

ORIOLA CORPORATION'S INTERIM REPORT 1 JANUARY – 31 MARCH 2021

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Oriola January 1– March 31, 2021

Q1 2021: Profit weakened due to the increased demand volatility of the amplified pandemic

January–March 2021 highlights

- Invoicing decreased by 2.4% to EUR 942.5 (965.3) million. On a constant currency basis invoicing decreased by 6.0% and was EUR 907.4 million.
- Net sales decreased by 2.1% to EUR 450.2 (459.8) million. On a constant currency basis net sales decreased by 6.0% and were EUR 432.0 million.
- Adjusted EBIT was EUR 0.3 (6.9) million. On a constant currency basis the adjusted EBIT was EUR 0.1 million.
- Profit for the period totalled EUR -1.7 (5.1) million and earnings per share were EUR -0.01 (0.03).

Key figures	2021	2020	Change	2020
EUR million	1-3	1-3	%	1-12
Invoicing	942.5	965.3	-2.4	3,764.9
Net sales	450.2	459.8	-2.1	1,800.8
Adjusted EBIT ¹	0.3	6.9	-95.8	21.0
EBIT	-0.5	7.5	-106.9	20.4
Adjusted EBIT %	0.1	1.5		1.2
EBIT %	-0.1	1.6		1.1
Profit for the period	-1.7	5.1	-132.6	11.3
Earnings per share, EUR	-0.01	0.03	-132.6	0.06
Net cash flow from operating activities	-14.2	-0.5		58.3
Gearing, %	94.7	91.8		75.0
Equity ratio, %	14.1	12.4		14.8
Return on capital employed (ROCE), %	-0.5	8.6		5.0

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

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

Business outlook for 2021

The adjusted EBIT on a constant currency basis stays on the same level or increases from the 2020 level.

The COVID-19 pandemic is expected to continue during 2021. Severity and duration of the pandemic remain unclear in Oriola's operating environment. Oriola's business outlook for 2021 is based on external market forecasts, agreements with pharmaceutical companies and pharmacies, and management assessments.

President and CEO Juko Hakala on the first quarter of 2021:

“The third wave of the COVID-19 pandemic affected societies in Finland and Sweden significantly in the first quarter of 2021. These effects caused adverse market developments and impacted strongly the entire industry. Low people mobility, lack of seasonal influenza epidemic and tightened restrictions impacted consumer buying behaviour in an exceptional way, especially in Sweden. On top of that, the reallocation of healthcare resources kept the pharmaceutical volumes low.

In the first quarter, Oriola's invoicing and net sales declined by 6.0% in constant currency. Adjusted EBIT decreased to EUR 0.3 (6.9) million. A major driver was pharmaceutical market volume decline, especially in the important prescription (RX) and over-the-counter (OTC) categories in both markets. Channel shift to online in Swedish pharmacy business accelerated. We estimate these impacts to be temporary, with the exception of the channel shift to online.

For Consumer, the first quarter was challenging due to the strong COVID-19-related impacts in consumer behaviour, particularly in January and February. The first quarter net sales decreased by 6.4% in constant currency. The online sales increased by 80%. Adjusted EBIT decreased to EUR -0.6 (5.4) million. Key drivers for this adverse profit impact were lower volumes in RX and OTC pharmaceuticals. The channel shift to online accelerated.

Pharma business area was also impacted by the temporary pandemic effects. The first quarter net sales declined by 6.3% in constant currency. Adjusted EBIT decreased to EUR 2.0 (3.6) million. Key drivers were lower volumes in many RX and OTC categories, like cough and cold, changes in customer agreements as well as volume volatility driven operations inefficiency.

The net sales of Retail decreased by 3.7% in constant currency. Adjusted EBIT increased to EUR 1.1 (0.2) million, mainly due to the positive development of dose-dispensing business. Also, improved customer agreements in health and wellbeing product category in Sweden impacted the result positively.

Due to the significant temporary pandemic effects in the market environment, we started a short-term initiative named Focus21. The initiative simplifies the focus of Oriola's 2021 activities to reach its strategic and business performance goals for the year. Oriola's current strategic programmes 20by20 and Customer Experience will be merged into Focus21.

While the beginning of the 2021 was a challenging one for Oriola's profitability, our operational service level was solid. We performed well in our role of delivering pharmaceuticals and operated our services reliably to our customers and the society amid the pandemic. Going forward in 2021, we continue working in line with our purpose “Health for Life”, continuing to prioritise Oriola's reliable service, profitability and competitiveness.“

Oriola Corporation's Interim Report for 1 January–31 March 2021

Operating environment

In the first quarter of 2021, the COVID-19 pandemic amplified in Finland and Sweden, which impacted significantly Oriola's operating environment. General risk awareness and stronger restrictions set by authorities extensively impacted consumer mobility and behaviour, leading to declining demand especially for RX and OTC pharmaceuticals as well as health and wellbeing products. Moreover, the seasonal demand drivers such as influenza epidemics nearly disappeared, impacting the sales of products in cough and cold category. The share of online sales of the Swedish market continued to increase significantly. Corresponding decline in demand accelerated in physical pharmacies.

The third wave of the pandemic and the related extended restrictions also impacted the operating conditions and functions of public healthcare in both markets. The pharmaceutical volumes generated by elective care declined.

The changes in the operating environment were tangible particularly in Sweden as a new pandemic law, enacted in January, enabled the Swedish government to restrict the number of people for instance in shops and pharmacies, among other measures. Additionally, authorities disclosed several national and regional recommendations aiming to prevent the virus to spread.

Oriola estimates that majority of the impacts related to pandemic will be temporary, with the exception of accelerated channel shift to online. However, the continuation of the pandemic as well as the potential delays in vaccinations increase uncertainty in both the Finnish and the Swedish markets.

