

ORIOLA CORPORATION'S INTERIM REPORT 1 January-30 September 2024

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Oriola Corporation's Interim Report 1 January-30 September 2024

Improved profitability

July-September 2024 highlights

- Invoicing increased by 7.7 % to EUR 927.7 (861.7) million.
- Net sales increased by 18.6% to EUR 424.4 (357.9) million.
- Adjusted EBIT was EUR 5.5 (4.4) million.
- EBIT was EUR 0.2 (-17.1) million and included adjusting items of EUR -5.3 (-21.6) million mainly related to the implementation costs of the ERP investment.
- Profit for the period totalled EUR -1.9 (-20.2) million and earnings per share were EUR -0.01 (-0.11).

Excluding Swedish dose business:

- At the end of April, the Swedish Competition Authority announced its decision to prohibit the sale of Svensk dos AB due to negative effects on competition in the market. Apotekstjänst Sverige AB has appealed the decision. The appeal process can take up to 6 months. Oriola will communicate on the next steps in Q4. Oriola announced the sale of Svensk dos AB to Apotekstjänst Sverige AB in October 2023.
- Net sales were EUR 420.6 (355.9) million.
- Adjusted EBIT was EUR 5.4 (5.2) million.

January-September 2024 highlights

- Invoicing increased by 6.2% to EUR 2,788.3 (2,624.4) million.
- Net sales increased by 11.9% to EUR 1,239.0 (1,107.3) million.
- Adjusted EBIT was EUR 15.3 (11.3) million.
- EBIT was EUR 9.6 (-10.5) million and included adjusting items of EUR -5.7 (-21.8) mainly related to the implementation cost of the ERP investment.
- Profit for the period totalled EUR -2.3 (-17.9) million and earnings per share were EUR -0.01 (-0.10).

Excluding Swedish dose business:

- Net sales were EUR 1,228.9 (1,091.6) million.
- Adjusted EBIT was EUR 15.5 (13.3) million.

Key figures	2024	2023	Change	2024	2023	Change	2023
EUR million	7-9	7-9	%	1-9	1-9	%	1-12
Invoicing	927.7	861.7	7.7	2,788.3	2,624.4	6.2	3,587.7
Net sales	424.4	357.9	18.6	1,239.0	1,107.3	11.9	1,493.8
Adjusted EBIT ¹	5.5	4.4	24.7	15.3	11.3	35.2	16.7
EBIT	0.2	-17.1	101.1	9.6	-10.5	191.3	-5.3
Adjusted EBIT %	1.3	1.2		1.2	1.0		1.1
EBIT %	0.0	-4.8		0.8	-0.9		-0.4
Profit for the period	-1.9	-20.2	90.4	-2.3	-17.9	87.3	-20.7
Earnings per share, EUR	-0.01	-0.11	90.4	-0.01	-0.10	87.3	-0.11
Net cash flow from operating activities	-5.3	10.1		1.2	-13.3		9.6
Gearing, %				-4.6	-0.9		-12.1
Equity ratio, %				17.7	19.3		18.5
Return on capital employed (ROCE), %				4.9	-4.2		-1.6

¹ Adjusting items are specified in note Adjusting items on page 17.

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 under Key financial indicators in 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:

Our solid performance since the start of this year continued in the third quarter, with increased net sales and profitability compared with the previous year. Also, in the pharmaceutical distribution market, the steady growth continued driven by a high demand for high-value pharmaceuticals.

Oriola's net sales in Q3 grew to EUR 424 million, driven by the Distribution segment. Adjusted EBIT increased from the previous year to EUR 5.5 (4.4) million. This improvement was supported by net sales growth and lower freight costs compared with the previous year. When excluding the impact of the Swedish dose dispensing business, the adjusted EBIT improved to EUR 5.4 (5.2) million. Oriola's financial position remained strong.

In the Distribution segment, net sales grew by 23% to EUR 351 million, largely due to a customer shifting from consignment to our inventory. Organic growth was 5%, driven by higher market volumes and price increases. Profitability improved to EUR 5.0 (3.5) million, supported by net sales growth and lower costs compared with last year. Our market share was stable in Finland, while we saw a decline in market share in Sweden. During the quarter we signed new and renewed existing distribution agreements. One of the new agreements is with a cross-market customer, with volumes starting in Q1 2025. Additionally, we entered the optical sales channel in Sweden, where we see opportunities also for the wholesale business.

In the Wholesale segment, net sales remained at EUR 74 million, the same as last year. While the Finnish wholesale business was stable, volumes in the Swedish wholesale business declined. Profitability was at last year's level. As part of our strategy to grow the wholesale business, we added new products and suppliers to our portfolio. We gained new listings and introduced new products in the Finnish market, and introduced our own brand, Dexal, in Sweden.

Since launching our refined strategy a year ago, we have made steady progress towards becoming the leading specialist in wholesale of pharmaceuticals and health products. This reflects the full commitment and dedication of our management team to our strategy and long-term targets. Our strategic investment to renew our ERP (enterprise resource planning) and WMS (warehouse management systems) is proceeding according to plan. Through this project we have reviewed and harmonised processes to ensure consistency and common ways of working across the company.

For the second consecutive year, we retained our gold sustainability rating in the 2024 EcoVadis assessment. This important achievement recognises our ongoing commitment to integrating sustainability into our daily operations and continuously improving performance. In September, we committed to set near- and long-term company-wide emission reductions in line with science-based net-zero with the SBTi (Science Based Target initiative). We expect the targets to be validated in 2025.

In the joint venture company, Kronans Apotek, e-commerce sales grew with double digits in Q3, improving the e-commerce footprint. The weaker customer flow in the brick-and-mortar operation resulted in flat sales compared with a year ago. Kronans Apotek is an important strategic partner for us, and we will actively support its value creation as a major shareholder.

I am pleased with our solid performance in the third quarter. These results reflect the dedication of our people and the ongoing support of our valued customers and partners. As we move towards the end of this year, I want to thank everyone at Oriola for their work and commitment.

Operating environment

Oriola has identified solid long-term drivers supporting market growth such as ageing population, wellbeing and healthcare, online pharmaceuticals and growth of speciality products.

The value of the pharmaceutical distribution market continued a steady growth in the third quarter driven by good demand for high-value pharmaceuticals. The challenges in the availability of pharmaceuticals have continued in Europe. Cost inflation has slowed down, with more normalised energy and fuel prices.

Market environment – Pharmaceuticals

The pharmaceutical distribution markets in Finland and Sweden are valued at around EUR 8.5 billion and have historically been relatively stable during uncertain economic times. In the past three years, the average annual growth rate has been about 6% in value terms.

