actions will gradually become visible during 2022.

Year 2022 has started under extraordinary circumstances in Europe. After two pandemic years we are witnessing Russia's military offensive against Ukraine. This together with the prolonging COVID-19 restrictions especially in China have caused uncertainty and further increased inflation in the global market.

During the turnaround our focus is to reach our goals as well as to secure the wellbeing of our employees. I want to thank all our employees for doing their best during the pandemic and contributing to the turnaround activities, I am extremely pleased with the work done by the whole organisation. With our committed employees we as a company are every day doing our utmost to secure pharmaceuticals availability on the market according to our purpose "Health for life".

# Oriola Corporation's Interim Report for 1 January–31 March 2022

## Operating environment

Year 2022 has started with Russia's military offensive against Ukraine, and it is affecting all European societies and individuals in many ways. Heavy sanctions against Russia and overall uncertainty in the global market are increasing inflation to a higher level than expected, especially energy and fuel prices. This is impacting consumer confidence and thus may change consumer behaviour and especially consumer spending. In the first quarter of 2022, consumers started to prepare for crisis by hoarding pharmaceuticals in Sweden. Moreover, the Russia's military offensive against Ukraine has again increased societies' need to be better prepared for emergency conditions, for instance through enhanced pharmaceutical reserves.

The COVID-19 pandemic continued in Finland and Sweden, impacting still on Oriola's operating environment. Despite this, the market recovery continued and the volume demand for pharmaceuticals and other health and wellbeing products were above 2019 levels.

## Turnaround highlights

In 2021, Oriola started a turnaround initiative to ensure company's profitability and efficiency. During the first quarter of the year, Oriola continued rigorous short-term action plan activities to ensure company's successful turnaround.

The short-term action plan for turnaround consists of four key elements:

- Cost savings through simplified operating model, reduction of operating costs and rigorous cost management.
- Efficient net working capital management through optimised product portfolio, enhanced supplier management & supply chain planning.
- Excellent customer relationship management targeting to superior customer experience with one-touch point to customers.
- Commercial excellence through service portfolio crystallisation, pricing models and enhanced margin management.

By taking these measures, Oriola streamlines processes to improve operational efficiency and reduces cost to increase profitability and cost-competitiveness. The impact of these actions will gradually become visible during 2022.

The new operating model and country-based organisational structure were among the first measures to streamline Oriola's operations. In order to further streamline its business portfolio, Oriola announced 13 March 2022 the decision to sell the entire share capital of its pharmacy staffing service company Farenta Oy to Eezy. The divestment was completed on 1 April 2022.

The company continues to seek further measures to improve its profitability. Oriola has also initiated a strategy process and will present its new business strategy later in 2022.

## Sustainability

In line with its purpose 'Health for life', Oriola improves the prerequisites for a healthier life – in the context of society, employees and environment. The company's highest priority and the most societally significant task is to ensure pharmaceutical safety and the availability of pharmaceuticals. Over 40% of the pharmaceuticals used in Finland and in Sweden are delivered by Oriola.

Oriola continuing operations employs over 1,000 professionals. Their expertise and know-how are a prerequisite for an excellent customer experience, responsible business and for meeting the strict quality requirements of the pharmaceutical industry.

Wellbeing of the planet is an integral element of people's health and creating a healthier tomorrow. Therefore, Oriola's ambition is to reach carbon neutrality in Oriola's own operations by 2025 and in indirect emissions from supply chain in 2030.

Oriola's sustainability programme is aligned with UN's Sustainable Development Goals and integrated in the Group strategy. To measure company's progress towards the long-term targets, Oriola monitors several key performance indicators. Please see <https://www.oriola.com/sustainability> for further information.

### **Sustainability highlights in January–March 2022**

The Russia's military offensive against Ukraine has put the corporate responsibility under a spotlight. The value-based actions are needed more than ever. Oriola has been actively seeking possible initiatives to help either in Ukraine or the Ukrainian refugees entering into Sweden and Finland. Oriola has donated products as well as otherwise supported international aid organisations. Also, Oriola's pharmacy chain has been helping Ukrainian people to get proper medical advice in their own language in Sweden.

In March, Oriola published its third GRI report and sustainability reporting from 2021 at its website highlighting sustainability achievements.

## **Group financial performance January–March 2022, continuing operations**

### **Invoicing and net sales**

For continuing operations, invoicing increased by 6.3% to EUR 886.7 (834.1) million. On a constant currency basis invoicing increased by 8.9%. Net sales increased by 7.6% to EUR 372.7 (346.4) million. On a constant currency basis net sales increased by 10.2%, mainly driven by the improving market demand. Invoicing and net sales include EUR 95.5 (95.9) million sales to discontinued operations.

### **Profitability**

Comparable adjusted EBIT and adjusted EBIT increased to EUR 4.7 (0.9) million, mainly driven by net sales growth and turnaround actions. Adjusting items totalled EUR -1.4 (-0.9) million, related to the planned merger with Apoteksgruppen, and the EBIT was EUR 3.3 (-0.0) million. The comparable adjusted EBIT and adjusted EBIT on a constant currency basis was EUR 4.8 million.

Net financial expenses were EUR 0.6 (0.1) million. Profit for the period was EUR 2.1 (-0.2) million. Earnings per share were EUR 0.01 (-0.00).

## **Reporting segments**

From the beginning of 2022, Oriola implemented a country-based organisation, where the Pharma and Retail business areas and Operations function were transformed into the new structure. As of the Q1 Interim Report, Oriola reports these operations as a new reportable segment: Oriola Services. Previous periods have been adjusted in the segment reporting to reflect changes in the management reporting.

Oriola Services offers Finnish and Swedish markets with 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. Additionally, Oriola Services offers dose dispensing services for pharmacies and healthcare operators.

## Continuing operations

### Oriola Services Q1: Improved market demand and better efficiency

Oriola Services offers Finnish and Swedish markets with 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. Additionally, Oriola Services offers dose dispensing services for pharmacies and healthcare operators.

Key figures EUR million	2022 1-3	2021 1-3	Change %	2021 1-12
Invoicing	886.7	834.1	6.3	3,506.9
Net sales	372.7	346.4	7.6	1,452.2
Comparable adjusted EBIT <sup>2</sup>	6.9	3.1	122.7	23.7
Adjusted EBIT	6.9	3.1	122.7	23.7
EBIT	6.9	3.1	122.7	21.2
Comparable adjusted EBIT % <sup>2</sup>	1.8	0.9		1.6
Adjusted EBIT %	1.8	0.9		1.6
EBIT %	1.8	0.9		1.5
Number of personnel at the end of the period <sup>1</sup>	959	1,037	-7.5	974

<sup>1</sup> Full-time equivalents

<sup>2</sup> For the continuing operations comparable adjusted EBIT is the same as adjusted EBIT.

