



Building well-being

ORION GROUP

Interim Report January–March 2024





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Orion Group Interim Report January-March 2024

- Net sales totalled EUR 308.5 (January-March 2023: 277.9) million
- Operating profit was EUR 56.0 (55.5) million
- Basic earnings per share were EUR 0.31 (0.31)
- Cash flow from operating activities per share was EUR 0.78 (0.03)
- The outlook for 2024 has been specified regarding operating profit: Operating profit is estimated to be EUR 280 million to EUR 310 million. Previously operating profit was estimated to be EUR 270 million to EUR 310 million.

Key figures

| | 1-3/24 | 1-3/23 | Change % | 1-12/23 |
|---|--------|--------|----------|---------|
| Net sales, EUR million | 308.5 | 277.9 | +11.0% | 1,189.7 |
| EBITDA, EUR million | 68.5 | 67.7 | 1.2% | 326.4 |
| % of net sales | 22.2% | 24.4% | | 27.4% |
| Operating profit, EUR million | 56.0 | 55.5 | +1.0% | 274.9 |
| % of net sales | 18.2% | 20.0% | | 23.1% |
| Profit before taxes, EUR million | 54.9 | 55.1 | -0.4% | 271.9 |
| % of net sales | 17.8% | 19.8% | | 22.9% |
| Profit for the period, EUR million | 43.8 | 43.8 | -0.1% | 216.8 |
| % of net sales | 14.2% | 15.8% | | 18.2% |
| Research and development expenses, EUR million | 36.8 | 31.7 | +16.1% | 126.9 |
| % of net sales | 11.9% | 11.4% | | 10.7% |
| Capital expenditure, excluding acquired in business combinations, EUR million | 13.1 | 18.1 | -27.6% | 92.7 |
| % of net sales | 4.2% | 6.5% | | 7.8% |
| Acquired in business combination, net of cash, EUR million | | 0.0 | | 0.1 |
| Interest-bearing net liabilities, EUR million | 6.4 | 110.8 | -94.2% | 93.3 |
| Basic earnings per share, EUR | 0.31 | 0.31 | -0.2% | 1.54 |
| Cash flow from operating activities per share, EUR | 0.78 | 0.03 | > 100% | 0.85 |
| Equity ratio, % | 48.8% | 56.9% | | 62.3% |
| Gearing, % | 0.9% | 15.2% | | 10.5% |
| Return on capital employed (before taxes), % | 22.8% | 22.0% | | 25.3% |
| Return on equity (after taxes), % | 21.9% | 21.4% | | 24.1% |
| Average personnel during the period | 3,673 | 3,546 | +3.6% | 3,599 |



President and CEO Liisa Hurme:

Year started well with strong topline growth

"In January–March 2024, our net sales increased by 11 percent to EUR 308.5 (277.9) million and operating profit was EUR 56.0 (55.5) million. All our business divisions contributed to the solid growth of net sales and the formation of operating profit. Nubeqa® and the Easyhaler® product portfolio continued to be the largest drivers of growth, but delightfully also many other sources contributed to the growth. Generics and Consumer Health business division's reported net sales were slightly down from the comparative period, but if we exclude dexmedetomidine products and Simdax®, which are facing increasing generic competition, and Russia, where in the comparative period we cleared our remaining inventories before withdrawing from the market, the net sales trend was positive.

Operating profit was at the level of the comparative period, due to a planned increase in expenses. Many ongoing research and development phase projects are progressing which explains the increase in research and development expenditure in the first quarter. Later this year, R&D expenditure growth is expected to accelerate as we enter planned Phase II studies with our pain molecule ODM-111. It is also worth noting that the bulk of R&D costs are allocated to the development of new innovative medicines and clearly lower share is allocated to the development of other products such as generics and animal health products. Nubeqa's royalty structure, with royalty levels starting at the lowest tier each calendar year, means that in the coming years a larger proportion of Orion's annual earnings will always likely to be made in the second half of the year. In addition, the EUR 70 million milestone payment related to the sale of Nubeqa®, included in our outlook this year, is expected to be realised towards the end of the year.

Cash flow from operating activities was strong as expected in January–March 2024. The cash flow includes, among other things, the EUR 30 million milestone payment related to Nubeqa® recognised last year and the majority of the cash flow impact of the transfer of the insurance portfolio of Orion Pension Fund's B Fund. In addition, the cash flow generated by Nubeqa's product sales and royalties, for example, was clearly better than in the comparative period.

In line with our refined strategy announced earlier this year, and with positive growth prospects, we want to allocate more capital to building Orion's future, and in particular to advancing and growing Orion's own R&D pipeline. However, we will increase our spending in a controlled manner, guided by our financial objectives. Over the period 2024–2028, we want to grow net sales by an average of at least 8% per year, grow operating profit faster than net sales and pay an increasing annual dividend to shareholders, with an annual dividend payout ratio of 50–100%. These objectives provide us with a financial framework within which we can increase our prudent growth efforts.

Of the projects in clinical development, the Phase I study with ODM-111 was completed during the period and we are now preparing to start Phase II studies with the molecule, first in acute pain and later in chronic pain. The expected news flow also includes the completion of the phase III ARANOTE study with darolutamide later this year.

The political strikes in Finland at the beginning of the year have added to the challenges facing Orion's supply chains, which have already been affected by geopolitical tensions in the Middle East, among others. The strikes did not have a material impact on Orion in the first quarter of the year, thanks to good inventory levels and Orion's agility in finding alternative supply routes.

All in all, the year has started well and even slightly better than we expected. As a result, we have also slightly specified our outlook for operating profit for 2024."



Outlook for 2024 (specified)

Net sales are estimated to be EUR 1,340 million to EUR 1,410 million.

Operating profit is estimated to be EUR 280 million to EUR 310 million.

Basis for the outlook and an overview of near-term risks and uncertainties are provided at the end of this review.

Previous outlook for 2024 (provided on 13 February 2024)

Net sales are estimated to be EUR 1,340 million to EUR 1,410 million.

Operating profit is estimated to be EUR 270 million to EUR 310 million.

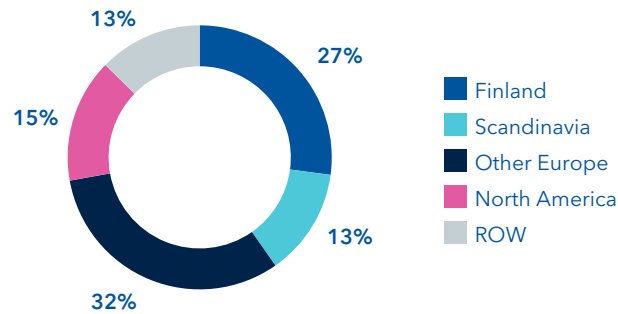


Net sales and profits in January–March 2024

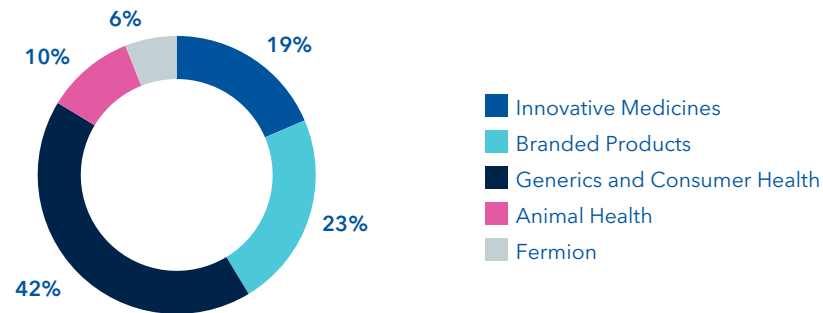
Net sales

Orion Group's net sales increased by 11.0% and totalled EUR 308.5 (277.9) million. The growth came from a variety of sources, the most important of which were Nubeqa®, the Easyhaler® product portfolio and the Animal Health business division. Exchange rate fluctuations had a EUR 1.4 million positive impact on net sales during the period. Net sales of Orion's top ten pharmaceuticals amounted to EUR 151.7 (137.1) million. They accounted for 49.2% (49.3%) of total net sales.

