

ORIOLA CORPORATION'S INTERIM REPORT 1 January-31 March 2024

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Oriola Corporation's Interim Report 1 January-31 March 2024

Sales growth and improved profitability

January-March 2024 highlights

- Invoicing increased by 5.8 % to EUR 908.4 (858.3). On a constant currency basis, invoicing increased by 6.3% and was EUR 912.4 million.
- Net sales increased by 4.1% to EUR 375.1 (360.4) million. On a constant currency basis, net sales increased by 4.5% and were EUR 376.8 million.
- Adjusted EBIT was EUR 4.0 (3.5) million. On a constant currency basis, the adjusted EBIT was EUR 4.0 million.
- EBIT was EUR 3.7 (3.5) million and included adjusting items of EUR -0.3 (-0.0) million mainly related to the sale of dose dispensing business in Sweden. On a constant currency basis, EBIT was EUR 3.7 million.
- Profit for the period totalled EUR -2.3 (1.1) million and earnings per share were EUR -0.01 (0.01).

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 a decision is expected in the second quarter of 2024.
- Net sales were EUR 372.2 (351.0) million.
- Adjusted EBIT was EUR 4.5 (3.9) million.

Key events:

- Oriola's reporting segments from 1 January 2024 are Distribution and Wholesale
- On 10 January, Oriola announced the investment in ERP and warehouse management as part of the refined strategy to enhance efficiency and operational excellence

Key figures EUR million	2024 1-3	2023 1-3	Change %	2023 1-12
Invoicing	908.4	858.3	5.8	3,587.7
Net sales	375.1	360.4	4.1	1,493.8
Adjusted EBIT ¹	4.0	3.5	13.0	16.7
EBIT	3.7	3.5	6.2	-5.3
Adjusted EBIT %	1.1	1.0		1.1
EBIT %	1.0	1.0		-0.4
Profit for the period	-2.3	1.1	-311.3	-20.7
Earnings per share, EUR, continuing operations	-0.01	0.01		-0.11
Net cash flow from operating activities	-11.3	-42.6		9.6
Gearing, %	-6.2	8.7		-12.1
Equity ratio, %	17.3	22.8		18.5
Return on capital employed (ROCE), %	5.5	4.0		-1.6

¹ Adjusting items are specified in note Adjusting items.

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:

We had a good start of the year with net sales growing and profitability improving from the previous year. The pharmaceutical distribution market continued a steady growth and we saw the overall operating environment somewhat stabilising from last year, although consumer confidence remained weak.

In the first quarter, Oriola's net sales grew by 4% to EUR 375 million, driven by both Distribution and Wholesale segments. Profitability improved from the previous year and was EUR 4.0 (3.5) million. When excluding the impact of the Swedish dose dispensing business, the adjusted EBIT improved by 14% to EUR 4.5 (3.9) million. Profitability improvement was supported by lower operating expenses compared with the previous year, and lower freight costs. The decrease in freight costs was related to operational improvement and lower fuel prices. Oriola's financial position has remained strong with net interest-bearing debt decreasing.

From the start of this year, we have two reporting segments – Distribution and Wholesale. This change in reporting reflects our strategy and also provides better visibility into the financial development of our business.

In the Distribution segment, which includes pharmaceutical logistics and dose dispensing services, net sales grew by 4% to EUR 294 million and were largely driven by the steady market growth. Profitability improved by 29% to EUR 4.1 (3.2) million, supported mainly by a lower cost base compared with the previous year. In the distribution business, we focus on our core and continue to build on the steady development we saw last year. Our market shares were stable year-on-year both in Finland and Sweden. We have gained new customers and renewed important distribution contracts to support our growth going forward.

The Wholesale segment includes the wholesale of traded goods and OTC products, parallel import, special-licensed medicines as well as advisory services. Net sales in the Wholesale segment grew by 5% to EUR 81 million, with solid growth in the Swedish wholesale business and good development of advisory services. Profitability declined slightly to EUR 2.8 (3.0) million. The profitability decline was related to lower volumes in the Finnish wholesale business. Our long-term strategic goal is to grow the wholesale business by developing our brand portfolio and product categories. Early this year, our focus has been on building our range and technical capabilities to better meet the needs of our growing customer segments. We have also made appointments in key leadership positions.

The implementation of our refined strategy, launched at the end of last year, has progressed well. A key milestone in January was the announcement of the investment to renew Oriola's ERP (enterprise resource planning) and warehouse management in 2025-2027. This important investment aims to enhance efficiency and operational excellence, and enables us to better respond to future customer and business needs. The project was started in the first quarter and is proceeding according to plan. An essential part of rolling out the strategy is actively engaging with our senior management to ensure alignment, strengthen our common understanding and develop our leadership. This will remain a focus throughout the year.