In Sweden, the value of the pharmaceutical distribution market at wholesale prices, measured in Swedish krona, grew by 8.9% (8.7%) in the third quarter and by 7.8% (9.5%) in January-September (source: IQVIA). In Finland, the market value grew by 6.8% (1.8%) in the third quarter and by 4.9% (3.2%) in January-September (source: Pharmaca Health Intelligence). According to Oriola's estimate, the company's share of the pharmaceutical distribution market in Sweden was approximately 42% (44%) in the third quarter and 43% (44%) in January-September. Oriola estimates that, the company's share of the pharmaceutical distribution market in Finland was approximately 44% (45%) in the third quarter and 45% (44%) in January-September.

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 114,000 (110,000) patients of which Oriola serves approximately 35,000 (30,000).

Market environment – Health products

The consumer health markets in Finland and Sweden are valued at around EUR 1.5 billion. The historical market growth has been 3.1% (2018-2023 CAGR%) while growth is expected to be 3.2 % for 2023-2028 with significant differences between categories. In Sweden, the ongoing preventive health trend will continue driving demand for products such as vitamins, dietary supplements and sports nutrition, all of which are expected to benefit from increased demand. In Finland, consumers are expected to demand more natural and clean products with high-quality ingredients and available in easy-to-use formats. (Source: Euromonitor)

The consumer confidence indicator in Finland remained weak, although a slight improvement from a year ago was visible. In Sweden, the consumer confidence indicator reached a normal level.

Group financial performance

Net sales by segment EUR million	2024 7-9	2023 7-9	Change %	2024 1-9	2023 1-9	Change %	2023 1-12
Distribution	350.8	284.3	23.4	1,002.9	877.4	14.3	1,189.0
Wholesale	73.8	73.8	0.0	236.5	230.6	2.6	305.7
Invoicing between segments	-0.2	-0.2		-0.4	-0.7		-0.9
Total	424.4	357.9	18.6	1,239.0	1,107.3	11.9	1,493.8

Invoicing and net sales July-September 2024

The Group's invoicing increased by 7.7% to EUR 927.7 (861.7) million. Net sales increased by 18.6% to EUR 424.4 (357.9) million. The impact of the Swedish krona was not significant on the Group's reported invoicing and net sales figures. Invoicing and net sales growth was driven by the Distribution segment.

Invoicing and net sales January-September 2024

The Group's invoicing increased by 6.2% to EUR 2,788.3 (2,624.4) million. Net sales increased by 11.9% to EUR 1,239.0 (1,107.3) million. The impact of the Swedish krona was not significant on the Group's reported invoicing and net sales figures. Invoicing and net sales growth was driven mainly by the Distribution segment.

Adjusted EBIT by segment EUR million	2024 7-9	2023 7-9	Change %	2024 1-9	2023 1-9	Change %	2023 1-12
Distribution	5.0	3.5	45.6	13.1	9.7	35.0	14.5
Wholesale	2.3	2.4	-3.7	7.5	7.1	4.5	8.9
Group administration and others	-1.9	-1.5	-26.9	-5.3	-5.6	4.4	-6.8
Total	5.5	4.4	24.7	15.3	11.3	35.2	16.7

Profitability July-September 2024

The Group's adjusted EBIT increased to EUR 5.5 (4.4) million. Adjusting items totalled EUR -5.3 (-21.6) million and were related to i) the implementation cost of the ERP investment in Group administration (EUR -4.4 million) and ii) a service level agreement settlement in Wholesale segment (EUR -0.9 million). Improved profitability was driven by the Distribution segment. The Group's adjusted EBIT excluding the impact of the Swedish dose dispensing business was EUR 5.4 (5.2) million. EBIT was EUR 0.2 (-17.1) million.

In the third quarter of 2024, Oriola recognised a loss of EUR 0.6 (loss of 0.6) million from Swedish Pharmacy Holding AB in the consolidated statement of comprehensive income.

Net financial expenses decreased to EUR 1.8 (1.9) million mainly due to lower debt level. Profit for the period was EUR -1.9 (-20.2) million. Earnings per share were EUR -0.01 (-0.11).

Profitability January-September 2024

The Group's adjusted EBIT increased to EUR 15.3 (11.3) million. Adjusting items totalled EUR -5.7 (-21.8) million and were related to i) the implementation cost of the ERP investment in Group administration (EUR -5.7 million), ii) a service level agreement settlement in Wholesale segment (EUR -0.9 million), iii) compensation from a court appeal of a tender process in dose dispensing business in Distribution segment (EUR 1.4 million) and iv) costs due to the sale of dose dispensing business in Sweden in Group administration (EUR -0.4 million). Improved profitability was mainly driven by the Distribution segment. The Group's adjusted EBIT excluding the impact of the Swedish dose dispensing business was EUR 15.5 (13.3) million. EBIT was 9.6 (-10.5) million.

In January-September 2024, Oriola recognised a loss of EUR 5.3 (loss of 0.9) million from Swedish Pharmacy Holding AB in the consolidated statement of comprehensive income.

Net financial expenses increased to EUR 5.6 (5.3) million mainly due to higher net interest expenses. Profit for the period was EUR -2.3 (-17.9) million. Earnings per share were EUR -0.01 (-0.10).

Distribution segment

Distribution segment consists of pharmaceutical logistics and dose dispensing services in Finland and Sweden.

Key figures	2024	2023	Change	2024	2023	Change	2023
EUR million	7-9	7-9	%	1-9	1-9	%	1-12
Net sales	350.8	284.3	23.4	1,002.9	877.4	14.3	1,189.0
Adjusted EBIT	5.0	3.5	45.6	13.1	9.7	35.0	14.5
Adjusted EBIT %	1.4	1.2		1.3	1.1		1.2
EBIT	5.0	-18.0	128.0	14.6	-11.7	224.0	-6.9

July-September 2024

Net sales grew by 23.4% to EUR 350.8 (284.3) million. A significant part of the net sales increase was due to a customer changing from consignment to Oriola's inventory. Organic net sales growth was around 5% supported by growing market volumes and implemented price increases. The impact of lower volumes in the Swedish dose dispensing business was not significant in the third quarter.

Adjusted EBIT increased to EUR 5.0 (3.5) million. Profitability improvement was supported by net sales growth and lower freight costs. There were no adjusting items in the reporting period (EUR -21.5 million). The adjusted EBIT excluding the impact of the Swedish dose dispensing business was EUR 5.0 (4.2) million. The move of clinical trials under the management of advisory services in the Wholesale segment had a negative impact on adjusted EBIT. In this reporting period, EBIT was EUR 5.0 (-18.0) million.