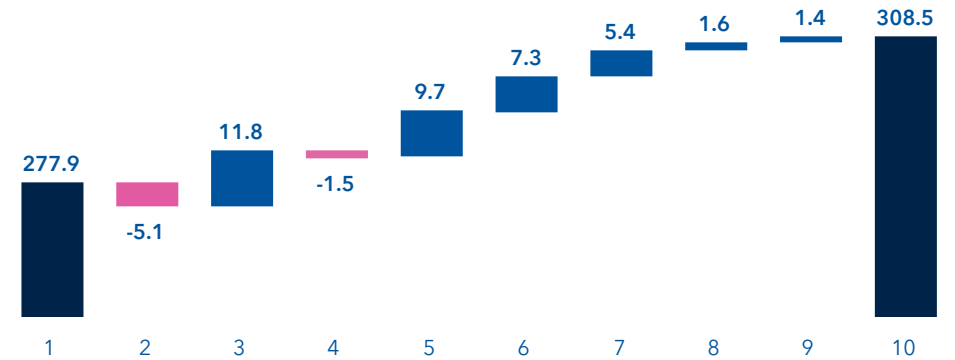
Net sales split by region 1-3/2024



Net sales split by business units 1-3/2024



Development of net sales 1-3/2024 vs. 1-3/2023



| | | | |
|---|---|----|---|
| 1 | Net sales in 1-3/2023 | 6 | Other products and services (excl. Animal Health and Fermion) |
| 2 | Simdax® and dexmedetomidine for human use | 7 | Animal Health and Fermion |
| 3 | Nubeqa® (product sales & royalty) | 8 | Milestones |
| 4 | Entacapone products | 9 | Exchange rates |
| 5 | Easyhaler® product portfolio | 10 | Net sales in 1-3/2024 |

The figures in the chart are rounded, which is why the total sums of individual figures may differ from the total sums. Chart not to scale.

Operating profit

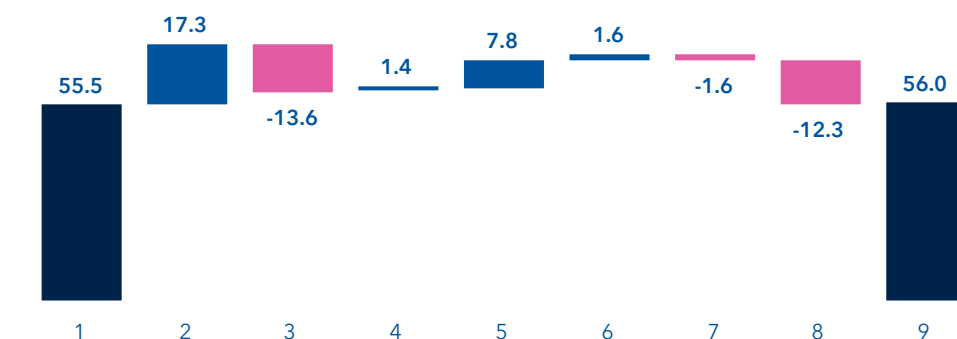
Orion Group's operating profit increased by 1.0% and totalled EUR 56.0 (55.5) million. The slower growth than in net sales is mainly due to a planned increase in operating expenses.

Gross profit from sales in local currencies increased by EUR 17.3 million from the comparative period. Price, cost and product portfolio changes had a negative impact of EUR 13.6 million on gross profit. Currency rate changes had a positive impact of EUR 1.4 million. With the combined impact of these items, the gross profit from product and service sales was EUR 5.1 million higher than in the comparative period.

Milestone payments accounted for EUR 2.2 (0.6) million and royalties for EUR 32.9 (25.1) million of net sales and operating profit. Other operating income and expenses accounted for EUR 1.0 (2.6) million of operating profit.

Operating expenses increased by EUR 12.3 million.

Development of operating profit 1-3/2024 vs. 1-3/2023



| | | | |
|---|--|---|-------------------------------------|
| 1 | Operating profit in 1-3/2023 | 6 | Milestones |
| 2 | Product & service sales without sales margin and product mix change and exchange rate effect | 7 | Other operating income and expenses |
| 3 | Product sales margin and product mix change but without exchange rate effect | 8 | Fixed cost |
| 4 | Exchange rate effect on gross margin | 9 | Operating profit in 1-3/2024 |
| 5 | Royalties | | |

The figures in the chart are rounded, which is why the total sums of individual figures may differ from the total sums.

Operating expenses

Sales and marketing expenses increased by 8.4% and totalled EUR 58.3 (53.8) million. The growth was planned and it came mostly from increased efforts to support the growth of Easyhaler® product portfolio. Research and development expenses increased by 16.1% and totalled EUR 36.8 (31.7) million. R&D costs accounted for 11.9% (11.4%) of the Group's net sales. The growth is explained by the progress of ongoing research and development projects. Administrative expenses increased by 15.1% and were EUR 20.5 (17.8) million. Growth in administrative expenses were driven by growth in information management costs and personnel expenses.

Profit for the period

Profit for the period totalled EUR 43.8 (43.8) million. Basic earnings per share were EUR 0.31 (0.31).

Financial position and cash flow in January–March 2024

Cash flow from operating activities was significantly better than in the comparative period at EUR 110.0 (4.0) million. The EUR 30 million milestone payment recognised in 2023 increased the cash flow for the period. The main part of the cash flow effect of the transfer of the insurance portfolio of Orion Pension Fund's B Fund (EUR 41.0 million), i.e. the excess cash, was also recognised in the reporting period. The final amount of the cash flow impact depends on the final valuation of the transferred pension liabilities and some illiquid investments, which will only be available by the end of June 2024. In addition, the cash flow generated by Nubeqa's product sales and royalties, for example, was clearly better than in the comparative period.

Cash flow from investing activities was EUR -21.2 (-53.6) million. Cash flow of the comparative period includes the upfront payments to Amneal and Jemincare, the total of EUR 33 million.

Cash flow from financing activities was EUR -7.5 (-187.1) million. The difference with the comparative period is mainly due to the timing of dividend payments.

Group's total liabilities as at 31 March 2024 were EUR 753.2 (564.3) million. Interest-bearing liabilities amounted to EUR 194.6 (210.6) million. Of the total interest-bearing liabilities, EUR 165.2 (189.7) million were long-term liabilities. The Group had EUR 188.1 (99.8) million in cash and cash equivalents at the end of the reporting period.

Group's gearing was 0.9% (15.2%) and the equity ratio 48.8% (56.9%). Equity per share was EUR 5.04 (5.19).



Capital expenditure in January–March 2024

Capital expenditure totalled EUR 13.1 (18.1 excluding assets acquired in business combination) million. This comprised EUR 11.4 (13.8) million on property, plant and equipment and EUR 1.7 (4.3) million on intangible assets.



Business review

Review of the Finnish human pharmaceuticals market

Finland is an important market for Orion, generating about a quarter of the Group's net sales. According to Pharmarket statistics (1-3/2024), the total sales of Orion's human pharmaceuticals in January-March 2024, including both medicinal and non-medicinal products, grew by 0.7% from the previous year.

A significant product group for Orion in Finland are reference-priced prescription drugs in the pharmacy channel. The sales of Orion's reference-priced prescription drugs increased by 13.8% while the total market grew by 2.3%. The average price of Orion's reference-priced drugs increased by approximately 6% which together with volume growth explains Orion's growth in the statistics. The average price of Orion's reference-priced drugs in the market declined by approximately 4% from the comparative period (Source: Pharmarket). Despite the increase, the average price of Orion's reference-priced drugs is clearly lower than the average price of reference-priced drugs in general in the market. The impact of constant price competition on Orion has been significant due to the Company's broad product range and significant market share in Finland.

