

ORIOLA CORPORATION'S HALF YEAR FINANCIAL REPORT 1 JANUARY – 30 JUNE 2021

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Oriola January 1– June 30, 2021

Q2 2021: Markets recovering, Oriola progressing in many areas

April–June 2021 highlights

- Invoicing increased by 9.7% to EUR 984.5 (897.7) million. On a constant currency basis invoicing increased by 5.9% and was EUR 950.6 million.
- Net sales increased by 7.3% to EUR 467.5 (435.8) million. On a constant currency basis net sales increased by 3.3% and were EUR 450.0 million.
- Adjusted EBIT was EUR 4.1 (-0.3) million. On a constant currency basis the adjusted EBIT was EUR 3.8 million.
- Profit for the period totalled EUR 0.9 (-1.6) million and earnings per share were EUR 0.01 (-0.01).

January–June 2021 highlights

- Invoicing increased by 3.4% to EUR 1,927.0 (1,863.0) million. On a constant currency basis invoicing decreased by 0.3% and was EUR 1,858.0 million.
- Net sales increased by 2.5% to EUR 917.7 (895.6) million. On a constant currency basis net sales decreased by 1.5% and were EUR 882.1 million.
- Adjusted EBIT was EUR 4.4 (6.6) million. On a constant currency basis the adjusted EBIT was EUR 3.9 million.
- Profit for the period totalled EUR -0.7 (3.5) million and earnings per share were EUR -0.00 (0.02).

Key figures	2021	2020	Change	2021	2020	Change	2020
EUR million	4-6	4-6	%	1-6	1-6	%	1-12
Invoicing	984.5	897.7	9.7	1,927.0	1,863.0	3.4	3,764.9
Net sales	467.5	435.8	7.3	917.7	895.6	2.5	1,800.8
Adjusted EBIT ¹	4.1	-0.3		4.4	6.6	-34.3	21.0
EBIT	3.0	-0.2		2.5	7.2	-65.2	20.4
Adjusted EBIT %	0.9	-0.1		0.5	0.7		1.2
EBIT %	0.7	-0.1		0.3	0.8		1.1
Profit for the period	0.9	-1.6	158.0	-0.7	3.5	-121.0	11.3
Earnings per share, EUR	0.01	-0.01	158.1	-0.00	0.02	-121.0	0.06
Net cash flow from operating activities	28.2	8.8		14.0	8.3		58.3
Gearing, %				53.8	99.8		75.0
Equity ratio, %				18.0	13.3		14.8
Return on capital employed (ROCE), %				1.1	3.6		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 Half year financial report.

Business outlook for 2021 remains unchanged

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 Q2 2021:

"Oriola's second quarter was packed with action. While the COVID-19 pandemic developments created still some temporary pressure, the market was recovering. We focused determinedly on our priorities in performance improvements and profitability while maintaining solid service levels in our operations.

The impacts of the pandemic in Oriola's business started to ease both in Finland and Sweden, especially towards the end of the quarter. Demand for pharmaceuticals started to pick up, but did not yet reach the pre-pandemic levels. Consumer activity in Sweden was also recovering with the exception of traditionally high consumer density areas, like shopping centres, where Oriola's key pharmacies are located.

Oriola's invoicing and net sales were up from the very low comparison period. Invoicing increased by 5.9% and net sales by 3.3% in constant currency. Adjusted EBIT increased to EUR 4.1 (-0.3) million.

For Consumer, market demand and customer traffic in pharmacies recovered partially towards the end of the quarter. The net sales increased by 6.9% in constant currency, driven by recovering market and continued growth in our strategically developing online channel. Adjusted EBIT increased to EUR 2.0 (0.3) million driven mostly by increased demand in physical pharmacies. General cost increase impacted result negatively.

Pharma's invoicing increased by 5.8% in constant currency with stable net sales, driven by recovering pharmaceuticals market. Adjusted EBIT remained flat at EUR 2.2 (2.1) million. Positive volume development supported profit. Continued operational inefficiencies caused by pharmaceuticals volume volatility and lower performance in expert services impacted profit negatively.

Retail's net sales increased by 3.1% in constant currency. This was driven by growth of patient volumes in dose dispensing and increased sales volumes, especially for parallel import and e-commerce customer companies in Sweden. Adjusted EBIT increased to EUR 2.0 (-0.3) million, driven mainly by the continued strength in dose dispensing business.

Oriola's 2021 priorities are set by Focus21, our short-term initiative that steers the 2021 activities to reach business and performance goals for the year. This initiative is central to Oriola's leadership and is progressing well. In Q2, it included e.g. continued significant simplification of our project portfolio as well as operational efficiencies, such as closing down a service centre in Ljusdal, Sweden. Additionally, in Q2 it included measures to steer our long term development. For example, Oriola sold part of its shareholding in Doktor.se for approximately SEK 340 million, capturing significant value increase for the ownership. This also improved net cash flow by EUR 32.8 million in the quarter, and increased equity significantly.

People at Oriola are relentlessly at work to achieve results. Our operational performance has consistently improved and customer feedback is positive, especially in Finland. Within the coming quarters, the pace of action will continue to increase with Oriola's new President & CEO Elisa Markula joining the company on 9 August 2021. I am inspired by our upcoming co-operation with Elisa and together we will steer a seamless handover with consistently strengthening Oriola's turnaround focus."

Oriola Corporation's Half year financial report for 1 January–30 June 2021

Operating environment

In the first quarter of 2021, the COVID-19 pandemic amplified in Finland and Sweden, which significantly impacted Oriola's operating environment. In the second quarter, these pandemic effects were smaller and market started to recover.

In the first quarter, the general risk awareness and stronger restrictions set by authorities due to the pandemic extensively impacted consumer mobility and behaviour, leading to declining demand for pharmaceuticals and health and wellbeing products in the Finnish and Swedish societies. Moreover, the seasonal demand drivers such as influenza epidemics nearly disappeared, impacting the sales of products in cough and cold category. The channel shift accelerated as the share of online sales of the Swedish market continued to increase significantly. Corresponding decline in demand accelerated in physical pharmacies.

