

# ORIOLA CORPORATION'S HALF YEAR FINANCIAL REPORT 1 January–30 June 2023

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# Oriola Corporation's Half Year Financial Report 1 January–30 June 2023

## Solid performance in Distribution business, profitability burdened by Dose Sweden

### April–June 2023 highlights

- Invoicing was EUR 904.3 (903.9) million and slightly above the previous year's level. On a constant currency basis, invoicing increased by 6.0% and was EUR 958.2 million.
- Net sales decreased by 2.8% to EUR 383.6 (394.6) million. On a constant currency basis, net sales increased by 3.0% and were EUR 406.5 million.
- Adjusted EBIT was EUR 3.4 (5.5) million. On a constant currency basis, the adjusted EBIT was EUR 3.6 million.
- EBIT was EUR 3.2 (7.0) million and included adjusting items of EUR -0.2 (1.5) million. On a constant currency basis, EBIT was EUR 3.4 million.
- Profit for the period totalled EUR 1.2 (5.5) million and earnings per share were EUR 0.01 (0.03).

### January–June 2023 highlights

- Invoicing decreased by 1.6% to EUR 1,762.7 (1,790.6) million. On a constant currency basis, invoicing increased by 3.6% and was EUR 1,854.9 million.
- Net sales decreased by 3.8% to EUR 738.4 (767.4) million. On a constant currency basis, net sales increased by 1.2% and were EUR 776.9 million.
- Adjusted EBIT was EUR 6.9 (10.2) million. On a constant currency basis, the adjusted EBIT was EUR 7.3 million.
- EBIT was EUR 6.7 (10.3) million and included adjusting items of EUR -0.2 (0.1) million. On a constant currency basis, EBIT was EUR 7.1 million.
- Profit for the period totalled EUR 2.3 (7.6) million and earnings per share were EUR 0.01 (0.04).

Key figures EUR million	2023 4-6	2022 4-6	Change %	2023 1-6	2022 1-6	Change %	2022 1-12
<b>Continuing operations</b>							
Invoicing	904.3	903.9	0.0	1,762.7	1,790.6	-1.6	3,568.0
Net sales	383.6	394.6	-2.8	738.4	767.4	-3.8	1,515.5
Adjusted EBIT <sup>1, 2</sup>	3.4	5.5	-38.7	6.9	10.2	-32.3	19.7
EBIT	3.2	7.0	-54.7	6.7	10.3	-35.3	9.5
Adjusted EBIT %	0.9	1.4		0.9	1.3		1.3
EBIT %	0.8	1.8		0.9	1.3		0.6
Profit for the period	1.2	5.5	-77.6	2.3	7.6	-69.3	4.8
Earnings per share, EUR, continuing operations	0.01	0.03	-77.6	0.01	0.04	-69.3	0.03
Earnings per share, EUR, discontinued operations	-	0.04		-	0.07		-0.04
Net cash flow from operating activities <sup>3</sup>	19.2	38.9		-23.4	67.7		77.9
Gearing, % <sup>3</sup>				4.5	-4.6		-10.5
Equity ratio, % <sup>3</sup>				21.2	19.8		23.8
Return on capital employed (ROCE), % <sup>3</sup>				3.9	4.6		2.4

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

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

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

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

## Outlook for 2023

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

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

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

## CEO Katarina Gabrielson:

A stable second quarter with net sales growing by 3% to EUR 407 million in constant currency. Growth was driven by our core business, the Distribution of pharmaceuticals and traded goods, where we saw solid development both in Sweden and Finland supported by a growing market and stable market shares. For Oriola, the significant headwind from the weak Swedish krona in the second quarter was visible mainly in the reported invoicing and net sales figures. Due to the further weakening of the Swedish krona in the second quarter, the negative impact was also to some extent visible on adjusted EBIT.

In the second quarter, Oriola's profitability declined from the previous year to EUR 3.4 (5.5) million due to the low volumes in the Swedish Dose dispensing business, as communicated earlier. Overall cost inflation has stabilised while costs have remained at a high level. To mitigate the inflationary pressure, we have implemented price increases across all businesses. Our operating expenses were below last year's level largely driven by cost restructuring in the Swedish Dose dispensing business, improved efficiency in our Swedish operations and overall strict cost control. Our financial position is still strong with positive cash flow in the second quarter and a strong balance sheet.

Profitability of our joint venture company Kronans Apotek continued to improve driven by good customer inflow in pharmacies and synergy savings achieved from integration. We booked a positive contribution of EUR 0.2 million from Kronans Apotek to our profit and loss account in the second quarter.

Oriola's focus continues to be the long-term transformation of the company by developing our commercial and supply chain excellence while ensuring profitability, efficiency and a collaborative culture. I am very pleased that our new commercial operating model, which extensively focuses on collaboration across the markets, has already shown good progress with the signing of new distribution contracts. We have also continued to strengthen our commercial capabilities by sales training focusing on account management to support a unified customer experience, and our new customer segmentation provides focus and enhances understanding of how we can create relevance and growth. In supply chain, we have continued to simplify and harmonise processes across Oriola, including core IT systems. We have also improved our efficiency in deliveries through improved demand-supply planning and tighter collaboration with the sales teams. Developing a strong culture is one of our key priorities, and during the second quarter we engaged with our people to renew Oriola's value descriptions.

At Oriola, we believe that a sustainable future starts with health, and therefore sustainability is embedded in everything we do. Our sustainability work has been guided by ambitious long-term goals and a systematic approach to development. In June, Oriola was awarded the gold medal in the EcoVadis sustainability rating with a result placing us among the top 5% performing companies worldwide. This is a great recognition and demonstrates our commitment to sustainability.