Despite the challenging operating environment, Orion has maintained its position as a leader in marketing pharmaceuticals in Finland. Orion has a particularly strong position in reference-priced prescription drugs and self-care products, with its market share being a quarter of the market in each.

Sales of human pharmaceuticals in Finland (medicinal and non-medicinal products):

| EUR million | 1-3/24 | 1-3/23 | Change % |
|---|--------------|--------|----------|
| Total sales of human pharmaceuticals (hospital and pharmacy channel) | | | |
| Market | 796.2 | 757.5 | +5.1% |
| Orion | 83.8 | 83.2 | +0.7% |
| Prescription drugs total (pharmacy channel) | | | |
| Market | 437.6 | 411.1 | +6.4% |
| Orion | 49.0 | 45.6 | +7.3% |
| Reference priced prescription drugs (pharmacy channel)¹ | | | |
| Market | 91.2 | 89.1 | 2.3% |
| Orion | 26.3 | 23.1 | +13.8% |
| Self-care products (pharmacy channel) | | | |
| Market | 126.4 | 125.4 | +0.8% |
| Orion | 30.2 | 29.7 | +1.5% |

¹ The reference-priced prescription drugs group metric counts in products that were reference-priced prescription drugs at the time the statistics were compiled. For this reason, sales and market share figures in the comparative period may deviate from previously published data.

Source: Pharmarket sales statistics 1-3/2024

Orion's market share in the sales of human pharmaceuticals in Finland (medicinal and non-medicinal products):

| Orion's market share, % | 1-3/24 | 1-3/23 |
|---|--------------|--------|
| Human pharmaceuticals in total (hospital and pharmacy channel) | 10.5% | 11.0% |
| Prescription drugs total (pharmacy channel) | 11.2% | 11.1% |
| Reference priced prescription drugs (pharmacy channel) ¹ | 28.8% | 25.9% |
| Self-care products (pharmacy channel) | 23.9% | 23.7% |

¹ The reference-priced prescription drugs group metric counts in products that were reference-priced prescription drugs at the time the statistics were compiled. For this reason, sales and market share figures in the comparative period may deviate from previously published data.

Source: Pharmarket sales statistics 1-3/2024



Orion's operations and sales network

Orion is headquartered in Espoo, Finland. The company has a total of eight production sites, six in Finland, one in France and one in Belgium. The company has two large research centres in Finland and smaller R&D offices in the UK and the US. In addition, Orion's Animal Health division has small R&D operations in France and Belgium. Orion also has back-office operations in India and China.

During the period under review, Orion initiated and concluded the statutory negotiations in accordance with the Act on Co-operation within Undertakings concerning the Kuopio plant in Finland, and decided to continue exploring the outsourcing of the plant's production. Orion has also decided to outsource the manufacture of injection products due to Simdax® and Dexdor® becoming generic. The outsourcing of the manufacturing of injection products will take place between 2024 and 2027. These decisions are a continuation of Orion's efforts to continuously improve its operations and their efficiency.

The political strikes in Finland during the period under review have added to the challenges and risks facing Orion's supply chains, which have already been affected by geopolitical tensions in the Middle East, among others. The strikes did not have a material impact on Orion in the first quarter of the year, thanks to good inventory levels and Orion's agility in finding alternative supply routes. The logistical squeeze caused by the political strikes that have now ended will take time to unwind and any further strikes could lead to the risks materialising. In the case of Orion, the risks are primarily related to the Generics and Consumer Health business division.

Orion's products are sold globally in over one hundred countries through Orion's own sales network and by partners. Orion has its own sales network in Europe and five countries in the Asia-Pacific region. Elsewhere in the world, Orion's human pharmaceuticals are sold mainly by the company's partners. Orion is engaged in the sale of veterinary drugs through its own sales network in the Nordic countries, Belgium, France, some Eastern European countries and Vietnam. Elsewhere, these products are sold by partners. The company is also engaged in the sale of Fermion and contract manufacturing products and services globally. In addition, Orion markets and sells drugs and products manufactured by several other companies.

Orion is establishing a sales office in Japan, where initially the company plans to sell Parkinson's disease products when the rights of entacapone products in Japan will be repatriated to Orion during 2024.

Top ten best-selling pharmaceutical products

| EUR million | ¹ | 1-3/24 | 1-3/23 | Change % | 1-12/23 |
|---|--------------|--------------|--------|----------|---------|
| Nubeqa® (prostate cancer) ⁴ | A | 49.5 | 37.7 | +31.3% | 182.5 |
| Easyhaler® product portfolio (asthma, COPD) | B | 41.9 | 32.2 | +30.2% | 144.2 |
| Entacapone products (Parkinson's disease) ² | B | 20.0 | 21.5 | -6.7% | 88.4 |
| Dexdomitor®, Domitor®, Domosedan® and Antisedan® (animal sedatives) | D | 10.3 | 8.0 | +27.5% | 22.8 |
| Burana® (inflammatory pain) | C | 5.8 | 5.9 | -0.8% | 25.1 |
| Divina® series (menopausal symptoms) | B | 5.5 | 4.9 | +11.9% | 21.0 |
| Simdax® (acute decompensated heart failure) | C | 5.3 | 8.1 | -34.5% | 25.7 |
| Dexmedetomidine products for human use ³ | C | 4.8 | 7.1 | -32.6% | 21.5 |
| Fareston® (breast cancer) | C | 4.6 | 4.0 | +13.6% | 13.5 |
| Trexan® (rheumatoid arthritis, cancer) | C | 4.0 | 7.6 | -48.3% | 19.1 |
| Total | | 151.7 | 137.1 | +10.6% | 563.7 |
| Share of net sales, % | | 49.2% | 49.3% | | 47.4% |

¹ Business division, A = Innovative Medicines, B = Branded Products, C = Generics and Consumer Health, D = Animal Health

² Entacapone products include Stalevo®, Comtess®, Comtan® and all other products including entacapone.

³ Includes Dexdor®, Precedex® and other dexmedetomidine products for human use

⁴ Starting from reporting period January–June 2023, the income from Nubeqa® packaging is included in contract manufacturing and no longer reported as part of Nubeqa® product sales; for this reason, the comparative figures from prior periods differ from previously published figures.

Innovative Medicines

The Innovative Medicines business division includes medicines with patent or other product protection. In addition to the commercial sales and royalties from these products, any milestone payments or other revenue, such as product sales for R&D use, related to the products or research and development projects of the business division, are included in its net sales.

Net sales of the division in January–March 2024 increased by 37.4% and totalled EUR 57.4 (41.8) million. Currently, the net sales of the business division are mainly generated by Orion's sales of Nubeqa®. Orion's sales of Nubeqa® in January–March 2024 increased by 31.3% and totalled EUR 49.5 (37.7) million, of which royalties were EUR 31.7 (23.5) million and product sales, i.e., deliveries to Bayer, EUR 17.8 (14.2) million.

Nubeqa® (darolutamide) is approved in more than 80 countries around the world for the treatment of patients with non-metastatic castration-resistant prostate cancer (nmCRPC), who are at high risk of developing metastatic disease. It is also approved for the treatment of patients with metastatic hormone-sensitive prostate cancer (mHSPC) in combination with chemotherapy in a



number of markets including the U.S., Japan, EU and China. Filings in other regions are underway or planned by Bayer.

In July 2023, Orion's collaboration partner Marinus Pharmaceuticals, Inc. received European Union marketing authorisation for ganaxolone (brand name Ztalmy®) oral suspension for the adjunctive treatment of epileptic seizures associated with cyclin-dependent kinase-like 5 (CDKL5) deficiency disorder (CDD) in patients two to 17 years of age. Treatment may be continued in patients 18 years of age and older. Orion has the right to sell and market ganaxolone in Europe. Following the European Commission approval, Orion is focusing on making ganaxolone available for patients in Europe and has pricing and reimbursement processes planned or underway in Europe.