#### Market environment

The pharmaceutical distribution market value at wholesale prices in Sweden grew by 7.6% (declined by 5.8%) in Swedish krona in the first quarter (source: IQVIA). In Finland, the market value grew by 4.0% (declined by 5.9%) in the first quarter (source: LTK). According to Oriola's estimate, Oriola's share of the pharmaceutical wholesale market was approximately 45% (46%) in Sweden in the first quarter and approximately 44% (42%) in Finland in the first quarter.

In Sweden, the traded goods and OTC pharmaceuticals market grew by 18.3% (declined by 4.2%) in the first quarter (Source: Apoteksförening).

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 250,000 patients (230,000) in Sweden and 90,000 patients (75,000) in Finland. Oriola is the market leader in Sweden serving approximately 105,000 patients. In Finland, Oriola serves approximately 28,000 patients.

#### January–March 2022

Invoicing increased by 6.3% to EUR 886.7 (834.1) million. On a constant currency basis invoicing increased by 8.9%. Net sales increased by 7.6% to EUR 372.7 (346.4) million, and on a constant currency basis, net sales increased by 10.2%. This was driven by improved market demand, new customer agreements in pharmaceutical distribution business, as well as growth in dose dispensing business.

Comparable adjusted EBIT and adjusted EBIT increased to EUR 6.9 (3.1) million, driven by net sales growth, improved operational efficiency and other turnaround actions, as well as strong performance in dose dispensing business. There were no adjusting items during the reporting period or the comparison period, and EBIT was EUR 6.9 (3.1) million.

## Discontinued operations

### Consumer Q1: Increased online sales and efficient e-commerce operations

Consumer business area is classified as discontinued operations and the assets and related liabilities are presented in the statement of financial position as assets held for sale and liabilities related to assets held for sale, as the business is planned to be merged with Euroapotheca's Apoteksgruppen. 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	2022	2021	Change	2021
EUR million	1-3	1-3	%	1-12
Invoicing	209.6	204.3	2.6	839.4
Net sales	205.1	199.7	2.7	817.5
Comparable adjusted EBIT <sup>2</sup>	6.8	-0.6		11.4
Adjusted EBIT	10.3	-0.6		11.4
EBIT	10.0	-0.5		9.8
Comparable adjusted EBIT % <sup>2</sup>	3.3	-0.3		1.4
Adjusted EBIT %	5.0	-0.3		1.4
EBIT %	4.9	-0.2		1.2
Number of personnel at the end of the period <sup>1</sup>	1,564	1,603	-2.4	1,598

<sup>1</sup> Full-time equivalents

<sup>2</sup> Includes depreciations for the period in which the non-current assets are classified as held for sale.

The periods presented in the table are not fully comparable for adjusted EBIT and EBIT, because when a non-current asset is classified as held for sale, it is not depreciated. The positive impact from depreciations in the reporting period was EUR 3.5 (-) million.

#### Market environment

The pharmacy market in Sweden grew by 9.7% (decreased 6.0%) in January-March in Swedish krona (source: Apoteksforening). The number of pharmacies decreased by one in January-March 2022 to 1,410 pharmacies.

Total online pharmacy market grew by 12% in January-March, slower than in the comparison period in 2021 (+41%). Online pharmacies' share of the total market was approximately 20% (19%) by the end of March 2022.

Oriola's market share in the Swedish pharmacy market in January-March 2022 was 15.9% (16.4%) (source: Apoteksforening). The relative share of over-the-counter (OTC) pharmaceuticals and traded goods from the net sales was 25.6% (25.2%). At the end of March, Oriola had 318 (325) pharmacies in Sweden. Oriola closed one pharmacy in the first quarter.

#### January-March 2022

The net sales increased by 2.7% to EUR 205.1 (199.7) million. On a constant currency basis net sales increased by 6.4%. This was driven by the growth in online sales and market growth. Furthermore, in the beginning of the year there was high demand for certain product categories like COVID-19 antigen tests, but this started to even out towards the end of the quarter. Also, the Russia's military offensive against Ukraine boosted in Sweden temporarily the consumers' demand for some product categories. Oriola's online sales grew by 8%, somewhat below the market growth (+12%), and it accounts for 9.2% (9.0%) of Oriola's Consumer sales.

Comparable adjusted EBIT was EUR 6.8 (-0.6) million including depreciations from the non-current assets held for sale. Adjusted EBIT increased to EUR 10.3 (-0.6) million driven lower depreciations, increased sales, improved efficiency in e-commerce operations and other turnaround actions. Adjusting items totalled EUR -0.4 (0.1) million, mainly related to the planned joint venture with Apoteksgruppen, and EBIT was EUR 10.0 (-0.5) million.



## Balance sheet, cash flow and financing

Oriola's total assets at the end of March 2022 were EUR 1,160.9 (1,137.8) million. Equity attributable to the equity holders was EUR 217.9 (157.6) million. The impact of translation differences on the equity was EUR -2.1 million. The equity was decreased by the dividend of EUR 7.3 million.

Cash and cash equivalents totalled EUR 155.7 (135.7) million. Net cash flow from operating activities in January–March 2022 was EUR 28.7 (-14.2) million, of which changes in working capital accounted for EUR 11.8 (-24.2) million. Strong fluctuation in working capital is typical to Oriola's industry. Net cash flow from investing activities was EUR -2.4 (-6.7) million. Net cash flow from financing activities was EUR 21.4 (-11.5) million.

At the end of March 2022, interest-bearing debt was EUR 173.8 (285.0) million. The non-current interest-bearing liabilities amounted to EUR 75.2 (123.5) million and current interest-bearing liabilities amounted to EUR 98.6 (161.6) million. Non-current interest-bearing liabilities mainly consist of loans from financial institutions totalling EUR 62.1 (64.3) million and non-current lease liabilities totalling EUR 13.1 (59.1) million. Current interest-bearing liabilities mainly consist of commercial paper issues of EUR 74.9 (73.5) million, advance payments from Finnish pharmacies totalling EUR 18.4 (16.8) million, loans from financial institutions totalling EUR 2.0 (52.0) million and current lease liabilities totalling EUR 3.3 (19.2) million. Interest-bearing net debt was EUR 18.2 (149.3) million and gearing 8.3% (94.7%).

