

ORIOLA CORPORATION'S FINANCIAL STATEMENTS RELEASE 1 January-31 December 2023

Released on 16 February 2024 at 8.30 a.m.



Financial Statements Release

1 January-31 December 2023

Strong growth in profitability excluding Swedish dose dispensing business

October-December 2023 highlights

- Invoicing increased by 6.2 % to EUR 963.4 (906.9). On a constant currency basis, invoicing increased by 9.7% and was EUR 994.7 million.
- Net sales increased by 1.7% to EUR 386.6 (380.0) million. On a constant currency basis, net sales increased by 4.8% and were EUR 398.2 million.
- Adjusted EBIT was EUR 5.4 (2.9) million. On a constant currency basis, the adjusted EBIT was EUR 5.1 million.
- EBIT was EUR 5.2 (-7.1) million and included adjusting items of EUR -0.2 (-10.0) million related to the sale of dose dispensing business in Sweden. On a constant currency basis, EBIT was EUR 5.0 million.
- Profit for the period totalled EUR -2.8 (-8.1) million and earnings per share were EUR -0.02 (-0.04).

Excluding Swedish dose business:

- In October 2023, Oriola announced the sale of Svensk dos AB to Apotekstjänst Sverige AB. The transaction is subject to the approval of the Swedish Competition Authority and is expected to be completed in the second quarter of 2024.
- Net sales were EUR 384.1 (364.4) million.
- Adjusted EBIT was EUR 6.2 (1.7) million.

Key events:

- Oriola's refined strategy, new financial targets and new sustainability agenda were announced on 31 October 2023
- Oriola changes its segment reporting and the Group will have two reporting segments from 1 January 2024

January-December 2023 highlights

- Invoicing increased by 0.6% to EUR 3,587.7 (3,568.0) million. On a constant currency basis, invoicing increased by 5.7% and was EUR 3,770.3 million.
- Net sales decreased by 2.9% to EUR 1,493.8 (1,539.1) million. On a constant currency basis, net sales increased by 2.0% and were EUR 1,569.5 million.
- Adjusted EBIT was EUR 16.7 (19.7) million. On a constant currency basis, the adjusted EBIT was EUR 17.1 million.
- EBIT was EUR -5.3 (9.5) million and included adjusting items of EUR -21.9 (-10.2) million mainly related to an impairment loss on goodwill in Dose dispensing cash generating unit. On a constant currency basis, EBIT was EUR -4.9 million.
- Profit for the period totalled EUR -20.7 (4.8) million and earnings per share were EUR -0.11 (0.03).

Excluding Swedish dose business:

- Net sales were EUR 1,475.7 (1,463.3) million.
- Adjusted EBIT was EUR 19.5 (11.9) million.

Key figures EUR million	2023 10-12	2022 10-12	Change %	2023 1-12	2022 ^{1,2} 1-12	Change %
Continuing operations						
Invoicing	963.4	906.9	6.2	3,587.7	3,568.0	0.6
Net sales ¹	386.6	380.0	1.7	1,493.8	1,539.1	-2.9
Adjusted EBIT ^{2, 3}	5.4	2.9	84.9	16.7	19.7	-15.4
EBIT ²	5.2	-7.1	173.6	-5.3	9.5	-155.1
Adjusted EBIT %	1.4	0.8		1.1	1.3	
EBIT %	1.3	-1.9		-0.4	0.6	
Profit for the period	-2.8	-8.1	65.9	-20.7	4.8	-534.9
Earnings per share, EUR, continuing operations	-0.02	-0.04		-0.11	0.03	
Earnings per share, EUR, discontinued operations	-	-0.16		-	-0.04	
Net cash flow from operating activities ⁴	22.9	36.1		9.6	77.9	
Gearing, % ⁴				-12.1	-10.5	
Equity ratio, % ⁴				18.5	23.8	
Return on capital employed (ROCE), % ⁴				-1.6	2.4	

¹ Comparative information has been restated due to a correction of an error in the elimination of net sales and cost of goods sold. The gross effect on the total correction is EUR 23.6 million. The correction has no impact on the Group's profit or the statement of financial position.

² Year 2022 Adjusted EBIT and EBIT have been changed retroactively and these items no longer include the share of result in joint venture (presented below EBIT).

³ Adjusting items are specified in note Adjusting items.

⁴ Comparative figures include continuing and discontinued operations.

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

Outlook for 2024

In 2024, the pharmaceutical distribution market is expected to continue to grow. A continuation of a weak consumer confidence might impact the wholesale market development. The recent overall inflationary environment and related cost pressures may have an impact on Oriola's profitability.

Oriola expects the adjusted EBIT, excluding the dose dispensing business in Sweden, for the year 2024 to increase from the adjusted EBIT for 2023 (EUR 19.5 million).

CEO Katarina Gabrielson:

In 2023 our focus was on strengthening our distribution business and our role as an infrastructure company in securing the availability of pharmaceuticals in society. We made strong progress in the distribution business throughout the year, by signing new distribution agreements and improving overall efficiency in operations.

In 2023, Oriola's net sales on a constant currency basis grew by 2% and were EUR 1.6 billion. Growth was driven by the distribution business in both Finland and Sweden. The distribution business grew by 7.3% on constant currency basis in 2023, offsetting the negative impacts of lower volumes in the Swedish dose dispensing business. Our share of the pharmaceutical distribution market remained stable.

Adjusted EBIT for the year 2023 was according to our expectations at EUR 19.5 (11.9) million, when excluding the negative impact of the Swedish dose dispensing business. The reported adjusted EBIT was EUR 16.7 (19.7) million and on a constant currency basis, the adjusted EBIT was EUR 17.1 million. We have successfully managed the inflationary pressure both with strict cost control and by price increases. Operating expenses were below last year's level, including transport costs in Sweden. The improved efficiency in operations also contributed positively on the result. Our financial position was strong, with cash and cash equivalents at EUR 138.4 (160.6) million and interest-bearing net debt at EUR -20.6 (-23.7) million at the end of the period.

In Q4, net sales on a constant currency basis grew by 4.8% and were EUR 398.2 million, driven by growth in distribution business, especially in Sweden. Adjusted EBIT was EUR 6.2 (1.7) million, excluding the impact of the Swedish dose dispensing business, while the reported adjusted EBIT was EUR 5.4 (2.9) million. On a constant currency basis, the adjusted EBIT was EUR 5.1 million. The improvement in EBIT from the previous year was related to strong sales growth in distribution business, lower operating expenses and efficiency improvements in operations.