January-September 2024

Net sales grew by 14.3% to EUR 1,002.9 (877.4) million. The rise in net sales was supported by growth in the pharmaceutical distribution market and a customer changing from consignment to Oriola's inventory in Q3. The positive development in the underlying business has offset the negative impact of lower volumes in the Swedish dose dispensing business.

Adjusted EBIT increased to EUR 13.1 (9.7) million. Profitability improvement was supported by net sales growth, and lower freight costs and operating expenses compared with the previous year. The lower freight costs were related to operational improvement and lower fuel prices. Operating expenses were lower due to cost reductions in the Swedish dose dispensing business. Adjusting items totalled EUR 1.4 (-21.5) million and were related to compensation from a court appeal of a tender process in the dose dispensing business. The adjusted EBIT excluding the impact of the Swedish dose dispensing business was EUR 13.3 (11.7) million. EBIT was EUR 14.6 (-11.7) million.

Wholesale segment

Wholesale segment consists of wholesale of traded goods and over-the-counter (OTC) products, parallel import and special licensed medicines, as well as advisory services in Finland and Sweden.

Key figures	2024	2023	Change	2024	2023	Change	2023
EUR million	7-9	7-9	%	1-9	1-9	%	1-12
Net sales	73.8	73.8	0.0	236.5	230.6	2.6	305.7
Adjusted EBIT	2.3	2.4	-3.7	7.5	7.1	4.5	8.9
Adjusted EBIT %	3.2	3.3		3.2	3.1		2.9
EBIT	1.4	2.3	-38.1	6.5	6.8	-5.2	8.6

July-September 2024

Net sales grew by 0.0% to EUR 73.8 (73.8) million. The development in the wholesale business in Finland was stable, while the decline in volumes in the Swedish wholesale business was offset by advisory services.

Adjusted EBIT was EUR 2.3 (2.4) million. The profitability was impacted by lower volumes in the Swedish wholesale business. The positive impact of the move of clinical trials under the management of advisory services was around EUR 0.3 million. Adjusting items totalled EUR -0.9 (-0.1) million and were related to a service level agreement settlement. EBIT was EUR 1.4 (2.3) million.

January-September 2024

Net sales grew by 2.6% to EUR 236.5 (230.6) million. The rise in net sales was supported by growth in the Swedish wholesale business and advisory services.

Adjusted EBIT increased to EUR 7.5 (7.1) million. The profitability improvement was related to a rise from moving clinical trials under the management of advisory services (around EUR 1 million). Adjusting items totalled EUR -0.9 (-0.3) million and were related to a service level agreement settlement. EBIT was 6.5 (6.8) million.

Balance sheet, cash flow and financing

Oriola's total assets at the end of September 2024 were EUR 868.9 (922.4) million. Equity attributable to the equity holders was EUR 151.7 (174.1) million.

Cash and cash equivalents totalled EUR 83.9 (130.3) million. Net cash flow from operating activities in January–September 2024 was EUR 1.2 (-13.3) million, of which changes in working capital accounted for EUR -11.7 (-26.8) million. Increase in inventories and trade receivables and decrease in trade payables have impacted working capital negatively. Strong fluctuation in working capital is typical for Oriola's industry. Net cash flow from investing activities was EUR -1.5 (-2.4) million. Net cash flow from financing activities was EUR -54.2 (-14.6) million. During the reporting period, loans from financial institutions were repaid by EUR 27.9 million, and liabilities related to commercial paper issues were reduced by EUR 14.5 million. The effect of the payment of dividends on the net cash flow from financing was EUR 12.7 million.

At the end of September 2024, interest-bearing debt was EUR 76.8 (128.7) million. Non-current interest-bearing liabilities amounted to EUR 4.5 (36.3) million and current interest-bearing liabilities amounted to EUR 72.3 (92.4) million. During the second quarter of 2024, a term-loan of SEK 290 million was repaid. Non-current interest-bearing liabilities consist of loans from financial institutions totalling EUR - (31.0) million and non-current lease liabilities totalling EUR 4.5 (5.3) million. Current interest-bearing liabilities mainly consist of commercial paper issues of EUR 24.9 (44.6) million, advance payments from Finnish pharmacies totalling EUR 13.7 (18.0) million, loans from financial institutions totalling EUR 31.0 (27.1) million and current lease liabilities totalling EUR 2.7 (2.6) million. Interest-bearing net debt was EUR -7.0 (-1.6) million and gearing -4.6% (-0.9%).

Non-recourse trade receivables sales programmes are in use in Sweden. At the end of September 2024, a total of EUR 95.4 (92.8) million in trade receivables had been sold. The average interest rate on the interest-bearing liabilities excluding lease liabilities was 3.55% (3.51%). Interest rate risk relating to the cash flow from selling of trade receivables has been partly hedged with interest rate swaps.

Oriola has an unsecured EUR 70 million revolving credit facility agreement, which matures in June 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 70.0 million and the short-term credit limits totalling EUR 40.0 million were unused at the end of September 2024.

At the end of September 2024, Oriola's equity ratio was 17.7% (19.3%). Return on capital employed was 4.9% (-4.2%) and return on equity was -1.9% (-11.8%).

Investments and depreciation

Gross investments in January–September 2024 totalled EUR 1.2 (2.0) million and consisted mainly of investments in warehouse management systems and equipment.

Oriola has finalised the analysis and determination of the appropriate accounting treatment of configuration and customisation costs in the new ERP investment (see more details on page 12). In January–September 2024 no capital expenditure has been recognised.

Depreciation, amortisation and impairment amounted to EUR 10.6 (32.4) million. An impairment of EUR 1.9 million was recognised to earlier under construction in progress capitalised ERP investment related costs.

Joint venture Swedish Pharmacy Holding AB (Kronans Apotek)

Oriola has 50% shareholding in Swedish Pharmacy Holding AB, which controls pharmacy chains Kronans Apotek and Apoteksgruppen in Sweden. 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.