The non-recourse trade receivables sales programmes are in use in Sweden. At the end of March 2022, a total of EUR 194.0 (179.7) million in trade receivables had been sold including discontinued operations. The average interest rate on the interest-bearing liabilities excluding lease liabilities was 0.88% (1.08%).

In June 2021, Oriola signed a new unsecured revolving credit facility agreement for a total of EUR 140 million. In February 2022, the maturity of the agreement was extended by one year and 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 2022.

At the end of the reporting period Oriola's equity ratio was 19.1% (14.1%). Return on capital employed was 12.6% (-0.5%) and return on equity 17.3% (-4.0%).

## Investments and depreciation, continuing operations

Gross investments in January–March 2022 totalled EUR 0.7 (3.3) million and consisted mainly of investments in logistics and information systems.

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

## Changes in the Group structure

Oriola announced on 14 March 2022, that it decided to sell the entire share capital of its pharmacy staffing service company Farenta Oy to Eezy. The divestment is part of renewing Oriola's operating model and will bring more focus on core business. The transaction will not have an impact on Oriola's result. The divestment was completed on 1 April 2022.

## Personnel, continuing operations

At the end of March 2022, Oriola had 1,031 (1,119) employees of which 959 (1,037) worked in Oriola Services and 72 (82) in Group administration. The average number of personnel in January–March 2022 was 1,034 (1,104). 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 15 March 2022, 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 2021.

The AGM resolved that a dividend of EUR 0.04 per share shall be paid on the basis of the balance sheet adopted for the financial year ending 31 December 2021. The dividend is paid to shareholders registered in the company's shareholders register held by Euroclear Finland Ltd on the dividend record date 17 March 2022. The payment date of the dividend was 21 April 2022.

The AGM confirmed that the Board of Directors is composed of six members. Current members of the Board of Directors Mr Juko Hakala, Ms Eva Nilsson Bågenholm, Mr Harri Pärssinen, Ms Lena Ridström and Mr Panu Routila were re-elected to the Board of Directors and Ms Nina Mähönen was elected as a new member of the Board of Directors. Mr Panu Routila 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 2022 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 the 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.

All decisions of the Annual General Meeting are available on the company's website [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, Ms Lena Ridström and Mr Panu Routila to the Board's Audit Committee, and Ms Eva Nilsson Bågenholm (Chairman), Mr Juko Hakala 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

The Corporate Governance Statement for 2021 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 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 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 eighteen (18) months following the decision of the Annual General Meeting.

All decisions of the Annual General Meeting 2022 are available on the company's website [www.oriola.com](http://www.oriola.com).

## Changes in the Oriola Management Team

Oriola announced on 23 February 2022, that Oriola Corporation's President and CEO Elisa Markula has given notice of her resignation from the company. The recruitment of a new CEO has started. Oriola announced on 15 March 2022, that Katarina Gabrielson was appointed as Interim CEO of Oriola. Gabrielson will be the Interim CEO until the appointment of the new CEO.

Oriola Management Team consisted of seven members at the end of March 2022: Katarina Gabrielson, Interim CEO and Vice President, Business Area Oriola Sweden; Sari Pohjonen, CFO; Hannes Hasselrot, Vice President, Business Area Consumer; Anne Kariniemi, Vice President, Business Area Oriola Finland; Mika Uusitalo, Vice President, Supply Chain and Business Development; Elina Niemelä, Chief People Officer; Petter Sandström, General Counsel.

## Oriola Corporation shares

Trading of shares	Jan–Mar 2022		Jan–Mar 2021	
	class A	class B	class A	class B
Trading volume, million	4.4	14.9	0.9	14.7
Trading volume, EUR million	8.7	30.6	2.0	29.6
Highest price, EUR	2.30	2.31	2.37	2.15
Lowest price, EUR	1.76	1.72	1.99	1.90
Closing quotation, end of period, EUR	1.92	1.88	2.20	2.05

Oriola Corporation's market capitalisation on 31 March 2022 was EUR 343.9 (380.1) million.

In January–March 2022, the traded volume of Oriola Corporation shares, excluding treasury shares, corresponded to 10.6% (8.6%) of the total number of shares.

At the end of March 2022, 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 (138,201) treasury shares, of which 63,650 (63,650) were class A shares and 45,914 (74,551) were

class B shares. The treasury shares held by the company account for 0.06% (0.08%) 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 2022, no class A shares were converted into class B shares.

## Flagging announcements

Oriola Corporation has on 30 March 2022 received a disclosure under Chapter 9, Section 5 of the Securities Markets Act, according to which Maa- ja vesitekniikan tuki ry has acquired all Oriola Corporation shares from its subsidiary Tukinvest Oy. The acquisition is an internal transaction within the group that has no effect on the total number of Oriola's shares owned by the group.

## 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, sustainability as well as possible pandemics.

More information on Oriola's risks and risk management can be found from Oriola's website:

[www.oriola.com/investors/corporate-governance/risks/](http://www.oriola.com/investors/corporate-governance/risks/).

## Near-term risks and uncertainty factors

Russia's military offensive against Ukraine has impacted the global markets. This has accelerated inflation especially in energy and fuel. Also, risks related to instability at financial markets and uncertain product availability due to material and supply chain constraints have been increasing. Furthermore, the amount of cyber-attacks towards societally important areas is expected to increase.

Since 2020, the COVID-19 pandemic has impacted significantly Oriola's operating environment as the restrictions set by the authorities and consumer caution impacted the consumer behaviour. As the pandemic continues and instability due to Russia's military offensive against Ukraine prevails, Oriola's business environment stays volatile, which still can have a significant impact on Oriola's net sales and profitability.

Severity and duration of Russia's military offensive against Ukraine and related inflation or pandemic, however, are unclear in Oriola's operating environment. The potential impacts of these events on the valuation of Oriola's assets have been reviewed. Oriola has no operations nor export or import with Russia and based on the assessments, Russia's military offensive against Ukraine or the COVID-19 pandemic are currently not expected to have such long-term impacts on Oriola's financial performance that would require adjustments to the carrying amounts of the assets.

In the regular contingency planning, the company has considered especially securing the health of its personnel, availability of workforce, safety in distribution centres and pharmacies as well as growing need for pharmaceutical stocking. In addition, Oriola is actively discussing with both customers and authorities about quickly changing requirements and how to manage those. Furthermore, Oriola aims to actively mitigate cost pressures.