The pandemic has increased societies' preparedness for securing availability of pharmaceuticals and other health-care products. The demand for many pandemic related products that promote health safety, such as face masks and services, has increased. The importance of high-quality pharmaceutical availability compliant with regulations, and particularly expertise in cold chain management, has been highlighted during the pandemic.

In long term, ageing population and growth in speciality pharmaceuticals are driving the growth of the pharmaceutical market in both of Oriola's operating countries.

Strategic programmes

Due to the significant and amplified COVID-19 driven impacts in the market environment and their increased temporary effects on Oriola's business, Oriola started a short-term initiative named Focus21 in the first quarter. The initiative simplifies the focus of Oriola's 2021 activities to reach its strategic and business performance goals for the year. Oriola's strategic programmes 20by20 and Customer Experience will be combined to and continued under Focus21.

Focus21 includes three key targets:

1. prioritise value creation and defend Oriola's full-year profit in all areas;
2. verify focus and priority of development activities planned for 2021;
3. increase focus and balance for Oriola's employees.

Business areas will execute a number of rigorous and broad-based profitability management actions. These actions include rigorous prioritisation, simplification and rescheduling of development activities, strong P&L efficiency measures across several areas, accelerated introduction of new business services, and improvements in online sales channel.

As part of Focus21, Oriola started a specific programme focusing on its businesses in Sweden. The purpose of the programme named Focus Sweden is to secure strong execution on business plans for 2021, simplify business processes, and increase customer experience.

Oriola plans to reschedule, simplify or cancel one third of the projects originally targeted for 2021. For example, selected IT development projects are planned to be rescheduled as part of the Focus21 initiative.

Due to the impacts of the amplified pandemic, in Q1 Oriola focused on securing reliable operations and, consequently, the achievement of the targets of the 20by20 programme slowed down. Therefore, Oriola connects 20by20 with Focus21 and increases the priority of profitability development.

Oriola met the objectives of Customer Experience programme in 2020 and will continue its execution under Focus21.

Sustainability

Oriola's sustainability programme is aligned with UN's Sustainable Development Goals and integrated in the Group strategy. 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 ensuring pharmaceutical safety and the availability of pharmaceuticals. Over 40% of the pharmaceuticals used in Finland and in Sweden pass through Oriola.

Oriola employs around 4,300 pharmaceutical 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, our ambition is to reach carbon neutrality by 2030.

To measure its progress towards the long-term targets, Oriola monitors several key performance indicators. Please see sustainability.oriola.com for further information.

Sustainability highlights in January-March 2021

During the first quarter, Oriola focused on securing the availability of the pharmaceuticals for its part and taking care of the health security of its own employees during the COVID-19 pandemic. Moreover, the company developed new services related to pandemic. In February, a COVID-19 vaccination service agreement was signed with Region Skåne in Sweden to start vaccinations in company's pharmacies from April onwards. Also, COVID-19 tests and travelling certificate service started in February in Sweden.

Group financial performance January–March 2021

Invoicing and net sales

Invoicing decreased by 2.4% to EUR 942.5 (965.3) million. On a constant currency basis invoicing decreased by 6.0%. Net sales decreased by 2.1% to EUR 450.2 (459.8) million. On a constant currency basis net sales decreased by 6.0%. This was driven by temporary, market driven pharmaceuticals demand decline and low volumes in both Sweden and Finland due to amplified COVID-19 pandemic, especially in the RX and OTC pharmaceuticals, for example in cough and cold category.

Profitability

Adjusted EBIT decreased to EUR 0.3 (6.9) million. Decrease in RX and OTC pharmaceuticals demand and changes in the product mix of these categories had a major impact in the decline of the profitability. Also the accelerated channel shift from physical pharmacies to online was a key driver in the decline. Other drivers in the profit decline were volume volatility driven inefficiencies, generic cost increase, mainly from salaries in Sweden and customer agreement changes. Dose dispensing business developed well and impacted the result positively.

Oriola estimates that the net negative impact of COVID-19 pandemic for the first quarter was EUR 4–5 million. The estimate compares Oriola's first quarter performance to a normalised market environment excluding the pandemic effect.

Adjusting items totalled EUR -0.8 (0.6) million, and the EBIT was EUR -0.5 (7.5) million. The adjusted EBIT on a constant currency basis was EUR 0.1 million.

Net financial expenses were EUR 1.6 (0.9) million. Profit for the period was EUR -1.7 (5.1) million. Income taxes for January–March were EUR -0.4 (1.4) million, which corresponds to an effective tax rate of 20.1% (22.1%). Earnings per share were EUR -0.01 (0.03).

Consumer

Q1: Steep, temporary changes in the pharmacy market affected profit significantly

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	2021	2020	Change	2020
EUR million	1-3	1-3	%	1-12
Invoicing	204.3	206.1	-0.9	798.2
Net sales	199.7	202.4	-1.3	780.7
Adjusted EBIT	-0.6	5.4	-110.7	14.4
EBIT	-0.5	6.3	-107.5	15.3
Adjusted EBIT %	-0.3	2.7		1.8
EBIT %	-0.2	3.1		2.0
Number of personnel at the end of the period ¹	1,603	1,715	-6.5	1,621

¹ Full-time equivalents

Market environment

The pharmacy market in Sweden declined by 6.0% (grew by 11.7%) in Swedish krona, driven by temporary COVID-19-related decline in customer traffic and consequent, decreased demand, particularly for both prescribed and over-the-counter pharmaceuticals (source: Apoteksförening). The number of pharmacies decreased by 4 in January–March 2021 to 1,429 pharmacies.

In longer term, health and wellbeing trends, as well as the growth in e-commerce are growing the pharmacy business in Sweden. In the first quarter, the digital transformation of the pharmacy market, driven by fast growing e-commerce, accelerated due to the pandemic. Online sales in the Swedish pharmacy market continued to grow fast and reached approximately 19% (14%) share of the pharmacy market by the end of March 2021.