Branded Products

The Branded Products business division includes products that have a strong brand name which provides a competitive advantage. Currently, most of the business division's products are products developed by Orion. Key products are the Easyhaler® product portfolio, the entacapone products and the Divina® series. Total net sales of the Branded Products business division in January-March 2024 increased by 17.9% and were EUR 70.2 (59.5) million. The growth was mainly driven by the Easyhaler® product portfolio.

Orion's Easyhaler® is a dry-powder inhaler developed in-house, for which Orion has developed Easyhaler®-adapted dry-powder formulations of several well-known generic active pharmaceutical ingredients (salbutamol, beclometasone, budesonide, formoterol, salmeterol and fluticasone). Total net sales of the Easyhaler® product portfolio for the treatment of asthma and chronic obstructive pulmonary disease increased by 30.2% and amounted to EUR 41.9 (32.2) million. The sales of the budesonide-formoterol combined formulation increased by 45.8% to EUR 28.2 (19.3) million. The sales of other Easyhaler® products (beclometasone, budesonide, formoterol, salbutamol and salmeterol-fluticasone combined formulation) increased by 6.8% to EUR 13.8 (12.9) million. Orion has announced that the Easyhaler® product portfolio has potential to exceed EUR 200 million in peak annual sales. The estimate is based on, among others, recent initiatives and recommendations by healthcare systems and health organisations to prefer dry-powder inhalers over metered-dose inhalers due to climate reasons.

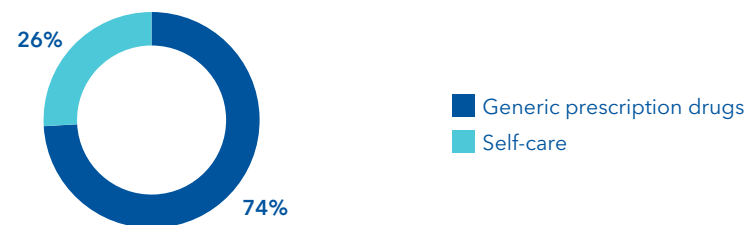
Orion's entacapone products for the treatment of Parkinson's disease are Stalevo®, Comtess®, Comtan® and other entacapone-containing products. Their total net sales in January-March 2024 decreased by 6.7% and amounted to EUR 20.0 (21.5) million. Orion markets entacapone products in Europe and in some countries in the Asia-Pacific region. Elsewhere, the products are sold by partners. The most important individual market for Orion's entacapone products is currently Japan, where Orion is taking over sales when the distribution agreement with Novartis expires in 2024.

Sales of the Divina® series of hormone replacement products increased by 11.9% to EUR 5.5 (4.9) million.

Generics and Consumer Health

Net sales of the Generics and Consumer Health business division, comprising generic (off-patent) prescription drugs (including biosimilars) and self-care products, decreased by 2.2% in January-March 2024 and amounted to EUR 130.7 (133.7) million. The decline is explained by the declining sales of Simdax®, dexmedetomidine products for human use, and by Russia, where Orion sold remaining inventories in the comparative period before exiting the market. Excluding these items, business was solid and developed positively. Generic prescription drugs accounted for 74% (76%) and self-care products for 26% (24%) of the business division's net sales. The net sales of generic prescription drugs decreased by 4.2% and were EUR 96.8 (101.1) million and the net sales of self-care products increased by 4.2% and were EUR 33.8 (32.5) million.

Net sales split by product groups 1-3/2024



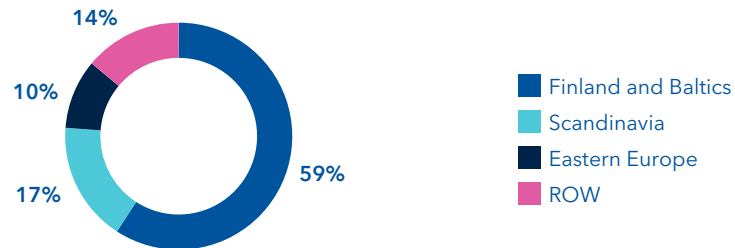
The Generics and Consumer Health business division has four geographic regions, which are Finland and Baltics, Scandinavia, Eastern Europe, and Rest of the World (ROW). The unit's sales in Finland and Baltics increased by 4.0% and amounted to EUR 77.3 (74.3) million. The increase came from both generic prescription drugs and self-care products. The general decline in the prices of reference-priced drugs due to price competition continued, but the average price of Orion's reference-priced drugs increased slightly. However, the average price of Orion's reference-priced drugs is still clearly lower than the average price of reference-priced drugs in general in the market. Increase in average price and volume both contributed to the sales growth of Orion. In Scandinavia, the division's sales increased by 17.5% and totalled EUR 22.2 (18.9) million. In Eastern Europe, the division's sales increased by 11.6% and amounted to EUR 13.0 (11.6) million.

Sales in ROW declined by 36.9% and stood at EUR 18.2 (28.8) million. The decline is mostly due to the generic competition and declining prices of Simdax® and dexmedetomidine products for



human use, and due to Russia, where Orion sold remaining inventories in the comparative period before exiting the market.

Geographic split of net sales 1-3/2024



Animal Health

In the Nordic countries, Belgium, France, some Eastern European markets and Vietnam, Orion sells veterinary drugs itself, while the Company operates through partners in other markets. In addition, Orion markets and sells veterinary drugs manufactured by several other companies.

Net sales of the Animal Health business division in January–March 2024 increased by 18.2% and amounted to EUR 31.9 (26.9) million. The growth came from various sources with animal sedatives being the single largest contributor.

Sales of animal sedative products accounted for 32.2% (29.8%), or EUR 10.3 (8.0) million, of the unit's total net sales. The increase is explained by the recovery in deliveries to partners. The animal sedative product family comprises Orion's animal sedatives Dexdomitor® (dexmedetomidine), Domitor® (medetomidine) and Domosedan® (detomidine), and antagonist Antisedan® (atipamezole), which reverses the effects of the sedatives.

The operations at the new manufacturing plant of the Arques site in France are starting. After the period under review in April, Orion's partner Zoetis started the launch of Bonqat® in the US.

Fermion

Fermion manufactures active pharmaceutical ingredients for Orion and other pharmaceutical companies. Its product range comprises nearly 30 pharmaceutical ingredients. It produces active pharmaceutical ingredients for Orion's proprietary drugs developed in-house as well as for certain generic drugs. Fermion manufactures generic pharmaceutical ingredients for other

pharmaceutical companies and offers contract manufacturing services for the development and manufacturing of new active pharmaceutical ingredients.

Net sales of Fermion in January–March 2024, excluding deliveries for Orion's own use, increased by 2.4% and totalled EUR 18.5 (18.1) million. In recent years, order cycles in the trade in pharmaceutical raw materials have become increasingly shorter. This has led to clearly greater fluctuation in business volumes than before, both within each annual period and between different years. Demand for Fermion products has been good and production capacity has been nearly fully utilised. The production capacity is increasingly more allocated to the manufacturing of Orion's active pharmaceutical ingredients.

Key licensing and collaboration agreements regarding assets in the clinical development or commercialisation phase

Orion has an agreement with Bayer for the development and commercialisation of darolutamide (i.e. Nubeqa®). Bayer holds global commercial rights to darolutamide, and Orion is entitled to receive annually tiered royalties on global darolutamide sales. The average annual royalty rate is initially approximately 20% including product sales to Bayer. As the annual global sales increase, the average annual royalty rate will increase. If the annual global darolutamide sales were EUR 3 billion, Orion's average annual royalty rate would be slightly above 25%. Orion manufactures the product for global markets, i.e. carries the cost of goods sold, and co-promotes the product in Europe with Bayer. In addition to royalties, Orion is entitled to receive progressive one-off milestone payments from Bayer that may total EUR 280 million, depending on the future sales development of Nubeqa®. The first such milestone, EUR 30 million, was recorded in the third quarter of 2023.