In the second quarter, the pandemic situation improved and its market impacts started to ease both in Sweden and Finland. Consumers' pandemic awareness and partially eased government restrictions in both countries impacted on consumer behavior and increased their mobility. However, the consumer traffic remained low in areas that normally have high consumer density, like shopping centres and border traffic areas with Norway. Also the requirement for Swedish pharmacies to limit the number of visitors remained valid. The demand for pharmaceuticals and other health and wellbeing products started to recover, but did not yet reach the pre-pandemic level.

Oriola estimates that a majority of the market impacts related to pandemic will be temporary, with the exceptions of accelerated channel shift to online and the heightened awareness in societies regarding their preparedness for emergency conditions. In the Swedish pharmacy market, e-commerce is a fast growing area with tight competition of market shares. Price attraction and significant online marketing spend are typical mechanisms to grow market shares in e-commerce. Moreover, the pandemic has increased the societies' need to be better prepared for emergency conditions, for instance through enhanced pharmaceutical reserve. Also the need for high-quality pharmaceutical availability compliant with regulations, and particularly expertise in cold chain management, has increased during the pandemic.

The pandemic has also further strengthened the overall interest towards and appreciation of the purpose and societal role of companies. This is clearly visible in Oriola's industry, and it is an asset for the companies in retaining and recruiting talent.

As the pandemic situation is recovering, the overall competitive situation and competitive pricing return as key focus points in Oriola's operating environment and in all Oriola's segments. Moreover, the activity in mergers and acquisitions is recovering e.g. in the pharmacy market in Sweden. Also, other long term trends like ageing population and growth in speciality pharmaceuticals are re-emerging 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.

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.

In the second quarter, the initiative progressed rigorously. By the end of June, Oriola had, for example, rescheduled, simplified or cancelled one third of the projects originally targeted for 2021. For example, selected IT development projects were rescheduled. The company also took strong measures to drive profitability and efficiency across business areas, and accelerated the introduction of new business services to yield additional revenue.

In Focus Sweden, part of Focus21, Oriola has decided to close down a service centre in Ljusdal. The service centre has currently 39 employees. Moreover, the programme has concentrated on improving customer experience, internal processes and ways of working.

Oriola implements the digitalisation of its Consumer business area through omnichannel principle. It includes both the online channel as well as the digital services provided by physical pharmacies, such as Click&Collect, Click&Drive and the uniform customer management across the channels. Oriola's strategic development in the e-commerce capabilities of both channels is significant. During the reporting period, this included for example price attraction, online marketing, logistics improvements and the development of needed technologies.

In the second quarter, Focus21 also included measures to steer Oriola's long term development.

Oriola sold 50% of its approximately 14% ownership share of Doktor.se, a leading Swedish e-health provider. The sales price was approximately SEK 340 million and yielded a multiple in excess of four times for Oriola's investment. The sale improved Oriola's net cash flow from investing activities by EUR 32.8 million. This also had a significant positive impact on equity. Oriola's strategic commercial cooperation with Doktor.se continues, further strengthening Oriola's position on the fast-developing digital healthcare market in Sweden.

Moreover, Oriola opened a new annex warehouse in Brunna, Sweden focusing on business-to-business logistics services for e-commerce and retail chains. When fully operational, the new warehouse will support the company's growing volumes. It also clarifies the role of the company's main distribution centre in Enköping to pharmacy deliveries.

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-June 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 Oriola's pharmacies from April onwards. At the end of June, vaccinations are conducted in three different regions.

In June, Oriola signed new revolving credit facility and for first time the margin of the facility was linked also to the performance of sustainability targets. The sustainability key performance indicators for the facility are reduction in carbon dioxide emissions in Oriola's own operations and increase in recycling rate.

Group financial performance April–June 2021

Invoicing and net sales

Invoicing increased by 9.7% to EUR 984.5 (897.7) million. On a constant currency basis invoicing increased by 5.9%. Net sales increased by 7.3% to EUR 467.5 (435.8) million. On a constant currency basis net sales increased by 3.3%. This was mainly driven by the recovering market.

Profitability

Adjusted EBIT increased to EUR 4.1 (-0.3) million. This was driven by increased, but still impacted by pandemic, consumer demand in Sweden and strong dose dispensing business. At the same time, volume volatility continued to impact operational efficiency negatively and the performance in the expert services was lower. Also, the general cost increase, mainly in salaries in Sweden, impacted profit negatively. Adjusting items totalled EUR -1.0 (0.1) million, and the EBIT was EUR 3.0 (-0.2) million. The adjusted EBIT on a constant currency basis was EUR 3.8 million.

Oriola estimates that the net negative impact of COVID-19 pandemic for the second quarter was EUR 1–2 million in adjusted EBIT. The estimate compares Oriola's second quarter performance to a normalised market environment excluding the pandemic effect.

Net financial expenses were EUR 1.6 (1.7) million. Profit for the period was EUR 0.9 (-1.6) million. Earnings per share were EUR 0.01 (-0.01).

Group financial performance January–June 2021

Invoicing and net sales

Invoicing increased by 3.4% to EUR 1,927.0 (1,863.0) million. On a constant currency basis invoicing decreased by 0.3%. Net sales increased by 2.5% to EUR 917.7 (895.6) million. On a constant currency basis net sales decreased by 1.5%. This was driven by temporary, market driven pharmaceuticals demand decline and low volumes due to amplified COVID-19 pandemic particularly during the first quarter. In the second quarter, the markets were recovering.

Profitability

Adjusted EBIT decreased to EUR 4.4 (6.6) million. This was driven by the decreased demand in pharmaceuticals and accelerated channel shift from physical pharmacies to online, especially during first quarter. Volume volatility in the whole reporting period impacted the operations efficiency negatively. Also generic cost increase, mainly salaries in Sweden, affected the result negatively. The performance in the expert services was also lower. On the other hand, dose dispensing business continued to develop well and impacted the result positively. Adjusting items totalled EUR -1.8 (0.6) million, and the EBIT was EUR 2.5 (7.2) million. The adjusted EBIT on a constant currency basis was EUR 3.9 million.