Oriola's strategic development projects involve operational risks which may have an effect on the profitability when realised. Oriola has IT system projects ongoing. The company has defined separate risk management plans for all IT projects and aims to ensure seamless go-lives of the systems through careful planning.

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.

## Outlook for 2022

The comparable adjusted EBIT is estimated to increase from the 2021 level.

The COVID-19 pandemic continues and severity as well as duration of the pandemic remain unclear in Oriola's operating environment. Furthermore, the recent overall inflationary increases and related cost pressures may have a significant impact on Oriola's profitability.

The outlook remains based on current group structure, including both continuing operations and discontinued operations. The comparable adjusted EBIT in 2021 was EUR 26.3 million.

## Events after the reporting period

The sale of staffing services, Farenta Oy, was completed on 1 April 2022.

## Next financial report

Oriola Corporation will publish its half-year financial report for January-June 2022 on 22 July 2022.

Espoo, 27 April 2022

Oriola Corporation  
Board of Directors

## Consolidated statement of comprehensive income (IFRS)

EUR million	Note	2022 1-3	2021 <sup>1</sup> 1-3	2021 <sup>1</sup> 1-12
<b>Continuing operations</b>				
<b>Net sales</b>	10, 11	372.7	346.4	1,452.2
Other operating income		0.2	0.2	4.5
Materials and supplies		-326.4	-302.2	-1,268.0
Employee benefit expenses		-17.7	-19.9	-75.6
Other operating expenses		-22.0	-20.9	-85.9
Depreciation, amortisation and impairments	4	-3.6	-3.6	-16.5
<b>EBIT</b>	10	3.3	-0.0	10.7
Financial income and expenses		-0.6	-0.1	0.3
<b>Profit before taxes</b>		2.7	-0.1	11.0
Income taxes		-0.6	-0.0	-2.3
<b>Profit for the period from continuing operations</b>		<b>2.1</b>	<b>-0.2</b>	<b>8.6</b>
Profit for the period from discontinued operations	3	6.7	-1.5	2.7
<b>Profit for the period</b>		<b>8.8</b>	<b>-1.7</b>	<b>11.3</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		-2.1	-5.0	-5.4
Cash flow hedge		2.0	0.2	0.9
Income tax relating to other comprehensive income		-0.4	-0.0	-0.2
		<b>-0.5</b>	<b>-4.8</b>	<b>-4.6</b>
<b>Items which will not be reclassified to profit or loss:</b>				
Financial assets recognised at fair value through other comprehensive income	7	-	-	44.8
Actuarial gains/losses on defined benefit plans		-	-	1.3
Income tax relating to other comprehensive income		-	-	-0.3
		-	-	<b>45.9</b>
<b>Total comprehensive income for the period</b>		<b>8.3</b>	<b>-6.5</b>	<b>52.6</b>
<b>Profit attributable to</b>				
Parent company shareholders		8.8	-1.7	11.3
<b>Total comprehensive income attributable to</b>				
Parent company shareholders		8.3	-6.5	52.6
<b>Earnings per share attributable to parent company shareholders:</b>				
<b>EUR</b>				
<b>Basic</b>				
Continuing operations		0.01	-0.00	0.05
Discontinued operations		0.04	-0.01	0.01
Group total	2	0.05	-0.01	0.06
<b>Diluted</b>				
Continuing operations		0.01	-0.00	0.05
Discontinued operations		0.04	-0.01	0.01
Group total	2	0.05	-0.01	0.06

<sup>1</sup> Comparative information has been represented due to a discontinued operation.

## Consolidated statement of financial position (IFRS)

EUR million	Note	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>Non-current assets</b>				
Property, plant and equipment	4	69.2	157.9	155.9
Goodwill	4	63.2	274.6	273.5
Other intangible assets	4	31.5	69.8	71.0
Other non-current assets	7	36.8	22.3	34.9
Deferred tax assets		2.8	4.5	3.9
<b>Non-current assets total</b>		<b>203.5</b>	<b>529.1</b>	<b>539.3</b>
<b>Current assets</b>				
Inventories		166.2	243.1	229.2
Trade receivables		202.3	205.0	194.7
Income tax receivables		0.3	3.2	2.7
Other receivables		6.5	21.7	18.2
Cash and cash equivalents		155.7	135.7	109.1
		<b>531.0</b>	<b>608.7</b>	<b>553.9</b>
Assets held for sale	3	426.5	-	-
<b>Current assets total</b>		<b>957.5</b>	<b>608.7</b>	<b>553.9</b>
<b>Assets total</b>		<b>1,160.9</b>	<b>1,137.8</b>	<b>1,093.2</b>

EUR million	Note	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>Equity</b>				
Share capital		36.2	36.2	36.2
Fair value reserve		28.0	7.8	26.5
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		-30.5	-28.1	-28.5
Retained earnings		89.9	47.4	88.3
<b>Equity attributable to the parent company shareholders</b>		<b>217.9</b>	<b>157.6</b>	<b>216.8</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities		5.2	13.5	11.8
Pension obligations		18.2	18.7	18.0
Interest-bearing liabilities		75.2	123.5	123.5
Other non-current liabilities		0.5	0.7	0.5
<b>Non-current liabilities total</b>		<b>99.1</b>	<b>156.3</b>	<b>153.8</b>
<b>Current liabilities</b>				
Trade payables		586.6	601.2	591.7
Provisions	5	-	1.3	-
Interest-bearing liabilities		98.6	161.6	86.4
Income tax payables		1.4	0.4	1.4
Other current liabilities		41.2	59.4	43.1
		<b>727.8</b>	<b>823.9</b>	<b>722.6</b>
Liabilities related to assets held for sale	3	116.2	-	-
<b>Current liabilities total</b>		<b>844.0</b>	<b>823.9</b>	<b>722.6</b>
<b>Equity and liabilities total</b>		<b>1,160.9</b>	<b>1,137.8</b>	<b>1,093.2</b>