During 2023 we continued to focus on developing our commercial and supply chain excellence, while ensuring profitability, efficiency and a collaborative culture. Major milestones of the year included the announcement of our refined strategy, new long-term financial targets and sustainability agenda. With our refined strategy, we are taking the next steps to build the new Oriola with a strengthened focus on wholesale business together with investments in our core capabilities in distribution business. In October, we also announced the sale of the dose dispensing business in Sweden as part of our strategic decision to strengthen focus on wholesale business. The transaction is subject to the approval of the Swedish Competition Authority and is expected to be completed in the second quarter of 2024.

In the joint venture company Kronans Apotek, integration projects are proceeding with several actions being implemented, albeit the benefits are not yet fully visible. Realised synergies were behind the plan while integration costs were below estimate. During the year, Kronans Apotek implemented a new organisation, harmonised its assortment, completed the rebranding of 191 pharmacies and optimised its network by closing some pharmacies, resulting in more than 500 pharmacies operating today under one brand. In addition, Kronans Apotek continued to invest in its omni-channel operating model by strengthening its e-commerce capabilities. Kronans Apotek is today the biggest pharmacy chain in Sweden measured by number of pharmacies, and with its market share of around 24% and a growing e-commerce, it is now set to improve profitability and strengthen its business and brand long-term. In 2024, Kronans Apotek's profitability is expected to be positively impacted by new legislation on pharmaceutical compensations. Kronans Apotek is an important strategic partner for us, and we will actively support its value creation as a major shareholder. Kronans Apotek expects their full profit potential to materialise by the end of 2025.

At Oriola, we foster a healthier tomorrow through our services and products. Our business, the wholesale of pharmaceuticals and health products, has an essential and positive role in society and people's lives. This is why sustainability is part of our strategy and our daily work. We measure our success by monitoring the picking quality of our deliveries, which in 2023 reached 99.8%. Our target is to achieve carbon neutrality across our supply chain by 2030, and in our own operations by 2025. Our long-term environmental work has delivered results as we have reduced emissions in our own operations by 73% compared with the base year 2019.

At the start of 2024, we announced the strategically important investment to renew Oriola's ERP (enterprise resource planning) and warehouse management during the years 2025-2027. This investment is part of our refined strategy and aims to enhance efficiency and operational excellence. The new ERP and warehouse management system will replace the current two separate systems in Sweden and Finland.

In addition, we are initiating an in-depth investigation of the different options for developing our logistics operations in Finland in the long-term. The identified options are to develop the Mankkaa site to be a modern warehousing and distribution centre, to find a new facility with capabilities to incorporate logistics operations, or to build a completely new modern logistics centre. The timing will naturally depend on the chosen option but will be at the least three years from now.

As we begin a new year, I am very excited about the opportunities we have ahead of us. We are well placed to be a highly efficient company in our distribution business, to grow our share of the high-margin wholesale and advisory businesses, and to further develop our customer value proposition to deliver enhanced customer experience.

Throughout the year, our people have shown strong engagement to collaborate and grow with our customers and partners, and I am confident that we will continue on this path. With the refined strategy in place, we have a deeper understanding of shared priorities as well as greater clarity and alignment.

I want to extend my warmest thanks to everyone at Oriola for their dedication and hard work. I also want to thank our customers, partners and shareholders for their trust and continued support.

Operating environment

High cost inflation and rising interest rates have impacted consumer confidence and weakened consumers' expectations of their own economy. In the fourth quarter, volumes in the pharmaceutical distribution market in Sweden grew while volumes in Finland declined. Market value continued steady growth in both countries. The solid underlying long-term market drivers such as ageing population, wellbeing and health remain unchanged.

The challenges in the availability of some pharmaceuticals have remained tight across Europe. Energy and fuel prices have stabilised.

Market environment

In Sweden, the value of the pharmaceutical distribution market at wholesale prices, measured in Swedish krona, grew by 9.8% (8.0%) in January-December and by 10.6% (8.3%) in the fourth quarter (source: IQVIA). In Finland, the market value grew by 3.4% (3.9%) in January-December and by 4.0% (1.9%) in the fourth quarter (source: Pharmaca Health Intelligence). According to Oriola's estimate, the company's share of the pharmaceutical distribution market in Sweden was approximately 44% (45%) in January-December and 45% (44%) in the fourth quarter. Oriola estimates that, the company's share of the pharmaceutical distribution market in Finland was approximately 44% (44%) in January-December and 45% (44%) in the fourth quarter.

In the dose dispensing business, Oriola offers pharmaceuticals and dose dispensing for private and public healthcare sector operators. The total market size for dose dispensing in Finland is approximately 110,000 (100,000) patients of which Oriola serves approximately 30,000 (30,000).

Group financial performance October-December 2023

Invoicing and net sales

Invoicing increased by 6.2% to EUR 963.4 (906.9) million. On a constant currency basis, invoicing increased by 9.7%. The weak Swedish krona had a negative impact on reported invoicing and net sales figures. Net sales increased by 1.7% to EUR 386.6 (380.0) million. On a constant currency basis, net sales increased by 4.8%. Sales were supported by the solid development in the distribution of pharmaceuticals. This has offset the negative impact of lower volumes in the Swedish dose dispensing business.

Profitability

Adjusted EBIT increased to EUR 5.4 (2.9) million. The strong performance in the distribution business offset the negative impact of low volumes in the Swedish Dose dispensing business, which was related to the loss of public tenders and consequently fewer patients. The adjusted EBIT excluding the impact of the Swedish dose dispensing business was EUR 6.2 (1.7) million. The further weakening of the Swedish krona has had some impact on the EBIT-line as well. Adjusted EBIT on a constant currency basis was EUR 5.1 million. Operating expenses were below last year's level, largely driven by cost reductions in the Swedish Dose dispensing business and efficiency improvements in operations. Adjusting items totalled EUR -0.2 (-10.0) million related to the sale of dose dispensing business in Sweden. EBIT was EUR 5.2 (-7.1) million.

In the fourth quarter of 2023, Oriola recognised a loss of EUR 3.9 million from Swedish Pharmacy Holding AB in the consolidated statement of comprehensive income.

Net financial expenses increased to EUR 2.2 (0.8) million mainly due to higher interest rates. Profit for the period was EUR -2.8 (-8.1) million. Earnings per share were EUR -0.02 (-0.04).