Oriola estimates that the net negative impact of COVID-19 pandemic for the reporting period was EUR 5-7 million in adjusted EBIT. The estimate compares Oriola's performance during the reporting period to a normalised market environment excluding the pandemic effect.

Net financial expenses were EUR 3.2 (2.6) million. Profit for the period was EUR -0.7 (3.5) million. Income taxes for January–June were EUR 0.1 (1.1) million, which corresponds to an effective tax rate of -17.0% (23.8%). Profit for the period includes an impairment charge of goodwill totalling EUR 0.9 million, which is treated as non-deductible in taxation. Earnings per share were EUR -0.00 (0.02).

Consumer Q2: Pharmacy market started to pick up, profitability improved

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	2021	2020	Change	2020
EUR million	4-6	4-6	%	1-6	1-6	%	1-12
Invoicing	213.1	189.0	12.8	417.4	395.1	5.6	798.2
Net sales	207.5	184.8	12.3	407.2	387.2	5.2	780.7
Adjusted EBIT	2.0	0.3	506.8	1.5	5.7	-74.5	14.4
EBIT	1.9	0.4	423.9	1.4	6.6	-78.9	15.3
Adjusted EBIT %	1.0	0.2		0.4	1.5		1.8
EBIT %	0.9	0.2		0.3	1.7		2.0
Number of personnel at the end of the period ¹	1,677	1,631	2.8	1,677	1,631	2.8	1,621

¹ Full-time equivalents

Market environment in January-June

The pharmacy market in Sweden grew by 0.2% (grew by 5.2%) in Swedish krona (source: Apoteksförning), driven by temporary COVID-19-related decline in customer traffic and consequent, decreased demand in the first quarter. In the second quarter, demand started to recover. The number of pharmacies decreased by 14 in January–June 2021 to 1,419 pharmacies.

In longer term, health and wellbeing trends, as well as the growth in e-commerce are growing the pharmacy business in Sweden. The digital transformation of the pharmacy market, driven by fast growing e-commerce continued in the second quarter. Online sales in the Swedish pharmacy market continued to grow and reached approximately 18% (17%) share of the pharmacy market by the end of June 2021.

Oriola's market share in the pharmacy market in Sweden in January–June 2021 was 16.4% (16.6%) (source: Apoteksförning). The relative share of OTC and traded goods from the net sales was 25.8% (24.9%). In the end of June, Oriola had 323 (322) pharmacies in Sweden. Oriola established two new pharmacies and closed four pharmacies.

April–June 2021

The net sales increased by 12.3% to EUR 207.5 (184.8) million. On a constant currency basis net sales increased by 6.9%. This was driven by the recovering market and growth in online sales.

Adjusted EBIT increased to EUR 2.0 (0.3) million. This was driven by increased demand in physical pharmacies and improved profitability in online channel. General cost increase impacted result negatively. Adjusting items totalled EUR -0.2 (0.0) million, and EBIT was EUR 1.9 (0.4) million.

January–June 2021

The net sales increased by 5.2% to EUR 407.2 (387.2) million. On a constant currency basis net sales decreased by 0.1%. Pandemic-driven lower demand impacted the first quarter significantly. In the second quarter demand started to recover, but was still impacted by the pandemic. Oriola's online sales grew by 44%, faster than the market (+28%), and it accounts for 8.9% (6.2%) of Oriola's Consumer sales in Sweden.

Adjusted EBIT decreased to EUR 1.5 (5.7) million. This was due to market driven lower volumes, fewer visits in pharmacies as well as accelerated channel shift to online. Online continues to be a strategic development area for Oriola. Also generic cost increase, mainly in salaries in Sweden, impacted the result negatively. Adjusting items totalled EUR -0.1 (0.9) million, and EBIT was EUR 1.4 (6.6) million.

Pharma Q2: Flat profit, volumes picking up and market recovering

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	2021	2020	Change	2020
EUR million	4-6	4-6	%	1-6	1-6	%	1-12
Invoicing	753.3	690.0	9.2	1,477.4	1,435.5	2.9	2,906.0
Net sales	242.2	232.9	4.0	478.8	477.1	0.4	961.2
Adjusted EBIT	2.2	2.1	4.8	4.2	5.7	-25.3	12.8
EBIT	2.2	2.1	6.1	4.2	5.3	-19.8	12.4
Adjusted EBIT %	0.9	0.9		0.9	1.2		1.3
EBIT %	0.9	0.9		0.9	1.1		1.3
Number of personnel at the end of the period ¹	462	451	2.5	462	451	2.5	448

¹ Full-time equivalents

Market environment in January-June

The pharmaceutical distribution market value at wholesale prices in Sweden grew by 0.4% (grew by 7.3%) in Swedish krona in January–June 2021 (source: IQVIA). In Finland, the market value grew by 0.9% (grew by 3.4%) in January–June 2021 (source: LTK). Parallel imports' share of the Swedish pharmaceutical market was 11.4% (9.2%) (source: Apoteksförening).

According to Oriola's estimate, Oriola's share of the pharmaceutical wholesale market was approximately 46% (47%) in Sweden and approximately 43% (43%) in Finland.

April–June 2021

Invoicing increased by 9.2% to EUR 753.3 (690.0) million. On a constant currency basis invoicing increased by 5.8%. Net sales increased by 4.0% to EUR 242.2 (232.9) million, and on a constant currency basis, net sales remained nearly flat, with an increase of 0.9%. This was driven by recovering pharmaceutical market.

Adjusted EBIT increased by 4.8% to EUR 2.2 (2.1) million. This was driven by the increased volumes as market started to recover. At the same time, pharmaceuticals volume volatility continued to impact operational efficiency negatively and also the performance in the expert services was lower. There were no adjusting items during the reporting period (EUR -0.0 million in the corresponding period last year), and EBIT was EUR 2.2 (2.1) million.

January–June 2021

Invoicing increased by 2.9% to EUR 1,477.4 (1,435.5) million. On a constant currency basis invoicing decreased by 0.4%. Net sales increased by 0.4% to EUR 478.8 (477.1) million, and on a constant currency basis, net sales decreased by 2.8%. This was driven by the volatility in pharmaceutical volumes due to pandemic.