## Consolidated statement of changes in equity (IFRS)

EUR million	Share capital	Funds	Translation differences	Retained earnings	Equity total
<b>Equity 1 Jan 2021</b>	<b>36.2</b>	<b>102.0</b>	<b>-23.1</b>	<b>54.5</b>	<b>169.6</b>
Comprehensive income for the period					
Net profit for the period	-	-	-	-1.7	-1.7
Other comprehensive income:					
Cash flow hedge	-	0.2	-	-	0.2
Income tax relating to other comprehensive income	-	-0.0	-	-	-0.0
Translation difference	-	-	-5.0	-	-5.0
Comprehensive income for the period total	-	0.2	-5.0	-1.7	-6.5
Transactions with owners					
Dividend distribution	-	-	-	-5.4	-5.4
Share-based incentive	-	-	-	-0.0	-0.0
Transactions with owners total	-	-	-	-5.4	-5.4
<b>Equity 31 Mar 2021</b>	<b>36.2</b>	<b>102.1</b>	<b>-28.1</b>	<b>47.4</b>	<b>157.6</b>
<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 Mar 2022</b>	<b>36.2</b>	<b>122.3</b>	<b>-30.5</b>	<b>89.9</b>	<b>217.9</b>



## Condensed consolidated statement of cash flows (IFRS)

EUR million <sup>1</sup>	2022 1-3	2021 1-3	2021 1-12
Profit for the period	8.8	-1.7	11.3
Depreciation, amortisation and impairments	6.7	10.5	44.9
Financial income and expenses	2.0	1.6	5.8
Income taxes	2.3	-0.4	3.4
Other adjustments	0.4	0.8	0.1
Change in working capital	11.8	-24.2	-17.1
Cash flow from financial items and taxes	-3.4	-0.8	-8.4
Net cash flow from operating activities	28.7	-14.2	40.0
Net cash flow from investing activities	-2.4	-6.7	9.6
Net cash flow from financing activities	21.4	-11.5	-108.5
Net change in cash and cash equivalents	47.7	-32.4	-59.0
Cash and cash equivalents at the beginning of the period	109.1	168.2	168.2
Translation differences	-0.0	-0.0	-0.0
Net change in cash and cash equivalents	47.7	-32.4	-59.0
<b>Cash and cash equivalents at the end of the period</b>	<b>156.8</b>	<b>135.7</b>	<b>109.1</b>

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

# Notes to the Financial Statements Release January–March 2022

## 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 2021. The accounting policies and calculation methods applied in the report are the same as those in the 31 December 2021 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 2022. 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. The consolidated statement of financial position for comparative periods includes the assets and liabilities of discontinued operations. This Interim report does not include all the information and notes presented in the annual financial statements. The figures in this Interim Report are unaudited.

Severity and duration of the war in Ukraine and related inflation or pandemic are unclear in Oriola's operating environment. The potential impacts of these events on the valuation of Oriola's assets have been reviewed. Based on the assessments, Russia's military offensive against Ukraine or the COVID-19 pandemic are currently not expected to have such long-term impacts on Oriola's financial performance that would require adjustments to the carrying amounts of the assets.

### Discontinued operations

Oriola announced on 9 February 2022, that it has signed a framework merger agreement with the Euroapotheca group for combining the respective pharmacy business in Sweden: Oriola's Consumer business area comprising Kronans Apotek and Euroapotheca's Apoteksgruppen into a new company. Oriola applies the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in the classification, presentation, and recognition of sale of Consumer business area. Oriola reports Consumer business area as discontinued operations as of the Q1 Interim Report. The consolidated statement of comprehensive income has been represented to show the discontinued operation separately from continuing operations and the comparison period has been adjusted accordingly. 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 disposal. The balance sheet has not been adjusted for the previous periods.

### Reporting segments

From the beginning of 2022, Oriola implemented a country-based organisation, where the Pharma and Retail business areas and Operations function were transformed into the new structure. As of the Q1 Interim Report, Oriola reports these operations as a new reportable segment: Oriola Services. Previous periods have been adjusted in the segment reporting to reflect changes in the management reporting.

Oriola Services offers Finnish and Swedish markets with 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. Additionally, Oriola Services offers dose dispensing services for pharmacies and healthcare operators.

## 2. Earnings per share

EUR million	2022 1-3	2021 1-3	2021 1-12
Profit attributable to equity of the parent			
Continuing operations	2.1	-0.2	8.6
Discontinued operations	6.7	-1.5	2.7
Profit attributable to equity of the parent	8.8	-1.7	11.3
Average number of outstanding shares (1000 shares)			
Basic	181 355	181 320	181 341
Diluted	181 423	181 423	181 423
<b>Earnings per share (EUR)</b>			
Basic			
Continuing operations	0.01	-0.00	0.05
Discontinued operations	0.04	-0.01	0.01
Total	0.05	-0.01	0.06
Diluted			
Continuing operations	0.01	-0.00	0.05
Discontinued operations	0.04	-0.01	0.01
Total	0.05	-0.01	0.06

## 3. Assets held for sale and discontinued operations

In February 2022, Oriola signed a framework merger agreement with the Euroapothecca group for combining the respective pharmacy business in Sweden: Oriola's Consumer business area comprising Kronans Apotek and Euroapothecca's Apoteksgruppen into a new company. The transaction is subject to competition authorities' approval and is expected to close at the latest during the second half of 2022. Accordingly, Consumer business area is classified as discontinued operations and the assets and related liabilities are presented in the statement of financial position as assets held for sale and liabilities related to assets held for sale as of 9 February 2022. Non-current assets are not depreciated while they are classified as held for sale.

The consolidated statement of comprehensive income has been represented to show the discontinued operation 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 disposal. Elimination of intra-group transactions is presented in the note 10. Segment information.

The transaction is expected to have a negative impact of approximately EUR 10 million on consolidated net profit of Oriola Group including translation differences and transaction related costs. Cumulative translation differences recognised in other comprehensive income shall be reclassified from equity to profit or loss when the disposal is completed. Transaction costs are recognised as incurred.

<b>Result of discontinued operations</b> EUR million	<b>2022</b> 1-3	<b>2021</b> 1-3	<b>2021</b> 1-12
<b>Net sales</b>	205.1	199.7	817.5
Other operating income	3.2	2.5	10.1
Materials and supplies <sup>1</sup>	155.6	152.0	618.7
Employee benefit expenses	26.7	28.2	109.8
Other operating expenses	13.0	15.5	61.0
Depreciation, amortisation and impairments	3.0	6.9	28.3
<b>EBIT</b>	<b>10.0</b>	<b>-0.5</b>	<b>9.8</b>
Financial income and expenses	-1.5	-1.5	-6.1
<b>Profit before taxes</b>	<b>8.5</b>	<b>-2.0</b>	<b>3.7</b>
Income taxes	-1.8	0.4	-1.0
<b>Profit for the period from discontinued operations</b>	<b>6.7</b>	<b>-1.5</b>	<b>2.7</b>

<sup>1</sup> Includes intra-group purchases, which are included in the Group's net sales from continuing operations. Elimination of intra-group sales is presented in the note 10. Segment information.