In the joint venture company, Kronans Apotek, e-commerce continued to grow steadily, while the weaker customer flow in the brick-and-mortar compared with Q1 2023 reduced volumes, market share and adjusted EBIT. Kronans Apotek continues to develop its customer experience and product range, both in physical and digital stores. The focus remains on long-term profitability improvement, integration activities and business development. In 2024, Kronans Apotek's profitability is expected to be positively impacted by new legislation on pharmaceutical compensations. On 17 April, Kronans Apotek announced the appointment of Tomas Rupšys as the new CEO. Kronans Apotek is an important strategic partner for us, and we will actively support its value creation as a major shareholder. Kronans Apotek expects its full profit potential to materialise by the end of 2025.

I am very pleased with the positive beginning to the year at Oriola. With the refined strategy we have a clear direction forward and a good understanding of our long-term goals. I want to take this opportunity and thank everyone at Oriola for all their efforts at the start of the year and their commitment to our shared priorities.

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 challenges in the availability of pharmaceuticals have continued in Europe. Cost inflation has slowed down, with more stabilised energy prices while fuel prices have fluctuated.

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 7.3% (10.2%) in January-March (source: IQVIA). In Finland, the market value grew by 4.2% (4.3%) in January-March (source: Pharmaca Health Intelligence). According to Oriola's estimate, the company's share of the pharmaceutical distribution market in Sweden was approximately 42% (43%) in January-March. Oriola estimates that, the company's share of the pharmaceutical distribution market in Finland was approximately 45% (44%) in January- March.

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).

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)

Consumer confidence has remained weak. Although the consumer confidence indicators both in Sweden and Finland have slightly improved from the earlier significant drop, they have still been below historical averages.

Group financial performance January-March 2024

Net sales by segment	2024	2023	Change	2023
EUR million	1-3	1-3	%	1-12
Distribution	294.1	283.2	3.9	1,189.0
Wholesale	81.1	77.5	4.6	305.7
Invoicing between segments	-0.1	-0.3		-0.9
Total	375.1	360.4	4.1	1,493.8

Invoicing and net sales

Invoicing increased by 5.8% to EUR 908.4 (858.3) million. On a constant currency basis, invoicing increased by 6.3% to EUR 912.4 million. Net sales increased by 4.1% to EUR 375.1 (360.4) million. On a constant currency basis, net sales increased by 4.5% to EUR 376.8 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 both the Distribution and Wholesale segments.

Adjusted EBIT by segment	2024	2023	Change	2023
EUR million	1-3	1-3	%	1-12
Distribution	4.1	3.2	28.6	14.5
Wholesale	2.8	3.0	-8.0	8.9
Non-allocated and eliminations	-2.9	-2.7		-6.8
Total	4.0	3.5	13.0	16.7

Profitability

Adjusted EBIT increased to EUR 4.0 (3.5) million. The adjusted EBIT excluding the impact of the Swedish dose dispensing business was EUR 4.5 (3.9) million. Adjusting items totalled EUR -0.3 (-0.0) million related to the sale of dose dispensing business in Sweden. EBIT was EUR 3.7 (3.5) million. Adjusted EBIT on a constant currency basis was EUR 4.0 million. The impact of the Swedish krona was not significant on the Group's EBIT. Improved profitability was driven by the Distribution segment, while the adjusted EBIT fell slightly in the Wholesale segment.

In the first quarter of 2024, Oriola recognised a loss of EUR 3.5 (loss of 0.5) million from Swedish Pharmacy Holding AB in the consolidated statement of comprehensive income.

Net financial expenses increased to EUR 2.2 (1.5) million mainly due to higher interest rates. Profit for the period was EUR -2.3 (1.1) million. Earnings per share were EUR -0.01 (0.01).

Distribution segment

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

Key figures	2024	2023	Change	2023
EUR million	1-3	1-3	%	1-12
Net sales	294.1	283.2	3.9	1,189.0
Adjusted EBIT	4.1	3.2	28.6	14.5
Adjusted EBIT %	1.4	1.1		1.2
EBIT	4.1	3.2	28.6	-6.9

January-March 2024

Net sales grew by 3.9% to EUR 294.1 (283.2) million. The rise in net sales was supported by growth in the pharmaceutical distribution market. The positive development in the underlying business has offset the negative impact of the lower volumes in the Swedish dose dispensing business.

Adjusted EBIT increased to EUR 4.1 (3.2) million. Profitability improvement was supported by lower freight costs and operating expenses compared with the previous year. The decrease in freight costs was related to operational improvement and lower fuel prices. Operating expenses were lower due to cost reductions in the Swedish Dose dispensing business. The adjusted EBIT excluding the impact of the Swedish dose dispensing business was EUR 4.6 (3.6) 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	2023
EUR million	1-3	1-3	%	1-12
Net sales	81.1	77.5	4.6	305.7
Adjusted EBIT	2.8	3.0	-8.0	8.9
Adjusted EBIT %	3.4	3.9		2.9
EBIT	2.7	3.0	-10.2	8.6

January-March 2024

Net sales grew by 4.6% to EUR 81.1 (77.5) million. The rise in net sales was supported by growth in the Swedish wholesale business and positive development of advisory services.