Looking at the full year, we continue to expect Oriola's adjusted EBIT to remain on the same level compared to last year. We expect the volumes in the Swedish Dose business to remain at the current level during the second half. We expect the pharmaceutical distribution market to continue to grow. Our strength is in the Distribution business that has performed strongly during the first half of the year and where we have new customers onboarding during the second half. We continue with price increases and strict cost control to mitigate the high cost inflation. I am very pleased with the achievements of our people during the second quarter, and this is a great opportunity to thank everyone for their dedication and hard work.

# Oriola Corporation's Half Year Financial Report 1 January–30 June 2023

## Operating environment

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

The availability of raw materials for pharmaceuticals slightly improved during the second quarter but the tight situation persists, and has affected the availability of some medicines in Sweden and Finland. Energy and fuel prices have stabilised.

### Market environment

In Sweden, the value of the pharmaceutical distribution market at wholesale prices, measured in Swedish krona, grew by 10.0% (8.4%) in January-June and by 9.8% (9.1%) in the second quarter (source: IQVIA). In Finland, the market value grew by 3.9% (4.8%) in January-June and by 3.4% (5.6%) in the second quarter (source: Pharmaca Health Intelligence). According to Oriola's estimate, the company's share of the pharmaceutical wholesale market in Sweden was approximately 44% (45%) in January-June and 45% (45%) in the second quarter. Oriola estimates that, the company's share of the pharmaceutical wholesale market in Finland was approximately 44% (44%) in January-June and 45% (44%) in the second quarter.

In the dose dispensing business, Oriola offers pharmaceuticals and dose dispensing for private and public healthcare sector operators. The total market size for dose dispensing is approximately 260,000 patients (250,000) in Sweden and 100,000 patients (100,000) in Finland. Oriola serves approximately 11,000 (105,000) patients in Sweden and 30,000 (30,000) patients in Finland. The decline in the number of patients in Sweden was related to the loss of public tenders, as communicated earlier.

## Group financial performance April-June 2023

### Invoicing and net sales

Invoicing was EUR 904.3 (903.9) million and slightly above the previous year's level. The weak Swedish krona had a negative impact on reported invoicing and net sales figures. On a constant currency basis, invoicing increased by 6.0%. Net sales decreased by 2.8% to EUR 383.6 (394.6) million. On a constant currency basis, net sales increased by 3.0%. Sales were supported by the solid development in the Distribution of pharmaceuticals both in Sweden and Finland.

### Profitability

Adjusted EBIT decreased to EUR 3.4 (5.5) million due to the low volumes in the Swedish Dose dispensing business. This decline was related to the loss of public tenders and consequently fewer patients. Operating expenses were below last year's level, largely driven by cost restructuring in the Swedish Dose dispensing business, improved efficiency in the Swedish operations and overall strict cost control. Adjusting items totalled EUR -0.2 (1.5) million, and adjusted EBIT on a constant currency basis was EUR 3.6 million. EBIT was EUR 3.2 (7.0) million.

Net financial expenses increased to EUR 1.9 (-0.3) million mainly due to higher interest rates. Profit for the period was EUR 1.2 (5.5) million. Earnings per share were EUR 0.01 (0.03).

## Group financial performance January-June 2023

### Invoicing and net sales

Invoicing decreased by 1.6% to EUR 1,762.7 (1,790.6) million. The weak Swedish krona had a negative impact on reported invoicing and net sales figures. On a constant currency basis, invoicing increased by 3.6%. Net sales decreased by 3.8% to EUR 738.4 (767.4) million. On a constant currency basis, net sales increased by 1.2%. Sales were supported by the solid development in the Distribution of pharmaceuticals.

### Profitability

Adjusted EBIT decreased to EUR 6.9 (10.2) million due to lower volumes in Swedish Dose dispensing. This decline was related to the loss of public tenders and consequently fewer patients. As a result of cost restructuring in the Swedish dose dispensing and strict cost control, operating expenses were below last year's level despite the inflationary environment. Adjusting items totalled EUR -0.2 (0.1) million, and adjusted EBIT on a constant currency basis was EUR 7.3 million. EBIT was EUR 6.7 (10.3) million.

Net financial expenses were EUR 3.4 (0.3) million mainly due to higher interest rates. Profit for the period was EUR 2.3 (7.6) million. Earnings per share were EUR 0.01 (0.04).

## Joint venture Swedish Pharmacy Holding AB (Kronans Apotek)

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

In the second quarter of 2023, Oriola recognised a profit of EUR 0.2 million from Swedish Pharmacy Holding AB in the consolidated statement of comprehensive income. In January-June 2023, a EUR 0.2 million loss was recognised.

In the second quarter of 2023, Swedish Pharmacy Holding AB reported net sales of EUR 288.7 (300.2) million. EBITA (Earnings before interest, taxes and amortization) was EUR 3.6 million. Adjusted EBIT was EUR 2.3 million, synergies during the reporting period totalled to EUR 2.5 million and one-off costs related to the integration of the two companies was EUR 1.0 million. At the end of June 2023, net interest-bearing debt was EUR 68.2 million.

In January-June 2023, net sales were EUR 568.4 (593.8) million. EBITA was EUR 5.3 million. Adjusted EBIT was EUR 2.3 million, synergies during the first half year totalled to EUR 4.7 million and one-off costs related to the integration of the two companies was EUR 1.5 million.