The periods presented in the table are not fully comparable because when a non-current asset is classified as held for sale, it is not depreciated. Comparable EBIT in the reporting period, excluding the positive impact from depreciations, was EUR 6.5 (-0.5) million. The impact from the depreciations in the reporting period was EUR 3.5 (-) million.

<b>Cash flows from discontinued operations</b> EUR million	<b>2022</b> 1-3	<b>2021</b> 1-3	<b>2021</b> 1-12
Net cash flow from operating activities	15.7	8.2	36.4
Net cash flow from investing activities	-11.6	-4.2	-19.5
Net cash flow from financing activities	-4.1	-4.3	-17.2
<b>Total cash flows</b>	<b>-0.1</b>	<b>-0.2</b>	<b>-0.2</b>

As of 31 March 2022, the following assets and liabilities were classified as held for sale:

<b>Assets held for sale</b> EUR million	<b>31 Mar</b> 2022
Property, plant and equipment	82.4
Goodwill	208.6
Other intangible assets	39.1
Other non-current assets	0.0
Deferred tax assets	0.3
Inventories	63.8
Income tax receivables	1.9
Trade and other receivables	29.2
Cash and cash equivalents	1.2
<b>Assets held for sale total</b>	<b>426.5</b>

<b>Liabilities related to assets held for sale</b> EUR million	<b>31 Mar</b> 2022
Deferred tax liabilities	6.4
Non-current interest-bearing liabilities	43.5
Current interest-bearing liabilities	14.3
Current trade and other payables	52.0
<b>Liabilities related to assets held for sale total</b>	<b>116.2</b>

#### 4. Tangible and intangible assets

Changes in property, plant and equipment, EUR million	2022 1-3	2021 1-3	2021 1-12
Carrying amount at the beginning of the period	76.6	81.0	81.0
Increases	0.6	3.3	10.4
Decreases	-0.1	-0.0	-0.2
Reclassifications between asset categories	-	-0.1	-0.2
Reclassification to assets held for sale	-21.3	-	-
Depreciation, continuing operations	-1.6	-1.7	-6.9
Depreciation, discontinued operations	-0.5	-1.4	-5.3
Impairments	-	-	-0.9
Foreign exchange rate differences	-0.6	-1.3	-1.3
<b>Carrying amount at the end of the period</b>	<b>53.1</b>	<b>79.8</b>	<b>76.6</b>

Changes in right-of-use assets EUR million	2022 1-3	2021 1-3	2021 1-12
Carrying amount at the beginning of the period	79.4	81.2	81.2
Increases	1.4	3.5	20.1
Decreases	-0.1	-	-0.1
Reclassification to assets held for sale	-61.1	-	-
Depreciation, continuing operations	-0.9	-0.9	-3.8
Depreciation, discontinued operations	-1.8	-4.1	-16.5
Impairments	-	-	-0.0
Foreign exchange rate differences	-0.7	-1.5	-1.5
<b>Carrying amount at the end of the period</b>	<b>16.1</b>	<b>78.2</b>	<b>79.4</b>

Changes in goodwill, EUR million	2022 1-3	2021 1-3	2021 1-12
Carrying amount at the beginning of the period	273.5	278.7	278.7
Reclassification to assets held for sale	-208.6	-	-
Impairments	-	-	-0.9
Foreign exchange rate differences	-1.7	-4.1	-4.4
<b>Carrying amount at the end of the period</b>	<b>63.2</b>	<b>274.6</b>	<b>273.5</b>

Changes in other intangible assets, EUR million	2022 1-3	2021 1-3	2021 1-12
Carrying amount at the beginning of the period	71.0	69.8	69.8
Increases	1.9	3.2	12.4
Decreases	-0.1	-0.0	-0.0
Reclassifications	-	0.1	0.2
Reclassification to assets held for sale	-39.1	-	-
Amortisation, continuing operations	-1.1	-1.0	-4.5
Amortisation, discontinued operations	-0.7	-1.4	-6.0
Foreign exchange rate differences	-0.4	-0.8	-0.8
<b>Carrying amount at the end of the period</b>	<b>31.5</b>	<b>69.8</b>	<b>71.0</b>

#### 5. Provisions

At the end of the reporting period the Group did not have any provisions in the consolidated statement of financial position (1.3 EUR million).

The provisions in 2021 consist of restructuring provisions and provision relating to an onerous contract in Sweden.

## 6. Derivatives

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 and loss</b>			
Foreign currency forward and swap contracts	0.1	0.1	94.7

31 Mar 2021 EUR million	Positive fair value	Negative fair value	Nominal values of contracts
<b>Derivatives recognised as cash flow hedges</b>			
Interest rate swaps	0.0	0.3	70.4
<b>Derivatives measured at fair value through profit and loss</b>			
Foreign currency forward and swap contracts	0.0	0.2	41.8

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.

## 7. Fair value hierarchy

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 and 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 and loss	-	0.1	-	<b>0.1</b>

31 Mar 2021 EUR million	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Derivatives designated as hedges	-	0.0	-	<b>0.0</b>
Derivatives measured at fair value through profit and loss	-	0.0	-	<b>0.0</b>
Other investments measured at fair value through OCI	-	-	22.2	<b>22.2</b>
Trade receivables for sale	-	17.1	-	<b>17.1</b>
<b>Liabilities</b>				
Derivatives designated as hedges	-	0.2	-	<b>0.2</b>
Derivatives measured at fair value through profit and loss	-	0.2	-	<b>0.2</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**

	2022	2021	2021
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>22.2</b>	<b>22.2</b>
Disposal of shares	-	-	-11.1
Change in fair value	-	-	23.1
<b>Carrying amount at the end of the period</b>	<b>34.2</b>	<b>22.2</b>	<b>34.2</b>

Financial assets recognised at fair value through other comprehensive income (level 3) include Oriola's holding in Swedish online medical centre Doktor.se. In June 2021, Oriola sold approximately 50% of its shareholding in Doktor.se and recognised an increase of EUR 23.1 million to the value of the remaining investment. Oriola has been investing in Doktor.se since 2018 and the ownership has enabled a tight strategic cooperation in the Swedish market. The accelerating international growth programme of Doktor.se is a natural moment for Oriola to decrease its ownership and that way contribute to other types of investors being able to invest in Doktor.se. The applied valuation method for the shares in Doktor.se is based on realised transactions.