Adjusted EBIT decreased to EUR 2.8 (3.0) million. The profitability decline was related to lower volumes in the Finnish wholesale business.

Balance sheet, cash flow and financing

Oriola's total assets at the end of March 2024 were EUR 888.3 (952.4) million. Equity attributable to the equity holders was EUR 151.7 (214.7) million. A decrease of EUR 2.6 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 109.8 (119.1) million. Net cash flow from operating activities in January–March 2024 was EUR -11.3 (-42.6) million, of which changes in working capital accounted for EUR -15.4 (-47.6) million. Increase in inventories 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 -0.7 (-0.5) million. Net cash flow from financing activities was EUR -16.6 (1.6) million.

At the end of March 2024, interest-bearing debt was EUR 100.4 (137.8) million. Non-current interest-bearing liabilities amounted to EUR 5.5 (67.6) million and current interest-bearing liabilities amounted to EUR 94.9 (70.2) million. Non-current interest-bearing liabilities consist of loans from financial institutions totalling EUR - (57.7) million and non-current lease liabilities totalling EUR 5.5 (9.8) million. Current interest-bearing liabilities mainly consist of commercial paper issues of EUR 24.5 (53.7) million, advance payments from Finnish pharmacies totalling EUR 10.5 (11.4) million, loans from financial institutions totalling EUR 57.2 (2.0) million and current lease liabilities totalling EUR 2.8 (3.1) million. Interest-bearing net debt was EUR -9.4 (18.7) million and gearing -6.2% (8.7%).

Non-recourse trade receivables sales programmes are in use in Sweden. At the end of March 2024, a total of EUR 93.2 (97.6) million in trade receivables had been sold. The average interest rate on the interest-bearing liabilities excluding lease liabilities was 3.80% (2.92%). 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. 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 34.3 million were unused at the end of March 2024.

At the end of March 2024, Oriola's equity ratio was 17.3% (22.8%). Return on capital employed was 5.5% (4.0%) and return on equity was -5.6% (2.0%).

Investments and depreciation

Gross investments in January–March 2024 totalled EUR 0.4 (0.4) million and consisted mainly of investments in logistics and information systems.

Depreciation, amortisation and impairment amounted to EUR 3.0 (3.6) million.

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	2023
EUR million	1-3	1-3	%	1-12
Net sales	286.4	279.7	2.4	1,126.9
EBITA	-4.4	1.7	-353.6	0.7
EBITA %	-1.5	0.6		0.1
Adjusted EBIT	-5.0	0.0		-2.0
Adjusted EBIT %	-1.7	0.0		-0.2
Net interest-bearing debt	94.7	82.6	14.6	93.0

In the first quarter of 2024, Swedish Pharmacy Holding AB reported net sales of EUR 286.4 (279.7) million. EBITA (Earnings before interest, taxes and amortization) was EUR -4.4 (1.7) million. Adjusted EBIT was EUR -5.0 (0.0) million, synergies during the reporting period totalled to EUR 3.6 million and one-off costs related to the integration of the two companies were EUR 1.6 million. At the end of March 2024, net interest-bearing debt was EUR 94.7 (82.6) million.

The joint venture company Kronans Apotek e-commerce continued to grow steadily, while the weaker customer flow in the brick-and-mortar compared with Q1 2023 reduced volumes, market share and adjusted EBIT.

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 its full profit potential to materialise by the end of 2025.

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/>

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 March 2024, the number of employees in full-time equivalents (FTE) was 800 (830), of which 412 (411) worked in Finland and 388 (419) in Sweden. The decrease in the number of personnel was due to organisational changes in the Swedish Dose business. In January–March 2024, the average number of employees (FTE) of the Group was 809 (836).

Personnel by country and segment (FTE)	2024	2023	2023
	1-3	1-3	1-12
Finland	412	411	412
Sweden	388	419	389
Distribution	444	496	445
Wholesale	281	261	284
Functions	75	72	72
Total	800	830	801

Changes in the Group structure

During the first quarter of 2024, ICTHS Health Support AB was merged to its parent company Oriola Sweden AB.

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 of which capital expenditure is estimated to be about 2/3 of the total investment (previously announced estimate was 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 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) arrangement limits the capitalisation of the costs and amortisation over their useful life. Such costs are expensed as incurred. Investment related costs recognised in the income statement during the first quarter were in total EUR 0.7 million. No capital expenditure was recognised in the first quarter.