The adjusted EBIT reflects improved revenues compared to Q1 partly coming through improved customer flows, while the operational focus remains on synergy activities.

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

## Sustainability

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

Oriola's sustainability programme is integrated in the company's strategy and structured under three focus areas: Planet, Society and People. For each of these, ambitious long-term sustainability goals have been set.

In the second quarter, Oriola engaged new occupational healthcare partners both in Finland and Sweden. Further to this, Oriola carried out a holistic health and wellbeing survey in Finland to help identify key improvement areas and organised training on work safety in supply chain operations. In addition, several supply chain initiatives include optimisation of delivery routes, and improvements in recycling and waste management especially of pharmaceutical waste.

More information about Oriola's sustainability work can be found on the company website:

<https://www.oriola.com/sustainability/>

### Gold in EcoVadis sustainability rating

In June, Oriola was awarded a gold medal in the EcoVadis sustainability rating 2023. The result places Oriola among the top 5% performing companies worldwide in the areas of environment, labour and human rights, ethics, and sustainable procurement assessed by EcoVadis. In the previous assessment in 2021, Oriola got the silver medal, which means that Oriola's performance has improved thanks to systematic sustainability work.

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

Oriola is preparing to comply with the EU Corporate Sustainability Reporting Directive (CSRD), and to report according to the directive for the financial year 2024. As part of the readiness project, a gap analysis to identify key development areas was completed in January 2023, and a double-materiality assessment survey was completed in March 2023. Based on the survey results, Oriola is renewing its sustainability agenda including strategic targets and KPIs. In addition, Oriola has prepared for a Human Rights Due Diligence to take place in the second half of 2023, and screened ESG data management tools.

## Balance sheet, cash flow and financing

Oriola's total assets at the end of June 2023 were EUR 931.5 (1,137.5) million. Equity attributable to the equity holders was EUR 193.9 (220.6) million. In line with the decision of the Annual General Meeting the company paid dividends of EUR 10.9 million in April. A decrease of EUR 19.5 million was recognised in the fair value of shareholdings in Doktor.se due to the realised transactions at lower price. Oriola's ownership of the shares in Doktor.se has not changed during the reporting period.

Cash and cash equivalents totalled EUR 128.4 (162.7) million. Net cash flow from operating activities in January–June 2023 was EUR -23.4 (67.7) million, of which changes in working capital accounted for EUR -30.5 (36.7) million. Increase in inventories and in trade receivables have impacted working capital negatively. Strong fluctuation in working capital is typical for Oriola's industry. Net cash flow from investing activities was EUR -1.7 (-2.1) million. Net cash flow from financing activities was EUR -7.1 (-10.8) million.

At the end of June 2023, interest-bearing debt was EUR 137.1 (152.5) million. Non-current interest-bearing liabilities amounted to EUR 39.1 (73.4) million and current interest-bearing liabilities amounted to EUR 97.9 (79.2) million. Non-current interest-bearing liabilities mainly consist of loans from financial institutions totalling EUR 32.0 (61.0) million and non-current lease liabilities totalling EUR 7.1 (12.4) million. Current interest-bearing liabilities mainly consist of commercial paper issues of EUR 52.6 (51.9) million, advance payments from Finnish pharmacies totalling EUR 15.7 (21.6) million, loans from financial institutions totalling EUR 26.6 (2.0) million and current lease liabilities totalling EUR 3.1 (3.7) million. Interest-bearing net debt was EUR 8.7 (-10.1) million and gearing 4.5% (-4.6%).

Non-recourse trade receivables sales programmes are in use in Sweden. At the end of June 2023, a total of EUR 91.5 (172.7) million in trade receivables had been sold. The average interest rate on the interest-bearing liabilities excluding lease liabilities was 3.25% (1.11%). Interest rate risk relating to the cash flow from selling of trade receivables has been partly hedged with interest rate swaps.

In June 2021, Oriola signed a new unsecured revolving credit facility agreement totalling EUR 140 million. In April 2023, the maturity of the agreement was extended by one year, and the revolving credit facility will mature in June 2026. 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 June 2023.

At the end of June 2023, Oriola's equity ratio was 21.2% (19.8%). Return on capital employed was 3.9% (4.6%) and return on equity was 2.2% (7.0%).

## Investments and depreciation

Gross investments in January–June 2023 totalled EUR 1.6 (1.4) million and consisted mainly of investments in logistics and information systems.

Depreciation, amortisation and impairment amounted to EUR 7.2 (7.4) million.

## Personnel

At the end of June 2023, Oriola had 797 (899) employees, of which 417 (418) worked in Finland and 380 (481) in Sweden. The decrease in the number of personnel was due to organisational changes in the Swedish Dose business. The average number of personnel in January–June 2023 was 821 (970). The reported number of personnel consists of members of staff in active employment, calculated as full-time equivalents.

## Corporate Governance

### Annual General Meeting

Oriola Corporation's Annual General Meeting was held on 21 March 2023. The resolutions of the Annual General Meeting were announced in a stock exchange release on 21 March 2023 and were presented in the Interim Report for the first quarter of 2023.

## Changes in the Oriola Management Team

Oriola announced on 23 May 2023 that Niklas Lindholm, Ph. D. (Econ) has been appointed Oriola Corporation's Chief People Officer and member of the Oriola Management Team as of 1 August 2023.

