Q1 2021 key points

"Profit weakened due to the increased demand volatility of the amplified pandemic"

• The third wave of the COVID-19 pandemic affected societies of Finland and Sweden significantly, Oriola’s markets declined.

• Market declined by ~6%, invoicing and net sales declined by 6% in constant currency. Strong online sales growth in Consumer continued.

• Weak profitability mainly due to temporary market driven pharmaceuticals volume decline in RX, OTC and changes in the product mix of these categories.

• Solid reliability of deliveries and service levels serving Finnish and Swedish societies amid the pandemic.

• Focus21 initiative to strengthen our focus on 2021 strategic and business performance goals.
Key figures
continuing operations

Invoicing
EUR million

Net sales
EUR million

Adjusted EBIT
EUR million

Adjusted EBIT at comparable EUR/SEK rate
EUR 0.14 million in Q1/2021
Oriola estimates that the net negative impact of COVID-19 pandemic compared to normalised market environment for Q1 was 4–5 M€.

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1Q1/2021 adjusted EBIT at comparable EUR/SEK rate EUR 0.14 million
Focus21: short-term initiative to simplify and prioritise 2021 activities

- Based on the significant COVID-19-driven impacts in the markets and their temporary effects on Oriola, the company started Focus21 initiative.

- Through Focus21, we strengthen our focus on core business activities to reach 2021 strategic and business performance goals.
  - A number of rigorous and broad-based profitability actions in business areas
  - Focus Sweden programme for secure strong execution on business plans for 2021, simplify business processes, and increase customer experience
  - Plan to prioritise one third of the projects originally targeted for 2021

- 20by20 and Customer Experience programmes are merged into and emphasised in Focus21.

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 people
Operating environment
Consumer markets

Pharmacy market value and volume declined in Sweden in Q1

Pharmacy market value development in Sweden in Q1: -6.0%

Online pharmacy market size in Sweden

Oriola online market share

Market shares

49 BSEK

Oriola/Kronans Apotek 16% (17%)
Others 84% (83%)

Pharmacy market

49 BSEK

Rx 73% (74%)
OTC 8% (9%)
TG 19% (17%)

Market shares are quarterly figures and total market size is rolling 12 month figure, online market size is quarterly figure. Source: Apoteksförening
Pharma markets

Pharmaceutical market value and volume declined in Q1

Pharmaceutical market value development in Q1: Finland -5.9% and Sweden -5.8%

Finland Wholesale

- 2.8 BEUR
- Oriola 42% (43%)
- Others 58% (57%)

Source: LTK and Oriola estimate

Sweden Wholesale

- 48 BSEK
- Oriola 46% (46%)
- Others 54% (54%)

Source: IQVIA and Oriola estimate

Market shares are quarterly figures and market size rolling 12 month figure
Retail markets

Market share dose dispensing

Sweden
- Total 230,000 patients
- Oriola 43% (43%)
- Others 57% (57%)

Finland
- Total 65,000 patients
- Oriola 40% (40%)
- Others 60% (60%)

Source: Oriola estimate

TG/OTC products supply for pharmacies in Sweden

25% (25%) from the total market of SEK 13 billion

Staffing services in Finland

in 115 pharmacies in Q1 of a total of 819 pharmacies

Market share is quarterly figure and market size rolling 12 month figure
Business Area reviews Q1 2021
Three customer-centric business areas

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

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

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

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

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1 External Net sales, 2020
Consumer Q1: Steep, temporary changes in the pharmacy market affected profit significantly

- COVID-19 restrictions temporarily impacted consumer behavior, significantly decreasing the demand for pharmaceuticals
- Net sales declined by 6.4% to 189.4 M€ in constant currency
- Above-the-market growth continued in online sales (+80% vs market +41%)
- Adjusted EBIT decreased to –0.6 M€ due to
  - Market driven lower volumes in RX and OTC, changes in product mix
  - Decreased customer traffic in pharmacies, accelerated channel shift to online
  - Generic cost increases mainly driven by salaries in Sweden

**Adjusted EBIT**

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>-0.6</td>
<td>5.4</td>
<td>4.4</td>
<td>4.3</td>
<td>4.9</td>
</tr>
<tr>
<td>2019</td>
<td>2.9</td>
<td>1.1</td>
<td>4.9</td>
<td>2.9</td>
<td>2.9</td>
</tr>
</tbody>
</table>
Pharma Q1: Exceptionally high volume volatility affected performance

- Net sales decreased by 6.3% to 228.7 M€ in constant currency
- Pharmaceutical volumes still temporarily down due to the pandemic, with very strong volatility.
- Adjusted EBIT decreased to 2.0 M€ due to
  - Low volumes in many RX and OTC categories, like cough and cold
  - Inefficiencies in operations due to volatile volumes
  - Changes in customer agreements
Retail Q1: Progress in many areas amid temporarily declining market

- Net sales decreased by 3.7% to 116.8 M€ in constant currency
- The demand for health and wellbeing products was soft due to the COVID 19-pandemic.
- Adjusted EBIT increased to 1.1 M€. Positive impact on profitability was driven by
  - Positive development of dose-dispensing business
  - Improved customer agreements in health and wellbeing products in Sweden
Financial review
Q1 2021
Invoicing and net sales

**Invoicing**

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>942</td>
<td>917</td>
<td>979</td>
<td>965</td>
<td>898</td>
<td>915</td>
<td>987</td>
<td>942</td>
<td></td>
</tr>
</tbody>
</table>

**Net sales**

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>448</td>
<td>429</td>
<td>447</td>
<td>460</td>
<td>436</td>
<td>439</td>
<td>466</td>
<td>450</td>
<td></td>
</tr>
</tbody>
</table>