Corporate Governance

Annual General Meeting

The Annual General Meeting (AGM), held on 19 March 2024, adopted the financial statements, and discharged the members of the Board of Directors and the President and CEO from liability for the financial year ending 31 December 2023.

The AGM resolved that a dividend of EUR 0.07 per share shall be paid on the basis of the balance sheet adopted for the financial year ending 31 December 2023. The dividend was paid to shareholders registered in the company's shareholders register held by Euroclear Finland Ltd on the dividend record date 21 March 2024. The payment date of the dividend was 11 April 2024.

The AGM confirmed that the Board of Directors is composed of seven members. Current members of the Board of Directors Ms Nina Mähönen, Mr Yrjö Närhinen, Ms Ellinor Persdotter Nilsson, Mr Harri Pärssinen, and Mr Heikki Westerlund were re-elected to the Board of Directors and Ms Petra Axdorff and Ms Ann Carlsson Meyer were elected as new members of the Board of Directors. Mr Heikki Westerlund was re-elected as Chairman of the Board of Directors.

The AGM confirmed that the fee for the term of office of the Chairman of the Board of Directors is EUR 70,000, the fee for the term of office of the Vice Chairman of the Board of Directors and for the Chairman of the Board's Audit Committee is EUR 40,000 and the fee for the term of office of other members of the Board of Directors is EUR 33,500. Of the annual fee, 60 per cent shall be paid in cash and 40 per cent shall be used to acquire Oriola Corporation's class B shares for the Board members on the Nasdaq Helsinki Stock Exchange within two weeks from the release of the Interim Report 1 January - 31 March 2024 of the company. The Chairman of the Board of Directors receives an attendance fee of EUR 1,000 per meeting for meetings of the Board of Directors held in the Chairman's home country and EUR 2,000 for meetings of the Board of Directors held elsewhere and the other members of the Board of Directors receive attendance fees of EUR 500 per meeting for meetings held in the home country of the respective member of the Board of Directors and EUR 1,000 for meetings held elsewhere. Attendance fees are correspondingly also paid to the Chairman and members of company committees. Travel expenses are compensated in accordance with the travel policy of the company.

Authorised Public Accountants KPMG Oy Ab, who has put forward authorised public accountant Ms Kirsi Jantunen as principal auditor, was re-elected as the auditor of the company. The auditor's fees shall be paid according to an invoice approved by the company.

Authorised Public Accountants KPMG Oy Ab was elected as the sustainability reporting assurer of the company. The fees of the company's sustainability reporting assurer shall be paid according to invoice approved by the company.

All decisions of the Annual General Meeting are available on the company's website at www.oriola.com.

The constitutive meeting of the Board of Directors

In its constitutive meeting convening after the AGM, the Board of Directors of Oriola Corporation elected Mr Harri Pärssinen as Vice Chairman of the Board of Directors.

The Board appointed Mr Harri Pärssinen (Chairman), Ms Petra Axdorff and Ms Nina Mähönen to the Board's Audit Committee, and Mr Yrjö Närhinen (Chairman), Ms Ann Carlsson Meyer, Ms Ellinor Persdotter Nilsson and Mr Heikki Westerlund to the Board's Compensation and Human Resources Committee.

The Board of Directors has assessed the independence of its members and determined that all members of the Board of Directors are independent of the company and its significant shareholders.

The Corporate Governance Statement

The Corporate Governance Statement for 2023 was published in accordance with the Finnish Corporate Governance Code 2020. The statement can be viewed on the company's website at <https://www.oriola.com/investors/corporate-governance>.

Authorisations

The AGM authorised the Board of Directors to decide on a share issue against payment in one or more issues. The authorisation comprises the right to issue new shares or assign treasury shares held by the company. The authorisation covers a maximum of 5,500,000 Class A shares and 12,500,000 Class B shares representing approximately 9.92 per cent of all shares in the company. The authorisation is in effect for a period of eighteen (18) months from the decision of the AGM.

The AGM authorised the Board of Directors to decide on a share issue against payment in one or more issues. The authorisation comprises the right to issue new class B shares or assign class B treasury shares held by the company. The authorisation covers a combined maximum of 18,000,000 class B shares of the company, representing approximately 9.92 per cent of all shares in the company. The authorisation is in effect for a period of eighteen (18) months from the decision of the AGM.

The Annual General Meeting authorised the Board to decide on a share issue of class B shares without payment to the Company and on a directed share issue of class B shares in order to execute the share-based incentive plan for Oriola Group's executives and the share savings plan for Oriola Group's key personnel. The maximum number of new class B shares to be issued under this authorisation is 250,000, which represents 0.14% of all shares in the Company. The authorisation is in force for eighteen (18) months from the decision of the Annual General Meeting.