Adjusted EBIT decreased by 25.3% to EUR 4.2 (5.7) million. This was driven by lower volumes in both countries for the reporting period, pharmaceutical volumes volatility's negative impact on operational efficiency, as well as lower performance in the expert services. There were no adjusting items during the reporting period (EUR -0.4 million in the corresponding period last year), and EBIT was EUR 4.2 (5.3) million.

Retail Q2: Continued strength in dose dispensing, improvement in other areas as well

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	2021	2020	Change	2020
EUR million	4-6	4-6	%	1-6	1-6	%	1-12
Invoicing	130.5	121.5	7.3	253.0	243.2	4.1	486.7
Net sales	130.2	120.9	7.7	252.6	242.1	4.3	484.9
Adjusted EBIT	2.0	-0.3		3.0	-0.1		2.0
EBIT	1.1	-0.3		2.2	-0.0		0.9
Adjusted EBIT %	1.5	-0.3		1.2	-0.0		0.4
EBIT %	0.9	-0.2		0.9	-0.0		0.2
Number of personnel at the end of the period ¹	548	563	-2.6	548	563	-2.6	583

¹ Full-time equivalents

Market environment in January–June 2021

In retail business, Oriola offers a wide range of healthcare products both in traded goods and in OTC pharmaceuticals. In Sweden, the traded goods and OTC pharmaceuticals market grew by 1.7% (grew by 8.8%) and Oriola's market share in the supply of these products for pharmacies in Sweden was approximately 25% (25%) (Source: Apoteksförening).

In dose-dispensing business, Oriola offers pharmaceuticals and dose dispensing for private and public healthcare sectors. The total market size for dose dispensing is approximately 235,000 patients in Sweden and 75,000 patients in Finland. Oriola is the market leader in Sweden serving over 100,000 patients. In Finland, Oriola serves approximately 28,000 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, 183 pharmacies used Oriola's staffing services during the reporting period.

April–June 2021

Net sales increased by 7.7% to EUR 130.2 (120.9) million. On a constant currency basis net sales increased by 3.1%, driven by increased amount of dose patients and increased demand for parallel import. Also growth in health and wellbeing products for e-commerce customer companies in Sweden contributed positively.

Adjusted EBIT increased to EUR 2.0 (-0.3) million, which was mainly due to the continued strength of the dose dispensing business as well as improvements in customer agreements and product mix in health and well being product category in Sweden. Adjusting items during the reporting period totalled EUR -0.9 (0.1) million, and EBIT was EUR 1.1 (-0.3) million.

January–June 2021

Net sales increased by 4.3% to EUR 252.6 (242.1) million. On a constant currency basis net sales decreased by 0.3%, driven by soft demand in the first quarter. In the second quarter, increased amount of dose patients and increased demand for parallel import increased net sales.

Adjusted EBIT increased to EUR 3.0 (-0.1) million, which was mainly due to the positive development of dose-dispensing business. Also, improved customer agreements and product mix in health and wellbeing product category in Sweden impacted the result positively. Adjusting items during the reporting period totalled EUR -0.9 (0.1) million, and EBIT was EUR 2.2 (-0.0) million.

Balance sheet, cash flow and financing

Oriola's total assets at the end of June 2021 were EUR 1,166.5 (1,158.9) million. Equity attributable to the equity holders was EUR 206.5 (151.4) million. In June 2021, Oriola sold approximately 50% of its shareholding in Doktor.se. The profit from the sale of shares increased the equity by EUR 21.7 million. In addition, an increase of EUR 23.1 million was recognised to the value of the remaining investment. The impact of translation differences on the equity was EUR -1.9 million. The equity was decreased by the dividend of EUR 5.4 million paid in June 2021.

Cash and cash equivalents totalled EUR 151.6 (173.5) million. Net cash flow from operating activities in January–June 2021 was EUR 14.0 (8.3) million, of which changes in working capital accounted for EUR -7.5 (-16.2) million. Net cash flow from investing activities was EUR 18.0 (-16.8) million. The impact of the sales of shares in Doktor.se on net cash flow from investing activities was EUR 32.8 million. Net cash flow from financing activities was EUR -48.6 (111.2) million.

At the end of June 2021, interest-bearing debt was EUR 262.7 (324.6) million. The non-current interest-bearing liabilities amounted to EUR 127.8 (148.1) million and current interest-bearing liabilities amounted to EUR 134.9 (176.4) million. Non-current interest-bearing liabilities mainly consist of loans from financial institutions totalling EUR 64.7 (85.6) million and non-current lease liabilities totalling EUR 63.1 (62.5) million. Current interest-bearing liabilities mainly consist of commercial paper issues of EUR 71.5 (96.7) million, advance payments from Finnish pharmacies totalling EUR 21.9 (18.7) million, loans from financial institutions totalling EUR 22.0 (42.0) million and current lease liabilities totalling EUR 19.4 (19.0) million. Interest-bearing net debt was EUR 111.1 (151.1) million and gearing 53.8% (99.8%).

The non-recourse trade receivables sales programmes are in use in Sweden. At the end of June 2021, a total of EUR 180.6 (160.1) million in trade receivables had been sold. The average interest rate on the interest-bearing liabilities excluding lease liabilities was 1.04% (1.04%).

In June 2021, Oriola signed a new unsecured revolving credit facility agreement for a total of EUR 140 million for three years. The facility is committed and includes an option to be extended by two years. The new revolving credit facility replaced the existing EUR 100 million agreement that was signed in June 2017. 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 2021.

At the end of the reporting period Oriola's equity ratio was 18.0% (13.3%). Return on capital employed was 1.1% (3.6%) and return on equity -0.8% (4.6%).

Investments and depreciation

Gross investments in January–June 2021 totalled EUR 14.7 (17.0) million and consisted mainly of investments in logistics, information systems, and renewal of pharmacies.

Depreciation, amortisation and impairment amounted to EUR 22.3 (20.3) million. In the second quarter of 2021, an impairment of goodwill totalling EUR 0.9 million was recognised relating to the close down of the service centre in Swedish Retail business.