Key figures	2024	2023	Change	2024	2023	Change	2023
EUR million	7-9	7-9	%	1-9	1-9	%	1-12
Net sales	284.6	275.0	3.5	862.9	843.4	2.3	1,126.9
EBITA	2.5	1.8	34.7	-1.3	7.2	-118.3	0.7
EBITA %	0.9	0.7		-0.2	0.9		0.1
Adjusted EBIT	1.8	0.8	112.8	-2.9	3.1	-191.5	-2.0
Adjusted EBIT %	0.6	0.3		-0.3	0.4		-0.2
Net interest-bearing debt	79.1	62.3	27.0	79.1	62.3	27.0	93.0

In the third quarter of 2024, Swedish Pharmacy Holding AB reported net sales of EUR 284.6 (275.0) million. EBITA (Earnings before interest, taxes and amortization) was EUR 2.5 (1.8) million. Adjusted EBIT was EUR 1.8 (0.8) million, synergies during the reporting period totalled to EUR 0.0 (3.5) million and one-off costs related to the integration of the two companies were EUR 1.5 (1.2) million. At the end of September 2024, net interest-bearing debt was EUR 79.1 (62.3) million.

In January-September 2024, net sales were EUR 862.9 (843.4) million. EBITA was EUR -1.3 (7.2) million. Adjusted EBIT was -2.9 (3.1) million, synergies during the reporting period totalled to EUR 4.6 (8.2) and one-off costs related to the integration of the two companies was EUR 5.1 (2.7) million.

In the joint venture company, Kronans Apotek, e-commerce sales grew with double digits in Q3, improving the e-commerce footprint. The weaker customer flow in the brick-and-mortar operation resulted in flat sales compared with a year ago. Kronans Apotek expects to reach the synergies of EUR 25 million according to the original plan. The integration process has been more complex than expected, especially related to the ERP integration, and will therefore take a longer time than anticipated.

Kronans Apotek is an important strategic partner for Oriola, and Oriola will actively support Kronans Apotek's value creation as a major shareholder.

Sustainability

Oriola has an important societal role as an infrastructure-critical company to ensure safe and accurate deliveries of pharmaceuticals and health 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 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

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

<https://www.oriola.com/sustainability/>

Gold sustainability rating in EcoVadis for second consecutive year

Oriola has retained its gold sustainability rating in the 2024 EcoVadis assessment for the second consecutive year, placing Oriola among the top 5% of companies globally. This achievement recognises Oriola's ongoing commitment to integrating sustainability into the company's daily operations and continuously improving performance. Oriola actively participates in two key sustainability ratings: EcoVadis and CDP (Climate Disclosure Project).

Commitment to set science-based targets (SBTi)

In September, Oriola committed to set near- and long-term company-wide emission reductions in line with science-based net-zero with the SBTi (Science Based Target initiative). Oriola expects the targets to be validated in 2025.

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. In relation to this, Oriola has ongoing projects to develop ESG data and data management.

Personnel

At the end of September 2024, the number of employees in full-time equivalents (FTE) was 804 (754), of which 413 (411) worked in Finland and 391 (343) in Sweden. The increase in the number of personnel was related to building competences in commercial and supply chain functions. In January–September 2024, the average number of employees (FTE) of the Group was 813 (806).

Personnel by country and segment (FTE)	2024	2023	2023
	1-9	1-9	1-12
Finland	413	411	412
Sweden	391	343	389
Distribution	438	426	445
Wholesale	291	259	284
Functions	75	69	72
Total	804	754	801

Oriola to invest in ERP and warehouse management

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 in 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. The new ERP and warehouse management system will replace the current two separate systems in Sweden and Finland. The project started in the beginning of 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.

IFRS Interpretations Committee's agenda decision on the accounting treatment of implementation costs for a Software as a Service (SaaS) in a cloud computing arrangement limits the capitalisation of the costs and amortisation over their useful life. Oriola has finalised the analysis and determination of the appropriate accounting treatment of configuration and customisation costs in the investment. Oriola's ERP arrangement is a cloud computing arrangement where Oriola does not control the asset, and for that reason cannot capitalise costs incurred in customising or configuring the software. Such costs are expensed as incurred. Costs arising from developing interfaces to existing on premise systems, will be capitalised. ERP investment related costs are reported as adjusting items.

Investment related costs recognised in the income statement during the third quarter were in total EUR 4.4 million (Q1-Q3 2024: EUR 5.7 million). No capital expenditure was recognised in the third quarter.

Changes in the Oriola Management Team

Timo Leinonen, the Chief Financial Officer of Oriola Corporation and Petri Boman, the Chief Supply Chain Officer of Oriola Corporation, left Oriola on 14 August 2024.

Mats Danielsson (M. Sc. Econ.) was appointed as Oriola's Chief Financial Officer and member of the Oriola Management Team as of 16 September 2024.

Oriola Management Team consisted of six members at the end of September 2024:

- Katarina Gabrielson, CEO
- Mats Danielsson, Chief Financial Officer
- Hannes Hasselrot, Chief Commercial Officer
- Niklas Lindholm, Chief People Officer
- Mikael Nurmi, Chief Digital Officer
- Petter Sandström, General Counsel

Oriola Corporation shares

Trading of shares	Jan–Sep 2024		Jan–Sep 2023	
	class A	class B	class A	class B
Trading volume, million	1.8	24.3	1.5	35.0
Trading value, EUR million	1.9	24.8	2.2	40.0
Highest price, EUR	1.23	1.17	1.93	1.82
Lowest price, EUR	0.96	0.85	1.05	0.89
Closing quotation, end of period, EUR	0.98	0.93	1.14	0.93

Oriola Corporation's market capitalisation on 30 September 2024 was EUR 170.6 (180.3) million.

In January–September 2024, the traded volume of Oriola Corporation shares, excluding treasury shares, corresponded to 14.3% (20.2%) of the total number of shares.

At the end of September 2024, 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 75,712 (87,426) treasury shares, of which 63,650 (63,650) were class A shares and 12,062 (23,776) were class B shares. The treasury shares held by the company account for 0.04% (0.05%) 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–September 2024, no class A shares were converted into class B shares.

There were no flagging notifications during the period.

Risks and uncertainty factors

The purpose of Oriola Risk Management is to, in accordance with stated goals, objectives and risk appetite, reduce unbeneficial risk exposure and increase beneficial risk exposure by identifying, analysing and managing risks related to the execution of Oriola Corporation's goals, strategy, operations, and business objectives.

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, 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 and other projects and aims to ensure seamless implementation of new IT and other systems through careful planning.

Oriola's distribution capabilities rely 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).

Events after the period

Oriola announced on 7 October 2024 that Tuomas Tiilikainen (M. Sc. Engineering) has been appointed as Oriola's Chief Supply Chain Officer (CSCO) and member of the Oriola Management Team. Tuomas Tiilikainen will assume his role as CSCO latest in April 2025.