The Annual General Meeting authorised the Board to decide on repurchasing up to 18,000,000 of the company's own class B shares. The shares may also be repurchased in a proportion other than in which the shares are owned by the shareholders. The authorisation is in force for a maximum of eighteen (18) months following the decision of the Annual General Meeting.

All decisions of the Annual General Meeting are available on the company's website at www.oriola.com.

Oriola Corporation shares

Trading of shares	Jan–March 2024		Jan–March 2023	
	class A	class B	class A	class B
Trading volume, million	0.8	12.9	0.5	6.3
Trading value, EUR million	0.9	14.0	0.8	10.1
Highest price, EUR	1.23	1.17	1.93	1.82
Lowest price, EUR	1.07	0.99	1.48	1.38
Closing quotation, end of period, EUR	1.11	1.02	1.50	1.42

Oriola Corporation's market capitalisation on 31 March 2024 was EUR 189.4 (261.2) million.

In January–March 2024, the traded volume of Oriola Corporation shares, excluding treasury shares, corresponded to 7.5% (3.7%) of the total number of shares.

At the end of March 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 (109,564) treasury shares, of which 63,650 (63,650) were class A shares and 12,062 (45,914) were class B shares. The treasury shares held by the company account for 0.04% (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–March 2024, no class A shares were converted into class B shares.

There were no flagging notifications during the period.

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).

Next financial report

Oriola Corporation will publish its Half Year Financial Report 1-6/2024 on Thursday 18 July 2024.

Espoo, 24 April 2024

Oriola Corporation
Board of Directors

Key financial indicators

Key figures EUR million	Note	2024 1-3	2023 1-3	Change %	2023 1-12
Invoicing	3, 4	908.4	858.3	5.8	3,587.7
Net sales	3, 4	375.1	360.4	4.1	1,493.8
Adjusted EBIT ¹	3, 4	4.0	3.5	13.0	16.7
EBIT	3, 4	3.7	3.5	6.2	-5.3
Adjusted EBIT %		1.1	1.0		1.1
EBIT %		1.0	1.0		-0.4
Profit for the period		-2.3	1.1	-311.3	-20.7
Earnings per share, EUR		-0.01	0.01		-0.11
Net cash flow from operating activities		-11.3	-42.6		9.6
Gross capital expenditure		0.4	0.4		3.5
Net interest-bearing debt		-9.4	18.7		-20.6
Gearing, %		-6.2	8.7		-12.1
Equity per share, EUR		0.84	1.18		0.94
Equity ratio, %		17.3	22.8		18.5
Return on equity (ROE), %		-5.6	2.0		-10.4
Return on capital employed (ROCE), %		5.5	4.0		-1.6
Average number of shares, 1000 pcs ²		181,401	181,377		181,390
Average number of personnel (FTE)		809	836		800
Number of personnel at the end of the period (FTE)		800	830		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 1-3	2023 1-3	2023 1-12
Net sales	375.1	360.4	1 493.8
+ Acquisition cost of consignment stock	533.7	497.7	2 093.4
+ Cash discounts	-0.0	0.0	0.0
+ Exchange rate differences on sales	-0.5	0.1	0.5
Invoicing	908.4	858.3	3,587.7

Adjusted EBIT EUR million	2024 1-3	2023 1-3	2023 1-12
EBIT	3.7	3.5	-5.3
- Adjusting items included in EBIT	0.3	0.0	21.9
Adjusted EBIT	4.0	3.5	16.7

Alternative performance measures calculated on a constant currency basis EUR million	2024 1-3	2023 1-3	2023 1-12
Invoicing	908.4	858.3	3,587.7
Translation difference	4.0	38.4	182.5
Invoicing calculated on a constant currency basis	912.4	896.7	3,770.3
Net sales	375.1	360.4	1,493.8
Translation difference	1.7	16.2	75.6
Net sales calculated on a constant currency basis	376.8	376.6	1,569.5
Adjusted EBIT	4.0	3.5	16.7
Translation difference	0.0	0.2	0.4
Adjusted EBIT calculated on a constant currency basis	4.0	3.7	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), %	=	$\frac{\text{EBIT}}{\text{Total assets - Non-interest-bearing liabilities (average between the beginning and the end of the year)}} \times 100$	x 100
Return on equity (ROE), %	=	$\frac{\text{Profit for the period}}{\text{Equity total (average between the beginning and the end of the year)}} \times 100$	x 100
Gearing, %	=	$\frac{\text{Net interest-bearing debt}}{\text{Equity total}} \times 100$	x 100
Equity ratio, %	=	$\frac{\text{Equity total}}{\text{Total assets – Advances received}} \times 100$	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 1-3	2023 1-3	2023 1-12
Restructuring costs	-0.1	-0.0	-0.2
Impairments and write-downs	-	-	-21.6
Other	-0.2	-	-0.2
Adjusting items from continuing operations	-0.3	-0.0	-21.9

Restructuring costs in 2024 relate to expert services and other costs 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.