Oriola's market share in the pharmacy market in Sweden in January–March 2021 was 16.4% (16.7%) (source: Apoteksförening). The relative share of OTC and traded goods from the net sales was 25.2% (24.2%). At the end of the reporting period, Oriola had 325 (322) pharmacies in Sweden. Oriola established two new pharmacies and closed two pharmacies during the reporting period.

January–March 2021

The net sales decreased by 1.3% to EUR 199.7 (202.4) million, and on a constant currency basis by 6.4%. This was driven by lower volumes in physical pharmacies due to the COVID-19 related impacts in consumer behaviour and low customer traffic. The corresponding period last year was impacted positively by the accelerated sales of pharmaceuticals in the start of the pandemic. Oriola's online sales grew by 80%, faster than the market (+41%), and it accounts for 9.0% (4.7%) of Oriola's Consumer sales in Sweden.

Adjusted EBIT decreased to EUR -0.6 (5.4) million. This was market driven by lower volumes in RX and OTC pharmaceuticals and changes in product mix of these categories, fewer customer visits in pharmacies as well as accelerated channel shift to online – impacted by the pandemic. Also generic cost increase, mainly in salaries in Sweden, affected the result negatively. Adjusting items totalled EUR 0.1 (0.9) million, and EBIT was EUR -0.5 (6.3) million.

Pharma

Q1: Exceptionally high volume volatility affected performance

Pharma business area provides advanced logistics, expert and advisory services for pharmaceutical companies, distributing a wide range of pharmaceutical products for pharmacies, hospital pharmacies and veterinarians, and several other customer groups.

Key figures	2021	2020	Change	2020
EUR million	1-3	1-3	%	1-12
Invoicing	724.0	745.5	-2.9	2,906.0
Net sales	236.5	244.2	-3.1	961.2
Adjusted EBIT	2.0	3.6	-43.3	12.8
EBIT	2.0	3.2	-36.9	12.4
Adjusted EBIT %	0.9	1.5		1.3
EBIT %	0.9	1.3		1.3
Number of personnel at the end of the period ¹	447	440	1.6	448

¹ Full-time equivalents

Market environment

The pharmaceutical distribution market value at wholesale prices in Sweden declined by 5.8% (grew by 14.7%) in Swedish krona in January–March 2021 (source: IQVIA). In Finland, the market value declined by 5.9% (grew by 10.9%) in January–March 2021 (source: LTK). In both markets, the development was driven by COVID-19 pandemic. Parallel imports' share of the Swedish pharmaceutical market was 10.4% (9.4%) (source: Apoteksförening).

According to Oriola's estimate, Oriola's share of the pharmaceutical wholesale market was approximately 46% (46%) in Sweden and approximately 42% (43%) in Finland.

January–March 2021

Invoicing decreased by 2.9% to EUR 724.0 (745.5) million. On a constant currency basis invoicing decreased by 6.2%. Net sales decreased by 3.1% to EUR 236.5 (244.2) million, and on a constant currency basis, net sales decreased by 6.3%. This was driven by the volatility in pharmaceutical volumes due to pandemic.

Adjusted EBIT decreased by 43.3% to EUR 2.0 (3.6) million. Lower volumes in many categories, like cough and cold but also changes in customer agreements as well as inefficiency in operations driven by the volatility of the volumes impacted profit negatively. There were no adjusting items during the reporting period (EUR -0.4 million in the corresponding period last year), and EBIT was EUR 2.0 (3.2) million.

Retail

Q1: Progress in many areas amid temporarily declining market

Retail business area offers a wide range of health and wellbeing products to healthcare and retail operators, as well as services for pharmacies, including staffing and dose-dispensing services.

Key figures	2021	2020	Change	2020
EUR million	1-3	1-3	%	1-12
Invoicing	122.6	121.6	0.8	486.7
Net sales	122.3	121.2	1.0	484.9
Adjusted EBIT	1.1	0.2	336.7	2.0
EBIT	1.1	0.3	312.1	0.9
Adjusted EBIT %	0.9	0.2		0.4
EBIT %	0.9	0.2		0.2
Number of personnel at the end of the period ¹	590	541	9.1	583

¹ Full-time equivalents

Market environment

In retail business, Oriola offers a wide range of healthcare products both in traded goods and in OTC pharmaceuticals. Traded goods are sold through pharmacies and grocery stores. In Sweden, the traded goods and OTC pharmaceuticals market declined by 4.2% (grew by 14.4%) in January–March 2021. Oriola's market share in the traded goods and OTC pharmaceuticals supply for pharmacies in Sweden was approximately 25% (25%) in January – March 2021.

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 230,000 patients in Sweden and 65,000 patients in Finland. Oriola is the market leader in Sweden serving over 98,000 patients. In Finland, Oriola serves approximately 26,000 patients.

The pharmacy network in Finland has remained unchanged and the share of online sales is small. There are 819 pharmacy outlets in Finland and 132 service points of pharmacies. Pharmacies are owned by approximately 600 proprietary pharmacists and the two Universities of Helsinki and Kuopio. Out of the 819 pharmacies in Finland, 115 pharmacies used Oriola's staffing services during the reporting period.

January–March 2021

Net sales increased by 1.0% to EUR 122.3 (121.2) million. On a constant currency basis net sales decreased by 3.7%, driven by the soft demand in health and wellbeing products due to COVID-19 pandemic.

Adjusted EBIT increased to EUR 1.1 (0.2) million, which was mainly due to the positive development of dose-dispensing business. Also, improved customer agreements in health and wellbeing product category in Sweden impacted the result positively. There were no adjusting items during the reporting period (EUR 0.0 million in the corresponding period last year), and EBIT was EUR 1.1 (0.3) million.