Orion has a global development and commercialisation agreement with MSD (tradename of Merck & Co., Inc. Rahway NJ USA) for Orion's investigational candidate ODM-208 and other drugs targeting cytochrome P450 11A1 (CYP11A1). Under the terms of the agreement, Orion and MSD, acting through its subsidiary, Merck Sharp & Dohme LLC, will co-develop and co-commercialise ODM-208. Orion will be responsible for the manufacture of clinical and commercial supply of ODM-208. Of the USD 290 million upfront payment received in Q3 2022, Orion has reserved EUR 60 million to cover its share of ODM-208 development costs to be accrued. Currently Orion is not booking any cost from the development of ODM-208. In addition, the contract provides both parties with an option to convert the initial co-development and co-commercialisation agreement into a global exclusive license to MSD. If the option is exercised, MSD would assume full responsibility for all accrued and future development and commercialisation expenses associated with the program. Orion would be eligible to receive milestone payments associated with progress in the development and commercialisation of ODM-208 as well as tiered double-digit royalties on sales if the product is approved. The total amount potentially accrued from multiple regulatory and sales milestone events represents a



substantial opportunity for Orion. If the option is used, Orion could release the EUR 60 million from the balance sheet and book it as revenue and operating profit.

Orion has an agreement with Jemincare, through which Orion has exclusive global development and commercialisation rights, excluding mainland China, Hong Kong, Macau, and Taiwan, for a potent and selective NaV 1.8 blocker (ODM-111). Orion also has ownership of certain key patent applications relating to the compound within its own territory. Orion is fully responsible for its own development and commercialisation costs. In addition, Orion will manufacture the products, including active pharmaceutical ingredient, for its markets. Jemincare is upon achievement of certain development, commercialisation and sales targets entitled to receive milestone payments, which may be significant. In addition, Jemincare is eligible to receive tiered royalty of 8% to 15% on future sales in Orion territory.

Orion has a European wide marketing and distribution agreement with Marinus Pharmaceuticals, Inc. for ganaxolone (i.e. Ztalmu®). Under the terms of the agreement, Orion has the right to sell and market ganaxolone in Europe. Marinus is eligible to receive tiered royalty ranging from low double-digits to low twenties on Orion's future sales. In addition, Marinus is eligible to receive milestone payments upon achievement of certain development and commercialisation milestones. Marinus is the marketing authorisation holder and responsible for current and future clinical trials of ganaxolone. Orion is responsible for market access in all 30 countries comprising the European Economic Area (EEA) as well as in the United Kingdom and Switzerland.

Orion has a long-term license agreement with Amneal Pharmaceuticals, Inc. to commercialise Amneal's generic products in Orion territories. Under the terms of the agreement, Orion has exclusive license to commercialise and sell Amneal's generic products in most parts of Europe as well as in Australia and New Zealand. The initial portfolio includes a mix of generic products commercially available in the U.S. today, as well as selected pipeline products currently under development.

In addition to the above agreements, Orion has a number of other licensing agreements with various pharmaceutical companies, all of which are important but not considered key agreements for the Group.



Research and development

The core therapy areas of Orion's pharmaceutical research are oncology and pain. The company also develops veterinary drugs and selected generic drugs. Orion's key clinical development projects are listed in the table below.

In the early research phase, Orion has several projects investigating cancer and pain. Additionally, Orion has projects underway to develop new veterinary drugs and selected generic drugs. Together with Propeller Health, Orion has an ongoing development project in which the Easyhaler® device is equipped with a sensor that monitors the use of the device.

Orion also has a clinical project in the field of digital therapies. The ODD-402 project in collaboration with Newel Health investigates how the care of Parkinson's patients could be developed, personalised and improved using a digital tool that collects data from patients.

Key R&D events in January-March 2024

Orion's clinical development projects progressed as planned during the period.

Clinical phase I trial with ODM-111 was completed during the review period. No significant safety findings were identified in the study and Orion is preparing to initiate phase II trials with

Key clinical development projects

| Project | Indication | Phase I | Phase II | Phase III | Registration |
|---|-------------------------|-----------|-------------------|-----------|--------------|
| ARANOTE (darolutamide) ¹ | Prostate cancer (mHSPC) | | | Ongoing | |
| ARASTEP (darolutamide) ¹ | Prostate cancer (BCR) | | | Ongoing | |
| OMAHA1 (ODM-208, CYP11A1 inhibitor) ² | Prostate cancer (mCRPC) | | | Ongoing | |
| OMAHA2a (ODM-208, CYP11A1 inhibitor) ² | Prostate cancer (mCRPC) | | | Ongoing | |
| CYPIDES (ODM-208, CYP11A1 inhibitor) ² | Prostate cancer (mCRPC) | | Ongoing | | |
| ODM-105 (tasipimidine) | Insomnia | | Phase IIa ongoing | | |
| ODM-111 (NaV 1.8 blocker) | Pain | Completed | | | |
| ODM-212 (TEAD inhibitor) | Solid tumours | Ongoing | | | |

¹ In collaboration with Bayer

² In collaboration with MSD

ODM-111 for both acute and chronic pain during 2024. More detailed data from the phase I is planned to be presented later in a scientific conference or publication.

The clinical Phase III ARANOTE trial with darolutamide is estimated to read-out during 2024. The trial is conducted together with Bayer.

Orion and MSD are about to initiate a clinical phase I/II trial which evaluates the safety and efficacy of ODM-208 in combination with other drugs for the treatment of patients with metastatic castration-resistant prostate cancer.

Orion Group's R&D expenses in January-March 2024 increased by 16.1% and totalled EUR 36.8 (31.7) million. They accounted for 11.9% (11.4%) of the Group's net sales. The growth is explained by the progress of ongoing research and development projects.



Personnel

The average number of employees in the Orion Group in January–March 2024 was 3,673 (3,546). At the end of March 2024 the Group had a total of 3,698 (3,564) employees, of whom 2,776 (2,687) worked in Finland and 922 (877) outside Finland.

Salaries and other personnel expenses in January–March 2024 totalled EUR 75.9 (67.4) million.

Changes in Executive Management

On 7 July 2023, Orion announced that Chief Financial Officer Jari Karlson will retire on 30 April 2024. Karlson will continue in his current position and as a member of the Executive Management Board of the Orion Group until 30 April 2024.

On 23 January 2024, Orion announced that René Lindell has been appointed Chief Financial Officer of Orion Group as of 1 May 2024. Lindell has started already as of 1 April 2024 as Executive Advisor (until 30 April 2024) and member of the Group Executive Management Board.

On 1 February 2024, Julia Macharey started as Senior Vice President of Orion Group's new People & Culture group-level function and member of the Executive Management Board of Orion Group.

On 22 March 2024, Orion announced that the Corporate Strategy and Program Management (CSPMO) unit will become part of the Finance and Corporate Business Development group-level function, and as a result of the change, SVP Virve Laitinen will step down from the Orion Executive Management Board and will report to the Chief Financial Officer of the Orion Group as a Head of CSPMO. The change took effect on 1 April 2024.

Significant legal proceedings

On 26 October 2023, Orion Corporation filed together with Bayer et al a patent infringement lawsuit against Hetero USA Inc. et al in the United States District Court for the District of Delaware. Hetero USA Inc. (et al) has filed an Abbreviated New Drug Application ("ANDA") for Nubeqa® (darolutamide) with the U.S. Food and Drug Administration seeking approval to commercialise a generic version of Nubeqa® prior to certain patents expiring in 2036 and 2038. However, according to Orion's information, the ANDA as filed does not seek approval prior to the expiry of the compound patent protection for Nubeqa® (darolutamide) in the U.S.

In the U.S., generic pharmaceutical companies may apply for an ANDA after a certain time has lapsed from the grant of the marketing authorisation of the originator's product, and such applications will occur in the ordinary course of business.

In addition to the above, companies belonging to the Orion Group are parties to various legal disputes, which are not, however, considered to be significant legal proceedings for the Group.

