Q3 2019 highlights

- Strong invoicing and net sales growth. Adjusted EBIT developed positively.
- Online competition and high costs in Swedish operations affected adjusted EBIT. EUR 9 million included in previous year as a contribution to costs incurred.
- Ramp-up of distribution centre in Sweden proceeding slower than planned.
- New significant distribution agreements signed.
- Strategic programmes progressing according to plan.
Key figures
continuing operations

Invoicing
EUR million

Net sales
EUR million

Adjusted EBIT
EUR million

Q3/2019 adjusted EBIT at comparable EUR/SEK rate EUR 10.0 million
Adjusted EBIT

**Adjusted EBIT**

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>3.9</td>
<td>6.4</td>
<td>17.5</td>
<td>5.2</td>
</tr>
<tr>
<td>2019</td>
<td>9.8</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2018 Q3: 17.5 EUR million
2018 Q4: 5.2 EUR million
2019 Q1: 3.9 EUR million
2019 Q2: 6.4 EUR million
2019 Q3: 9.8 EUR million

**Adjusted EBIT development**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Consumer</th>
<th>Pharma</th>
<th>Retail</th>
<th>Group items</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2018</td>
<td>17.5</td>
<td>-5.2</td>
<td>-2.9</td>
<td>0.6</td>
<td>9.8</td>
</tr>
<tr>
<td>Q3 2019</td>
<td>-0.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q3/2019 adjusted EBIT at comparable EUR/SEK rate EUR 10.0 million
Operating environment
Consumer markets in Q3 2019

**Market shares**

- Oriola/Kronans Apotek 17 (17*)%
- Apoteket 32 (32)%
- Apotek Hjärtat & CURA 31 (31)%
- Others 2 (4)%
- Lloyds Apoteket 4 (4)%
- Apotea 6 (4)%
- Apoteksgruppen 9 (9)%

**Pharmacy market**

- Rx 74 (75*)%
- OTC 9 (9)%
- TG 16 (16)%

**Online share of Swedish Pharmacy market**

- 0.00%
- 2.00%
- 4.00%
- 6.00%
- 8.00%
- 10.00%
- 12.00%

Source: Apoteksförening *Q3/2018
Wholesale markets in Q3 2019

Pharmaceutical market growth: Finland 5.3% and Sweden 8.0%

Finland Wholesale

- 2.6 BEUR
- Oriola 46 (43%) %
- Others 54 (57%) %

Source: LTK and Oriola estimate

Sweden Wholesale

- 4.3 BEUR
- Oriola 43 (41%) %
- Others 57 (59%) %

Source: IQVIA and Oriola estimate
Retail markets in Q3 2019

Market share dose dispensing

Sweden
- Oriola 43 (25\%)
- Others 57 (75\%)

245 MEUR

Finland
- Oriola 41 (42\%)
- Others 59 (58\%)

32 MEUR

TG/OTC products supply for pharmacies in Sweden

26\%
from the total market of
EUR 1.1 billion

Staffing services in Finland

in \textbf{240 pharmacies} in Q3
of a total of \textbf{815} pharmacies

25.10.2019 * Q3/2018
Strategic initiatives
Strategic programmes

20by20 Excellence
• EUR 20 million annualised savings compared to the cost level in 2018 by the end of 2020
• Cooperation negotiations were finalised end of September. Annualised savings 4.5 million euros

Customer Experience
• To make the customers’ voice heard and to provide the best customer experience
• Ensure customer oriented culture in whole Oriola
• Customer satisfaction has progressed positively
New pharmacy services to attract customers

• Brick and mortar pharmacy market is undergoing changes

• Drop-in clinics in pharmacies offer healthcare services, such as vaccinations, medication assessments and blood pressure measurements

• The services are available without an appointment

• Medical services are offered in collaboration with the online medical centre Doktor.se, which Oriola partly owns

• Eight Drop-in clinics by the end of 2019
Enköping DC in Sweden

• Fully automated DC for growing pharmaceuticals and traded goods volumes and efficiency in Sweden

• Ramp-up is progressing slower than planned and causing higher operational costs
Three customer-centric business areas

**Consumer business area**
Retail services and products for consumer health and wellbeing in Sweden in Kronans Apotek and in cooperation with Doktor.se.

48% of Group net sales

**Pharma business area**
Tailored logistics, expert and advisory services for pharmaceutical companies, and a wide range of pharmaceutical products for pharmacies, hospital pharmacies and veterinarians.

36% of Group net sales

**Retail business area**
A wide range of health and wellbeing products for pharmacies, veterinarians, private and public healthcare operators and retailers, as well as services for pharmacies, including dose services and staffing.

16% of Group net sales

**Operations group function**
Serving all business areas, focus on logistics operations, direct and indirect sourcing, dose manufacturing.

External Net sales figures are pro forma, 2018.
Consumer Q3 2019

• Net sales increased by 4.6% to 187.1 M€ in constant currency
• Kronans Apotek’s online sales continued to grow strongly (+33% vs the market +39%)
• Share of OTC and traded goods of net sales 25.1% (25.8%). Share of RX is increasing
• Tightened price competition and increased cost level burdened profitability

Adjusted EBIT
EUR million

<table>
<thead>
<tr>
<th></th>
<th>2018 Q3</th>
<th>2018 Q4</th>
<th>2019 Q1</th>
<th>2019 Q2</th>
<th>2019 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>5.8</td>
<td>3.0</td>
<td>3.0</td>
<td>3.7</td>
<td>5.7</td>
</tr>
</tbody>
</table>

25.10.2019
Pharma Q3 2019

• Net Sales increased by 28.3% to 231.4 M€, and in constant currency by 30.2%
• Good sales development was driven by the pharmaceutical market growth and changes in distribution agreements for pharmaceuticals
• Continuous operational efficiency improvement and lower costs in Finland impacted the results positively
• Slower than planned ramp-up of distribution centre kept the cost level high in Sweden