Personnel

At the end of June 2021, Oriola had 2,768 (2,722) employees, 61% (60%) of whom worked in Consumer, 17% (17%) in Pharma, and 20% (21%) in Retail. The Group administration employed 3% (3%) of the total number of employees. The average number of personnel in January–June 2021 was 2,749 (2,709). 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 was 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. 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 starts in the position. On 14 June 2021 Oriola announced, that Oriola's

Board of Directors has appointed Elisa Markula as Oriola Corporation's President and CEO. On 12 July 2021 Oriola announced, that she will start in her new position on 9 August 2021.

Oriola announced on 17 June 2021, that Helena Kukkonen, Oriola Corporation's CFO and member of the Group Management Team, has resigned to pursue new challenges outside Oriola. The recruitment process to find a new CFO is started. Antti Elevuori, M. Sc. Econ (b. 1979), has been appointed interim CFO of Oriola Corporation as of 1 August 2021.

Oriola's Group Management Team consisted of 10 members at the end of June 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–Jun 2021		Jan–Jun 2020	
	class A	class B	class A	class B
Trading volume, million	1.5	28.6	2.2	26.0
Trading volume, EUR million	3.2	56.5	4.5	50.0
Highest price, EUR	2.37	2.20	2.25	2.27
Lowest price, EUR	1.94	1.80	1.62	1.52
Closing quotation, end of period, EUR	2.04	1.84	2.05	2.00

Oriola Corporation's market capitalisation on 30 June 2021 was EUR 344.9 (365.7) million.

In January–June 2021, the traded volume of Oriola Corporation shares, excluding treasury shares, corresponded to 16.6% (15.6%) of the total number of shares.

At the end of June 2021, 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 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–June 2021, no class A shares were converted into class B shares (1,685,960 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 the first quarter of 2020, the COVID-19 pandemic has impacted significantly Oriola's operating environment as the restrictions set by the authorities and consumer caution impacted the consumer behaviour. 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 still can have a significant impact on Oriola's net sales and profitability. Severity and duration of the pandemic, however, remain unclear in Oriola's operating environment. 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 requirements and their management.

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 remains unchanged

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 Interim report for January–September 2021 on 27 October 2021.

Espoo, 19 July 2021

Oriola Corporation
Board of Directors

Consolidated statement of comprehensive income (IFRS)

EUR million	Note	2021 4-6	2020 4-6	2021 1-6	2020 1-6	2020 1-12
Net sales	9, 10	467.5	435.8	917.7	895.6	1,800.8
Other operating income		3.3	2.6	5.9	5.0	9.5
Materials and supplies		-372.0	-350.2	-731.1	-717.6	-1,438.7
Employee benefit expenses		-47.8	-44.1	-95.9	-88.7	-172.3
Other operating expenses		-36.2	-34.3	-71.8	-66.8	-137.2
Depreciation, amortisation and impairments	3	-11.8	-10.2	-22.3	-20.3	-41.6
EBIT	9	3.0	-0.2	2.5	7.2	20.4
Financial income and expenses		-1.6	-1.7	-3.2	-2.6	-6.0
Profit before taxes		1.5	-1.9	-0.6	4.6	14.3
Income taxes		-0.5	0.4	-0.1	-1.1	-3.1
Profit for the period		0.9	-1.6	-0.7	3.5	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		3.1	11.9	-1.9	-0.9	9.8
Cash flow hedge		0.1	-0.2	0.3	-0.4	-0.2
Income tax relating to other comprehensive income		-0.0	0.0	-0.1	0.1	0.0
		3.2	11.8	-1.7	-1.2	9.6
Items which will not be reclassified to profit or loss:						
Financial assets recognised at fair value through other comprehensive income	6	44.8	8.0	44.8	8.0	8.0
Actuarial gains/losses on defined benefit plans		-	-	-	-	-0.4
Income tax relating to other comprehensive income		-	-	-	-	0.0
		44.8	8.0	44.8	8.0	7.6
Total comprehensive income for the period		48.9	18.2	42.4	10.3	28.6
Profit attributable to						
Parent company shareholders		0.9	-1.6	-0.7	3.5	11.3
Total comprehensive income attributable to						
Parent company shareholders		48.9	18.2	42.4	10.3	28.6
Earnings per share attributable to parent company shareholders:						
EUR						
Basic	2	0.01	-0.01	-0.00	0.02	0.06
Diluted	2	0.01	-0.01	-0.00	0.02	0.06

Consolidated statement of financial position (IFRS)

EUR million	Note	30 Jun 2021	30 Jun 2020	31 Dec 2020
Non-current assets				
Property, plant and equipment	3	163.6	156.0	162.2
Goodwill	3	276.3	269.6	278.7
Other intangible assets	3	72.1	67.3	69.8
Other non-current assets	6	34.4	22.5	22.3
Deferred tax assets		4.4	4.4	4.4
Non-current assets total		550.8	519.8	537.3
Current assets				
Inventories		234.8	254.9	250.1
Trade receivables		204.1	187.7	188.6
Income tax receivables		4.7	2.6	3.4
Other receivables		20.5	20.4	18.1
Cash and cash equivalents		151.6	173.5	168.2
Current assets total		615.7	639.1	628.3
Assets total		1,166.5	1,158.9	1,165.6

