



Inside information: Oriola to sell Svensk dos AB to Apotekstjänst Sverige AB – new outlook for 2023 issued

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Oriola Corporation has today signed an agreement to sell all shares in Svensk dos AB to Apotekstjänst Sverige AB, and is thereby exiting the dose dispensing business in Sweden.

Svensk dos AB has lost market share during the past 12 months due to the loss of public tender contracts, as has been communicated earlier in Oriola's financial reports. At the end of Q2 2023 Svensk dos served approximately 11,000 patients in Sweden, having declined from approximately 105,000 patients the year before. During the on-going strategy process, Oriola has not identified a recovery of the business within the foreseeable future, due to the prevailing tender market structure and dynamics in Sweden. For this reason, Oriola has decided to sell and exit the dose dispensing business in Sweden. Svensk dos was acquired by Oriola in 2016.

"We are pleased to have found a committed new owner for Svensk dos and are confident that Apotekstjänst is well positioned to assume this responsibility. We continue to believe in the dose dispensing services and the product, as well as that society should invest in dose dispensing of medicines. This transaction gives continuity to Svensk dos, and supports Oriola's decision to strengthen focus on our core distribution business. We will continue offering dose dispensing as a service for pharmacies in Finland, where we operate in a different and healthier market environment," says **Katarina Gabrielson, CEO of Oriola Corporation**.

"We continue to focus on our vision to deliver high-quality pharmacy services that drive significant value for patients and society in general. Apotekstjänst and Svensk dos are both small niche players in the Swedish pharmacy market. Together, we can achieve higher robustness in our services and improve and expand our offering. Svensk dos has a long history in the market and an exceptionally talented team that will be a great addition to ours. By joining forces, we will be able to preserve and further nurture the extensive knowledge base that both companies have worked hard to build," says **Maitham Ridha, CEO of Apotekstjänst**.

Going forward, Oriola and Apotekstjänst intend to deepen the cooperation with Oriola as a supplier of pharmacy health products to Apotekstjänst.

Apotekstjänst is an independent pharmacy specialized in pharmacy services to nursing homes and homecare providers in Sweden, supplying patients across the country with their daily medication needs. Apotekstjänst was founded in 2012 and is a fully owned subsidiary of Bonver AB.

The agreed sales price in cash is SEK 110 million (approximately EUR 9.5 million). The transaction is subject to the approval of the Swedish Competition Authority (Konkurrensverket) and is expected to be completed no later than in the first quarter of 2024.

Svensk dos will be classified as held-for-sale in Oriola's consolidated financial statements starting from October 2023. Excluding the dose dispensing business in Sweden, Oriola Corporation's net sales and adjusted EBIT for 2022 were EUR 1,403.1 million and EUR 11.9 million, respectively. Excluding the dose dispensing business in Sweden, Oriola Corporation's net sales and adjusted EBIT for the period 1 January-30 June 2023 were EUR 719.8 million and EUR 8.1 million, respectively. Oriola recognises an impairment loss on goodwill of approximately EUR 3.3 million in Q3 2023 and estimates that it will record an expense of EUR 3.0 million from translation differences at the completion of the transaction. In addition, Oriola will recognise an impairment loss on goodwill of EUR 18.1 million to the dose dispensing cash generating unit in Q3 2023. In total EUR 21.4 million impairment loss on goodwill is recognised in the statement of comprehensive income. The impairment and reclassification of translation differences have no cash flow effect.

New outlook for 2023:

Oriola expects the adjusted EBIT, excluding the dose dispensing business in Sweden, for the year 2023 to be on the same level as adjusted EBIT for 2022 (EUR 19.7 million).

Oriola's adjusted EBIT, excluding the dose dispensing business in Sweden, for the year 2022 was EUR 11.9 million. The adjusted EBIT for the dose dispensing business in Sweden was EUR 7.8 million in 2022 and EUR -1.2 million in Q1-Q2 2023.

The recent overall inflationary environment and related cost pressures may have an impact on Oriola's profitability.

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

The previous outlook published in the Half-Year Report 2023 on 21 July 2023 was:

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.

Due to the silent period ahead of the publication of Oriola's Interim Report for January–September 2023 on Tuesday 31 October 2023, Oriola will not provide further comments on the impacts of the transaction.

Oriola Corporation

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