Oriola announced on 11 October 2024 that Hannes Hasselrot, the Chief Commercial Officer (CCO) of Oriola and a member of Oriola's Management Team, has resigned to take a position at another company. He will leave Oriola in the first quarter 2025 at the latest. Oriola will start the process to find successor for Hasselrot.

Next financial report

Oriola Corporation will publish its Financial Statements Release for 1 January–31 December 2024 on Tuesday 4 March 2025.

Publication of the Annual Report

Oriola Corporation will publish its Annual Report 2024 during week 11 (latest 12 March 2025).

Financial calendar 2025

- Annual General Meeting on Wednesday 2 April 2025
- Interim Report 1-3/2025 on Tuesday 29 April 2025
- Half-Year Report 1-6/2025 on Friday 18 July 2025
- Interim Report 1-9/2025 on Thursday 30 October 2025

Espoo, 29 October 2024

Oriola Corporation
Board of Directors

Key financial indicators

Key figures		2024	2023	Change	2024	2023	Change	2023
EUR million	Note	7-9	7-9	%	1-9	1-9	%	1-12
Invoicing	3, 4	927.7	861.7	7.7	2,788.3	2,624.4	6.2	3,587.7
Net sales	3, 4	424.4	357.9	18.6	1,239.0	1,107.3	11.9	1,493.8
Adjusted EBIT ¹	3, 4	5.5	4.4	24.7	15.3	11.3	35.2	16.7
EBIT	3, 4	0.2	-17.1	101.1	9.6	-10.5	191.3	-5.3
Adjusted EBIT %		1.3	1.2		1.2	1.0		1.1
EBIT %		0.0	-4.8		0.8	-0.9		-0.4
Profit for the period		-1.9	-20.2	90.4	-2.3	-17.9	87.3	-20.7
Earnings per share, EUR		-0.01	-0.11	90.4	-0.01	-0.10	87.3	-0.11
Net cash flow from operating activities		-5.3	10.1		1.2	-13.3		9.6
Gross capital expenditure					1.2	2.0		3.5
Net interest-bearing debt					-7.0	-1.6		-20.6
Gearing, %					-4.6	-0.9		-12.1
Equity per share, EUR					0.84	0.96		0.94
Equity ratio, %					17.7	19.3		18.5
Return on equity (ROE), %					-1.9	-11.8		-10.4
Return on capital employed (ROCE), %					4.9	-4.2		-1.6
Average number of shares, 1000 pcs ²					181,407	181,387		181,390
Average number of personnel (FTE)					813	806		800
Number of personnel at the end of the period (FTE)					804	754		801

¹ Adjusting items are specified in note Adjusting items.

² Treasury shares held by the company not included.

Reconciliation of alternative performance measures to IFRS

Invoicing EUR million	2024 7-9	2023 7-9	2024 1-9	2023 1-9	2023 1-12
Net sales	424.4	357.9	1,239.0	1,107.3	1,493.8
+ Acquisition cost of consignment stock	503.4	503.7	1,549.6	1,517.1	2,093.4
+ Cash discounts	0.0	0.0	0.0	0.0	0.0
+ Exchange rate differences on sales	-0.1	0.2	-0.3	0.0	0.5
Invoicing	927.7	861.7	2,788.3	2,624.4	3,587.7

Adjusted EBIT EUR million	2024 7-9	2023 7-9	2024 1-9	2023 1-9	2023 1-12
EBIT	0.2	-17.1	9.6	-10.5	-5.3
- Adjusting items included in EBIT	5.3	21.6	5.7	21.8	21.9
Adjusted EBIT	5.5	4.4	15.3	11.3	16.7

Alternative performance measures calculated on a constant currency basis EUR million	2024 7-9	2023 7-9	2024 1-9	2023 1-9	2023 1-12
Invoicing	927.7	861.7	2,788.3	2,624.4	3,587.7
Translation difference	-16.6	58.9	-10.4	151.2	182.5
Invoicing calculated on a constant currency basis	911.1	920.6	2,777.9	2,775.6	3,770.3
Net sales	424.4	357.9	1,239.0	1,107.3	1,493.8
Translation difference	-7.6	24.5	-4.8	63.9	75.6
Net sales calculated on a constant currency basis	416.8	382.3	1,234.2	1,171.2	1,569.5
Adjusted EBIT	5.5	4.4	15.3	11.3	16.7
Translation difference	-0.1	0.2	-0.1	0.6	0.4
Adjusted EBIT calculated on a constant currency basis	5.4	4.7	15.2	11.9	17.1

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), %	=	$\frac{\text{EBIT}}{\text{Total assets - Non-interest-bearing liabilities (average between the beginning and the end of the year)}}$	x 100
Return on equity (ROE), %	=	$\frac{\text{Profit for the period}}{\text{Equity total (average between the beginning and the end of the year)}}$	x 100
Gearing, %	=	$\frac{\text{Net interest-bearing debt}}{\text{Equity total}}$	x 100
Equity ratio, %	=	$\frac{\text{Equity total}}{\text{Total assets - Advances received}}$	x 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	2024 7-9	2023 7-9	2024 1-9	2023 1-9	2023 1-12
Restructuring costs	0.0	-	-0.1	-0.2	-0.2
Impairments and write-downs	-1.9	-21.6	-1.9	-21.6	-21.6
ERP investment related implementation costs in cloud computing arrangement	-2.6	-	-3.9	-	-
Service level agreement settlement	-0.9	-	-0.9	-	-
Compensation from court appeal	-	-	1.4	-	-
Other	-	-	-0.4	-	-0.2
Adjusting items	-5.3	-21.6	-5.7	-21.8	-21.9

Restructuring costs in 2024 relate to expert services. Impairments and write-downs include earlier under construction in progress capitalized ERP investment related costs. Other adjusting items include costs due to the sale of dose dispensing business in Sweden.

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.