EUR million	Note	30 Jun 2021	30 Jun 2020	31 Dec 2020
Equity				
Share capital		36.2	36.2	36.2
Fair value reserve		25.9	7.6	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		-25.0	-33.9	-23.1
Retained earnings		75.0	47.1	54.5
Equity attributable to the parent company shareholders		206.5	151.4	169.6
Non-current liabilities				
Deferred tax liabilities		13.4	13.8	13.9
Pension obligations		19.0	17.2	18.9
Interest-bearing liabilities		127.8	148.1	127.8
Other non-current liabilities		0.6	1.1	0.9
Non-current liabilities total		160.8	180.2	161.6
Current liabilities				
Trade payables		604.4	595.3	620.3
Provisions	4	0.9	1.0	0.8
Interest-bearing liabilities		134.9	176.4	167.4
Income tax payables		0.8	0.5	-
Other current liabilities		58.2	54.1	45.9
Current liabilities total		799.2	827.3	834.5
Equity and liabilities total		1,166.5	1,158.9	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	-	-	-	3.5	3.5
Other comprehensive income:					
Financial assets recognised at fair value through other comprehensive income	-	8.0	-	-	8.0
Cash flow hedge	-	-0.4	-	-	-0.4
Income tax relating to other comprehensive income	-	0.1	-	-	0.1
Translation difference	-	-	-0.9	-	-0.9
Comprehensive income for the period total	-	7.7	-0.9	3.5	10.3
Transactions with owners					
Dividend distribution	-	-	-	-16.3	-16.3
Share-based incentive	-	-	-	0.3	0.3
Purchase of own shares	-	-	-	-0.1	-0.1
Transactions with owners total	-	-	-	-16.1	-16.1
Equity 30 Jun 2020	36.2	101.9	-33.9	47.1	151.4
Equity 1 Jan 2021	36.2	102.0	-23.1	54.5	169.6
Comprehensive income for the period					
Net profit for the period	-	-	-	-0.7	-0.7
Other comprehensive income:					
Financial assets recognised at fair value through other comprehensive income:					
Change in fair value	-	23.1	-	-	23.1
Profit from sales of assets	-	-	-	21.7	21.7
Accumulative change in fair value of disposed assets	-	-5.1	-	5.1	-
Financial assets recognised at fair value through other comprehensive income total	-	18.0	-	26.8	44.8
Cash flow hedge	-	0.3	-	-	0.3
Income tax relating to other comprehensive income	-	-0.1	-	-	-0.1
Translation difference	-	-	-1.9	-	-1.9
Comprehensive income for the period total	-	18.3	-1.9	26.1	42.4
Transactions with owners					
Dividend distribution	-	-	-	-5.4	-5.4
Share-based incentive	-	-	-	0.0	0.0
Purchase of own shares	-	-	-	-0.1	-0.1
Transactions with owners total	-	-	-	-5.5	-5.5
Equity 30 Jun 2021	36.2	120.2	-25.0	75.0	206.5

Condensed consolidated statement of cash flows (IFRS)

EUR million	2021	2020	2020
	1-6	1-6	1-12
Profit for the period	-0.7	3.5	11.3
Depreciation, amortisation and impairments	22.3	20.3	41.6
Financial income and expenses	3.2	2.6	6.0
Income taxes	0.1	1.1	3.1
Other adjustments	0.4	-1.3	-1.4
Change in working capital	-7.5	-16.2	4.0
Cash flow from financial items and taxes	-3.7	-1.7	-6.4
Net cash flow from operating activities	14.0	8.3	58.3
Net cash flow from investing activities	18.0	-16.8	-31.4
Net cash flow from financing activities	-48.6	111.2	70.4
Net change in cash and cash equivalents	-16.5	102.7	97.3
Cash and cash equivalents at the beginning of the period	168.2	70.8	70.8
Translation differences	-0.0	-0.0	0.1
Net change in cash and cash equivalents	-16.5	102.7	97.3
Cash and cash equivalents at the end of the period	151.6	173.5	168.2

Notes to the Half year financial report January–June 2021

1. 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 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 Half year financial report does not include all of the information and notes presented in the annual financial statements. The figures in this Half year financial report are unaudited.

The COVID-19 pandemic had a significant impact on Oriola's business in the first half of 2021. In the first quarter of 2021, the COVID-19 pandemic amplified in Finland and Sweden, which significantly impacted Oriola's operating environment. The general risk awareness and stronger restrictions set by authorities due to the pandemic extensively impacted consumer mobility and behaviour, leading to declining demand for pharmaceuticals and health and wellbeing products in the Finnish and Swedish societies. Moreover, the seasonal demand drivers such as influenza epidemics nearly disappeared, impacting the sales of products in cough and cold category. The channel shift accelerated as the share of online sales of the Swedish market continued to increase significantly. Corresponding decline in demand accelerated in physical pharmacies. In the second quarter, these pandemic effects were smaller and market started to recover.

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 4-6	2020 4-6	2021 1-6	2020 1-6	2020 1-12
Profit attributable to equity owners of the parent	0.9	-1.6	-0.7	3.5	11.3
Average number of outstanding shares (1000 shares)					
Basic	181,348	181,420	181,334	181,428	181,389
Diluted	181,423	181,486	181,423	181,486	181,464
Earnings per share (EUR)					
Basic	0.01	-0.01	-0.00	0.02	0.06
Diluted	0.01	-0.01	-0.00	0.02	0.06

3. Tangible and intangible assets

Changes in property, plant and equipment, EUR million	2021 1-6	2020 1-6	2020 1-12
Carrying amount at the beginning of the period	81.0	75.6	75.6
Increases	7.1	6.4	15.7
Decreases	-0.1	-0.1	-0.2
Reclassifications	-0.2	0.0	-0.1
Depreciation	-6.2	-6.0	-12.2
Impairments	-0.2	-	0.1
Foreign exchange rate differences	-0.5	-0.3	2.0
Carrying amount at the end of the period	80.9	75.5	81.0

Changes in right-of-use assets EUR million	2021 1-6	2020 1-6	2020 1-12
Carrying amount at the beginning of the period	81.2	82.7	82.7
Increases	12.1	7.4	14.9
Decreases	-	-0.0	-0.0
Depreciation	-10.0	-9.1	-18.8
Foreign exchange rate differences	-0.6	-0.5	2.5
Carrying amount at the end of the period	82.7	80.5	81.2

Changes in goodwill, EUR million	2021 1-6	2020 1-6	2020 1-12
Carrying amount at the beginning of the period	278.7	270.5	270.5
Impairments	-0.9	-	-
Foreign exchange rate differences	-1.6	-0.9	8.2
Carrying amount at the end of the period	276.3	269.6	278.7

Changes in other intangible assets, EUR million	2021 1-6	2020 1-6	2020 1-12
Carrying amount at the beginning of the period	69.8	66.9	66.9
Increases	7.5	5.8	12.3
Decreases	-0.1	-	-
Reclassifications	0.2	-0.0	0.1
Amortisation	-5.0	-5.2	-10.1
Impairments	-	-	-0.6
Foreign exchange rate differences	-0.3	-0.2	1.3
Carrying amount at the end of the period	72.1	67.3	69.8