Group financial performance January-December 2023

Invoicing and net sales

Invoicing increased by 0.6% to EUR 3,587.7 (3,568.0) million. On a constant currency basis, invoicing increased by 5.7%. The weak Swedish krona had a negative impact on reported invoicing and net sales figures. Net sales decreased by 2.9% to EUR 1,493.8 (1,539.1) million. On a constant currency basis, net sales increased by 2.0%. Sales were supported by the solid development in the distribution of pharmaceuticals.

Profitability

Adjusted EBIT decreased to EUR 16.7 (19.7) million due to lower volumes in Swedish Dose dispensing. This decline was related to the loss of public tenders and consequently fewer patients. The adjusted EBIT excluding the impact of the Swedish dose dispensing business was EUR 19.5 (11.9) million. As a result of cost reductions in the Swedish dose dispensing and strict cost control, operating expenses were below last year's level despite the inflationary environment. Efficiency improvements in operations also contributed positively on the result. Adjusting items totalled EUR -21.9 (-10.2) million mainly related to an impairment loss on goodwill in Dose dispensing cash generating unit. Adjusted EBIT on a constant currency basis was EUR 17.1 million. EBIT was EUR -5.3 (9.5) million.

In January-December 2023, Oriola recognised a loss of EUR 4.8 million from Swedish Pharmacy Holding AB in the consolidated statement of comprehensive income.

Net financial expenses were EUR 7.6 (0.7) million. Increase was mainly related to the higher interest rates in loans and sold receivables and that the comparative information includes EUR 3.5 million interest income from discontinued operations. Loss for the period was EUR -20.7 (4.8) million. Earnings per share were EUR -0.11 (0.03).

Joint venture Swedish Pharmacy Holding AB (Kronans Apotek)

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

Key figures	2023	2022	Change	2023	2022	Change
EUR million	10-12	10-12	%	1-12	1-12	%
Net sales	283.5	276.7	2.4	1,126.9	1,158.2	-2.7
EBITA	-6.5	-1.3	-407.3	0.7		
EBITA %	-2.3	-0.4		0.1		
Adjusted EBIT	-5.1	-2.8	-78.8	-2.0		
Adjusted EBIT %	-1.8	-1.0		-0.2		
Net interest-bearing debt	93.0	95.3	-2.4	93.0	95.3	-2.4

In the fourth quarter of 2023, Swedish Pharmacy Holding AB reported net sales of EUR 283.5 (276.7) million. EBITA (Earnings before interest, taxes and amortization) was EUR -6.5 (-1.3) million. Adjusted EBIT was EUR -5.1 (-2.8) million, synergies during the reporting period totalled to EUR 5.4 million and one-off costs related to the integration of the two companies was EUR 3.3 million. At the end of December 2023, net interest-bearing debt was EUR 93.0 million.

In January-December 2023, net sales were EUR 1,126.9 (1,158.2) million. EBITA was EUR 0.7 million. Adjusted EBIT was EUR -2.0 million, synergies totalled to EUR 13.5 million and one-off costs related to the integration of the two companies was EUR 6.0 million.

The joint venture company Kronans Apotek's adjusted EBIT decline was related to lower revenues compared to Q4 2022 mainly due to weaker customer flows and low profitability in e-commerce. A focus within Kronans Apotek remains on operations and integration activities.

Kronans Apotek is an important strategic partner for Oriola, and Oriola will actively support Kronans Apotek's value creation as a major shareholder. Kronans Apotek expects their full profit potential to materialise by the end of 2025.

Balance sheet, cash flow and financing

Oriola's total assets at the end of December 2023 were EUR 934.7 (960.9) million. Equity attributable to the equity holders was EUR 171.3 (225.6) million. In line with the decision of the Annual General Meeting the company paid dividends of EUR 10.9 million in April. A decrease of EUR 20.6 million has been recorded in the fair value of shareholdings in Doktor.se due to the realised transactions at lower price. Oriola's ownership of shares in Doktor.se has not changed during the reporting period.

Cash and cash equivalents totalled EUR 138.4 (160.6) million. Net cash flow from operating activities in January–December 2023 was EUR 9.6 (77.9) million, of which changes in working capital accounted for EUR -13.2 (27.7) million. Increase in inventories and in trade receivables have impacted working capital negatively. Strong fluctuation in working capital is typical for Oriola's industry. Net cash flow from investing activities was EUR -3.5 (3.0) million. Net cash flow from financing activities was EUR -28.3 (-29.3) million.

At the end of December 2023, interest-bearing debt was EUR 117.7 (136.9) million. Non-current interest-bearing liabilities amounted to EUR 7.1 (69.9) million and current interest-bearing liabilities amounted to EUR 110.7 (67.0) million. Non-current interest-bearing liabilities mainly consist of loans from financial institutions totalling EUR 1.0 (59.1) million and non-current lease liabilities totalling EUR 6.1 (10.9) million. Current interest-bearing liabilities mainly consist of commercial paper issues of EUR 39.3 (49.8) million, advance payments from Finnish pharmacies totalling EUR 10.4 (11.8) million, loans from financial institutions totalling EUR 58.1 (2.0) million and current lease liabilities totalling EUR 2.8 (3.4) million. Interest-bearing net debt was EUR -20.6 (-23.7) million and gearing -12.1% (-10.5%).

Non-recourse trade receivables sales programmes are in use in Sweden. At the end of December 2023, a total of EUR 97.1 (100.8) million in trade receivables had been sold. The average interest rate on the interest-bearing liabilities excluding lease liabilities was 3.76% (2.59%). Interest rate risk relating to the cash flow from selling of trade receivables has been partly hedged with interest rate swaps.

In June 2021, Oriola signed an unsecured revolving credit facility agreement totalling EUR 140 million. In April 2023, the maturity of the agreement was extended by one year, and the revolving credit facility will mature in 2026. The margin of the revolving credit facility is linked to Oriola's financial covenants and the performance of sustainability targets. The committed long-term revolving credit facility of EUR 140.0 million and the credit limits totalling EUR 34.5 million were unused at the end of December 2023.

At the end of December 2023, Oriola's equity ratio was 18.5% (23.8%). Return on capital employed was -1.6% (2.4%) and return on equity was -10.4% (2.2%).

Investments and depreciation

Gross investments in January–December 2023 totalled EUR 3.5 (3.4) million and consisted mainly of investments in logistics and information systems.

Depreciation, amortisation and impairment amounted to EUR 35.4 (25.2) million. Oriola recognised an impairment loss of goodwill totalling EUR 21.4 million in the dose dispensing cash generating unit in September.