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

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



## Oriola Corporation shares

Trading of shares	Jan–Jun 2023		Jan–Jun 2022	
	class A	class B	class A	class B
Trading volume, million	0.9	10.2	5.3	21.6
Trading value, EUR million	1.5	15.5	10.7	43.8
Highest price, EUR	1.93	1.82	2.30	2.31
Lowest price, EUR	1.34	1.26	1.76	1.72
Closing quotation, end of period, EUR	1.34	1.29	1.92	1.90

Oriola Corporation's market capitalisation on 30 June 2023 was EUR 236.3 (345.1) million.

In January–June 2023, the traded volume of Oriola Corporation shares, excluding treasury shares, corresponded to 6.1% (14.8%) of the total number of shares.

At the end of June 2023, the company had a total of 181,486,213 (181,486,213) shares, of which 53,748,313 (53,748,313) were class A shares and 127,737,900 (127,737,900) were class B shares. The company held a total of 87,426 (109,564) treasury shares, of which 63,650 (63,650) were class A shares and 23,776 (45,914) were class B shares. The treasury shares held by the company account for 0.05% (0.06%) of the company's shares and 0.11% (0.11%) of the votes.

Under Article 3 of the Articles of Association, a shareholder may demand conversion of class A shares into class B shares. During the period January–June 2023, no class A shares were converted into class B shares.

## Risks and uncertainty factors

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

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

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

## Near-term risks and uncertainty factors

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

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

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

management plans for all major IT projects and aims to ensure seamless implementation of the systems through careful planning.

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

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

## Outlook for 2023

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

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

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

## Next financial report

Oriola will publish its interim report for January-September 2023 on 31 October 2023.

Espoo, 20 July 2023

Oriola Corporation  
Board of Directors

# Consolidated statement of comprehensive income (IFRS)

EUR million	2023 4-6	2022 4-6	2023 1-6	2022 1-6	2022 <sup>1</sup> 1-12
<b>Continuing operations</b>					
<b>Net sales</b>	<b>383.6</b>	<b>394.6</b>	<b>738.4</b>	<b>767.4</b>	<b>1,515.5</b>
Other operating income	0.5	1.8	1.2	2.0	5.8
Materials and supplies	-343.3	-346.1	-656.0	-672.4	-1,329.6
Employee benefit expenses	-14.5	-17.1	-29.0	-34.7	-61.1
Other operating expenses	-19.6	-22.5	-40.7	-44.5	-95.9
Depreciation, amortisation and impairments	-3.6	-3.7	-7.2	-7.4	-25.2
<b>EBIT</b>	<b>3.2</b>	<b>7.0</b>	<b>6.7</b>	<b>10.3</b>	<b>9.5</b>
Financial income and expenses	-1.9	0.3	-3.4	-0.3	-0.7
Share of results in joint venture	0.2	0.0	-0.2	0.0	-2.0
<b>Profit before taxes</b>	<b>1.5</b>	<b>7.3</b>	<b>3.0</b>	<b>10.0</b>	<b>6.9</b>
Income taxes	-0.3	-1.9	-0.7	-2.4	-2.1
<b>Profit for the period from continuing operations</b>	<b>1.2</b>	<b>5.5</b>	<b>2.3</b>	<b>7.6</b>	<b>4.8</b>
Profit for the period from discontinued operations	-	6.5	-	13.3	-7.2
<b>Profit for the period</b>	<b>1.2</b>	<b>12.0</b>	<b>2.3</b>	<b>20.8</b>	<b>-2.4</b>
<b>Other comprehensive income</b>					
<b>Items which may be reclassified subsequently to profit or loss:</b>					
Translation differences recognised in comprehensive income during the reporting period	-2.8	-9.9	-3.7	-12.0	40.8
Translation differences reclassified to profit and loss during the reporting period	-	-	-	-	-29.0
Cash flow hedge	0.3	0.8	-0.2	2.7	2.8
Income tax relating to other comprehensive income	-0.1	-0.2	0.0	-0.5	-0.6
	<b>-2.6</b>	<b>-9.3</b>	<b>-3.9</b>	<b>-9.8</b>	<b>13.9</b>
<b>Items which will not be reclassified to profit or loss:</b>					
Financial assets recognised at fair value through other comprehensive income	-19.5	-	-19.5	-	-
Actuarial gains/losses on defined benefit plans	-	-	-	-	5.2
Income tax relating to other comprehensive income	-	-	-	-	-1.1
	<b>-19.5</b>	<b>-</b>	<b>-19.5</b>	<b>-</b>	<b>4.2</b>
<b>Total comprehensive income for the period</b>	<b>-20.8</b>	<b>2.7</b>	<b>-21.0</b>	<b>11.1</b>	<b>15.7</b>
<b>Profit attributable to</b>					
Parent company shareholders	1.2	12.0	2.3	20.8	-2.4
<b>Total comprehensive income attributable to</b>					
Parent company shareholders	<b>-20.8</b>	<b>2.7</b>	<b>-21.0</b>	<b>11.1</b>	<b>15.7</b>

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

EUR million	2023 4-6	2022 4-6	2023 1-6	2022 1-6	2022 1-12
<b>Earnings per share attributable to parent company shareholders:</b>					
<b>EUR</b>					
Basic					
Continuing operations	0.01	0.03	0.01	0.04	0.03
Discontinued operations	-	0.04	-	0.07	-0.04
Group total	0.01	0.07	0.01	0.11	-0.01
Diluted					
Continuing operations	0.01	0.03	0.01	0.04	0.03
Discontinued operations	-	0.04	-	0.07	-0.04
Group total	0.01	0.07	0.01	0.11	-0.01