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Consolidated statement of comprehensive income (IFRS)

EUR million	Note	2024 1-3	2023 1-3	2023 1-12
Net sales	3, 4	375.1	360.4	1,493.8
Other operating income		0.5	0.6	2.9
Materials and supplies		-335.3	-318.4	-1,334.1
Employee benefit expenses		-14.9	-14.5	-52.8
Other operating expenses		-18.7	-21.1	-79.8
Depreciation, amortisation and impairments		-3.0	-3.6	-35.4
EBIT	3, 4	3.7	3.5	-5.3
Financial income and expenses		-2.2	-1.5	-7.6
Share of results in joint venture		-3.5	-0.5	-4.8
Profit before taxes		-2.0	1.5	-17.6
Income taxes		-0.4	-0.4	-3.1
Profit for the period		-2.3	1.1	-20.7
Other comprehensive income				
Items which may be reclassified subsequently to profit or loss:				
Translation differences recognised in comprehensive income		-2.0	-0.9	0.1
Cash flow hedge		0.1	-0.5	-1.8
Income tax relating to other comprehensive income		0.0	0.1	0.4
		-1.9	-1.3	-1.4
Items which will not be reclassified to profit or loss:				
Financial assets recognised at fair value through other comprehensive income		-2.6	-	-20.6
Actuarial gains/losses on defined benefit plans		-	-	-1.4
Income tax relating to other comprehensive income		-	-	0.3
		-2.6	-	-21.7
Total comprehensive income		-6.8	-0.2	-43.8
Profit attributable to				
Parent company shareholders		-2.3	1.1	-20.7
Total comprehensive income attributable to				
Parent company shareholders		-6.8	-0.2	-43.8

EUR million	Note	2024 1-3	2023 1-3	2023 1-12
Earnings per share attributable to parent company shareholders:				
Basic, EUR	2	-0.01	0.01	-0.11
Diluted, EUR	2	-0.01	0.01	-0.11

Consolidated statement of financial position (IFRS)

EUR million	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
Non-current assets				
Property, plant and equipment	7	42.5	54.6	45.0
Goodwill	7	35.1	61.0	35.2
Other intangible assets	7	14.9	19.6	16.0
Investments in joint ventures		232.3	239.9	235.4
Other non-current assets		12.8	37.7	15.5
Deferred tax assets		0.5	1.4	0.4
Non-current assets total		338.3	414.4	347.5
Current assets				
Inventories		167.9	163.1	162.9
Trade receivables		255.9	249.4	259.5
Income tax receivables		0.6	1.2	0.6
Other receivables		3.6	5.2	13.8
Cash and cash equivalents		109.8	119.1	138.4
Assets held for sale	6	12.1	-	12.0
Current assets total		550.0	538.0	587.1
Assets total		888.3	952.4	934.7

EUR million	Note	31 Mar 2024	31 Mar 2023	31 Dec 2023
Equity				
Share capital		36.2	36.2	36.2
Fair value reserve		4.1	28.3	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		-18.7	-17.6	-16.7
Retained earnings		35.8	73.5	50.8
Equity attributable to the parent company shareholders		151.7	214.7	171.3
Non-current liabilities				
Deferred tax liabilities		2.8	4.8	2.9
Pension obligations		12.9	11.4	13.4
Interest-bearing liabilities		5.5	67.6	7.1
Other non-current liabilities		0.6	1.2	0.8
Non-current liabilities total		21.8	84.9	24.3
Current liabilities				
Trade payables		578.0	544.1	607.5
Interest-bearing liabilities		94.9	70.2	110.7
Income tax payables		0.0	0.3	0.1
Other current liabilities		39.9	38.2	19.1
Liabilities related to assets held for sale	6	1.9	-	1.8
Current liabilities total		714.8	652.8	739.1
Equity and liabilities total		888.3	952.4	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	-	-	-	1.1	1.1
Other comprehensive income:					
Cash flow hedge	-	-0.5	-	-	-0.5
Income tax relating to other comprehensive income	-	0.1	-	-	0.1
Translation difference	-	-	-0.9	-	-0.9
Comprehensive income for the period total	-	-0.4	-0.9	1.1	-0.2
Transactions with owners					
Dividend distribution	-	-	-	-10.9	-10.9
Share-based incentive	-	-	-	0.2	0.2
Transactions with owners total	-	-	-	-10.7	-10.7
Equity 31 March 2023	36.2	122.5	-17.6	73.5	214.7
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	-	0.1	-	-	0.1
Income tax relating to other comprehensive income	-	-0.0	-	-	-0.0
Translation difference	-	-	-2.0	-	-2.0
Comprehensive income for the period total	-	-2.5	-2.0	-2.3	-6.8
Transactions with owners					
Dividend distribution	-	-	-	-12.7	-12.7
Share-based incentive	-	-	-	0.0	0.0
Transactions with owners total	-	-	-	-12.7	-12.7
Equity 31 March 2024	36.2	98.4	-18.7	35.8	151.7