Personnel

At the end of December 2023, the number of employees in full-time equivalents (FTE) was 801 (833), of which 412 (402) worked in Finland and 389 (431) in Sweden. The decrease in the number of personnel was due to organisational changes in the Swedish Dose business. In January–December 2023, the average number of employees (FTE) of the Group was 800 (914).

Refined strategy and new financial targets

Oriola introduced its refined strategy and new financial targets in October 2023. Oriola aims to be the leading specialist in wholesale of pharmaceuticals and health products and is taking the next steps to build the new Oriola with a strengthened focus on the wholesale business. The strategy aims to capture the full value of Oriola's operations, strengthen its position in the markets and to create long-term shareholder value. Oriola has set three goals to drive the strategy forward: strong partnerships, enhanced efficiency, and portfolio and market expansion. The strategy period is 2024-2026.

Oriola's new long-term financial targets and dividend policy are:

- Growth: Annual sales growth at the rate of market, minimum 4%
- Profitability: Adjusted EBIT margin above 3%
- Equity: Return on equity >20%
- Dividend policy: Oriola's aim is to pay out an increasing annual dividend of 2/3 of net profit.

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

<https://www.oriola.com/investors/oriola-as-an-investment/strategy-and-targets>

Sustainability

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

Sustainability development in 2023

Oriola's sustainability report for 2023 will be published as part of Oriola's Annual Report during week 9. Some of the key figures describing Oriola's sustainability development are presented here. Minimising the impact on climate has been a high priority for Oriola for years. Oriola has reduced CO₂ emissions in its own operations by 73% from the 2019 baseline, primarily by energy optimisation and using renewable energy. At the end of 2023, the share of renewable or carbon-neutral sources of total energy consumption was 91% and the waste recycling rate was 81%.

Oriola closely monitors the quality and accuracy of pharmaceutical deliveries. In 2023, the picking quality for the Swedish and Finnish sites was at 99.8%.

Sustainability agenda: Fostering a healthier tomorrow

Oriola's sustainability agenda is a key part of its business strategy. The agenda is divided into three key sustainability themes through which Oriola can play a key role in delivering services and products that enhance the health and wellbeing of both people and the planet:

- Environment: Pursuing a net-zero impact on climate and carbon neutrality by 2030. Oriola is committed to setting science-based targets.
- Social: Advancing a sustainable people journey
- Governance and society: Safeguarding deliveries for health and wellbeing

For each sustainability theme, Oriola has set strategic targets and KPIs to help monitor progress and achievements. The period for the sustainability agenda is 2024-2026. More information about Oriola's sustainability work can be found on the company website: <https://www.oriola.com/sustainability/>

Preparedness to comply with the EU Corporate Sustainability Reporting Directive

Oriola is preparing to comply with the EU Corporate Sustainability Reporting Directive (CSRD), and to report according to the directive for the financial year 2024. As part of the readiness project, a gap analysis to identify key development areas was completed in January 2023, and a double-materiality assessment survey was completed in March 2023. In relation to this, Oriola has ongoing projects to develop ESG data and data management.

During the fourth quarter, Oriola completed a Human Rights Due Diligence project to identify and assess the salient human rights impacts and risks across Oriola's value chain.

Shareholders' Nomination Board

On 24 January 2024, the Shareholders' Nomination Board presented its proposal to the 2024 Annual General Meeting concerning the composition of the Board of Directors as follows:

- The number of members of the Board of Directors would be seven
- The present members of the Board of Directors Nina Mähönen, Yrjö Närhinen, Ellinor Persdotter Nilsson, Harri Pärssinen and Heikki Westerlund would be re-elected.
- Petra Axdorff and Ann Carlsson Meyer would be elected new members of the Board of Directors
- Heikki Westerlund would be re-elected Chairman of the Board of Directors

The Nomination Board has assessed all candidates to the Board of Directors to be independent of the company and its major shareholders.

Current member of the Board of Directors Eva Nilsson Bågenholm has informed the Nomination Board that she is not available for re-election to the Board of Directors.

Oriola Corporation shares

Trading of shares	Jan–Dec 2023		Jan– Dec 2022	
	class A	class B	class A	class B
Trading volume, million	3.1	57.1	6.6	29.9
Trading value, EUR million	4.0	61.6	13.2	59.2
Highest price, EUR	1.93	1.82	2.30	2.31
Lowest price, EUR	1.02	0.89	1.75	1.70
Closing quotation, end of period, EUR	1.12	1.09	1.85	1.74

Oriola Corporation's market capitalisation on 31 December 2023 was EUR 199.2 (321.4) million.

In January–December 2023, the traded volume of Oriola Corporation shares, excluding treasury shares, corresponded to 33.2% (20.1%) of the total number of shares.

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

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

Risks and uncertainty factors

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

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

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

Near-term risks and uncertainty factors

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

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

In regular contingency planning, the company has focused especially on securing the health of its personnel, availability of workforce and safety in the distribution centres, as well as the growing need for pharmaceutical stocking. In addition, Oriola engages in active dialogue with both customers and authorities about the quickly changing requirements and how to manage them. Oriola also aims to actively mitigate cost pressures.

Oriola's strategic development projects involve operational risks which may have an effect on the company's profitability if realised. Oriola has IT system projects underway. The company has defined separate risk management plans for all major IT projects and aims to ensure seamless implementation of the systems through careful planning.

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

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

Outlook for 2024

In 2024, the pharmaceutical distribution market is expected to continue to grow. A continuation of a weak consumer confidence might impact the wholesale market development. The recent overall inflationary environment and related cost pressures may have an impact on Oriola's profitability.

Oriola expects the adjusted EBIT, excluding the dose dispensing business in Sweden, for the year 2024 to increase from the adjusted EBIT for 2023 (EUR 19.5 million).

Profit distribution proposal

Oriola Group's parent company is Oriola Corporation, whose distributable funds according to the balance sheet as of 31 December 2023 were EUR 190.7 (208.6) million. Oriola Corporation's result for the financial year 2023 was EUR -6.9 (-49.4) million. Earnings per share of the Oriola Group were EUR -0.11 (-0.01).

Oriola's aim is to pay out an increasing annual dividend of 2/3 of net profit.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.07 (0.06) per share be paid for 2023. The Board of Directors further proposes that the remaining non-restricted equity, EUR 177,991,837.01 be retained and carried forward.