Balance sheet, cash flow and financing

Oriola's total assets at the end of March 2021 were EUR 1,137.8 (1,087.9) million. Equity attributable to the equity holders was EUR 157.6 (133.1) million. The impact of translation differences on equity was EUR -5.0 million. The equity was decreased by the dividend of EUR 5.4 million recognised in March 2021.

Cash and cash equivalents totalled EUR 135.7 (117.7) million. Net cash flow from operating activities in January–March 2021 was EUR -14.2 (-0.5) million, of which changes in working capital accounted for EUR -24.2 (-13.0) million. Net cash flow from investing activities was EUR -6.7 (-4.0) million. Net cash flow from financing activities was EUR -11.5 (51.5) million.

At the end of March 2021, interest-bearing debt was EUR 285.0 (239.8) million. The non-current interest-bearing liabilities amounted to EUR 123.5 (117.6) million and current interest-bearing liabilities amounted to EUR 161.6 (122.2) million. Non-current interest-bearing liabilities mainly consist of loans from financial institutions totalling EUR 64.3 (56.2) million and non-current lease liabilities totalling EUR 59.1 (61.4) million. Current interest-bearing liabilities mainly consist of commercial paper issues of EUR 73.5 (88.9) million, advance payments from Finnish pharmacies totalling EUR 16.8 (15.4) million, loans from financial institutions totalling EUR 52.0 (0.1) million and current lease liabilities totalling EUR 19.2 (17.9) million. Interest-bearing net debt was EUR 149.3 (122.2) million and gearing 94.7% (91.8%).

The non-recourse trade receivables sales programmes are in use in Sweden. At the end of March 2021, a total of EUR 179.7 (174.9) million in trade receivables had been sold. The average interest rate on the interest-bearing liabilities excluding lease liabilities was 1.08% (0.94%).

The committed long-term revolving credit facility of EUR 100.0 million and the credit limits totalling EUR 34.9 million were unused at the end of March 2021.

At the end of the reporting period Oriola's equity ratio was 14.1% (12.4%). Return on capital employed was -0.5% (8.6%) and return on equity -4.0% (14.9%).

Investments and depreciation

Gross investments in January–March 2021 totalled EUR 6.5 (4.5) million and consisted mainly of investments in logistics, information systems, and renewal of pharmacies.

Depreciation, amortisation and impairment amounted to EUR 10.5 (10.2) million.

Personnel

At the end of March 2021, Oriola had 2,722 (2,769) employees, 59% (62%) of whom worked in Consumer, 16% (16%) in Pharma, and 22% (20%) in Retail. The Group administration employed 3% (3%) of the total number of employees. The average number of personnel in January–March 2021 was 2,773 (2,706). 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 16 March 2021, 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 2020.

The AGM resolved that a dividend of EUR 0.03 per share shall be paid on the basis of the balance sheet adopted for the financial year ending 31 December 2020. The dividend is paid to shareholders registered in the company's shareholders register held by Euroclear Finland Ltd on the dividend record date 18 March 2021. The payment date of the dividend is 10 June 2021. In addition, the AGM authorised the Board of Directors to decide at its discretion on the payment of dividend up to a maximum of EUR 0.03 per share.

The AGM confirmed that the Board of Directors is composed of six members. Current members of the Board of Directors Mr Juko Hakala, Ms Anja Korhonen, Ms Eva Nilsson Bågenholm, Mr Harri Pärssinen, Ms Lena Ridström and Mr Panu Routila were re-elected to 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 2021 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.

The constitutive meeting of the Board of Directors

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

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

Juko Hakala, who currently also serves as the (interim) President and CEO of Oriola, will not be a member of the Audit Committee or the Compensation and Human Resources Committee for the time when he is serving as President and CEO of Oriola.

The Board of Directors has assessed the independence of the members of the Board of Directors, and determined, that, with the exception of Juko Hakala, all members of the Board of Directors are independent of the company and its significant shareholders. Juko Hakala is dependent of the company, but independent of its significant shareholders.

The Corporate Governance Statement

The Corporate Governance Statement for 2020 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: <http://www.oriola.com/CorporateGovernance>.

Authorisations

The Annual General Meeting authorised the Board of Directors to decide at its discretion on the payment of dividend up to a maximum of EUR 0.03 per share. The authorisation shall be valid until the beginning of the next Annual General Meeting of the company. Unless the Board of Directors decides otherwise for a justified reason, the authorisation will be used to pay dividend in one instalment during the period of validity of the authorisation. In this case the Board of Directors will make a separate resolution on the payment of dividend so that the dividend would preliminarily be paid by the end of November 2021. The company will make a separate announcement of such resolution and confirm the record and payment dates in such announcement. The dividend paid based on the authorisation would be paid to shareholders who on the applicable record date of the dividend payment are registered in the company's shareholders' register held by Euroclear Finland Oy.

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

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

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

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

All decisions of the Annual General Meeting 2021 are available on the company's website www.oriola.com.

Changes in the Group Management Team

Oriola announced on 1 February 2021, that Robert Andersson leaves his position as President and CEO as of 1 February 2021 and continues as an adviser to the Board of Directors until 31 July 2021. The recruitment process to find a new CEO has been started. Juko Hakala, currently a member of Oriola's Board of Directors, has been appointed CEO on an interim basis for the period until a new permanent CEO is appointed.

After these changes Oriola's Group Management Team consisted of 10 members at the end of March 2021: Juko Hakala, President and CEO; Katarina Gabrielson, Vice President, Retail business area; Anne Kariniemi, Vice President, Operations; Helena Kukkonen, CFO; Tuula Lehto, Vice President, Communications and Sustainability; Charlotta Nyström, CIO; Fredrik Pamp, Vice President, Pharma business area; Petter Sandström, General Counsel; Teija Silver, Vice President, HR; Anders Torell, Vice President, Consumer business area.