Decisions by the Annual General Meeting

The Annual General Meeting of the Shareholders of Orion Corporation was held on 20 March 2024 in Helsinki. The following matters, among others, were handled at the Annual General Meeting:

Adoption of the Financial Statements for 1 January - 31 December 2023

The AGM confirmed the Financial Statements of the parent company and the Group as per 31 December 2023.

Dividend EUR 1.62 per share

The AGM resolved, in accordance with the proposal by the Board of Directors, that a dividend of EUR 1.62 per share will be paid on the basis of the Balance Sheet confirmed for the financial year that ended on 31 December 2023. The dividend is paid in two instalments. The record date for the first instalment of EUR 0.81 per share was 22 March 2024 and the payment date was 3 April 2024. The record date for the second instalment of EUR 0.81 per share is 16 October 2024 and the payment date is 23 October 2024. In addition, the AGM authorised the Board of Directors to resolve, if necessary, on a new record date for payment and payment date for the second instalment of the dividend in case of changes in the rules of Euroclear Finland Oy or the regulations regarding the Finnish book-entry system or if other rules binding the Company so require.

Discharge from liability

The members of the Board of Directors and the President and CEO were discharged from liability for the financial period of 1 January - 31 December 2023.

Remuneration Report

The AGM adopted the Remuneration Report for the Company's governing bodies for 2023. The resolution is advisory in accordance with the Finnish Companies Act.

Remuneration Policy

The AGM adopted the Remuneration Policy for the Company's governing bodies. The resolution is advisory in accordance with the Finnish Companies Act.



Remunerations to be paid to the Board of Directors

The AGM decided that the following remunerations will be paid to the Board of Directors:

As an annual fee, the Chairman shall receive EUR 100,000, the Vice Chairman shall receive EUR 61,000 and the other members shall receive EUR 50,000 each. However, if a member of the Board acts as the Chairman of the Audit Committee or the R&D Committee, her/his annual fee shall be EUR 61,000.

In addition, as a fee for each meeting attended, the Chairman shall receive EUR 1,200, the Vice Chairman shall receive EUR 900 and the other members shall receive EUR 600 each. The travel expenses of the Board members shall be paid in accordance with the previously adopted practice. The aforementioned meeting attendance fees shall also be paid to the Chairmen and to the members of the committees established by the Board. The meeting attendance fees of Board members permanently resident outside Finland shall be doubled if the meeting is held outside the country of residence of such a member and the person attended the meeting at the place of the meeting.

Of the above-mentioned annual fees, 60 percent shall be paid in cash and 40 percent in Orion Corporation B shares, which shall be acquired for the members over the period 26 April - 3 May 2024 from the stock exchange in amounts corresponding to EUR 40,000 for the Chairman, EUR 24,400 for the Vice Chairman and for the Board members acting as the Chairmen of the Audit Committee and the R&D Committee and EUR 20,000 for each of the other members. The part of the annual fee that is to be paid in cash corresponds to the approximate sum necessary for the payment of the income taxes on the fees and shall be paid no later than 31 May 2024. The annual fees shall encompass the full term of office of the Board of Directors.

In addition, the AGM decided that the Company shall pay the transfer tax related to the part of the annual fee of the Board of Directors paid in shares. Potential statutory social security and pension costs incurring to Board members having permanent residence outside Finland shall be borne by Orion Corporation as required by the applicable national legislation.

Board members are required to retain ownership of the Orion Corporation B shares paid as fees for a period of two years from the date of payment of the fees. However, if the person's membership of the Board of Directors of the Company were to end before the expiry of the restriction on transfer, the restriction on transfer shall expire at the end of the membership of the Board of Directors.

Composition of the Board of Directors

The number of members of the Board of Directors was confirmed to be eight. Kari Jussi Aho, Maziar Mike Doustdar, Ari Lehtoranta, Veli-Matti Mattila, Hilpi Rautelin, Eija Ronkainen and Karen

Lykke Sørensen were re-elected as members to the Board of Directors for the next term of office. Henrik Stenqvist was elected as a new member. Veli-Matti Mattila was elected as Chairman.

Auditor and the Sustainability Reporting Assurance Provider and their remuneration

Authorised Public Accountants KPMG Oy Ab were elected as the Company's auditor. Sustainability Reporting Audit Firm KPMG Oy Ab were elected as the Company's Sustainability Reporting Assurance Provider. The remunerations to the Auditor and the Sustainability Reporting Assurance Provider shall be paid on the basis of invoicing approved by the Company.

Authorising the Board of Directors to decide on a share issue by issuing new shares

The Board of Directors was authorised by the AGM to decide on a share issue by issuing new shares. On the basis of the authorisation, the Board of Directors shall be entitled to decide on the issuance of no more than 14,000,000 new Class B shares. The share issue authorisation shall be valid until the next Annual General Meeting of the Company. The terms are reported in more detail in a stock exchange release on 20 March 2024.

Organisation of the Board of Directors

In its constitutive meeting following the AGM, the Board of Directors elected Hilpi Rautelin to serve as Vice Chairman.

Key events in January–March 2024

| | |
|-------------|---|
| 11 Jan 2024 | Orion announced that the insurance portfolio of Orion Pension Fund's B fund was transferred to an external pension insurance company. |
| 23 Jan 2024 | René Lindell was appointed Chief Financial Officer of Orion Group as of 1 May 2024. |
| 20 Mar 2024 | Orion Corporation's Annual General Meeting was held in Helsinki. |
| 22 Mar 2024 | Orion announced that the Corporate Strategy and Program Management (CSPMO) unit will become part of the Finance and Corporate Business Development unit, and as a result of the change, SVP Virve Laitinen will step down from the Orion Executive Management Board and will report to the Chief Financial Officer of the Orion Group as a Head of CSPMO. |

Key events after the reporting period

There were no key events after the reporting period.



Shares and shareholders

On 31 March 2024 Orion had a total of 141,134,278 (141,134,278) shares, of which 33,232,361 (34,032,382) were A shares and 107,901,917 (107,101,896) B shares. The Group's share capital is EUR 92,238,541.46 (92,238,541.46). At the end of March 2024, Orion held 632,855 (782,973) B shares as treasury shares. On 31 March 2024, the aggregate number of votes conferred by the A and B shares was 771,916,282 (786,966,563) excluding treasury shares.

Voting rights conferred by shares

Each A share entitles its holder to twenty (20) votes at General Meetings of Shareholders and each B share to one (1) vote. However, a shareholder cannot vote more than 1/20 of the aggregate number of votes from the different share classes represented at a General Meeting of Shareholders. The Company itself and Orion Pension Fund do not have the right to vote at an Orion Corporation General Meeting of Shareholders. Both share classes, A and B, confer equal rights to the Company's assets and dividends.

Conversion of shares

The Articles of Association entitle shareholders to demand the conversion of their A shares to B shares within the limitation on the maximum number of shares of a class. A total of 119,021 A shares were converted into B shares in January-March 2024.

Trading in Orion's shares

Orion's A shares and B shares are quoted on Nasdaq Helsinki in the Large Cap group under the Healthcare sector heading under the trading codes ORNAV and ORNBV. Trading in both of the Company's share classes commenced on 3 July 2006, and information on trading in the Company's shares has been available since that date. On 31 March 2024, the market capitalisation of the Company's shares, excluding treasury shares, was EUR 4,858.1 million.

Orion shares are also traded on various alternative trading platforms in addition to Nasdaq Helsinki.

Authorisations of the Board of Directors

On 20 March 2024, the Annual General Meeting of Orion Corporation authorised the Board of Directors to decide on a share issue by issuing new shares. The Board of Directors shall be entitled to decide on the issuance of no more than 14,000,000 new Class B shares. The share issue authorisation shall be valid until the next Annual General Meeting of the Company. The terms of the authorisation are reported in more detail in a stock exchange release on 20 March 2024.

On 23 March 2022, the Annual General Meeting authorised the Board of Directors to decide on a share issue by conveying own shares. The Board of Directors is entitled to decide on the conveyance of no more than 1,000,000 own Class B shares held by the Company. The authorisation to convey own shares is valid for five years from the decision of the Annual General Meeting. The terms of the authorisation are reported in more detail in a stock exchange release on 23 March 2022.