Consolidated statement of cash flows (IFRS)

EUR million	2024	2023	2023
	1-3	1-3	1-12
Profit (loss) for the period	-2.3	1.1	-20.7
Adjustments for			
Depreciation, amortisation and impairments	3.0	3.6	35.4
Share of results in joint venture	3.5	0.5	4.8
Financial income and expenses	2.2	1.5	7.6
Income taxes	0.4	0.4	3.1
Other adjustments	-0.2	-0.1	1.9
Cash flow before change in working capital	6.6	7.0	32.0
Change in working capital	-15.4	-47.6	-13.2
Cash flow from operating activities before financial items and taxes	-8.8	-40.5	18.9
Financial income received and costs paid	-1.6	-0.6	-4.8
Taxes paid	-0.9	-1.5	-4.4
Net cash flow from operating activities	-11.3	-42.6	9.6
Investments in property, plant and equipment and intangible assets	-0.7	-0.5	-3.6
Proceeds from sale of property, plant and equipment and intangible assets	0.0	0.0	0.0
Net cash flow from investing activities	-0.7	-0.5	-3.5
Repayment of loans	-1.0	-1.0	-2.0
Change in other current financing	-14.7	3.5	-11.9
Amortisations of lease liabilities	-0.9	-0.9	-3.5
Purchasing of own shares	-	-	-0.1
Dividends paid	-	-	-10.9
Net cash flow from financing activities	-16.6	1.6	-28.3
Net change in cash and cash equivalents	-28.5	-41.6	-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	-28.5	-41.6	-22.3
Cash and cash equivalents at the end of the period	109.8	119.1	138.4

Notes to the Interim Report January–March 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

Oriola announced on 31 January 2024, 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. 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 1-3	2023 1-3	2023 1-12
Profit attributable to equity owners of the parent	-2.3	1.1	-20.7
Average number of outstanding shares (1000 shares)			
Basic	181,401	181,377	181,390
Diluted	181,423	181,423	181,423
Earnings per share (EUR)			
Basic	-0.01	0.01	-0.11
Diluted	-0.01	0.01	-0.11

3. Segment information

Invoicing EUR million	2024 1-3	2023 1-3	2023 1-12
Distribution	827.2	781.0	3,282.5
Wholesale	81.2	77.6	306.2
Invoicing between segments	-0.1	-0.3	-0.9
Total	908.4	858.3	3,587.7

Net sales EUR million	2024 1-3	2023 1-3	2023 1-12
Distribution	294.1	283.2	1,189.0
Wholesale	81.1	77.5	305.7
Net sales between segments	-0.1	-0.3	-0.9
Total	375.1	360.4	1,493.8

Adjusted EBIT EUR million	2024 1-3	2023 1-3	2023 1-12
Distribution	4.1	3.2	14.5
Wholesale	2.8	3.0	8.9
Group administration and others	-2.9	-2.7	-6.8
Total	4.0	3.5	16.7

EBIT EUR million	2024 1-3	2023 1-3	2023 1-12
Distribution	4.1	3.2	-6.9
Wholesale	2.7	3.0	8.6
Group administration and others	-3.1	-2.7	-7.0
Total	3.7	3.5	-5.3

Number of personnel at the end of the period	2024 1-3	2023 1-3	2023 1-12
Distribution	444	496	445
Wholesale	281	261	284
Group administration and others	75	72	72
Total	800	830	801

Non-current assets ¹ Milj. eur	31.3.2024	31.3.2023	31.12.2023
Distribution	57.5	95.7	71.5
Wholesale	20.3	22.4	8.9
Group administration and others	258.2	291.5	264.9
Total	336.0	409.5	345.3

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

Investments Milj. eur	2024 1-3	2023 1-3	2023 1-12
Distribution	0.4	0.2	1.6
Wholesale	0.0	0.0	0.2
Group administration and others	0.0	0.2	1.7
Total	0.4	0.4	3.5

Depreciation, amortisation and impairments, EUR million	2024 1-3	2023 1-3	2023 1-12
Distribution	2.2	2.7	31.7
Wholesale	0.8	0.9	3.6
Group administration and others	0.0	0.0	0.1
Total	3.0	3.6	35.4