Oriola Corporation shares

Trading of shares	Jan–Mar 2021		Jan–Mar 2020	
	class A	class B	class A	class B
Trading volume, million	0.9	14.7	1.5	12.8
Trading volume, EUR million	2.0	29.6	3.1	24.0
Highest price, EUR	2.37	2.15	2.25	2.27
Lowest price, EUR	1.99	1.90	1.62	1.52
Closing quotation, end of period, EUR	2.20	2.05	1.95	1.64

Oriola Corporation's market capitalisation on 31 March 2021 was EUR 380.1 (315.0) million.

In January–March 2021, the traded volume of Oriola Corporation shares, excluding treasury shares, corresponded to 8.6% (7.9%) of the total number of shares.

At the end of March 2021, the company had a total of 181,486,213 (181,486,213) shares, of which 53,748,313 (55,127,313) were class A shares and 127,737,900 (126,358,900) were class B shares. The company held a total of 138,201 (49,656) treasury shares, of which 63,650 (-) were class A shares and 74,551 (49,656) were class B shares. The treasury shares held by the company account for 0.08% (0.03%) of the company's shares and 0.11% (0.00%) 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 2021, no class A shares were converted into class B shares (306,960 class A shares were converted into class B shares during the corresponding period in 2020).

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/.

More information on Oriola's financial risk management can be found in the notes to the consolidated financial statements for year ended 31 December 2020 (<https://www.oriola.com/investors/annual-reports/>).

Near-term risks and uncertainty factors

Oriola's strategic development projects involve operational risks which may have an effect on the profitability when realised. Oriola has several significant IT system projects ongoing. The company has defined separate risk management plans for all IT projects and aims to ensure the seamless go-lives of the systems through thorough planning. The ramp-up of the expansion and automation of the distribution centre in Sweden was completed in the last quarter of 2020. The process optimisation and efficiency improvements will continue in this area. The continuation of the pandemic might slow down the progress in these.

Since first quarter of 2020, the COVID-19 pandemic has changed Oriola's operating environment as the restrictions set by the authorities and consumer caution impacted the consumer behaviour. The measures caused by the pandemic have led to the decrease of healthcare services as well as affected the demand for

pharmaceuticals and health and wellbeing products. This has inevitably also had an impact on Oriola's business. As the pandemic continues, Oriola's business environment stays volatile, which may have an impact on Oriola's net sales and profitability. The impacts of the pandemic on the valuation of Oriola's assets are closely monitored. Based on the assessments, COVID-19 pandemic is 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.

Oriola has prepared its operations for the risks caused by the COVID-19 pandemic. In the 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 needs and their management. Oriola has also increased its readiness and competencies related to remote work and meeting customers remotely.

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

Business outlook for 2021

The adjusted EBIT on a constant currency basis stays on the same level or increases from the 2020 level.

The COVID-19 pandemic is expected to continue during 2021. Severity and duration of the pandemic remain unclear in Oriola's operating environment. Oriola's business outlook for 2021 is based on external market forecasts, agreements with pharmaceutical companies and pharmacies, and management assessments.

Next financial report

Oriola Corporation will publish its half-year financial report for January–June 2021 on 20 July 2021.

Espoo, 26 April 2021

Oriola Corporation
Board of Directors

Consolidated statement of comprehensive income (IFRS)

EUR million	Note	2021 1-3	2020 1-3	2020 1-12
Net sales	9, 10	450.2	459.8	1,800.8
Other operating income		2.6	2.4	9.5
Materials and supplies		-359.1	-367.4	-1,438.7
Employee benefit expenses		-48.1	-44.6	-172.3
Other operating expenses		-35.6	-32.5	-137.2
Depreciation, amortisation and impairments	3	-10.5	-10.2	-41.6
EBIT	9	-0.5	7.5	20.4
Financial income and expenses		-1.6	-0.9	-6.0
Profit before taxes		-2.1	6.6	14.3
Income taxes		0.4	-1.4	-3.1
Profit for the period		-1.7	5.1	11.3
Other comprehensive income				
Items which may be reclassified subsequently to profit or loss:				
Translation differences recognised in comprehensive income during the reporting period		-5.0	-12.9	9.8
Cash flow hedge		0.2	-0.1	-0.2
Income tax relating to other comprehensive income		-0.0	0.0	0.0
		-4.8	-13.0	9.6
Items which will not be reclassified to profit or loss:				
Financial assets recognised at fair value through other comprehensive income	6	-	-	8.0
Actuarial gains/losses on defined benefit plans		-	-	-0.4
Income tax relating to other comprehensive income		-	-	0.0
		-	-	7.6
Total comprehensive income for the period		-6.5	-7.9	28.6
Profit attributable to				
Parent company shareholders		-1.7	5.1	11.3
Total comprehensive income attributable to				
Parent company shareholders		-6.5	-7.9	28.6
Earnings per share attributable to parent company shareholders:				
EUR				
Basic	2	-0.01	0.03	0.06
Diluted	2	-0.01	0.03	0.06

Consolidated statement of financial position (IFRS)

EUR million	Note	31 Mar 2021	31 Mar 2020	31 Dec 2020
Non-current assets				
Property, plant and equipment	3	157.9	149.8	162.2
Goodwill	3	274.6	259.5	278.7
Other intangible assets	3	69.8	64.2	69.8
Other non-current assets	6	22.3	9.7	22.3
Deferred tax assets		4.5	4.3	4.4
Non-current assets total		529.1	487.5	537.3
Current assets				
Inventories		243.1	239.9	250.1
Trade receivables		205.0	215.8	188.6
Income tax receivables		3.2	6.3	3.4
Other receivables		21.7	20.8	18.1
Cash and cash equivalents		135.7	117.7	168.2
Current assets total		608.7	600.4	628.3
Assets total		1,137.8	1,087.9	1,165.6