Annual General Meeting

Oriola Corporation's Annual General Meeting will be held on 19 March 2024. The matters specified in article 10 of the Articles of Association and other proposals of the Board of Directors, if any, will be dealt with at the meeting. The Board of Directors will decide on the notice of the Annual General Meeting and the proposals contained in it later. The notice to convene will be available on the company's website at www.oriola.com on 26 February 2024 at the latest.

Publication of the Annual Report

Oriola Corporation will publish its Annual Report 2023 including the Sustainability Report, Corporate Governance Statement, the Report of the Board of Directors and the Financial Statements during week 9 2024.

Financial calendar 2024

- Annual General Meeting, Tuesday 19 March 2024
- Interim Report 1-3/2024, Thursday 25 April 2024
- Half Year Financial Report 1-6/2024, Thursday 18 July 2024
- Interim Report 1-9/2024, Wednesday 30 October 2024

Events after the period

Oriola to invest in ERP and warehouse management as part of the recently launched strategy to enhance efficiency and operational excellence

On 10 January 2024, Oriola announced that it will be investing in its infrastructure as part of its refined strategy, published in October 2023, with the aim to enhance efficiency and operational excellence. Enhanced efficiency is one of the three goals set by Oriola to drive the strategy forward.

The investment comprises the renewal of Oriola's ERP (enterprise resource planning) and warehouse management during the years 2025–2027. The aim of the project is to have one common system which will enable to harmonise business processes, strengthen data management and enhance customer experience. The value of the total investment is about EUR 35 million of which capital expenditure is estimated to be about 3/4 of the total investment. The new ERP and warehouse management system will replace the current two separate systems in Sweden and Finland. The project will start in 2024 and the new system will be deployed in phases during 2025–2027. The first deployment will be in Sweden followed by the deployment in Finland.

The Swedish Competition Authority moves its investigation of Oriola's sale of Svensk dos AB to Apotekstjänst Sverige AB into phase II

On 31 January 2024, Oriola announced that the Swedish Competition Authority (Konkurrensverket) moved its investigation of Oriola's sale of Svensk dos AB to Apotekstjänst Sverige AB into phase II. Oriola expects, based on currently available information, that the transaction will be completed in the second quarter of 2024.

Reporting segments

Oriola's reporting segments from 1 January 2024 are Distribution and Wholesale.

Espoo, 15 February 2024

Oriola Corporation
Board of Directors

Consolidated statement of comprehensive income (IFRS)

EUR million	2023 10-12	2022 10-12	2023 1-12	2022 ¹ 1-12
Continuing operations				
Net sales	386.6	380.0	1,493.8	1,539.1
Other operating income	0.7	1.1	2.9	5.8
Materials and supplies	-346.3	-335.4	-1,334.1	-1,353.2
Employee benefit expenses	-12.3	-14.4	-52.8	-61.1
Other operating expenses	-20.4	-24.4	-79.8	-95.9
Depreciation, amortisation and impairments	-3.0	-14.0	-35.4	-25.2
EBIT²	5.2	-7.1	-5.3	9.5
Financial income and expenses	-2.2	-0.8	-7.6	-0.7
Share of results in joint venture	-3.9	-2.0	-4.8	-2.0
Profit before taxes	-0.9	-9.8	-17.6	6.9
Income taxes	-1.8	1.7	-3.1	-2.1
Profit for the period from continuing operations	-2.8	-8.1	-20.7	4.8
Profit for the period from discontinued operations	-	-29.8	-	-7.2
Profit for the period	-2.8	-37.9	-20.7	-2.4
Other comprehensive income				
Items which may be reclassified subsequently to profit or loss:				
Translation differences recognised in comprehensive income during the reporting period	2.3	56.9	0.1	40.8
Translation differences reclassified to profit and loss during the reporting period	-	-29.0	-	-29.0
Cash flow hedge	-1.6	-0.2	-1.8	2.8
Income tax relating to other comprehensive income	0.3	0.0	0.4	-0.6
	1.0	27.7	-1.4	13.9
Items which will not be reclassified to profit or loss:				
Financial assets recognised at fair value through other comprehensive income	-	-	-20.6	-
Actuarial gains/losses on defined benefit plans	-1.4	5.2	-1.4	5.2
Income tax relating to other comprehensive income	0.3	-1.1	0.3	-1.1
	-1.1	4.2	-21.7	4.2
Total comprehensive income for the period	-2.9	-6.0	-43.8	15.7
Profit attributable to				
Parent company shareholders	-2.8	-37.9	-20.7	-2.4
Total comprehensive income attributable to				
Parent company shareholders	-2.9	-6.0	-43.8	15.7

¹ Comparative information has been restated due to a correction of an error in the elimination of net sales and cost of goods sold. The gross effect on the total correction is EUR 23.6 million. The correction has no impact on the Group's profit or the statement of financial position.

² Year 2022 EBIT has been changed retroactively and no longer includes the share of result in joint venture (presented below EBIT).

EUR million	2023 10-12	2022 10-12	2023 1-12	2022 1-12
Earnings per share attributable to parent company shareholders:				
EUR				
Basic				
Continuing operations	-0.02	-0.04	-0.11	0.03
Discontinued operations	-	-0.16	-	-0.04
Group total	-0.02	-0.21	-0.11	-0.01
Diluted				
Continuing operations	-0.02	-0.04	-0.11	0.03
Discontinued operations	-	-0.16	-	-0.04
Group total	-0.02	-0.21	-0.11	-0.01

Consolidated statement of financial position (IFRS)

EUR million	31 Dec 2023	31 Dec 2022
Non-current assets		
Property, plant and equipment	45.0	57.7
Goodwill	35.2	61.1
Other intangible assets	16.0	20.6
Investments in joint ventures	235.4	240.4
Other non-current assets	15.5	38.3
Deferred tax assets	0.4	1.2
Non-current assets total	347.5	419.1
Current assets		
Inventories	162.9	148.5
Trade receivables	259.5	226.8
Income tax receivables	0.6	1.1
Other receivables	13.8	4.7
Cash and cash equivalents	138.4	160.6
Assets held for sale	12.0	-
Current assets total	587.1	541.8
Assets total	934.7	960.9

