

Aktivisten AB Issues An Open Letter To The Board Of Directors Of Oriola

Via e-mail

Market data as of 15th August 2025

Attn: The Board of Directors of Oriola Oyj

Letter dated 18th August 2025

Dear Members of the Board,

We are writing to you on behalf of Aktivisten AB, a private company that, alongside affiliated entities, has invested a material portion of its capital into an undisclosed beneficial ownership position in the shares of Oriola Oyj (“Oriola” or the “Company”). While we represent a minority shareholding, our position and engagement reflect our conviction in the opportunity for Oriola to create substantial value, as well as our belief in shareholder advocacy.

We believe that Oriola is a great business and our investment demonstrates our confidence in the Company’s business model, competitive position and attractive economics. We note that Oriola has infrastructure-like stability, given its leading position as a provider of mission-critical distribution and wholesale services to the healthcare sector. The Company’s >40% market shares in Sweden and Finland have been stable over a long period, owing to the fragmented, complex and regulated nature of the value chain, where Oriola’s scale, expertise and brand name represent robust competitive advantages. Additionally, the Company’s addressable market is underpinned by secular tailwinds for growth.

Despite these strengths, Oriola has delivered large losses to its shareholders, with negative total shareholder returns of (64)% in the past 10 years, (32)% in the past 5 years and (36)% in the past 3 years. This is an abysmal track record, both in absolute terms and compared to the returns of key peers, comprising Galenica, Neuca and Uniphar in Europe and Cardinal Health, Cencora and McKesson in the US, as well as compared to the returns of the OMX Helsinki All Share Index and the OMX Nordic All Shares Index. Today, Oriola’s Enterprise Value (“EV”), comprising a €203m¹ market capitalization and a €48m net cash position², represents 0.1x EV incl. leases / LTM Sales, 8.7x EV incl. leases / LTM EBITDA and 3.1x EV excl. leases / LTM Free Cash Flow³, far below where peers (Galenica, Neuca, Uniphar, Cardinal Health, Cencora and McKesson) trade. **This leaves Oriola at a point where an effort is needed to recompense shareholders.**

We believe that **with the right actions, Oriola can close the multiple-gap versus peers and realize substantial shareholder value.** If Oriola’s core business were to be valued at 14.2x EV incl. leases / LTM EBITDA, the median of where Cardinal Health, Cencora and McKesson trade (Galenica, Neuca and Uniphar trade at a higher median multiple), **this would imply a value per share of €1.64** (assuming a €48m net cash position² and 190m¹ shares outstanding). Note that applying an EV incl. leases / LTM Sales multiple, or an FCF yield, in line with peers would yield a much higher value.

In addition to its core distribution and wholesale business, the Company owns 50% of Kronans Apotek. Kronans Apotek is Sweden’s 3rd largest pharmacy chain by market share and sells both online and via a ~500 brick-and-mortar store network. While Oriola reports this equity investment on its balance sheet and states its strategic importance, Kronans Apotek’s true value does not seem discernible, and the Company has not expressed how this value will become available. Although a full

¹ 190m shares outstanding is assumed based on the Q2 2025 Company reported 185,325,378 shares outstanding, less 80,258 treasury shares, plus 4,762,705 shares from a max payout under the Performance Share Plans and the Restricted Share Plan.

² As of Q2 2025. Comprises €122m Cash, €13m Non-Current Pension Obligations, €40m Non-Current Debt and €34m Current Debt, less €13m Lease Liabilities included in debt.

³ As of Q2 2025, Oriola generated FCF (after estimated lease cash outflow) in the last twelve months of €50m, representing a 32% yield on its EV excluding leases of €156m. Change in NWC contributed significantly to FCF, and negative NWC is a structural feature of the pharmaceutical distribution sector.

sale of Kronans Apotek might be uneconomical due to dissynergies, a partial monetization via an IPO or spin-off could crystallize value.

As of today, the reported book value of Oriola's stake in Kronans Apotek is €1.09 per share (€206m divided by 190m⁴ shares), a value **above Oriola's current share price of €1.07**. Moreover, **if Kronans Apotek were to be valued at 0.75x EV / LTM Sales, the median multiple of where similar assets trade** (Apotea, DocMorris and Redcare Pharmacy), Oriola's 50% equity ownership would be worth €406m (given the reported €74m net debt at Kronans Apotek as of Q2 2025), implying a value of **€2.14 per share⁴**.

Added together, valuing Oriola's core business at 14.2x EV incl. leases / LTM EBITDA and Kronans Apotek at 0.75x EV / LTM Sales yields a per share value of €3.78⁴, which compared to the current share price of €1.07 illustrates the opportunity for shareholder value creation.

Against that background, we urge the Company to immediately take simple steps to rectify its history of poor shareholder returns. Namely:

- 1. Executing sizeable share repurchases**, at least to the full extent of the current authorization
 - Given the Company's €48m net cash position⁵ and 32% LTM Free Cash Flow yield, significant capital returns seem overdue
 - Buybacks should be prioritized over any further acquisitions, unless the acquisition target is priced at a Free Cash Flow yield greater than Oriola's own
- 2. Improving investor communications**, specifically via:
 - More detailed guidance, focusing on Free Cash Flow expectations
 - A clearly articulated capital allocation strategy, including plans for equity investments
 - Providing multi-year historical Free Cash Flow workings for continuing operations
 - More frequent and in-depth investor interactions, such as Capital Markets Days
- 3. Initiating a strategic review and engaging a reputable investment bank to explore strategic alternatives for Oriola:**
 - **Explore monetizing the Company's stake in Kronans Apotek via IPO, spin-off or sale, in part or in full**
 - **Explore a sale of the Company in full**
 - We believe that there is a large universe of potential buyers that likely could value Oriola more fairly than the current market price, including
 - Strategic buyers
 - Infrastructure funds
 - The many Private Equity funds that invest in mid-sized, stable, cash-generative, mission-critical business services companies

We remain available for a dialogue with all Board Members, other shareholders or anyone else interested in the situation. In the interest of transparency, we are releasing this letter publicly.

Sincerely,

Fredrik Bergman

Chairman of the Board of Directors of Aktivisten AB

fredrik@aktivistenab.com

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About Aktivisten AB

Aktivisten AB is a privately-owned company, registered in Sweden. The company's purpose is to invest and manage its capital, which has been contributed by its shareholders. In so doing, Aktivisten AB takes a disciplined value investing approach, with a long-term horizon.

www.aktivistenab.com

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