EUR million	Note	31 Mar 2021	31 Mar 2020	31 Dec 2020
Equity				
Share capital		36.2	36.2	36.2
Fair value reserve		7.8	-0.2	7.7
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		-28.1	-45.8	-23.1
Retained earnings		47.4	48.6	54.5
Equity attributable to the parent company shareholders		157.6	133.1	169.6
Non-current liabilities				
Deferred tax liabilities		13.5	13.4	13.9
Pension obligations		18.7	16.3	18.9
Interest-bearing liabilities		123.5	117.6	127.8
Other non-current liabilities		0.7	0.8	0.9
Non-current liabilities total		156.3	148.2	161.6
Current liabilities				
Trade payables		601.2	608.7	620.3
Provisions	4	1.3	1.4	0.8
Interest-bearing liabilities		161.6	122.2	167.4
Income tax payables		0.4	0.5	-
Other current liabilities		59.4	73.9	45.9
Current liabilities total		823.9	806.6	834.5
Equity and liabilities total		1,137.8	1,087.9	1,165.6

Consolidated statement of changes in equity (IFRS)

EUR million	Share capital	Funds	Translation differences	Retained earnings	Equity total
Equity 1 Jan 2020	36.2	94.2	-32.9	59.7	157.2
Comprehensive income for the period					
Net profit for the period	-	-	-	5.1	5.1
Other comprehensive income:					
Cash flow hedge	-	-0.1	-	-	-0.1
Income tax relating to other comprehensive income	-	0.0	-	-	0.0
Translation difference	-	-	-12.9	-	-12.9
Comprehensive income for the period total		-0.1	-12.9	5.1	-7.9
Transactions with owners					
Dividend distribution	-	-	-	-16.3	-16.3
Share-based incentive	-	-	-	0.1	0.1
Transactions with owners total	-	-	-	-16.2	-16.2
Equity 31 Mar 2020	36.2	94.1	-45.8	48.6	133.1
Equity 1 Jan 2021	36.2	102.0	-23.1	54.5	169.6
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
Equity 31 Mar 2021	36.2	102.1	-28.1	47.4	157.6

Condensed consolidated statement of cash flows (IFRS)

EUR million	2021 1-3	2020 1-3	2020 1-12
Profit for the period	-1.7	5.1	11.3
Depreciation, amortisation and impairments	10.5	10.2	41.6
Financial income and expenses	1.6	0.9	6.0
Income taxes	-0.4	1.4	3.1
Other adjustments	0.8	-0.9	-1.4
Change in working capital	-24.2	-13.0	4.0
Cash flow from financial items and taxes	-0.8	-4.2	-6.4
Net cash flow from operating activities	-14.2	-0.5	58.3
Net cash flow from investing activities	-6.7	-4.0	-31.4
Net cash flow from financing activities	-11.5	51.5	70.4
Net change in cash and cash equivalents	-32.4	47.1	97.3
Cash and cash equivalents at the beginning of the period	168.2	70.8	70.8
Translation differences	-0.0	-0.1	0.1
Net change in cash and cash equivalents	-32.4	47.1	97.3
Cash and cash equivalents at the end of the period	135.7	117.7	168.2

Notes to the Interim Report January–March 2021

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 2020. The accounting policies and calculation methods applied in the report are the same as those in the 31 December 2020 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 2021. 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 of the information and notes presented in the annual financial statements. The figures in this Interim Report are unaudited.

In the first quarter of 2021, the COVID-19 pandemic amplified in Finland and Sweden, which impacted significantly Oriola's operating environment. General risk awareness and stronger restrictions set by authorities extensively impacted consumer mobility and behaviour, leading to declining demand especially for RX and OTC pharmaceuticals as well as health and wellbeing products. Moreover, the seasonal demand drivers such as influenza epidemics nearly disappeared, impacting the sales of products in cough and cold category. This had inevitably also an impact on Oriola's business.

The impacts of the pandemic on the valuation of Oriola's assets have been closely monitored during the reporting period. Based on the assessments, COVID-19 pandemic is 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.

2. Earnings per share

EUR million	2021 1-3	2020 1-3	2020 1-12
Profit attributable to equity owners of the parent	-1.7	5.1	11.3
Average number of outstanding shares (1000 shares)			
Basic	181,320	181,420	181,389
Diluted	181,423	181,486	181,464
Earnings per share (EUR)			
Basic	-0.01	0.03	0.06
Diluted	-0.01	0.03	0.06

3. Tangible and intangible assets

Changes in property, plant and equipment, EUR million	2021 1-3	2020 1-3	2020 1-12
Carrying amount at the beginning of the period	81.0	75.6	75.6
Increases	3.3	2.5	15.7
Decreases	-0.0	-0.1	-0.2
Reclassifications	-0.1	-	-0.1
Depreciation	-3.1	-3.0	-12.2
Impairments	-	-	0.1
Foreign exchange rate differences	-1.3	-3.2	2.0
Carrying amount at the end of the period	79.8	71.8	81.0

Changes in right-of-use assets EUR million	2021 1-3	2020 1-3	2020 1-12
Carrying amount at the beginning of the period	81.2	82.7	82.7
Increases	3.5	4.2	14.9
Decreases	-	-	-0.0
Depreciation	-5.0	-4.5	-18.8
Foreign exchange rate differences	-1.5	-4.3	2.5
Carrying amount at the end of the period	78.2	78.1	81.2

Changes in goodwill, EUR million	2021 1-3	2020 1-3	2020 1-12
Carrying amount at the beginning of the period	278.7	270.5	270.5
Foreign exchange rate differences	-4.1	-11.1	8.2
Carrying amount at the end of the period	274.6	259.5	278.7