# Consolidated statement of financial position (IFRS)

EUR million	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>Non-current assets</b>			
Property, plant and equipment	49.6	66.0	57.7
Goodwill	61.0	61.1	61.1
Other intangible assets	19.0	30.2	20.6
Investments in joint ventures	240.3	-	240.4
Other non-current assets	18.5	37.9	38.3
Deferred tax assets	1.4	2.8	1.2
<b>Non-current assets total</b>	<b>389.8</b>	<b>198.0</b>	<b>419.1</b>
<b>Current assets</b>			
Inventories	157.4	155.4	148.5
Trade receivables	249.7	201.4	226.8
Income tax receivables	1.4	0.7	1.1
Other receivables	4.8	6.9	4.7
Cash and cash equivalents	128.4	162.7	160.6
	<b>541.7</b>	<b>527.1</b>	<b>541.8</b>
Assets held for sale	-	412.3	-
<b>Current assets total</b>	<b>541.7</b>	<b>939.5</b>	<b>541.8</b>
<b>Assets total</b>	<b>931.5</b>	<b>1,137.5</b>	<b>960.9</b>

EUR million	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>Equity</b>			
Share capital	36.2	36.2	36.2
Fair value reserve	9.1	28.6	28.7
Contingency fund	19.4	19.4	19.4
Invested unrestricted equity reserve	74.8	74.8	74.8
Other reserves	0.1	0.1	0.1
Translation differences	-20.4	-40.4	-16.7
Retained earnings	74.8	101.9	83.2
<b>Equity attributable to the parent company shareholders</b>	<b>193.9</b>	<b>220.6</b>	<b>225.6</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	4.5	5.5	4.9
Pension obligations	10.7	17.9	11.8
Interest-bearing liabilities	39.1	73.4	69.9
Other non-current liabilities	0.3	0.9	0.7
<b>Non-current liabilities total</b>	<b>54.7</b>	<b>97.6</b>	<b>87.3</b>
<b>Current liabilities</b>			
Trade payables	559.2	595.2	557.3
Interest-bearing liabilities	97.9	79.2	67.0
Income tax payables	0.2	1.8	1.0
Other current liabilities	25.6	31.5	22.8
	<b>682.9</b>	<b>707.7</b>	<b>648.0</b>
Liabilities related to assets held for sale	-	111.6	-
<b>Current liabilities total</b>	<b>682.9</b>	<b>819.3</b>	<b>648.0</b>
<b>Equity and liabilities total</b>	<b>931.5</b>	<b>1,137.5</b>	<b>960.9</b>

# Consolidated statement of changes in equity (IFRS)

EUR million	Share capital	Funds	Translation differences	Retained earnings	Equity total
<b>Equity 1 Jan 2022</b>	<b>36.2</b>	<b>120.7</b>	<b>-28.5</b>	<b>88.3</b>	<b>216.8</b>
Comprehensive income for the period					
Net profit for the period	-	-	-	20.8	<b>20.8</b>
Other comprehensive income:					
Cash flow hedge	-	2.7	-	-	<b>2.7</b>
Income tax relating to other comprehensive income	-	-0.5	-	-	<b>-0.5</b>
Translation difference	-	-	-12.0	-	<b>-12.0</b>
Comprehensive income for the period total	-	2.2	-12.0	20.8	<b>11.1</b>
Transactions with owners					
Dividend distribution	-	-	-	-7.3	<b>-7.3</b>
Share-based incentive	-	-	-	0.2	<b>0.2</b>
Purchase of own shares	-	-	-	-0.1	<b>-0.1</b>
Transactions with owners total	-	-	-	-7.2	<b>-7.2</b>
<b>Equity 30 June 2022</b>	<b>36.2</b>	<b>122.9</b>	<b>-40.4</b>	<b>101.9</b>	<b>220.6</b>
<b>Equity 1 Jan 2023</b>	<b>36.2</b>	<b>122.9</b>	<b>-16.7</b>	<b>83.2</b>	<b>225.6</b>
Comprehensive income for the period					
Net profit for the period	-	-	-	2.3	<b>2.3</b>
Other comprehensive income:					
Financial assets recognized at fair value through other comprehensive income:					
Change in fair value	-	-19.5	-	-	<b>-19.5</b>
Financial assets recognized at fair value through comprehensive income total	-	-19.5	-	-	<b>-19.5</b>
Cash flow hedge comprehensive income	-	-0.2	-	-	<b>-0.2</b>
Translation difference	-	0.0	-	-	<b>0.0</b>
Translation difference	-	-	-3.7	-	<b>-3.7</b>
Comprehensive income for the period total	-	-19.6	-3.7	2.3	<b>-21.0</b>
Transactions with owners					
Dividend distribution	-	-	-	-10.9	<b>-10.9</b>
Share-based incentive	-	-	-	0.3	<b>0.3</b>
Purchase of own shares	-	-	-	-0.1	<b>-0.1</b>
Transactions with owners total	-	-	-	-10.6	<b>-10.6</b>
<b>Equity 30 June 2023</b>	<b>36.2</b>	<b>103.3</b>	<b>-20.4</b>	<b>74.8</b>	<b>193.9</b>