4. Provisions

At the end of the reporting period the Group's provisions in the consolidated statement of financial position totalled EUR 0.9 (1.0) million. The provisions in 2021 consist of restructuring provisions relating 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

30 Jun 2021 EUR million	Positive fair value	Negative fair value	Nominal values of contracts
Derivatives recognised as cash flow hedges			
Interest rate swaps	0.1	0.2	71.2
Derivatives measured at fair value through profit and loss			
Foreign currency forward and swap contracts	0.0	0.0	41.1

30 Jun 2020 EUR million	Positive fair value	Negative fair value	Nominal values of contracts
Derivatives recognised as cash flow hedges			
Interest rate swaps	-	0.6	68.8
Derivatives measured at fair value through profit and loss			
Foreign currency forward and swap contracts	0.0	0.0	13.9

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

30 Jun 2021				
EUR million	Level 1	Level 2	Level 3	Total
Assets				
Derivatives designated as hedges	-	0.1	-	0.1
Derivatives measured at fair value through profit and loss	-	0.0	-	0.1
Other investments measured at fair value through OCI	-	-	34.2	34.2
Trade receivables for sale	-	17.4	-	17.4
Liabilities				
Derivatives designated as hedges	-	0.2	-	0.2
Derivatives measured at fair value through profit and loss	-	0.0	-	0.0

30 Jun 2020				
EUR million	Level 1	Level 2	Level 3	Total
Assets				
Derivatives measured at fair value through profit and loss	-	0.0	-	0.0
Other investments measured at fair value through OCI	-	-	22.2	22.2
Trade receivables for sale	-	16.5	-	16.5
Liabilities				
Derivatives designated as hedges	-	0.5	-	0.5
Derivatives measured at fair value through profit and loss	-	0.1	-	0.1

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

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

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

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

	2021	2020	2020
Financial assets on level 3, EUR million	1-6	1-6	1-12
Carrying amount at the beginning of the period	22.2	9.4	9.4
Acquisition of shares	-	4.8	4.8
Sale of shares	-11.1	-	-
Change in fair value	23.1	8.0	8.0
Carrying amount at the end of the period	34.2	22.2	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. In June 2021, Oriola sold approximately 50% of its shareholding in Doktor.se and recognised an increase of EUR 23.1 million to the value of the remaining investment. Oriola has been investing in Doktor.se since 2018 and the ownership has enabled a tight strategic cooperation in the Swedish market. The accelerating international growth programme of Doktor.se is a natural moment for Oriola to decrease its ownership and that way contribute to other types of investors being able to invest in Doktor.se. The applied valuation method for the shares in Doktor.se is based on realised transactions.

7. Commitments and Contingent Liabilities

EUR million	30 Jun 2021	30 Jun 2020	31 Dec 2020
Commitments for own liabilities			
Guarantees on behalf of own companies	7.2	7.0	7.3
Mortgages on company assets	2.1	2.0	2.1
Other guarantees and liabilities	9.0	11.0	9.9
Total	18.3	19.9	19.3
Committed future minimum lease liabilities	1.1	1.0	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.

1-6/2021 EUR million	Consumer	Pharma	Retail	Group items	Total
External invoicing	417.3	1,352.0	157.7	-	1,927.0
Internal invoicing	0.1	125.4	95.3	-220.8	-
Invoicing	417.4	1,477.4	253.0	-220.8	1,927.0
External net sales	407.1	353.4	157.2	-	917.7
Internal net sales	0.1	125.4	95.3	-220.8	-
Net sales	407.2	478.8	252.6	-220.8	917.7
EBIT	1.4	4.2	2.2	-5.3	2.5
Adjusted EBIT	1.5	4.2	3.0	-4.4	4.4
Assets	438.0	378.8	134.9	214.8	1,166.5
Liabilities	124.2	585.9	64.6	185.2	960.0
Investments	7.9	3.9	2.8	0.2	14.7
Depreciation, amortisation and impairments	14.0	4.6	3.6	0.1	22.3
Average number of personnel	1,657	456	557	79	2,749

1-6/2020 EUR million	Consumer	Pharma	Retail	Group items	Total
External invoicing	395.0	1,314.7	153.3	-	1,863.0
Internal invoicing	0.1	120.8	89.9	-210.7	-
Invoicing	395.1	1,435.5	243.2	-210.7	1,863.0
External net sales	387.2	356.3	152.2	-	895.6
Internal net sales	0.1	120.8	89.9	-210.7	-
Net sales	387.2	477.1	242.1	-210.7	895.6
EBIT	6.6	5.3	-0.0	-4.7	7.2
Adjusted EBIT	5.7	5.7	-0.1	-4.7	6.6
Assets	428.7	377.4	130.9	221.9	1,158.9
Liabilities	119.0	574.5	66.1	248.0	1,007.5
Investments	5.9	4.2	1.7	5.2	17.0
Depreciation, amortisation and impairments	13.1	4.1	3.1	0.0	20.3
Average number of personnel	1,625	449	560	76	2,709

Segment information quarterly

Invoicing EUR million	2021 4-6	2021 1-3	2020 10-12	2020 7-9	2020 4-6	2020 1-3
Consumer	213.1	204.3	208.6	194.5	189.0	206.1
Pharma	753.3	724.0	763.7	706.8	690.0	745.5
Retail	130.5	122.6	124.4	119.1	121.5	121.6
Group items	-112.4	-108.4	-110.1	-105.2	-102.7	-108.0
Group total	984.5	942.5	986.6	915.3	897.7	965.3

Net sales EUR million	2021 4-6	2021 1-3	2020 10-12	2020 7-9	2020 4-6	2020 1-3
Consumer	207.5	199.7	203.0	190.5	184.8	202.4
Pharma	242.2	236.5	249.4	234.7	232.9	244.2
Retail	130.2	122.3	124.0	118.8	120.9	121.2
Group items	-112.4	-108.4	-110.1	-105.2	-102.7	-108.0
Group total	467.5	450.2	466.2	438.9	435.8	459.8