Changes in other intangible assets, EUR million	2021 1-3	2020 1-3	2020 1-12
Carrying amount at the beginning of the period	69.8	66.9	66.9
Increases	3.2	2.0	12.3
Decreases	-0.0	-	-
Reclassifications	0.1	-	0.1
Amortisation	-2.4	-2.6	-10.1
Impairments	-	-	-0.6
Foreign exchange rate differences	-0.8	-2.1	1.3
Carrying amount at the end of the period	69.8	64.2	69.8

4. Provisions

At the end of the reporting period the Group's provisions in the consolidated statement of financial position totalled EUR 1.3 (1.4) million. The provisions in 2021 consist of restructuring provisions relating to the cooperation negotiations in 2019 aiming to improve operational efficiency and continue re-organising operations in Finland and in Sweden and to changes in the Group Management Team, a provision for the costs of termination of the CEO service contract as well as of a provision relating to an onerous contract in Retail business area.

The provisions in 2020 consist of restructuring provisions relating to the cooperation negotiations in 2019 aiming to improve operational efficiency and continue re-organising operations in Finland and in Sweden and to changes in the Group Management Team.

5. Derivatives

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

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

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

6. Fair value hierarchy

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

31 Mar 2020				
EUR million	Level 1	Level 2	Level 3	Total
Assets				
Derivatives measured at fair value through profit and loss	-	0.1	-	0.1
Other investments measured at fair value through OCI	-	-	9.4	9.4
Trade receivables for sale	-	16.5	-	16.5
Liabilities				
Derivatives designated as hedges	-	0.3	-	0.3
Derivatives measured at fair value through profit and loss	-	0.2	-	0.2

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

Financial assets on level 3, EUR million	2021 1-3	2020 1-3	2020 1-12
Carrying amount at the beginning of the period	22.2	9.4	9.4
Acquisition of shares	-	-	4.8
Change in fair value	-	-	8.0
Carrying amount at the end of the period	22.2	9.4	22.2

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

7. Commitments and Contingent Liabilities

EUR million	31 Mar 2021	31 Mar 2020	31 Dec 2020
Commitments for own liabilities			
Guarantees on behalf of own companies	7.1	6.6	7.3
Mortgages on company assets	2.1	1.9	2.1
Other guarantees and liabilities	9.1	1.0	9.9
Total	18.2	9.5	19.3
Committed future minimum lease liabilities	1.1	0.8	1.1

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 0.3 (0.4) million against other subsidiaries' trade payables.

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

8. Related parties

Related parties in the Oriola Group are deemed to comprise the members of the Board of Directors and the President and CEO of Oriola Corporation, the other members of the Group Management Team of the Oriola Group, the immediate family of the aforementioned persons and the companies controlled by the aforementioned persons, the Group's subsidiaries and joint ventures. The Group has transactions between the group companies in the ordinary course of business. The Group has no significant business transactions with other related parties.

9. Segment information

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

1-3/2021 EUR million	Consumer	Pharma	Retail	Group items	Total
External invoicing	204.2	661.2	77.1	-	942.5
Internal invoicing	0.0	62.9	45.5	-108.4	-
Invoicing	204.3	724.0	122.6	-108.4	942.5
External net sales	199.6	173.7	76.9	-	450.2
Internal net sales	0.0	62.9	45.5	-108.4	-
Net sales	199.7	236.5	122.3	-108.4	450.2
EBIT	-0.5	2.0	1.1	-3.1	-0.5
Adjusted EBIT	-0.6	2.0	1.1	-2.2	0.3
Assets	435.1	387.1	130.3	185.3	1,137.8
Liabilities	124.0	571.9	66.8	217.5	980.2
Investments	3.2	1.7	1.5	0.2	6.5
Depreciation, amortisation and impairments	6.9	2.2	1.3	0.0	10.5
Average number of personnel	1,669	450	578	77	2,773

1-3/2020 EUR million	Consumer	Pharma	Retail	Group items	Total
External invoicing	206.1	682.4	76.7	-	965.3
Internal invoicing	0.0	63.0	44.9	-108.0	-
Invoicing	206.1	745.5	121.6	-108.0	965.3
External net sales	202.3	181.2	76.3	-	459.8
Internal net sales	0.0	63.0	44.9	-108.0	-
Net sales	202.4	244.2	121.2	-108.0	459.8
EBIT	6.3	3.2	0.3	-2.3	7.5
Adjusted EBIT	5.4	3.6	0.2	-2.3	6.9
Assets	417.5	388.8	124.9	156.6	1,087.9
Liabilities	126.9	582.4	64.2	181.3	954.8
Investments	2.5	1.4	0.4	0.2	4.5
Depreciation, amortisation and impairments	6.5	2.1	1.6	0.0	10.2
Average number of personnel	1,633	447	552	74	2,706

Segment information quarterly

Invoicing EUR million	2021 1-3	2020 10-12	2020 7-9	2020 4-6	2020 1-3
Consumer	204.3	208.6	194.5	189.0	206.1
Pharma	724.0	763.7	706.8	690.0	745.5
Retail	122.6	124.4	119.1	121.5	121.6
Group items	-108.4	-110.1	-105.2	-102.7	-108.0
Group total	942.5	986.6	915.3	897.7	965.3

Net sales EUR million	2021 1-3	2020 10-12	2020 7-9	2020 4-6	2020 1-3
Consumer	199.7	203.0	190.5	184.8	202.4
Pharma	236.5	249.4	234.7	232.9	244.2
Retail	122.3	124.0	118.8	120.9	121.2
Group items	-108.4	-110.1	-105.2	-102.7	-108.0
Group total	450.2	466.2	438.9	435.8	459.8