**8. Commitments and Contingent Liabilities**

EUR million	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>Commitments for own liabilities</b>			
Guarantees on behalf of own companies	7.1	7.1	7.1
Mortgages on company assets	2.0	2.1	2.0
Other guarantees and liabilities	6.9	9.1	8.0
<b>Total</b>	<b>16.0</b>	<b>18.2</b>	<b>17.2</b>
Committed future minimum lease liabilities	1.2	1.1	0.9

The most significant guarantees are bank guarantees against Swedish wholesale company's trade payables. In addition, Oriola Corporation has granted parent company guarantees of EUR 0.4 (0.3) 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.

Oriola invests in a new e-commerce warehouse in Enköping, Sweden. The new warehouse will cover around 15,000 square meters. Oriola is renting the facility and the building project has started in the autumn 2021 and the new warehouse will be ready during the second half of 2022. The lease contract is for ten years and will add right-of-use assets and lease liabilities with approximately EUR 7.4 million in the second half of 2022.

**9. 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.

## 10. Segment information

Oriola's continuing operations includes one reportable segment: Oriola Services.

1-3/2022						
EUR million	Oriola Services	Group items	Continuing operations total	Discontinued operations	Eliminations	Total
External invoicing	791.1	-	791.1	209.6	-	1,000.7
Internal invoicing	95.5	-	95.5	0.0	-95.6	-
<b>Invoicing</b>	<b>886.7</b>	<b>-</b>	<b>886.7</b>	<b>209.6</b>	<b>-95.6</b>	<b>1,000.7</b>
External net sales	277.2	-	277.2	205.1	-	482.3
Internal net sales	95.5	-	95.5	0.0	-95.6	-
<b>Net sales</b>	<b>372.7</b>	<b>-</b>	<b>372.7</b>	<b>205.1</b>	<b>-95.6</b>	<b>482.3</b>
EBIT	6.9	-3.6	3.3	10.0	-	13.2
Adjusted EBIT	6.9	-2.2	4.7	10.3	-	15.0
Comparable adjusted EBIT <sup>1</sup>	6.9	-2.2	4.7	6.8	-	11.5
Assets	520.2	214.3	734.4	426.5	-	1,160.9
Liabilities	656.7	170.1	826.9	116.2	-	943.1
Investments	0.7	-	0.7	1.8	-	2.5
Depreciation, amortisation and impairments	3.6	0.0	3.6	3.0	-	6.7
Average number of personnel, FTE's	962	72	1,034	1,607	-	2,641

<sup>1</sup> Includes depreciations for the period in which the non-current assets are classified as held for sale.

1-3/2021						
EUR million	Oriola Services	Group items	Continuing operations total	Discontinued operations	Eliminations	Total
External invoicing	738.3	-	738.3	204.2	-	942.5
Internal invoicing	95.9	-	95.9	0.0	-95.9	-
<b>Invoicing</b>	<b>834.1</b>	<b>-</b>	<b>834.1</b>	<b>204.3</b>	<b>-95.9</b>	<b>942.5</b>
External net sales	250.5	-	250.5	199.6	-	450.2
Internal net sales	95.9	-	95.9	0.0	-95.9	-
<b>Net sales</b>	<b>346.4</b>	<b>-</b>	<b>346.4</b>	<b>199.7</b>	<b>-95.9</b>	<b>450.2</b>
EBIT	3.1	-3.1	-0.0	-0.5	-	-0.5
Adjusted EBIT	3.1	-2.2	0.9	-0.6	-	0.3
Comparable adjusted EBIT <sup>1</sup>	3.1	-2.2	0.9	-0.6	-	0.3
Assets	517.4	185.3	702.7	435.1	-	1,137.8
Liabilities	638.6	217.5	856.2	124.0	-	980.2
Investments	3.1	0.2	3.3	3.2	-	6.5
Depreciation, amortisation and impairments	3.5	0.0	3.6	6.9	-	10.5
Average number of personnel, FTE's	1,027	77	1,104	1,669	-	2,773

<sup>1</sup> In 2021 comparable adjusted EBIT is the same as adjusted EBIT.



## Segment information quarterly

Continuing operations EUR million	2022 1-3	2021 10-12	2021 7-9	2021 4-6	2021 1-3
Invoicing	886.7	942.4	858.7	871.6	834.1
Net sales	372.7	386.2	359.3	360.3	346.4
Comparable adjusted EBIT, Oriola Services	6.9	8.7	7.7	4.2	3.1
Comparable adjusted EBIT, Group items	-2.2	-2.1	-2.3	-2.2	-2.2
<b>Comparable adjusted EBIT total<sup>1</sup></b>	<b>4.7</b>	<b>6.6</b>	<b>5.4</b>	<b>2.0</b>	<b>0.9</b>
Adjusted EBIT, Oriola Services	6.9	8.7	7.7	4.2	3.1
Adjusted EBIT, Group items	-2.2	-2.1	-2.3	-2.2	-2.2
<b>Adjusted EBIT total</b>	<b>4.7</b>	<b>6.6</b>	<b>5.4</b>	<b>2.0</b>	<b>0.9</b>
EBIT, Oriola Services	6.9	7.1	7.7	3.3	3.1
EBIT, Group items	-3.6	-2.7	-2.5	-2.2	-3.1
<b>EBIT total</b>	<b>3.3</b>	<b>4.4</b>	<b>5.2</b>	<b>1.2</b>	<b>0.0</b>
Number of personnel at the end of the period, FTE's, Oriola Services	959	974	1,003	1,010	1,037
Number of personnel at the end of the period, FTE's, Group items	72	72	78	81	82
<b>Number of personnel at the end of the period, FTE's total</b>	<b>1,031</b>	<b>1,046</b>	<b>1,081</b>	<b>1,091</b>	<b>1,119</b>

<sup>1</sup> For the continuing operations comparable adjusted EBIT is the same as adjusted EBIT.

Discontinued operations EUR million	2022 1-3	2021 10-12	2021 7-9	2021 4-6	2021 1-3
Invoicing	209.6	216.7	205.3	213.1	204.3
Net sales	205.1	210.0	200.2	207.5	199.7
Comparable adjusted EBIT <sup>1</sup>	6.8	5.0	5.0	2.0	-0.6
Adjusted EBIT	10.3	5.0	5.0	2.0	-0.6
EBIT	10.0	3.7	4.7	1.9	-0.5
Number of personnel at the end of the period, FTE's	1,564	1,598	1,814	1,677	1,603

<sup>1</sup> Includes depreciations for the period in which the non-current assets are classified as held for sale.