## Consolidated statement of cash flows (IFRS)

EUR million	2023 1-6	2022 <sup>1</sup> 1-6	2022 <sup>1</sup> 1-12
Profit (loss) for the period	2.3	20.8	-2.4
Adjustments for			
Depreciation, amortisation and impairments	7.2	10.5	28.1
Share of results in joint venture	0.2	-	2.0
Financial income and expenses	3.4	3.2	5.5
Loss on sale of discontinued operations	-	-	29.4
Income taxes	0.7	5.9	7.9
Other adjustments	-0.1	-0.6	-0.9
Cash flow before change in working capital	13.8	39.9	69.6
Change in working capital	-30.5	36.7	27.7
<b>Cash flow from operating activities before financial items and taxes</b>	<b>-16.7</b>	<b>76.5</b>	<b>97.3</b>
Financial income received and costs paid	-4.3	-5.7	-15.4
Taxes paid	-2.4	-3.2	-4.0
<b>Net cash flow from operating activities</b>	<b>-23.4</b>	<b>67.7</b>	<b>77.9</b>
Investments in property, plant and equipment and intangible assets	-1.7	-5.4	-8.5
Proceeds from sale of property, plant and equipment and intangible assets	0.0	0.1	0.4
Investments in joint ventures	-	-	24.3
Sales of subsidiaries and business operations, net of cash disposed	-	3.2	-13.1
<b>Net cash flow from investing activities</b>	<b>-1.7</b>	<b>-2.1</b>	<b>3.0</b>
Repayment of loans	-1.0	-1.0	-2.0
Change in other current financing	6.7	7.7	-4.2
Amortisations of lease liabilities	-1.8	-10.2	-15.7
Purchasing of own shares	-0.1	-0.1	-0.1
Dividends paid	-10.9	-7.3	-7.3
<b>Net cash flow from financing activities</b>	<b>-7.1</b>	<b>-10.8</b>	<b>-29.3</b>
Net change in cash and cash equivalents	-32.1	54.7	51.6
Cash and cash equivalents at the beginning of the period	160.6	109.1	109.1
Translation differences	-0.1	-0.1	-0.1
Net change in cash and cash equivalents	-32.1	54.7	51.6
<b>Cash and cash equivalents at the end of the period</b>	<b>128.4</b>	<b>163.8</b>	<b>160.6</b>

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

# Notes to the Half Year Financial Report January–June 2023

## Principal accounting policies

This Half Year Financial Report has been prepared in accordance with IFRS standards (IAS 34 Interim Financial Reporting) and should be read in conjunction with the Group's last consolidated financial statements as at and for the year ended 31 December 2022. The accounting policies and calculation methods applied in the release are the same as those in the 31 December 2022 financial statements, however with the addition of the standards and interpretations published by the International Accounting Standards Board (IASB) that are mandatory as of 1 January 2023. These standards did not have a significant impact on the Group in the current reporting period and they are not expected to have a material impact on the Group in the future reporting periods and on foreseeable future transactions. This Half Year Financial Report does not include all the information and notes presented in the financial statements. The figures in this Half Year Financial Report are unaudited.

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

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

### **Reporting segments**

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

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



## Earnings per share

EUR million	2023 4-6	2022 4-6	2023 1-6	2022 1-6	2022 <sup>1</sup> 1-12
Profit attributable to equity owners of the parent					
Continuing operations	1.2	5.5	2.3	7.6	4.8
Discontinued operations	-	6.5	-	13.3	-7.2
<b>Group total</b>	<b>1.2</b>	<b>12.0</b>	<b>2.3</b>	<b>20.8</b>	<b>-2.4</b>
Average number of outstanding shares (1000 shares)					
Basic	181,380	181,377	181,380	181,366	181,371
Diluted	181,423	181,423	181,423	181,423	181,423
<b>Earnings per share (EUR)</b>					
Basic					
Continuing operations	0.01	0.03	0.01	0.04	0.03
Discontinued operations	-	0.04	-	0.07	-0.04
<b>Group total</b>	<b>0.01</b>	<b>0.07</b>	<b>0.01</b>	<b>0.11</b>	<b>-0.01</b>
Diluted					
Continuing operations	0.01	0.03	0.01	0.04	0.03
Discontinued operations	-	0.04	-	0.07	-0.04
<b>Group total</b>	<b>0.01</b>	<b>0.07</b>	<b>0.01</b>	<b>0.11</b>	<b>-0.01</b>

## Discontinued operations

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

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

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

The discontinued operations' result, assets and liabilities, and cash flows have been presented in the consolidated financial statements of 2022 and in the Half Year Financial Report in 2022.

## Tangible and intangible assets

Changes in property, plant and equipment, EUR million	2023 1-6	2022 1-6	2022 1-12
Carrying amount at the beginning of the period	43.9	76.6	76.6
Increases	0.6	1.6	3.2
Decreases	-0.0	-0.1	-0.1
Disposals of operations	-0.0	-	-20.9
Reclassifications between asset categories	-	0.0	0.4
Reclassifications to assets held for sale	-	-21.3	-
Depreciation, continuing operations	-3.1	-3.2	-6.6
Depreciation, discontinued operations	-	-0.5	-0.5
Impairments	-	-	-3.7
Foreign exchange rate differences	-1.8	-2.7	-4.6
<b>Carrying amount at the end of the period</b>	<b>39.6</b>	<b>50.3</b>	<b>43.9</b>

Changes in right-of-use assets EUR million	2023 1-6	2022 1-6	2022 1-12
Carrying amount at the beginning of the period	13.8	79.4	79.4
Increases	0.7	3.3	5.5
Decreases	-2.2	-0.2	-0.6
Disposals of operations	-	-	-59.3
Reclassifications to assets held for sale	-	-59.8	-
Depreciation, continuing operations	-1.6	-1.9	-4.0
Depreciation, discontinued operations	-	-1.8	-1.7
Impairments	-	-	-
Foreign exchange rate differences	-0.7	-3.3	-5.5
<b>Carrying amount at the end of the period</b>	<b>10.0</b>	<b>15.7</b>	<b>13.8</b>