1 Q1/2021 Invoicing at comparable EUR/SEK rate EUR 907 million

2 Q1/2021 Net Sales at comparable EUR/SEK rate EUR 432 million
Adjusted EBIT

Adjusted EBIT\(^1\)

<table>
<thead>
<tr>
<th>EUR million</th>
<th>2020 Q1</th>
<th>2020 Q2</th>
<th>2020 Q3</th>
<th>2020 Q4</th>
<th>2021 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.9</td>
<td>-0.3</td>
<td>6.3</td>
<td>8.0</td>
<td></td>
<td>0.3</td>
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</table>

Adjusted EBIT development\(^1\)

<table>
<thead>
<tr>
<th>EUR million</th>
<th>2020 Q1</th>
<th>2020 Q2</th>
<th>2020 Q3</th>
<th>2020 Q4</th>
<th>2021 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.9</td>
<td>-6.0</td>
<td>0.8</td>
<td>-1.5</td>
<td>0.1</td>
<td>0.3</td>
</tr>
</tbody>
</table>

\(^1\)Q1/2021 adjusted EBIT at comparable EUR/SEK rate EUR 0.14 million
Profit for the period and earnings per share

Profit for the period

<table>
<thead>
<tr>
<th>Period</th>
<th>2019 Q4</th>
<th>2019 Q3</th>
<th>2019 Q2</th>
<th>2020 Q4</th>
<th>2020 Q3</th>
<th>2020 Q2</th>
<th>2020 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR million</td>
<td>4.5</td>
<td>2.0</td>
<td>-0.2</td>
<td>5.1</td>
<td>-1.6</td>
<td>3.7</td>
<td>4.1</td>
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</table>

Earnings per share

<table>
<thead>
<tr>
<th>Period</th>
<th>2019 Q4</th>
<th>2019 Q3</th>
<th>2019 Q2</th>
<th>2020 Q4</th>
<th>2020 Q3</th>
<th>2020 Q2</th>
<th>2020 Q1</th>
<th>2021 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>0.02</td>
<td>0.01</td>
<td>0.00</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
<td>0.01</td>
</tr>
</tbody>
</table>
Cash flow

Quarterly net cash flow from operating activities

EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1 2019</th>
<th>Q2 2019</th>
<th>Q3 2019</th>
<th>Q4 2019</th>
<th>Q1 2020</th>
<th>Q2 2020</th>
<th>Q3 2020</th>
<th>Q4 2020</th>
<th>Q1 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-40</td>
<td>-20</td>
<td>-20</td>
<td>20</td>
<td>-40</td>
<td>-20</td>
<td>-20</td>
<td>20</td>
<td>-14</td>
</tr>
</tbody>
</table>

Q1 YTD 2021 change in cash

EUR million

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Q4 2020</td>
<td>168.2</td>
</tr>
<tr>
<td>Operating activities</td>
<td>-14.2</td>
</tr>
<tr>
<td>Investing activities</td>
<td>-6.7</td>
</tr>
<tr>
<td>Financing activities</td>
<td>-11.5</td>
</tr>
<tr>
<td>Cash Q1 2021</td>
<td>135.7</td>
</tr>
</tbody>
</table>
### Net Interest-Bearing Debt

#### Net interest-bearing debt

<table>
<thead>
<tr>
<th>Year</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>150</td>
<td>133</td>
<td>120</td>
<td>122</td>
<td>151</td>
<td>157</td>
<td>127</td>
<td>149</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>150</td>
<td>133</td>
<td>120</td>
<td>122</td>
<td>151</td>
<td>157</td>
<td>127</td>
<td>149</td>
</tr>
<tr>
<td>2021</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

#### Net interest-bearing debt items

<table>
<thead>
<tr>
<th>Net interest-bearing debt item</th>
<th>31 Mar 2021</th>
<th>31 Mar 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank loans (syndicated Bank &amp; term)</td>
<td>116.3</td>
<td>56.3</td>
</tr>
<tr>
<td>Commercial papers</td>
<td>73.5</td>
<td>88.9</td>
</tr>
<tr>
<td>Advance payment from pharmacies</td>
<td>16.8</td>
<td>15.4</td>
</tr>
<tr>
<td>Lease liabilities</td>
<td>78.4</td>
<td>79.3</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>135.7</td>
<td>117.7</td>
</tr>
<tr>
<td>Net interest-bearing debt¹</td>
<td>149.3</td>
<td>122.2</td>
</tr>
<tr>
<td>Sold trade receivables</td>
<td>179.7</td>
<td>174.9</td>
</tr>
<tr>
<td>Gearing %²</td>
<td>94.7</td>
<td>91.8</td>
</tr>
</tbody>
</table>

1. Figure in Q1 2021 includes EUR 78.3 (79.0) million lease liabilities recognised due to application of IFRS 16
2. Excluding the impact of IFRS 16 gearing would have been 43.7% (31.2%)
Key take-aways

- Adverse temporary impacts particularly in the Swedish market due to the amplified pandemic
- Pharmaceutical volumes declined in RX and OTC
- Online sales growth faster than market in Consumer continued
- Simplified focus to reach strategic and business performance goals
- Focus Sweden programme to strengthen businesses in Sweden

January-March 2021

Focus21

In 2021 we continue working in line with our purpose "Health for life", now strengthening priority of value creation, profitability and competitiveness through Focus21.
Outlook for 2021 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.
Thank you!

Our next events:

20/7/2021
Half year financial report 1-6/2021
27/10/2021
Interim Report 1-9/2021
25/11/2021
Capital Markets Day

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