Adjusted EBIT
EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>Q3 2019</th>
<th>Q4 2019</th>
<th>Q1 2019</th>
<th>Q2 2019</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>4.1</td>
<td>3.5</td>
<td>4.7</td>
<td>5.2</td>
<td>10.5</td>
</tr>
</tbody>
</table>

25.10.2019
Retail Q3 2019

- Net sales increased by 14.4% to 113.6 M€, and increased by 16.8% in constant currency
- Growth driven by increased number of dose dispensing patients in Sweden
- High logistics costs and ramp-up costs of distribution centre in Sweden impacted profitability
Financial review
Q3 2019
Invoicing and net sales

Invoicing
EUR million

Net sales
EUR million

2018 Q3 2018 Q4 2019 Q1 2019 Q2 2019 Q3

2018 Q3 2018 Q4 2019 Q1 2019 Q2 2019 Q3

25.10.2019
Adjusted EBIT

**Adjusted EBIT**

<table>
<thead>
<tr>
<th>Year</th>
<th>Quarter</th>
<th>Adjusted EBIT (EUR million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
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<td>9.8</td>
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</tbody>
</table>

**Adjusted EBIT development**

<table>
<thead>
<tr>
<th>Quarter</th>
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<tbody>
<tr>
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<td>Retail</td>
<td>-2.9</td>
</tr>
<tr>
<td>Group items</td>
<td>0.6</td>
</tr>
<tr>
<td>Q3 2019</td>
<td>9.8</td>
</tr>
</tbody>
</table>

**Q3/2019 adjusted EBIT at comparable EUR/SEK rate EUR 10.0 million**
Profit for the period and earnings per share

Profit for the period
EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>2018 Q3</th>
<th>2018 Q4</th>
<th>2019 Q1</th>
<th>2019 Q2</th>
<th>2019 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>12.2</td>
<td>-8.5</td>
<td>1.9</td>
<td>5.2</td>
<td>2.6</td>
</tr>
</tbody>
</table>

Earnings per share
EUR

<table>
<thead>
<tr>
<th>Year</th>
<th>2018 Q3</th>
<th>2018 Q4</th>
<th>2019 Q1</th>
<th>2019 Q2</th>
<th>2019 Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS</td>
<td>0.07</td>
<td>-0.05</td>
<td>0.01</td>
<td>0.03</td>
<td>0.01</td>
</tr>
</tbody>
</table>
Cash flow

Quarterly net cash flow from operating activities

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Operating activities</th>
<th>Investing activities</th>
<th>Financing activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/2018</td>
<td>33</td>
<td>3</td>
<td>-40</td>
</tr>
<tr>
<td>Q2/2018</td>
<td>18</td>
<td>3</td>
<td>-20</td>
</tr>
<tr>
<td>Q3/2018</td>
<td>48</td>
<td>-25</td>
<td>0</td>
</tr>
<tr>
<td>Q4/2018</td>
<td>70</td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>Q1/2019</td>
<td></td>
<td></td>
<td>40</td>
</tr>
<tr>
<td>Q2/2019</td>
<td></td>
<td></td>
<td>60</td>
</tr>
<tr>
<td>Q3/2019</td>
<td></td>
<td></td>
<td>80</td>
</tr>
</tbody>
</table>

Q3 YTD 2019 change in cash

<table>
<thead>
<tr>
<th>Activity</th>
<th>Change (EUR million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Q4 2018</td>
<td>65.8</td>
</tr>
<tr>
<td>Operating activities</td>
<td>57.0</td>
</tr>
<tr>
<td>Investing activities</td>
<td>-14.2</td>
</tr>
<tr>
<td>Financing activities</td>
<td>-43.8</td>
</tr>
<tr>
<td>Cash Q3 2019</td>
<td>64.7</td>
</tr>
</tbody>
</table>
Net Interest-Bearing Debt including discontinued operations

<table>
<thead>
<tr>
<th>EUR million</th>
<th>30 Sep 2019</th>
<th>31 Dec 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank loans (syndicated Bank &amp; term)</td>
<td>57.2</td>
<td>59.0</td>
</tr>
<tr>
<td>Commercial papers</td>
<td>35.0</td>
<td>57.0</td>
</tr>
<tr>
<td>Advance payment from pharmacies</td>
<td>21.8</td>
<td>12.4</td>
</tr>
<tr>
<td>Leasing liabilities¹</td>
<td>84.2</td>
<td>1.0</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>64.7</td>
<td>65.8</td>
</tr>
<tr>
<td>Net interest-bearing debt¹</td>
<td>133.4</td>
<td>63.6</td>
</tr>
<tr>
<td>Sold trade receivables</td>
<td>154.6</td>
<td>140.5</td>
</tr>
<tr>
<td>Gearing %²</td>
<td>84.1</td>
<td>35.1</td>
</tr>
</tbody>
</table>

¹ Figure in 2019 includes EUR 83.6 million leasing liabilities recognised due to application of IFRS 16
² Excluding the impact of IFRS 16 gearing would have been 30.3%.
Adjusted EBIT on constant currency basis is estimated to decrease from the 2018 level.

Oriola’s business outlook for 2019 is based on external market forecasts, agreements with pharmaceutical companies and pharmacies, and management assessments.
Q3 2019 Key take-aways

- Strong invoicing and net sales growth continued
- Business performance improving
- Strategic programmes progressing well
- New significant distribution agreements with pharmaceutical companies
Thank you!

Our next events:

7/2/2020
Financial Statements Release 1-12/2019

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+358 10 429 013
katja.graff@oriola.com