The Board of Directors is not authorised to increase the share capital or to issue bonds with warrants or convertible bonds or stock options.

Share-based incentive plans

The Group has one currently operating share-based incentive plan for key persons of the Group: Orion Group's Long-Term Incentive Plan 2022, announced in a stock exchange release published on 10 February 2022.

Share ownership

Orion's shares are in the book-entry system maintained by Euroclear Finland, and Euroclear Finland maintains Orion's official shareholder register.

At the end of March 2024, Orion had a total of 90,647 (81,619) registered shareholders, of whom 95% (96%) were private individuals. They held 39% (39%) of the entire share stock and had 62% (61%) of the total votes. There were 45 (55) million nominee-registered and foreign-owned shares, which was 32% (39%) of all shares, and they conferred entitlement to 8% (9%) of the total votes.

At the end of March 2024, Orion held 632,855 (782,973) B shares as treasury shares, which is 0.4% (0.6%) of the Company's total share stock and 0.08% (0.10%) of the total votes.

Flagging notifications

Orion received no flagging notifications during the reporting period.

The details of the notifications published by Orion are available at www.orion.fi/en/flaggings.

Orion's dividend distribution policy

Orion's dividend distribution takes into account the distributable funds and the capital expenditure and other financial requirements in the medium and long term to achieve the financial objectives.



Financial objectives

Through the financial objectives, Orion aims to develop the Group's shareholder value and ensure financial stability and profitable growth. Orion's financial objectives for 2024-2028 are:

- To grow net sales with a compound average annual growth rate (CAGR) of at least 8%.
- To grow operating profit faster than net sales.
- To maintain an equity ratio of at least 50% and to generate return on equity (ROE) of 25% or higher.
- To increase the dividend per share annually with a payout ratio of 50% to 100%.

Achievement of these objectives requires continuous and sufficient investments in development of the product portfolio and growth. Received milestone payments which are part of Orion's business model can generate volatility in short term growth on net sales and operating profit.



Outlook for 2024 (specified)

Net sales are estimated to be EUR 1,340 million to EUR 1,410 million.

Operating profit is estimated to be EUR 280 million to EUR 310 million.

Previous outlook for 2024 (provided on 13 February 2024)

Net sales are estimated to be EUR 1,340 million to EUR 1,410 million.

Operating profit is estimated to be EUR 270 million to EUR 310 million.

Basis for outlook in more detail

Collaboration agreements with other pharmaceutical companies are an integral part of Orion's business model. Agreements often include payments recorded in net sales and operating profit that vary greatly from year to year. Forecasting the timing and amount of these payments is difficult. In some cases, they are conditional on terms such as R&D outcomes which are not known until studies have been completed, the progress of R&D projects or the attainment of specified sales levels. Regarding possible new contracts under negotiation, neither the outcome nor the schedule of contract negotiations is generally known before the final signing of the agreement.

Orion is eligible to receive milestone payments from Bayer based on sales of the Nubeqa® product upon meeting certain global annual sales thresholds for the first time. In 2023 Orion received one such milestone payment of EUR 30 million. The outlook for 2024 includes one Nubeqa® sales-related milestone payment of EUR 70 million which is included in both the net sales outlook and the operating profit outlook. The outlook does not include any other material milestone payments or one-offs.

The outlook assumes that Orion's own production and other operations will be able to operate normally throughout the year, and the supply chains of raw materials or ready-made products are not facing significant disruptions. These and other risks are discussed in more detail under 'Near-term risks and uncertainties'.

The outlook does not include income, expenses or other impacts related to any future material product or company acquisition or divestment.

Milestone payments received by Orion in 2019-2023

| Year | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------|------|------|------|------|------|
| EUR million | 51 | 42 | 3 | 234 | 32 |

Net sales

The outlook assumes that the net sales of Nubeqa® booked by Orion, and thus the net sales of the Innovative Medicines business division, will clearly increase in 2024. Orion's assumption is based on forecasts received from its partner Bayer. However, it is difficult to predict the exact level of product sales and royalties for the whole year of a strongly growing product. In addition, the EUR 70 million Nubeqa®-related milestone is expected to increase the net sales of the Innovative Medicines business division.

Branded Products and Animal Health business divisions are also estimated to improve their net sales in 2024. Branded Products growth is anticipated to be driven by the Easyhaler® product portfolio. The sales of entacapone products are assumed to recover somewhat after challenging year 2023. At the same time, however, the market conditions for the entacapone products continue to be tough with increasing competition and declining prices in many markets, and as a result, the sales of the entacapone products are anticipated to be flat in 2024. Animal Health growth is anticipated to be driven by sedatives portfolio, products in launch phase and improving market conditions.

Generics and Consumer Health business division continues to suffer from the decline of Simdax® and dexmedetomidine products due to generic competition and falling prices, but less than in the recent years. Overall volume of generic products are expected to grow but at the same time prices are expected to decline. Due to the aforementioned reasons, the net sales of the Generic and Consumer Health business division is assumed to decrease slightly in 2024.

Fermion has been operating at very near full capacity over the past few years. The share of manufacturing of the active pharmaceutical ingredients of Orion's own proprietary drugs is estimated to increase, which may restrict capacity allocated to external business.

Operating profit

Gross profit is expected to increase clearly driven by growing Nubeqa® royalties and the anticipated EUR 70 million Nubeqa®-related sales milestone.

The range in the operating profit estimate is mainly due to Nubeqa's sales booked by Orion and the development of R&D costs. It is difficult to predict the exact level of royalties for the whole year of a strongly growing product. Any variance from the predicted level can have notable impact on Orion's operating profit. Also, the mechanism by which each quarter's product deliveries are always fully deducted from the next quarter's royalty payments, is causing variance



to operating profit. Even though this impact on operating profit is only temporary, the timing of product deliveries may have notable impact on Orion's operating profit in one calendar year.

Over the past few years, Orion has been determined to increase its investment in early-stage research in line with its growth strategy. This work is now starting to bear fruit and several projects are approaching the clinical development phase. Progressing these projects will also require significantly higher R&D expenditure than in the past. At the same time, projects in the clinical development phase have advanced and will advance during 2024, which will increase project costs. However, there are uncertainties related to the progress and timing of projects, which may mean that not all the costs projected for 2024 will materialise. Currently Orion is not booking any costs related to the development of ODM-208 and thus the outlook does not include any ODM-208 related R&D costs.

Sales and marketing expenses are expected to increase mainly due to growing investments to the Easyhaler® sales and increasing Nubeqa® royalty payable due to an agreement with Endo Pharmaceuticals.

Capital expenditure

The Group's total capital expenditure in 2024 is expected to be at a similar level as in 2023, when capital expenditure was EUR 93 million. The estimate of capital expenditure does not include any investments related to any future material product or company acquisition.

Near-term risks and uncertainties

The outlook assumes that Orion's own production and other operations will be able to operate normally. The realisation of sales of Orion-manufactured products requires that production and the related supply chains and other operations are able to operate at the planned level. There are a number of risks that could even materially disrupt Orion's production or other operations. Such risks include, for example, accidents, strikes, employee illness, poor availability of supplies, equipment, spare parts, products, energy, starting materials or semi-finished products, and the failure of logistics chains or serious disruptions to information or communication systems. Current risks to supply and logistics chains include geopolitical conflicts and unrest around the world. In addition to conflicts and unrest, any other unforeseen changes in the operating environment could cause disruptions to Orion's production, supply chains or other operations. Such risks may include accidents, strikes, natural disasters, epidemics and pandemics, wars, terrorism, cyber-attacks or hybrid influencing.

Sales of individual products and also Orion's sales in individual markets may vary, for example depending on the extent to which the ever-tougher price and other competition prevailing in pharmaceutical markets in recent years will specifically focus on Orion's products. Changes in pharmaceutical regulation in individual markets or more broadly, for example at EU level, may

affect the sales and profitability of Orion's products. Changes in overall market demand may also have negative impact on sales.