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

EBIT	2021	2021	2020	2020	2020	2020
EUR million	4-6	1-3	10-12	7-9	4-6	1-3
Consumer	1.9	-0.5	4.4	4.2	0.4	6.3
Pharma	2.2	2.0	4.1	3.0	2.1	3.2
Retail	1.1	1.1	-0.5	1.5	-0.3	0.3
Group items	-2.2	-3.1	-1.1	-2.4	-2.4	-2.3
Group total	3.0	-0.5	6.8	6.3	-0.2	7.5

Number of personnel at the end of the period, FTE's	2021	2021	2020	2020	2020	2020
	4-6	1-3	10-12	7-9	4-6	1-3
Consumer	1,677	1,603	1,621	1,711	1,631	1,715
Pharma	462	447	448	454	451	440
Retail	548	590	583	550	563	541
Group items	81	82	78	78	78	73
Group total	2,768	2,722	2,730	2,794	2,722	2,769

Geographical information

1-6/2021	Other			
EUR million	Sweden	Finland	countries	Total
Net sales	662.2	195.1	60.4	917.7
Assets	780.6	385.9	-	1,166.5
Investments	12.5	2.2	-	14.7
Average number of personnel	2,160	589	-	2,749

1-6/2020	Other			
EUR million	Sweden	Finland	countries	Total
Net sales	638.7	198.4	58.5	895.6
Assets	762.2	396.7	-	1,158.9
Investments	8.7	8.3	-	17.0
Average number of personnel	2,106	603	-	2,709

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.

1-6/2021				
EUR million	Consumer	Pharma	Retail	Total
Wholesale	-	322.5	83.5	406.0
Retail sale	407.1	-	-	407.1
Services	-	30.9	73.7	104.6
Net sales total	407.1	353.4	157.2	917.7

1-6/2020				
EUR million	Consumer	Pharma	Retail	Total
Wholesale	-	326.4	87.0	413.4
Retail sale	387.2	-	-	387.2
Services	-	29.9	65.2	95.1
Net sales total	387.2	356.3	152.2	895.6

11. Alternative performance measures

Key figures	2021	2020	Change	2021	2020	Change	2020
EUR million	4-6	4-6	%	1-6	1-6	%	1-12
Invoicing	984.5	897.7	9.7	1,927.0	1,863.0	3.4	3,764.9
Net sales	467.5	435.8	7.3	917.7	895.6	2.5	1,800.8
Adjusted EBIT ¹	4.1	-0.3		4.4	6.6	-34.3	21.0
EBIT	3.0	-0.2		2.5	7.2	-65.2	20.4
Adjusted EBIT %	0.9	-0.1		0.5	0.7		1.2
EBIT %	0.7	-0.1		0.3	0.8		1.1
Profit for the period	0.9	-1.6	-158.0	-0.7	3.5	-121.0	11.3
Earnings per share, EUR	0.01	-0.01	-158.1	-0.00	0.02	-121.0	0.06
Net cash flow from operating activities	28.2	8.8		14.0	8.3		58.3
Gross capital expenditure				14.7	17.0		32.8
Net interest-bearing debt				111.1	151.1		127.1
Gearing, %				53.8	99.8		75.0
Equity per share, EUR				1.14	0.83		0.94
Equity ratio, %				18.0	13.3		14.8
Return on equity (ROE), %				-0.8	4.6		6.9
Return on capital employed (ROCE), %				1.1	3.6		5.0
Average number of shares, 1000 pcs ²				181,334	181,428		181,389
Average number of personnel ³				2,749	2,709		2,687
Number of personnel at the end of the period ³				2,768	2,722		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	2021	2020	2020
EUR million	4-6	4-6	1-6	1-6	1-12
Net sales	467.5	435.8	917.7	895.6	1,800.8
+ Acquisition cost of consignment stock	511.1	457.7	999.1	959.1	1,945.9
+ Cash discounts	5.6	4.3	10.2	8.2	18.1
+ Exchange rate differences on sales	0.2	-0.1	-0.0	0.1	0.1
Invoicing	984.5	897.7	1,927.0	1,863.0	3,764.9

Adjusted EBIT	2021	2020	2021	2020	2020
EUR million	4-6	4-6	1-6	1-6	1-12
EBIT	3.0	-0.2	2.5	7.2	20.4
- Adjusting items included in EBIT	1.0	-0.1	1.8	-0.6	0.6
Adjusted EBIT	4.1	-0.3	4.4	6.6	21.0

Alternative performance measures calculated on a constant currency basis	2021	2020	2021	2020	2020
EUR million	4-6	4-6	1-6	1-6	1-12
Invoicing	984.5	897.7	1,927.0	1,863.0	3,764.9
Translation difference	-33.9	1.4	-69.0	17.8	-26.3
Invoicing calculated on a constant currency basis	950.6	899.1	1,858.0	1,880.9	3,738.6
Net sales	467.5	435.8	917.7	895.6	1,800.8
Translation difference	-17.5	0.8	-35.7	9.3	-13.7
Net sales calculated on a constant currency basis	450.0	436.6	882.1	905.0	1,787.1
Adjusted EBIT	4.1	-0.3	4.4	6.6	21.0
Translation difference	-0.3	-0.1	-0.5	0.1	-0.2
Adjusted EBIT calculated on a constant currency basis	3.8	-0.3	3.9	6.8	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 EUR million	2021 4-6	2020 4-6	2021 1-6	2020 1-6	2020 1-12
Restructuring costs	0.0	-0.0	0.1	0.5	0.8
Costs of termination of the CEO service contract	-	-	-0.9	-	-
Impairments	-1.0	-	-1.0	-	-
Costs and impairment charges relating to Hehku	-	0.1	-	0.1	0.1
Costs and impairment charges relating to onerous contract	-	-	-	-	-1.2
Other	-	-	-	-	-0.4
Adjusting items total	-1.0	0.1	-1.8	0.6	-0.6

Adjusting items in 2021 consist of changes in restructuring provisions, costs of termination of the CEO service contract, impairment of goodwill related to closing of the service centre in Retail business in Sweden as well as impairment charges on tangible assets relating to the Consumer business in Sweden. 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.