EUR million	31 Dec 2023	31 Dec 2022
Equity		
Share capital	36.2	36.2
Fair value reserve	6.6	28.7
Contingency fund	19.4	19.4
Invested unrestricted equity reserve	74.8	74.8
Other reserves	0.1	0.1
Translation differences	-16.7	-16.7
Retained earnings	50.8	83.2
Equity attributable to the parent company shareholders	171.3	225.6
Non-current liabilities		
Deferred tax liabilities	2.9	4.9
Pension obligations	13.4	11.8
Interest-bearing liabilities	7.1	69.9
Other non-current liabilities	0.8	0.7
Non-current liabilities total	24.3	87.3
Current liabilities		
Trade payables	607.5	557.3
Interest-bearing liabilities	110.7	67.0
Income tax payables	0.1	1.0
Other current liabilities	19.1	22.8
Liabilities related to assets held for sale	1.8	-
Current liabilities total	739.1	648.0
Equity and liabilities total	934.7	960.9

Consolidated statement of changes in equity (IFRS)

EUR million	Share capital	Funds	Translation differences	Retained earnings	Equity total
Equity 1 Jan 2022	36.2	120.7	-28.5	88.3	216.8
Comprehensive income for the period					
Net profit for the period	-	-	-	-2.4	-2.4
Other comprehensive income:					
Cash flow hedge	-	2.8	-	-	2.8
Actuarial gains and losses	-	-	-	5.2	5.2
Income tax relating to other comprehensive income	-	-0.6	-	-1.1	-1.6
Translation difference	-	-	40.8	-	40.8
Translation difference reclassified to profit and loss	-	-	-29.0	-	-29.0
Comprehensive income for the period total	-	2.2	11.7	1.8	15.7
Transactions with owners					
Dividend distribution	-	-	-	-7.3	-7.3
Share-based incentive	-	-	-	0.5	0.5
Purchase of own shares	-	-	-	-0.1	-0.1
Transactions with owners total	-	-	-	-6.9	-6.9
Equity 31 December 2022	36.2	122.9	-16.7	83.2	225.6
Equity 1 Jan 2023	36.2	122.9	-16.7	83.2	225.6
Comprehensive income for the period					
Net profit for the period	-	-	-	-20.7	-20.7
Other comprehensive income:					
Financial assets recognized at fair value through other comprehensive income:					
Change in fair value	-	-20.6	-	-	-20.6
Cash flow hedge	-	-1.8	-	-	-1.8
Actuarial gains and losses	-	-	-	-1.4	-1.4
Income tax relating to other comprehensive income	-	0.4	-	0.3	0.7
Translation difference	-	-	0.1	-	0.1
Comprehensive income for the period total	-	-22.1	0.1	-21.8	-43.8
Transactions with owners					
Dividend distribution	-	-	-	-10.9	-10.9
Share-based incentive	-	-	-	0.5	0.5
Purchase of own shares	-	-	-	-0.1	-0.1
Transactions with owners total	-	-	-	-10.5	-10.5
Equity 31 December 2023	36.2	100.9	-16.7	50.8	171.3

Consolidated statement of cash flows (IFRS)

EUR million	2023 1-12	2022 ¹ 1-12
Profit (loss) for the period	-20.7	-2.4
Adjustments for		
Depreciation, amortisation and impairments	35.4	28.1
Share of results in joint venture	4.8	2.0
Financial income and expenses	7.6	5.5
Loss on sale of discontinued operations	-	29.4
Income taxes	3.1	7.9
Other adjustments	1.9	-0.9
Cash flow before change in working capital	32.0	69.6
Change in working capital	-13.2	27.7
Cash flow from operating activities before financial items and taxes	18.9	97.3
Financial income received and costs paid	-4.8	-15.4
Taxes paid	-4.4	-4.0
Net cash flow from operating activities	9.6	77.9
Investments in property, plant and equipment and intangible assets	-3.6	-8.5
Proceeds from sale of property, plant and equipment and intangible assets	0.0	0.4
Investments in joint ventures	-	24.3
Sales of subsidiaries and business operations, net of cash disposed	-	-13.1
Net cash flow from investing activities	-3.5	3.0
Repayment of loans	-2.0	-2.0
Change in other current financing	-11.9	-4.2
Amortisations of lease liabilities	-3.5	-15.7
Purchasing of own shares	-0.1	-0.1
Dividends paid	-10.9	-7.3
Net cash flow from financing activities	-28.3	-29.3
Net change in cash and cash equivalents	-22.3	51.6
Cash and cash equivalents at the beginning of the period	160.6	109.1
Translation differences	0.0	-0.1
Net change in cash and cash equivalents	-22.3	51.6
Cash and cash equivalents at the end of the period	138.4	160.6

¹ Includes continuing and discontinued operations.

Notes to the Financial Statements Release January–December 2023

Accounting policies

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

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

Comparative information has been restated due to a correction of an error in elimination of net sales and cost of goods sold. The cross effect on the total correction was EUR 23.6 million. The correction has no impact on the Group's profit or the statement of financial position.

Oriola announced on 13 October that it has 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 as part of Oriola's strategic decision to strengthen focus on wholesale business. The transaction is subject to the approval of the Swedish Competition Authority and is expected to be completed in the second quarter of 2024. Oriola applies the requirements of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* in the classification, presentation and recognition of sale of Dose dispensing business in Sweden. Svensk dos AB has been classified as held for sale as of October 2023. The statement of financial position has not been adjusted for the previous periods.

Earnings per share

EUR million	2023 10-12	2022 10-12	2023 1-12	2022 1-12
Profit attributable to equity owners of the parent				
Continuing operations	-2.8	-8.1	-20.7	4.8
Discontinued operations	-	-29.8	-	-7.2
Group total	-2.8	-37.9	-20.7	-2.4
Average number of outstanding shares (1000 shares)				
Basic	181,399	181,377	181,390	181,371
Diluted	181,423	181,423	181,423	181,423
Earnings per share (EUR)				
Basic				
Continuing operations	-0.02	-0.04	-0.11	0.03
Discontinued operations	-	-0.16	-	-0.04
Group total	-0.02	-0.21	-0.11	-0.01
Diluted				
Continuing operations	-0.02	-0.04	-0.11	0.03
Discontinued operations	-	-0.16	-	-0.04
Group total	-0.02	-0.21	-0.11	-0.01

Assets held for sale

Oriola announced on 13 October that it has 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 as part of Oriola's strategic decision to strengthen focus on wholesale business. Svensk dos AB has been classified as held for sale as of October 2023. Non-current assets are not depreciated while they are classified as held for sale.

The agreed sales price in cash is SEK110 million (approximately EUR 9.5 million). The transaction is subject to the approval of the Swedish Competition Authority and is expected to be completed in the second quarter of 2024.