Contents of the table section

<u>Topic</u>	<u>Page</u>
Consolidated statement of comprehensive income (IFRS)	19
Consolidated statement of financial position (IFRS)	20
Consolidated statement of changes in equity (IFRS)	21
Consolidated statement of cash flows (IFRS)	22
Notes to the Interim Report	
1. Accounting policies	23
2. Earnings per share	24
3. Segment information	24
4. Quarterly information	25
5. Geographical information	25
6. Assets held for sale	26
7. Tangible and intangible assets and right-of-use assets	26
8. Financing	27
9. Derivates	27
10. Hierarchy levels of fair values of financial instruments	28
11. Commitments and Contingent Liabilities	29
12. Related parties	29

Consolidated statement of comprehensive income (IFRS)

EUR million	Note	2024 7-9	2023 7-9	2024 1-9	2023 1-9	2023 1-12
Net sales	3, 4	424.4	357.9	1,239.0	1,107.3	1,493.8
Other operating income		1.1	1.0	3.5	2.2	2.9
Materials and supplies		-386.6	-320.8	-1,121.2	-987.8	-1,334.1
Employee benefit expenses		-12.8	-11.5	-42.0	-40.4	-52.8
Other operating expenses		-21.2	-18.6	-59.1	-59.3	-79.8
Depreciation, amortisation and impairments		-4.7	-25.2	-10.6	-32.4	-35.4
EBIT	3, 4	0.2	-17.1	9.6	-10.5	-5.3
Financial income and expenses		-1.8	-1.9	-5.6	-5.3	-7.6
Share of results in joint venture		-0.6	-0.6	-5.3	-0.9	-4.8
Profit before taxes		-2.2	-19.7	-1.3	-16.7	-17.6
Income taxes		0.3	-0.5	-1.0	-1.2	-3.1
Profit for the period		-1.9	-20.2	-2.3	-17.9	-20.7
Other comprehensive income						
Items which may be reclassified subsequently to profit or loss:						
Translation differences recognised in comprehensive income		0.3	1.5	-1.1	-2.2	0.1
Cash flow hedge		-1.0	-0.1	-1.2	-0.3	-1.8
Income tax relating to other comprehensive income		0.2	0.0	0.2	0.1	0.4
		-0.5	1.4	-2.1	-2.4	-1.4
Items which will not be reclassified to profit or loss:						
Financial assets recognised at fair value through other comprehensive income		-	-1.1	-2.6	-20.6	-20.6
Actuarial gains/losses on defined benefit plans		-	-	-	-	-1.4
Income tax relating to other comprehensive income		-	-	-	-	0.3
		-	-1.1	-2.6	-20.6	-21.7
Total comprehensive income for the period		-2.4	-20.0	-7.0	-40.9	-43.8
Profit attributable to						
Parent company shareholders		-1.9	-20.2	-2.3	-17.9	-20.7
Total comprehensive income attributable to						
Parent company shareholders		-2.4	-20.0	-7.0	-40.9	-43.8

EUR million	Note	2024 7-9	2023 7-9	2024 1-9	2023 1-9	2023 1-12
Earnings per share attributable to parent company shareholders:						
EUR						
Basic	2	-0.01	-0.11	-0.01	-0.10	-0.11
Diluted	2	-0.01	-0.11	-0.01	-0.10	-0.11

Consolidated statement of financial position (IFRS)

EUR million	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
Non-current assets				
Property, plant and equipment	7	40.2	46.7	45.0
Goodwill	7	35.2	39.6	35.2
Other intangible assets	7	11.3	18.0	16.0
Investments in joint ventures		230.2	239.6	235.4
Other non-current assets		11.6	17.2	15.5
Deferred tax assets		0.5	1.5	0.4
Non-current assets total		329.0	362.7	347.5
Current assets				
Inventories		173.0	173.6	162.9
Trade receivables		265.5	249.9	259.5
Income tax receivables		1.4	2.4	0.6
Other receivables		4.0	3.6	13.8
Cash and cash equivalents		83.9	130.3	138.4
Assets held for sale	6	12.1	-	12.0
Current assets total		539.9	559.7	587.1
Assets total		868.9	922.4	934.7

EUR million	Note	30 Sep 2024	30 Sep 2023	31 Dec 2023
Equity				
Share capital		36.2	36.2	36.2
Fair value reserve		3.0	7.9	6.6
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		-17.8	-18.9	-16.7
Retained earnings		35.9	54.8	50.8
Equity attributable to the parent company shareholders		151.7	174.1	171.3
Non-current liabilities				
Deferred tax liabilities		1.9	4.5	2.9
Pension obligations		13.0	10.8	13.4
Interest-bearing liabilities		4.5	36.3	7.1
Other non-current liabilities		1.0	0.3	0.8
Non-current liabilities total		20.5	52.0	24.3
Current liabilities				
Trade payables		593.2	577.1	607.5
Interest-bearing liabilities		72.3	92.4	110.7
Income tax payables		0.0	0.0	0.1
Other current liabilities		29.2	26.8	19.1
Liabilities related to assets held for sale	6	2.0	-	1.8
Current liabilities total		696.7	696.3	739.1
Equity and liabilities total		868.9	922.4	934.7

Consolidated statement of changes in equity (IFRS)

EUR million	Share capital	Funds	Translation differences	Retained earnings	Equity total
Equity 1 Jan 2023	36.2	122.9	-16.7	83.2	225.6
Comprehensive income for the period					
Net profit for the period	-	-	-	-17.9	-17.9
Other comprehensive income:					
Financial assets recognised at fair value through other comprehensive income:					
Change in fair value	-	-20.6	-	-	-20.6
Cash flow hedge	-	-0.3	-	-	-0.3
Income tax relating to other comprehensive income	-	0.1	-	-	0.1
Translation difference	-	-	-2.2	-	-2.2
Comprehensive income for the period total	-	-20.8	-2.2	-17.9	-40.9
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 30 September 2023	36.2	102.1	-18.9	54.8	174.1
Equity 1 Jan 2024	36.2	100.9	-16.7	50.8	171.3
Comprehensive income for the period					
Net profit for the period	-	-	-	-2.3	-2.3
Other comprehensive income:					
Financial assets recognized at fair value through other comprehensive income:					
Change in fair value	-	-2.6	-	-	-2.6
Cash flow hedge	-	-1.2	-	-	-1.2
Income tax relating to other comprehensive income	-	0.2	-	-	0.2
Translation difference	-	-	-1.1	-	-1.1
Comprehensive income for the period total	-	-3.6	-1.1	-2.3	-7.0
Transactions with owners					
Dividend distribution	-	-	-	-12.7	-12.7
Share-based incentive	-	-	-	0.2	0.2
Purchase of own shares	-	-	-	-0.1	-0.1
Transactions with owners total	-	-	-	-12.6	-12.6
Equity 30 September 2024	36.2	97.3	-17.8	35.9	151.7

Consolidated statement of cash flows (IFRS)