Changes in goodwill, EUR million	2023 1-6	2022 1-6	2022 1-12
Carrying amount at the beginning of the period	61.1	273.5	273.5
Disposals of operations	-	-2.0	-196.6
Reclassifications to assets held for sale	-	-201.3	-
Foreign exchange rate differences	-0.1	-9.0	-15.8
<b>Carrying amount at the end of the period</b>	<b>61.0</b>	<b>61.1</b>	<b>61.1</b>

Changes in other intangible assets, EUR million	2023 1-6	2022 1-6	2022 1-12
Carrying amount at the beginning of the period	20.6	71.0	71.0
Increases	1.0	3.6	5.2
Decreases	-0.0	-0.4	-0.4
Disposals of operations	-	0.0	-39.8
Reclassifications	-	0.0	-0.4
Reclassifications to assets held for sale	-	-39.2	-
Amortization, continuing operations	-2.5	-2.3	-4.8
Amortization, discontinued operations	-	-0.8	-0.8
Impairments	-	-	-6.4
Foreign exchange rate differences	-0.1	-1.8	-3.1
<b>Carrying amount at the end of the period</b>	<b>19.0</b>	<b>30.2</b>	<b>20.6</b>

## Derivatives

30 Jun 2023 EUR million	Positive fair value	Negative fair value	Nominal values of contracts
<b>Derivatives recognised as cash flow hedges</b>			
Interest rate swaps	3.1	-	50.8
<b>Derivatives measured at fair value through profit or loss</b>			
Interest rate swaps	0.6	-	10.2
Foreign currency forward and swap contracts	0.0	2.1	113.2

30 Jun 2022 EUR million	Positive fair value	Negative fair value	Nominal values of contracts
<b>Derivatives recognised as cash flow hedges</b>			
Interest rate swaps	3.6	0.4	85.7
<b>Derivatives measured at fair value through profit or loss</b>			
Foreign currency forward and swap contracts	0.0	0.3	91.9

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

## Fair value hierarchy

30 Jun 2023 EUR million	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Derivatives designated as hedges	-	3.1	-	<b>3.1</b>
Derivatives measured at fair value through profit or loss	-	0.6	-	<b>0.6</b>
Other investments measured at fair value through OCI	-	-	34.2	<b>34.2</b>
Trade receivables for sale	-	6.0	-	<b>6.0</b>
<b>Liabilities</b>				
Derivatives designated as hedges	-	-	-	-
Derivatives measured at fair value through profit or loss	-	2.1	-	<b>2.1</b>

30 Jun 2022 EUR million	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Derivatives designated as hedges	-	3.6	-	<b>3.6</b>
Derivatives measured at fair value through profit or loss	-	-	-	-
Other investments measured at fair value through OCI	-	-	34.2	<b>34.2</b>
Trade receivables for sale	-	17.5	-	<b>17.5</b>
<b>Liabilities</b>				
Derivatives designated as hedges	-	0.4	-	<b>0.4</b>
Derivatives measured at fair value through profit or loss	-	0.3	-	<b>0.3</b>

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

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

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

**Reconciliation of financial assets recognised at fair value according to the level 3**

	2023	2022	2022
Financial assets on level 3, EUR million	1-6	1-6	1-12
<b>Carrying amount at the beginning of the period</b>	<b>34.2</b>	<b>34.2</b>	<b>34.2</b>
Disposal of shares	-	-	-
Change in fair value	-19.5	-	-
<b>Carrying amount at the end of the period</b>	<b>14.8</b>	<b>34.2</b>	<b>34.2</b>

Financial assets recognised at fair value through other comprehensive income (level 3) include Oriola's holding in the Swedish online medical centre Doktor.se. The applied valuation method for the shares in Doktor.se is based on realised transactions. A decrease of EUR 19.5 million was recognised in the fair value of shareholdings in Doktor.se due to the realised transactions at lower price.

**Commitments and Contingent Liabilities**

EUR million	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>Commitments for own liabilities</b>			
Guarantees on behalf of own companies	6.1	6.8	6.5
Guarantees on behalf of other companies	0.2	-	0.3
Mortgages on company assets	1.8	2.0	1.9
Other guarantees and liabilities	4.8	6.9	5.8
<b>Total</b>	<b>12.9</b>	<b>15.6</b>	<b>14.5</b>
Committed future minimum lease liabilities	0.7	1.1	1.1

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

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

**Related parties**

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

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

	2023	2022	2023	2022	2022
EUR million	4-6	4-6	1-6	1-6	1-12
Sales	127.1	-	251.8	-	130.9
Purchases of goods and services	0.1	-	0.2	-	0.1
Trade and other receivables	73.4	-	73.4	-	20.7
Trade and other payables	0.2	-	0.2	-	0.2
Commitments	0.2	-	0.2	-	0.3

## Quarterly information

EUR million	2023 4-6	2023 1-3	2022 10-12	2022 7-9	2022 4-6	2022 1-3
Invoicing	904.3	858.3	906.9	870.6	903.9	886.7
Net sales	383.6	354.7	374.2	373.9	394.6	372.7
Adjusted EBIT total	3.4	3.5	2.9	6.6	5.5	4.7
EBIT total	3.2	3.5	-7.1	6.3	7.0	3.3
Number of personnel at the end of the period, FTE's total	797	830	833	859	899	1,039

## Geographical information

1-6/2023 EUR million	Sweden	Finland	Other countries	Total
Net sales	424.4	258.6	55.4	<b>738.4</b>
Non-current assets <sup>1</sup>	74.0	330.2	-	<b>404.1</b>
Investments	0.5	1.1	-	<b>1.6</b>
Average number of personnel	410	411	-	<b>821</b>