As of 31 December 2023, the following assets and liabilities were classified as held for sale:

Assets held for sale and liabilities related to them	31 Dec 2023
EUR million	
Property, plant and equipment (including right-of-use assets)	2.4
Goodwill	4.5
Other intangible assets	1.9
Deferred tax assets	0.5
Inventories	1.2
Trade and other receivables	1.5
Cash and cash equivalents	0.0
Assets total	12.0
Deferred tax liabilities	0.1
Current interest-bearing liabilities	0.2
Current trade and other payables	1.5
Liabilities total	1.8

Tangible and intangible assets and right-of-use assets

Changes in property, plant and equipment, EUR million	2023 1-12	2022 1-12
Carrying amount at the beginning of the period	43.9	76.6
Increases	1.4	3.2
Decreases	-0.6	-0.1
Disposals of operations	-	-20.9
Reclassifications between asset categories	0.0	0.4
Transfer to assets held for sale	-2.1	-
Depreciation, continuing operations	-6.0	-6.6
Depreciation, discontinued operations	-	-0.5
Impairments	-0.2	-3.7
Foreign exchange rate differences	-0.1	-4.6
Carrying amount at the end of the period	36.4	43.9

Changes in right-of-use assets EUR million	2023 1-12	2022 1-12
Carrying amount at the beginning of the period	13.8	79.4
Increases	3.2	5.5
Decreases	-4.9	-0.6
Disposals of operations	-	-59.3
Transfer to assets held for sale	-0.3	-
Depreciation, continuing operations	-3.1	-4.0
Depreciation, discontinued operations	-	-1.7
Foreign exchange rate differences	-0.1	-5.5
Carrying amount at the end of the period	8.6	13.8

Decreases mainly relate to Brunna warehouse contract ending.

Changes in goodwill, EUR million	2023 1-12	2022 1-12
Carrying amount at the beginning of the period	61.1	273.5
Disposals of operations	-	-196.6
Transfer to assets held for sale	-4.5	-
Impairments	-21.4	-
Foreign exchange rate differences	0.0	-15.8
Carrying amount at the end of the period	35.2	61.1

Impairment in 2023 has been recognized in dose dispensing cash generating unit.

Changes in other intangible assets, EUR million	2023 1-12	2022 1-12
Carrying amount at the beginning of the period	20.6	71.0
Increases	2.0	5.2
Decreases	-0.1	-0.4
Disposals of operations	-	-39.8
Reclassifications	-0.0	-0.4
Transfer to assets held for sale	-1.9	-
Amortization, continuing operations	-4.7	-4.8
Amortization, discontinued operations	-	-0.8
Impairments	-	-6.4
Foreign exchange rate differences	-0.0	-3.1
Carrying amount at the end of the period	16.0	20.6

Derivatives

31 Dec 2023 EUR million	Positive fair value	Negative fair value	Nominal values of contracts
Derivatives recognised as cash flow hedges			
Interest rate swaps	1.8	0.4	54.1
Derivatives measured at fair value through profit or loss			
Interest rate swaps	0.3	-	10.8
Foreign currency forward and swap contracts	0.6	0.6	75.5
Total	2.8	1.0	140.4

31 Dec 2022 EUR million	Positive fair value	Negative fair value	Nominal values of contracts
Derivatives recognised as cash flow hedges			
Interest rate swaps	3.3	-	53.9
Derivatives measured at fair value through profit or loss			
Interest rate swaps	0.7	-	10.8
Foreign currency forward and swap contracts	0.1	0.5	115.4
Total	4.1	0.5	180.2

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

Hierarchy levels of fair values of financial instruments

31 Dec 2023 EUR million	Level 1	Level 2	Level 3	Total
Assets				
Derivatives designated as hedges	-	1.8	-	1.8
Derivatives measured at fair value through profit or loss	-	0.9	-	0.9
Other investments measured at fair value through OCI	-	-	13.6	13.6
Trade receivables for sale	-	8.0	-	8.0
Liabilities				
Derivatives designated as hedges	-	0.4	-	0.4
Derivatives measured at fair value through profit or loss	-	0.6	-	0.6

31 Dec 2022 EUR million	Level 1	Level 2	Level 3	Total
Assets				
Derivatives designated as hedges	-	3.3	-	3.3
Derivatives measured at fair value through profit or loss	-	0.8	-	0.8
Other investments measured at fair value through OCI	-	-	34.2	34.2
Trade receivables for sale	-	6.1	-	6.1
Liabilities				
Derivatives measured at fair value through profit or loss	-	0.5	-	0.5

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

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

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

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

	2023	2022
Financial assets on level 3, EUR million	1-12	1-12
Carrying amount at the beginning of the period	34.2	34.2
Disposal of shares	-	-
Change in fair value	-20.6	-
Carrying amount at the end of the period	13.6	34.2

Financial assets recognised at fair value through other comprehensive income (level 3) include Oriola's holding in the Swedish online medical centre Doktor.se. The applied valuation method for the shares in Doktor.se is based on realised transactions. A decrease of EUR 20.6 million was recognised in the fair value of shareholdings in Doktor.se due to the realised transactions at lower price.

Commitments and Contingent Liabilities

EUR million	31 Dec 2023	31 Dec 2022
Commitments for own liabilities		
Guarantees on behalf of own companies	6.6	6.5
Guarantees on behalf of other companies	0.1	0.3
Mortgages on company assets	1.9	1.9
Other guarantees and liabilities	3.8	5.8
Total	12.4	14.5
Committed future minimum lease liabilities	0.9	1.1

The most significant guarantees are bank guarantees against the Swedish wholesale company's 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.

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, other members of the Oriola Management Team, the immediate family of the aforementioned persons and companies in which they have control or joint control, the Group's subsidiaries and joint ventures. The Group has transactions between the group companies in the ordinary course of business.

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

	2023	2022	2023	2022 ¹
EUR million	10-12	10-12	1-12	1-12
Sales	123.8	130.9	496.5	130.9
Purchases of goods and services	0.1	0.1	0.4	0.1
Trade and other receivables	70.5	20.7	70.5	20.7
Trade and other payables	0.8	0.2	0.8	0.2
Commitments	0.1	0.3	0.1	0.3

¹ The income statement items for 2022 do not represent full-year 2022 (1-12) figures.