	2024	2023	2023
EUR million	1-9	1-9	1-12
Profit (loss) for the period	-2.3	-17.9	-20.7
Adjustments for			
Depreciation, amortisation and impairments	10.6	32.4	35.4
Share of results in joint venture	5.3	0.9	4.8
Financial income and expenses	5.6	5.3	7.6
Income taxes	1.0	1.2	3.1
Other adjustments	-0.1	0.5	1.9
Cash flow before change in working capital	20.1	22.4	32.0
Change in working capital	-11.7	-26.8	-13.2
Cash flow from operating activities before financial items and taxes	8.4	-4.4	18.9
Financial income received and costs paid	-4.6	-5.5	-4.8
Taxes paid	-2.6	-3.4	-4.4
Net cash flow from operating activities	1.2	-13.3	9.6
Investments in property, plant and equipment and intangible assets	-1.5	-2.5	-3.6
Proceeds from sale of property, plant and equipment and intangible assets	-	0.0	0.0
Net cash flow from investing activities	-1.5	-2.4	-3.5
Repayment of loans	-27.9	-2.0	-2.0
Change in other current financing	-11.1	1.1	-11.9
Amortisations of lease liabilities	-2.4	-2.7	-3.5
Purchasing of own shares	-0.1	-0.1	-0.1
Dividends paid	-12.7	-10.9	-10.9
Net cash flow from financing activities	-54.2	-14.6	-28.3
Net change in cash and cash equivalents	-54.5	-30.3	-22.3
Cash and cash equivalents at the beginning of the period	138.4	160.6	160.6
Translation differences	-0.0	-0.0	0.0
Net change in cash and cash equivalents	-54.5	-30.3	-22.3
Cash and cash equivalents at the end of the period	83.9	130.3	138.4

Notes to the Interim Report January–September 2024

1. Accounting policies

This Interim 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 consolidated financial statements as at and for the year ended 31 December 2023. The accounting policies and calculation methods applied in the release are the same as those in the 31 December 2023 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 2024. 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 Interim Report does not include all the information and notes presented in the financial statements. The figures in this Interim Report are unaudited.

Reporting segments

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

Distribution segment consists of pharmaceutical logistics and dose dispensing services in Finland and Sweden. Oriola has signed an agreement in October 2023 to sell the dose dispensing business in Sweden.

Wholesale segment consists of wholesale of traded goods and over-the-counter (OTC) products, parallel import and special licensed medicines, as well as advisory services in Finland and Sweden.

Sale of Svensk dos AB to Apotekstjänst Sverige AB

The Swedish Competition Authority (Konkurrensverket) announced on 30 April 2024 its decision on prohibiting Oriola's sale of Svensk dos AB to Apotekstjänst Sverige AB due to negative effects on the competition in the market. Apotekstjänst Sverige AB has appealed the decision. The appeal process can take up to 6 months. Oriola will communicate on the next steps in Q4. Oriola announced on 13 October 2023 the sale of all shares in Svensk dos AB to Apotekstjänst Sverige AB.

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.

2. Earnings per share

EUR million	2024 7-9	2023 7-9	2024 1-9	2023 1-9	2023 1-12
Profit attributable to equity owners of the parent	-1.9	-20.2	-2.3	-17.9	-20.7
Average number of outstanding shares (1000 shares)					
Basic	181,411	181,399	181,407	181,387	181,390
Diluted	181,423	181,423	181,423	181,423	181,423
Earnings per share (EUR)					
Basic	-0.01	-0.11	-0.01	-0.10	-0.11
Diluted	-0.01	-0.11	-0.01	-0.10	-0.11

3. Segment information

Invoicing EUR million	2024 7-9	2023 7-9	2024 1-9	2023 1-9	2023 1-12
Distribution	854.1	788.0	2,551.9	2,394.2	3,282.5
Wholesale	73.8	73.8	236.8	230.9	306.2
Invoicing between segments	-0.2	-0.2	-0.4	-0.7	-0.9
Total	927.7	861.7	2,788.3	2,624.4	3,587.7

Net sales EUR million	2024 7-9	2023 7-9	2024 1-9	2023 1-9	2023 1-12
Distribution	350.8	284.3	1,002.9	877.4	1,189.0
Wholesale	73.8	73.8	236.5	230.6	305.7
Invoicing between segments	-0.2	-0.2	-0.4	-0.7	-0.9
Total	424.4	357.9	1,239.0	1,107.3	1,493.8

Adjusted EBIT EUR million	2024 7-9	2023 7-9	2024 1-9	2023 1-9	2023 1-12
Distribution	5.0	3.5	13.1	9.7	14.5
Wholesale	2.3	2.4	7.5	7.1	8.9
Group administration and others	-1.9	-1.5	-5.3	-5.6	-6.8
Total	5.5	4.4	15.3	11.3	16.7

EBIT EUR million	2024 7-9	2023 7-9	2024 1-9	2023 1-9	2023 1-12
Distribution	5.0	-18.0	14.6	-11.7	-6.9
Wholesale	1.4	2.3	6.5	6.8	8.6
Group administration and others	-6.3	-1.5	-11.5	-5.6	-7.0
Total	0.2	-17.1	9.6	-10.5	-5.3

Number of personnel at the end of the period	2024 1-9	2023 1-9	2023 1-12
Distribution	438	426	445
Wholesale	291	259	284
Group administration and others	75	69	72
Total	804	754	801

Non-current assets ¹ Milj. eur	30.9.2024	30.9.2023	31.12.2023
Distribution	55.5	67.5	71.5
Wholesale	19.9	20.8	8.9
Group administration and others	252.6	269.3	264.9
Total	328.0	357.6	345.3

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

Investments Milj. eur	2024 7-9	2023 7-9	2024 1-9	2023 1-9	2023 1-12
Distribution	0.3	0.1	1.0	0.9	1.6
Wholesale	0.0	0.1	0.1	0.1	0.2
Group administration and others	0.0	0.2	0.1	1.0	1.7
Total	0.3	0.4	1.2	2.0	3.5

Depreciation, amortisation and impairments, EUR million	2024 7-9	2023 7-9	2024 1-9	2023 1-9	2023 1-12
Distribution	2.1	24.1	6.4	29.5	31.7
Wholesale	0.7	1.0	2.3	2.9	3.6
Group administration and others	1.9	0.0	1.9	0.1	0.1
Total	4.7	25.2	10.6	32.4	35.4

4. Quarterly information

EUR million	2024 7-9	2024 4-6	2024 1-3	2023 10-12	2023 7-9	2023 4-6	2023 1-3
Invoicing	927.7	952.2	908.4	963.4	861.7	904.3	858.3
Net sales	424.4	439.4	375.1	386.6	357.9	389.0	360.4
Adjusted EBIT total	5.5	5.1	4.6	5.4	4.4	3.4	3.5
EBIT total	0.2	5.7	3.7	5.2	-17.1	3.2	3.5
Number of employees at the end of the period (FTE)	804	815	800	801	754	797	830