4. Quarterly information

EUR million	2024 1-3	2023 10-12	2023 7-9	2023 4-6	2023 1-3
Invoicing	908.4	963.4	861.7	904.3	858.3
Net sales	375.1	386.6	357.9	389.0	360.4
Adjusted EBIT total	4.0	5.4	4.4	3.4	3.5
EBIT total	3.7	5.2	-17.1	3.2	3.5
Number of employees at the end of the period (FTE)	800	801	754	797	830

5. Geographical information

1-3/2024 EUR million	Sweden	Finland	Other countries	Total
Net sales	219.6	128.2	27.3	375.1
Non-current assets ¹	49.9	286.1	-	336.0
Investments	0.3	0.1	-	0.4
Average number of employees (FTE)	384	425	-	809

1-3/2023

Other

EUR million	Sweden	Finland	Countries	Total
Net sales	213.1	122.7	24.7	360.4
Non-current assets ¹	78.5	330.9	-	409.5
Investments	0.2	0.2	-	0.4
Average number of employees (FTE)	424	412	-	836

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

6. 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 March 2024, the following assets and liabilities were classified as held for sale:

Assets held for sale and liabilities related to them EUR million	31 March 2024
Property, plant and equipment (including right-of-use assets)	2.3
Goodwill	4.5
Other intangible assets	1.8
Deferred tax assets	0.7
Inventories	1.1
Trade and other receivables	1.7
Cash and cash equivalents	0.0
Assets total	12.1
Deferred tax liabilities	0.1
Current interest-bearing liabilities	0.0
Current trade and other payables	1.7
Liabilities total	1.9

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

Changes in goodwill, intangible assets and property, plant and equipment EUR million	2024 1-3	2023 1-3	2023 1-12
Carrying amount at the beginning of the period	96.1	139.3	139.3
Increases	0.9	0.5	6.7
Decreases	-0.1	-0.3	-5.6
Transfer to assets held for sale	-	-	-8.8
Depreciation	-3.0	-3.6	-13.8
Impairments	-	-	-21.6
Foreign exchange rate differences	-1.3	-0.7	-0.1
Carrying amount at the end of the period	92.6	135.3	96.1

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

8. Derivatives

31 Mar 2024 EUR million	Positive fair value	Negative fair value	Nominal values of contracts
Derivatives recognised as cash flow hedges			
Interest rate swaps	1.8	0.2	52.1
Derivatives measured at fair value through profit or loss			
Interest rate swaps	0.3	-	10.4
Foreign currency forward and swap contracts	0.0	1.6	93.5
Total	2.1	1.8	156.0

31 Mar 2023 EUR million	Positive fair value	Negative fair value	Nominal values of contracts
Derivatives recognised as cash flow hedges			
Interest rate swaps	2.8	0.1	53.2
Derivatives measured at fair value through profit or loss			
Interest rate swaps	0.6	-	10.6
Foreign currency forward and swap contracts	0.1	0.9	103.3
Total	3.5	1.0	167.1

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.

9. Hierarchy levels of fair values of financial instruments

31 Mar 2024 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	-	0.3	-	0.3
Other investments measured at fair value through OCI	-	-	11.0	11.0
Trade receivables for sale	-	7.6	-	7.6
Liabilities				
Derivatives designated as hedges	-	0.2	-	0.2
Derivatives measured at fair value through profit or loss	-	1.6	-	1.6

31 Mar 2023 EUR million	Level 1	Level 2	Level 3	Total
Assets				
Derivatives designated as hedges	-	2.8	-	2.8
Derivatives measured at fair value through profit or loss	-	0.7	-	0.7
Other investments measured at fair value through OCI	-	-	34.2	34.2
Trade receivables for sale	-	10.7	-	10.7
Liabilities				
Derivatives designated as hedges	-	0.1	-	0.1
Derivatives measured at fair value through profit or loss	-	0.9	-	0.9

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	1-3	1-3	1-12
Carrying amount at the beginning of the period	13.6	34.2	34.2
Change in fair value	-2.6	-	-20.6
Carrying amount at the end of the period	11.0	34.2	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 was 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.

10. Commitments and Contingent Liabilities

EUR million	31 Mar 2024	31 Mar 2023	31 Dec 2023
Commitments for own liabilities			
Guarantees on behalf of own companies	6.4	6.4	6.6
Guarantees on behalf of other companies	-	0.2	0.1
Mortgages on company assets	1.8	1.9	1.9
Other guarantees and liabilities	2.8	4.8	3.8
Total	10.9	13.3	12.4
Committed future minimum lease liabilities	0.5	0.6	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.

11. 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:

	2024	2023	2023
EUR million	1-3	1-3	1-12
Sales	128.2	124.7	496.5
Purchases of goods and services	0.5	0.1	0.4
Trade and other receivables	68.4	73.7	70.5
Trade and other payables	1.4	0.1	0.8
Commitments	-	0.2	0.1