Adjusted EBIT EUR million	2021 1-3	2020 10-12	2020 7-9	2020 4-6	2020 1-3
Consumer	-0.6	4.4	4.3	0.3	5.4
Pharma	2.0	4.1	3.0	2.1	3.6
Retail	1.1	0.7	1.5	-0.3	0.2
Group items	-2.2	-1.1	-2.4	-2.4	-2.3
Group total	0.3	8.0	6.3	-0.3	6.9

EBIT EUR million	2021 1-3	2020 10-12	2020 7-9	2020 4-6	2020 1-3
Consumer	-0.5	4.4	4.2	0.4	6.3
Pharma	2.0	4.1	3.0	2.1	3.2
Retail	1.1	-0.5	1.5	-0.3	0.3
Group items	-3.1	-1.1	-2.4	-2.4	-2.3
Group total	-0.5	6.8	6.3	-0.2	7.5

Number of personnel at the end of the period, FTE's	2021 1-3	2020 10-12	2020 7-9	2020 4-6	2020 1-3
Consumer	1,603	1,621	1,711	1,631	1,715
Pharma	447	448	454	451	440
Retail	590	583	550	563	541
Group items	82	78	78	78	73
Group total	2,722	2,730	2,794	2,722	2,769

Geographical information

1-3/2021 EUR million	Sweden	Finland	Other countries	Total
Net sales	324.3	95.1	30.8	450.2
Assets	774.5	363.2	-	1,137.8
Investments	5.5	1.0	-	6.5
Average number of personnel	2,174	599	-	2,773

1-3/2020 EUR million	Sweden	Finland	Other countries	Total
Net sales	331.0	101.4	27.5	459.8
Assets	745.2	342.7	-	1,087.9
Investments	3.1	1.4	-	4.5
Average number of personnel	2,100	607	-	2,706

10. Disaggregation of revenue

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

1-3/2021 EUR million	Consumer	Pharma	Retail	Total
Wholesale	-	158.6	40.9	199.5
Retail sale	199.6	-	-	199.6
Services	-	15.1	36.0	51.1
Net sales total	199.6	173.7	76.9	450.2

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

11. Alternative performance measures

Key figures	2021	2020	Change	2020
EUR million	1-3	1-3	%	1-12
Invoicing	942.5	965.3	-2.4	3,764.9
Net sales	450.2	459.8	-2.1	1,800.8
Adjusted EBIT ¹	0.3	6.9	-95.8	21.0
EBIT	-0.5	7.5	-106.9	20.4
Adjusted EBIT %	0.1	1.5		1.2
EBIT %	-0.1	1.6		1.1
Profit for the period	-1.7	5.1	-132.6	11.3
Earnings per share, EUR	-0.01	0.03	-132.6	0.06
Net cash flow from operating activities	-14.2	-0.5		58.3
Gross capital expenditure	6.5	4.5		32.8
Net interest-bearing debt	149.3	122.2		127.1
Gearing, %	94.7	91.8		75.0
Equity per share, EUR	0.87	0.73		0.94
Equity ratio, %	14.1	12.4		14.8
Return on equity (ROE), %	-4.0	14.9		6.9
Return on capital employed (ROCE), %	-0.5	8.6		5.0
Average number of shares, 1000 pcs ²	181,320	181,420		181,389
Average number of personnel ³	2,773	2,706		2,687
Number of personnel at the end of the period ³	2,722	2,769		2,730

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

² Treasury shares held by the company not included.

³ Full time equivalents

Reconciliation of alternative performance measures to IFRS

Invoicing	2021	2020	2020
EUR million	1-3	1-3	1-12
Net sales	450.2	459.8	1,800.8
+ Acquisition cost of consignment stock	488.0	501.4	1,945.9
+ Cash discounts	4.6	3.9	18.1
+ Exchange rate differences on sales	-0.3	0.1	0.1
Invoicing	942.5	965.3	3,764.9

Adjusted EBIT	2021	2020	2020
EUR million	1-3	1-3	1-12
EBIT	-0.5	7.5	20.4
- Adjusting items included in EBIT	0.8	-0.6	0.6
Adjusted EBIT	0.3	6.9	21.0

Alternative performance measures calculated on a constant currency basis	2021	2020	2020
EUR million	1-3	1-3	1-12
Invoicing	942.5	965.3	3,764.9
Translation difference	-35.1	16.5	-26.3
Invoicing calculated on a constant currency basis	907.4	981.7	3,738.6
Net sales	450.2	459.8	1,800.8
Translation difference	-18.2	8.6	-13.7
Net sales calculated on a constant currency basis	432.0	468.4	1,787.1
Adjusted EBIT	0.3	6.9	21.0
Translation difference	-0.1	0.2	-0.2
Adjusted EBIT calculated on a constant currency basis	0.1	7.1	20.8

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), %	= $\frac{\text{EBIT}}{\text{Total assets} - \text{Non-interest-bearing liabilities}} \times 100$ (average between the beginning and the end of the year)
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, %	= $\frac{\text{Equity total}}{\text{Total assets} - \text{Advances received}} \times 100$

12. Adjusting items

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

Adjusting items included in EBIT	2021	2020	2020
EUR million	1-3	1-3	1-12
Restructuring costs	0.1	0.5	0.8
Costs of termination of the CEO service contract	-0.9	-	-
Costs and impairment charges relating to Hehku	-	0.1	0.1
Costs and impairment charges relating to onerous contract	-	-	-1.2
Other	-	-	-0.4
Adjusting items total	-0.8	0.6	-0.6

Adjusting items in 2021 consist of changes in restructuring provisions as well as costs of termination of the CEO service contract. Adjusting items in 2020 consist of changes in restructuring provisions, restructuring costs related to the changes in the Group Management Team, costs relating to an onerous contract in Retail business area, an adjustment to current liabilities related to the Swedish Consumer business as well as proceeds related to Hehku.