**Geographical information, continuing operations**

<b>1-3/2022</b>				
<b>EUR million</b>	<b>Sweden</b>	<b>Finland</b>	<b>Other countries</b>	<b>Total</b>
Net sales	226.5	112.9	33.4	<b>372.7</b>
Assets <sup>1</sup>	748.6	412.3	-	<b>1,160.9</b>
Investments	0.4	0.3	-	<b>0.7</b>
Average number of personnel	474	560	-	<b>1,034</b>

<b>1-3/2021</b>				
<b>EUR million</b>	<b>Sweden</b>	<b>Finland</b>	<b>Other countries</b>	<b>Total</b>
Net sales	220.5	95.1	30.8	<b>346.4</b>
Assets <sup>1</sup>	774.5	363.2	-	<b>1,137.8</b>
Investments	2.3	1.0	-	<b>3.3</b>
Average number of personnel	505	599	-	<b>1,104</b>

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

**11. Disaggregation of revenue**

In the following table, the Group's revenue from continuing operations is disaggregated by the Group's major revenue streams. The figures include intra-group sales of EUR 95.5 (95.9) million. The elimination of intra-group net sales is presented in the note 10. Segment information.

<b>Oriola Services</b>	<b>2022</b>	<b>2021</b>
<b>EUR million</b>	<b>1-3</b>	<b>1-3</b>
Wholesale	317.4	294.6
Other <sup>1</sup>	55.3	51.8
<b>Net sales total</b>	<b>372.7</b>	<b>346.4</b>

<sup>1</sup> Other includes sales of logistics services, dose dispensing, staffing and other services.

**12. Alternative performance measures**

Key figures, continuing operations	2022	2021	Change	2021
EUR million	1-3	1-3	%	1-12
Invoicing	886.7	834.1	6.3	3,506.9
Net sales	372.7	346.4	7.6	1,452.2
Adjusted EBIT <sup>1</sup>	4.7	0.9		14.9
EBIT	3.3	-0.0		10.7
Adjusted EBIT %	1.3	0.3		1.0
EBIT %	0.9	-0.0		0.7
Profit for the period	2.1	-0.2		8.6
Earnings per share, EUR	0.01	-0.00		0.05
Net cash flow from operating activities <sup>2</sup>	28.7	-14.2		40.0
Gross capital expenditure	0.7	3.3		9.3
Net interest-bearing debt <sup>3</sup>	18.2	149.3		100.8
Gearing, % <sup>3</sup>	8.3	94.7		46.5
Equity per share, EUR <sup>2</sup>	1.20	0.87		1.20
Equity ratio, % <sup>2</sup>	19.1	14.1		20.1
Return on equity (ROE), % <sup>2</sup>	17.3	-4.0		5.9
Return on capital employed (ROCE), % <sup>2</sup>	12.6	-0.5		4.6
Average number of shares, 1000 pcs <sup>4</sup>	181,355	181,320		181,341
Average number of personnel <sup>5</sup>	1,034	1,104		1,077
Number of personnel at the end of the period <sup>5</sup>	1,031	1,119		1,046

<sup>1</sup> Adjusting items are specified in note 13. Adjusting items.

<sup>2</sup> Includes discontinued operations.

<sup>3</sup> Year 2021 includes discontinued operations.

<sup>4</sup> Treasury shares held by the company not included.

<sup>5</sup> Full time equivalents

**Reconciliation of alternative performance measures to IFRS, continuing operations**

<b>Invoicing</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
<b>EUR million</b>	<b>1-3</b>	<b>1-3</b>	<b>1-12</b>
Net sales	372.7	346.4	1,452.2
+ Acquisition cost of consignment stock	513.8	488.0	2,054.9
+ Cash discounts	0.0	0.0	0.0
+ Exchange rate differences on sales	0.1	-0.3	-0.2
<b>Invoicing</b>	<b>886.7</b>	<b>834.1</b>	<b>3,506.9</b>

<b>Adjusted EBIT</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
<b>EUR million</b>	<b>1-3</b>	<b>1-3</b>	<b>1-12</b>
EBIT	3.3	-0.0	10.7
- Adjusting items included in EBIT	1.4	0.9	4.2
<b>Adjusted EBIT</b>	<b>4.7</b>	<b>0.9</b>	<b>14.9</b>

<b>Alternative performance measures calculated on a constant currency basis</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
<b>EUR million</b>	<b>1-3</b>	<b>1-3</b>	<b>1-12</b>
Invoicing	886.7	834.1	3,506.9
Translation difference	21.4	-29.5	-76.2
<b>Invoicing calculated on a constant currency basis</b>	<b>908.0</b>	<b>804.6</b>	<b>3,430.7</b>
Net sales	372.7	346.4	1,452.2
Translation difference	9.2	-12.8	-32.7
<b>Net sales calculated on a constant currency basis</b>	<b>381.9</b>	<b>333.6</b>	<b>1,419.5</b>
Adjusted EBIT	4.7	0.9	14.9
Translation difference	0.1	-0.1	-0.3
<b>Adjusted EBIT calculated on a constant currency basis</b>	<b>4.8</b>	<b>0.7</b>	<b>14.6</b>

## 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 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 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, %	= $\frac{\text{Equity total}}{\text{Total assets – Advances received}} \times 100$

### 13. Adjusting items, continuing operations

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	2022 1-3	2021 1-3	2021 1-12
Restructuring costs	-	-0.9	-2.3
Impairments and write-downs	-	-	-1.2
Other	-1.4	-	-0.8
<b>Adjusting items from continuing operations</b>	<b>-1.4</b>	<b>-0.9</b>	<b>-4.2</b>
Discontinued operations	-0.4	0.1	-1.6
<b>Adjusting items total</b>	<b>-1.8</b>	<b>-0.8</b>	<b>-5.9</b>

Adjusting items in 2022 relate to the planned joint venture with Apoteksgruppen. Adjusting items in 2021 consist mainly of organizational restructuring costs, impairment of goodwill related to closing of the service centre in Sweden and write-down of inventories related to the discontinued product category.

### 14. Events after the reporting period

The sale of staffing services, Farenta Oy, was completed on 1 April 2022.