Quarterly information

EUR million	2023	2023	2023	2023	2022	2022	2022	2022
	10-12	7-9	4-6	1-3	10-12	7-9	4-6	1-3
Invoicing	963.4	861.7	904.3	858.3	906.9	870.6	903.9	886.7
Net sales	386.6	357.9	389.0	360.4	380.0	379.5	400.9	378.6
Adjusted EBIT total	5.4	4.4	3.4	3.5	2.9	6.6	5.5	4.7
EBIT total	5.2	-17.1	3.2	3.5	-7.1	6.3	7.0	3.3
Number of employees at the end of the period (FTE)	801	754	797	830	833	859	899	1,039

Geographical information

1-12/2023	Other			
EUR million	Sweden	Finland	countries	Total
Net sales	836.7	536.5	120.7	1,493.8
Non-current assets ¹	55.1	290.2	-	345.3
Investments	0.8	2.7	-	3.5
Average number of employees (FTE)	389	411	-	800

1-12/2022	Other			
EUR million	Sweden	Finland	Countries	Total
Net sales	917.3	508.4	113.4	1,539.1
Non-current assets ¹	81.5	332.5	-	414.0
Investments	1.4	2.0	-	3.4
Average number of employees (FTE)	466	448	-	914

¹ Non-current assets exclude financial instruments and deferred tax assets.

Disaggregation of revenue

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

EUR million	2023	2022
	1-12	1-12
Wholesale	1,347.8	1,311.5
Other ¹	146.1	227.6
Net sales total	1,493.8	1,539.1

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

Alternative performance measures

Key figures EUR million	2023 10-12	2022 10-12	Change %	2023 1-12	2022 1-12	Change %
Invoicing	963.4	906.9	6.2	3,587.7	3,568.0	0.6
Net sales	386.6	380.0	1.7	1,493.8	1,539.1	-2.9
Adjusted EBIT ¹	5.4	2.9	84.9	16.7	19.7	-15.4
EBIT	5.2	-7.1	173.6	-5.3	9.5	-155.1
Adjusted EBIT %	1.4	0.8		1.1	1.3	
EBIT %	1.3	-1.9		-0.4	0.6	
Profit for the period	-2.8	-8.1	65.9	-20.7	4.8	-534.9
Earnings per share, EUR	-0.02	-0.04		-0.11	0.03	
Net cash flow from operating activities ²	22.9	36.1		9.6	77.9	
Gross capital expenditure				3.5	3.4	
Net interest-bearing debt				-20.6	-23.7	
Gearing, %				-12.1	-10.5	
Equity per share, EUR				0.94	1.24	
Equity ratio, %				18.5	23.8	
Return on equity (ROE), %				-10.4	2.2	
Return on capital employed (ROCE), %				-1.6	2.4	
Average number of shares, 1000 pcs ³				181,390	181,371	
Average number of employees (FTE)				800	914	
Number of employees at the end of the period (FTE)				801	833	

¹ Adjusting items are specified in note Adjusting items.

² Year 2022 includes discontinued operations.

³ Treasury shares held by the company not included.

Reconciliation of alternative performance measures to IFRS

Invoicing	2023	2022	2023	2022
EUR million	10-12	10-12	1-12	1-12
Net sales	386.6	380.0	1 493.8	1,539.1
+ Acquisition cost of consignment stock	576.3	526.8	2 093.4	2,028.9
+ Cash discounts	0.0	0.0	0.0	0.1
+ Exchange rate differences on sales	0.5	-0.0	0.5	0.0
Invoicing	963.4	906.9	3,587.7	3,568.0

Adjusted EBIT	2023	2022	2023	2022
EUR million	10-12	10-12	1-12	1-12
EBIT	5.2	-7.1	-5.3	9.5
- Adjusting items included in EBIT	0.2	10.0	21.9	10.2
Adjusted EBIT	5.4	2.9	16.7	19.7

Alternative performance measures calculated on a constant currency basis	2023	2022	2023	2022
EUR million	10-12	10-12	1-12	1-12
Invoicing	963.4	906.9	3,587.7	3,568.0
Translation difference	31.3	46.2	182.5	110.7
Invoicing calculated on a constant currency basis	994.7	953.0	3,770.3	3,678.7
Net sales	386.6	380.0	1,493.8	1,539.1
Translation difference	11.7	19.9	75.6	48.6
Net sales calculated on a constant currency basis	398.2	399.9	1,569.5	1,587.7
Adjusted EBIT	5.4	2.9	16.7	19.7
Translation difference	-0.2	0.1	0.4	0.4
Adjusted EBIT calculated on a constant currency basis	5.1	3.0	17.1	20.2

Calculation of alternative performance measures

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

Adjusting items

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

Adjusting items included in EBIT EUR million	2023	2022	2023	2022
	10-12	10-12	1-12	1-12
Restructuring costs	-	-0.2	-0.2	-0.5
Impairments and write-downs	-	-9.8	-21.6	-9.8
Other	-0.2	-	-0.2	0.1
Adjusting items from continuing operations	-0.2	-10.0	-21.9	-10.2

Adjusting items in 2023 include an impairment loss on goodwill totalling EUR 21.4 million in the dose dispensing cash generating unit and a write-down of assets of EUR 0.2 million at Brunna warehouse, which was closed. Restructuring costs in 2023 relate to expert services and other adjusting items relate to the sale of dose dispensing business in Sweden.

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

Events after the period

Oriola to invest in ERP and warehouse management as part of the recently launched strategy to enhance efficiency and operational excellence

In January 2024, Oriola announced that it will be investing in its infrastructure as part of its refined strategy, published in October 2023, with the aim to enhance efficiency and operational excellence. Enhanced efficiency is one of the three goals set by Oriola to drive the strategy forward.

The investment comprises the renewal of Oriola's ERP (enterprise resource planning) and warehouse management system during the years 2025–2027. The aim of the project is to have one common system which will enable to harmonise business processes, strengthen data management and enhance customer experience. The value of the total investment is about EUR 35 million of which capital expenditure is estimated to be about 3/4 of the total investment. The new ERP and warehouse management system will replace the current two separate systems in Sweden and Finland. The project will start in 2024 and the new system will be deployed in phases during 2025–2027. The first deployment will be in Sweden followed by the deployment in Finland.

The Swedish Competition Authority moves its investigation of Oriola's sale of Svensk dos AB to Apotekstjänst Sverige AB into phase II

On 31 January 2024, Oriola announced that the Swedish Competition Authority (Konkurrensverket) moved its investigation of Oriola's sale of Svensk dos AB to Apotekstjänst Sverige AB into phase II. Oriola expects, based on currently available information, that the transaction will be completed in the second quarter of 2024.

Reporting segments

Oriola's reporting segments from 1 January 2024 are Distribution and Wholesale.