5. Geographical information

1-9/2024 EUR million	Sweden	Finland	Other countries	Total
Net sales	799.9	405.3	33.8	1,239.0
Non-current assets ¹	46.2	281.8	-	328.0
Investments	0.7	0.5	-	1.2
Average number of employees (FTE)	392	421	-	813

1-9/2023			Other	
EUR million	Sweden	Finland	Countries	Total
Net sales	631.1	391.5	84.8	1,107.3
Non-current assets ¹	66.7	290.9	-	357.6
Investments	0.2	1.8	-	2.0
Average number of employees (FTE)	394	412	-	806

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

6. Assets held for sale

Oriola announced on 13 October, 2023 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 9.7 million). The transaction is subject to the approval of the Swedish Competition Authority.

The Swedish Competition Authority (Konkurrensverket) announced on 30 April 2024 its decision on prohibiting Oriola's sale of Svensk dos AB to Apotekstjänst Sverige AB due to negative effects on the competition in the market. Apotekstjänst Sverige AB has appealed the decision. The appeal process can take up to 6 months. Oriola will communicate the next steps in Q4.

As of 30 September 2024, the following assets and liabilities were classified as held for sale:

Assets held for sale and liabilities related to them	30 Sep 2024
EUR million	
Property, plant and equipment (including right-of-use assets)	2.4
Goodwill	4.5
Other intangible assets	1.9
Deferred tax assets	0.4
Inventories	1.4
Income tax receivables	-0.0
Trade and other receivables	1.6
Cash and cash equivalents	0.0
Assets total	12.1
Deferred tax liabilities	0.1
Current interest-bearing liabilities	0.0
Income tax payables	0.0
Current trade and other payables	1.8
Liabilities total	2.0

7. Tangible and intangible assets and right-of-use assets

Changes in goodwill, intangible assets and property, plant and equipment	2024	2023	2023
EUR million	1-9	1-9	1-12
Carrying amount at the beginning of the period	96.1	139.3	139.3
Increases	2.0	3.9	6.7
Decreases	-0.1	-4.8	-5.6
Transfer to assets held for sale	-	-	-8.8
Depreciation	-8.8	-10.8	-13.8
Impairments	-1.9	-21.6	-21.6

Foreign exchange rate differences	-0.7	-1.7	-0.1
Carrying amount at the end of the period	86.7	104.3	96.1

Impairments in 2024 include earlier under construction in progress capitalized ERP investment related costs.

In 2023 a goodwill impairment loss of EUR 21.4 million was recognised in the dose dispensing cash generating unit.

8. Financing

At the end of September 2024, interest-bearing debt was EUR 76.8 (128.7) million. Interest-bearing debt consist of loans from financial institutions totalling EUR 31.0 (58.1) million, commercial paper issues of EUR 24.9 (44.6) million, advance payments from Finnish pharmacies totalling EUR 13.7 (18.0) million and lease liabilities totalling EUR 7.2 (8.0) million.

In June 2021, Oriola signed an unsecured revolving credit facility agreement totalling EUR 140 million. In May 2024, the revolving credit facility was reduced from EUR 140 million to EUR 70 million. 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 70.0 million and the short-term credit limits totalling EUR 40.0 million were unused at the end of September 2024.

9. Derivatives

30 Sep 2024 EUR million	Positive fair value	Negative fair value	Nominal values of contracts
Derivatives recognised as cash flow hedges			
Interest rate swaps	0.8	0.6	53.1
Derivatives measured at fair value through profit or loss			
Interest rate swaps	0.1	-	10.6
Foreign currency forward and swap contracts	0.0	0.0	114.3
Total	0.9	0.6	178.0

30 Sep 2023 EUR million	Positive fair value	Negative fair value	Nominal values of contracts
Derivatives recognised as cash flow hedges			
Interest rate swaps	3.0	-	52.0
Derivatives measured at fair value through profit or loss			
Interest rate swaps	0.5	-	10.4
Foreign currency forward and swap contracts	0.4	1.4	84.3
Total	3.9	1.4	146.8

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.

10. Hierarchy levels of fair values of financial instruments

30 Sep 2024				
EUR million	Level 1	Level 2	Level 3	Total
Assets				
Derivatives designated as hedges	-	0.8	-	0.8
Derivatives measured at fair value through profit or loss	-	0.1	-	0.1
Other investments measured at fair value through OCI	-	-	11.0	11.0
Trade receivables for sale	-	12.8	-	12.8
Liabilities				
Derivatives designated as hedges	-	0.6	-	0.6
Derivatives measured at fair value through profit or loss	-	0.0	-	0.0

30 Sep 2023				
EUR million	Level 1	Level 2	Level 3	Total
Assets				
Derivatives designated as hedges	-	3.0	-	3.0
Derivatives measured at fair value through profit or loss	-	0.8	-	0.8
Other investments measured at fair value through OCI	-	-	13.6	13.6
Trade receivables for sale	-	6.8	-	6.8
Liabilities				
Derivatives measured at fair value through profit or loss	-	1.4	-	1.4

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

	2024	2023	2023
Financial assets on level 3, EUR million	1-9	1-9	1-12
Carrying amount at the beginning of the period	13.6	34.2	34.2
Change in fair value	-2.6	-20.6	-20.6
Carrying amount at the end of the period	11.0	13.6	13.6

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 2.6 million has been recognised 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.

11. Commitments and Contingent Liabilities

EUR million	30 Sep 2024	30 Sep 2023	31 Dec 2023
Commitments for own liabilities			
Guarantees on behalf of own companies	6.6	6.4	6.6
Guarantees on behalf of other companies	-	0.1	0.1
Mortgages on company assets	1.9	1.8	1.9
Other guarantees and liabilities	1.7	3.8	3.8
Total	10.2	12.0	12.4
Committed future minimum lease liabilities	0.9	0.7	0.9

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.

12. 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:

EUR million	2024 7-9	2023 7-9	2024 1-9	2023 1-9	2023 1-12
Sales	123.4	120.9	380.1	372.7	496.5
Purchases of goods and services	0.2	0.1	0.7	0.3	0.4
Trade and other receivables	73.9	72.5	73.9	72.5	70.5
Trade and other payables	2.4	0.6	2.4	0.6	0.8
Commitments	-	0.1	-	0.1	0.1