1-6/2022 EUR million	Sweden	Finland	Other Countries	Total
Net sales	460.6	241.9	64.9	<b>767.4</b>
Non-current assets <sup>1</sup>	92.1	99.5	-	<b>191.6</b>
Investments	0.6	0.8	-	<b>1.4</b>
Average number of personnel	481	489	-	<b>970</b>

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

## Disaggregation of revenue

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

EUR million	2023 1-6	2022 1-6	2022 1-12
Wholesale	660.5	648.6	1,287.9
Other <sup>1</sup>	77.9	118.7	227.6
<b>Net sales total</b>	<b>738.4</b>	<b>767.4</b>	<b>1,515.5</b>

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

## Alternative performance measures

Key figures	2023	2022	Change	2023	2022	Change	2022
EUR million	4-6	4-6	%	1-6	1-6	%	1-12
Invoicing	904.3	903.9	0.0	1 762.7	1,790.6	-1.6	3,568.0
Net sales	383.6	394.6	-2.8	738.4	767.4	-3.8	1,515.5
Adjusted EBIT <sup>1</sup>	3.4	5.5	-38.7	6.9	10.2	-32.3	19.7
EBIT	3.2	7.0	-54.7	6.7	10.3	-35.3	9.5
Adjusted EBIT %	0.9	1.4		0.9	1.3		1.3
EBIT %	0.8	1.8		0.9	1.3		0.6
Profit for the period	1.2	5.5	-77.6	2.3	7.6	-69.3	4.8
Earnings per share, EUR	0.01	0.03	-77.6	0.01	0.04	-69.3	0.03
Net cash flow from operating activities <sup>2</sup>	19.2	38.9		-23.4	67.7		77.9
Gross capital expenditure				1.6	1.4		3.4
Net interest-bearing debt				8.7	-10.1		-23.7
Gearing, %				4.5	-4.6		-10.5
Equity per share, EUR				1.07	1.22		1.24
Equity ratio, %				21.2	19.8		23.8
Return on equity (ROE), %				2.2	7.0		2.2
Return on capital employed (ROCE), %				3.9	4.6		2.4
Average number of shares, 1000 pcs <sup>3</sup>				181,380	181,366		181,371
Average number of personnel <sup>4</sup>				821	970		914
Number of personnel at the end of the period <sup>4</sup>				797	899		833

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

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

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

<sup>4</sup> Full time equivalents

**Reconciliation of alternative performance measures to IFRS**

<b>Invoicing</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
<b>EUR million</b>	<b>4-6</b>	<b>4-6</b>	<b>1-6</b>	<b>1-6</b>	<b>1-12</b>
Net sales	383.6	394.6	738.4	767.4	1,515.5
+ Acquisition cost of consignment stock	521.0	509.4	1,024.4	1,023.2	2,052.5
+ Cash discounts	0.0	-0.0	0.0	0.0	0.1
+ Exchange rate differences on sales	-0.3	-0.1	-0.1	0.0	0.0
<b>Invoicing</b>	<b>904.3</b>	<b>903.9</b>	<b>1,762.7</b>	<b>1,790.6</b>	<b>3,568.0</b>

<b>Adjusted EBIT</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
<b>EUR million</b>	<b>4-6</b>	<b>4-6</b>	<b>1-6</b>	<b>1-6</b>	<b>1-12</b>
EBIT	3.2	7.0	6.7	10.3	9.5
- Adjusting items included in EBIT	0.2	-1.5	0.2	-0.1	10.2
<b>Adjusted EBIT</b>	<b>3.4</b>	<b>5.5</b>	<b>6.9</b>	<b>10.2</b>	<b>19.7</b>

<b>Alternative performance measures calculated on a constant currency basis</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
<b>EUR million</b>	<b>4-6</b>	<b>4-6</b>	<b>1-6</b>	<b>1-6</b>	<b>1-12</b>
Invoicing	904.3	903.9	1,762.7	1,790.6	3,568.0
Translation difference	53.9	19.7	92.3	41.1	110.7
Invoicing calculated on a constant currency basis	958.2	923.6	1,854.9	1,831.6	3,678.7
Net sales	383.6	394.6	738.4	767.4	1,515.5
Translation difference	22.8	8.8	38.6	17.9	47.5
Net sales calculated on a constant currency basis	406.5	403.4	776.9	785.3	1,563.0
Adjusted EBIT	3.4	5.5	6.9	10.2	19.7
Translation difference	0.2	0.1	0.4	0.3	0.4
Adjusted EBIT calculated on a constant currency basis	3.6	5.6	7.3	10.4	20.2

**Calculation of alternative performance measures**

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



## Adjusting items

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

Adjusting items included in EBIT EUR million	2023 4-6	2022 4-6	2023 1-6	2022 1-6	2022 1-12
Restructuring costs	-0.2	-	-0.2	-	-0.5
Impairments and write-downs	-	-	-	-	-9.8
Other	-	1.5	-	0.1	0.1
<b>Adjusting items from continuing operations</b>	<b>-0.2</b>	<b>1.5</b>	<b>-0.2</b>	<b>0.1</b>	<b>-10.2</b>

Adjusting items in 2023 consist of restructuring costs in expert services. Adjusting items in 2022 relate to impairment of other tangible and intangible assets not yet available for use, the combination with Apoteksgruppen, the divestment of the staffing services business and restructuring costs related to the operating model.