Product deliveries to key partners are based on timetables that are jointly agreed in advance. Nevertheless, they can change, for example as a consequence of decisions concerning adjustments of stock levels. In addition, changes in market prices and exchange rates affect the value of deliveries.

Currently no single currency is posing a material exchange rate risk for Orion. In Orion's total net sales, the share of invoicing in US dollars has fallen to around ten per cent. At the same time, the value of purchases in dollars has increased. The weight of the US dollar will increase due to increasing sales of Nubeqa®. Other key currencies that carry an exchange rate risk are European currencies other than EUR. However, the overall effect of the risk arising from currencies of European countries will be abated by the fact that Orion has organisations of its own in most European countries, which means that in addition to sales income there are also costs in these currencies. The exchange rate performance of the Japanese yen is significant due to sales of Parkinson's drugs in Japan.

The current geopolitical conflicts and unrest, and other challenges in the global supply and logistics chains of pharmaceuticals have increased the already elevated risk of supply disruptions. Moreover, the disruptions, production volume changes and logistical challenges experienced in other industries may also have unexpected and sudden ramifications that can manifest as shortages of necessary raw materials, supplies and equipment in the chemical and pharmaceutical industries and as increases in prices. The possible rise of raw material prices and other supply chain costs deteriorates the profitability of Orion's products, since in the pharmaceuticals industry it is very difficult to pass on cost increases to the prices of own products, especially prescription medicines, particularly in Europe. If high cost inflation occurs, it will pose a risk to Orion's profitability.

Authorities and key customers in different countries carry out regular and detailed inspections of drug development and manufacturing at Orion's production sites. Any remedial actions that may be required may at least temporarily have effects that decrease delivery reliability and increase costs. Orion's product range also contains products manufactured by other pharmaceutical companies and products that Orion manufactures on its own but for which other companies supply active pharmaceutical or other ingredients and components or parts (among these the Easyhaler® products). Possible problems related to the delivery reliability or quality of the products of those manufacturers may cause a risk to Orion's delivery reliability. The single-channel system used for pharmaceuticals distribution in Finland, in which Orion's products have been delivered to customers through only one wholesaler, may also cause risks to delivery reliability.



Research projects always entail uncertainty factors that may either increase or decrease estimated costs. The projects may progress more slowly or faster than assumed, or they may be discontinued. Nonetheless, changes that may occur in ongoing clinical studies are reflected in costs relatively slowly and are not expected to have a material impact on earnings in the current year. Owing to the nature of the research process, the size and costs of new studies that are being started are known relatively well in advance. However, there are uncertainties in the timing and progression of any individual study. Any changes in the timing of new research or development phases that are being launched may have a material impact on the projected cost structure within a single year. Orion often undertakes the last, in other words Phase III, clinical trials in collaboration with other pharmaceutical companies. Commencement of these collaboration relationships and their structure also materially affect the schedule and cost level of research projects.

Collaboration arrangements are an important component of Orion's business model. Possible collaboration and licensing agreements related to these arrangements also often include payments to be recorded in net sales that may materially affect Orion's financial results. The payments may be subject to conditions relating to the progress of research projects or sales or to new contracts to be signed, and whether these conditions or contracts materialise and what their timing is, will always entail uncertainties. The upfront and milestone payments paid by Orion to its collaborators, which are recorded as investments in intangible assets in balance sheet, include write-down risk that may be realised if, for example, a collaborative research project fails or otherwise has to be discontinued.

Upcoming events

| | |
|--|-------------------------|
| Half-Year Financial Report January-June 2024 | Thursday 8 August 2024 |
| Interim Report January-September 2024 | Tuesday 29 October 2024 |

Espoo, 25 April 2024

Board of Directors of Orion Corporation

Tables

CONSOLIDATED INCOME STATEMENT

| EUR million | 1-3/24 | 1-3/23 | Change % | 1-12/23 |
|-------------------------------------|--------------|--------|----------|---------|
| Net sales | 308.5 | 277.9 | +11.0% | 1,189.7 |
| Cost of goods sold | -137.9 | -121.8 | +13.3% | -531.9 |
| Gross profit | 170.5 | 156.1 | +9.2% | 657.7 |
| Other operating income and expenses | 1.0 | 2.6 | -61.4% | 43.7 |
| Sales and marketing expenses | -58.3 | -53.8 | +8.4% | -224.8 |
| Research and development expenses | -36.8 | -31.7 | +16.1% | -126.9 |
| Administrative expenses | -20.5 | -17.8 | +15.1% | -74.8 |
| Operating profit | 56.0 | 55.5 | +1.0% | 274.9 |
| Finance income and expenses | -1.1 | -0.3 | > 100% | -3.0 |
| Profit before taxes | 54.9 | 55.1 | -0.4% | 271.9 |
| Income tax expense | -11.2 | -11.3 | -1.3% | -55.1 |
| Profit for the period | 43.8 | 43.8 | -0.1% | 216.8 |

PROFIT ATTRIBUTABLE TO

| | | | | |
|--|-------------|------|-------|-------|
| Owners of the parent company | 43.8 | 43.8 | -0.1% | 216.8 |
| Basic earnings per share, EUR¹ | 0.31 | 0.31 | -0.2% | 1.54 |
| Diluted earnings per share, EUR¹ | 0.31 | 0.31 | -0.2% | 1.54 |

¹Earnings per share has been calculated from the profit attributable to the owners of the parent company.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| EUR million | 1-3/24 | 1-3/23 | Change % | 1-12/23 |
|---|-------------|--------|----------|---------|
| Profit for the period | 43.8 | 43.8 | -0.1% | 216.8 |
| Translation differences | -1.2 | -0.9 | | -0.3 |
| Items that may be reclassified subsequently to profit and loss | -1.2 | -0.9 | | -0.3 |
| Remeasurement of pension plans, net of tax | 0.0 | 0.4 | | -16.2 |
| Items that will not be reclassified to profit and loss | 0.0 | 0.4 | | -16.2 |
| Other comprehensive income, net of tax | -1.1 | -0.5 | | -16.5 |
| Comprehensive income for the period | 42.7 | 43.3 | -1.5% | 200.3 |

COMPREHENSIVE INCOME ATTRIBUTABLE TO

| | | | | |
|------------------------------|-------------|------|-------|-------|
| Owners of the parent company | 42.7 | 43.3 | -1.5% | 200.3 |
|------------------------------|-------------|------|-------|-------|



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

| EUR million | 3/24 | 3/23 | Change % | 12/23 |
|---------------------------------|----------------|----------------|---------------|----------------|
| Property, plant and equipment | 400.8 | 376.3 | +6.5% | 400.9 |
| Goodwill | 87.2 | 87.2 | | 87.2 |
| Intangible rights | 107.3 | 99.7 | +7.6% | 106.8 |
| Other intangible assets | 5.8 | 3.6 | +62.1% | 6.1 |
| Investment in associate | 0.1 | 0.1 | | 0.1 |
| Other investments | 0.2 | 0.2 | -0.5% | 0.2 |
| Pension assets | 6.9 | 54.9 | -87.4% | 6.9 |
| Deferred tax assets | 4.7 | 4.5 | +4.0% | 4.3 |
| Other non-current assets | 0.9 | 1.0 | -13.2% | 0.9 |
| Non-current assets total | 613.8 | 627.5 | -2.2% | 613.3 |
| Inventories | 370.5 | 328.1 | +12.9% | 362.2 |
| Trade receivables | 220.5 | 185.8 | +18.7% | 247.1 |
| Current tax receivables | 9.3 | 4.9 | +91.8% | 0.6 |
| Other receivables | 58.6 | 46.3 | +26.6% | 108.8 |
| Cash and cash equivalents | 188.1 | 99.8 | +88.5% | 106.7 |
| Current assets total | 847.0 | 664.8 | +27.4% | 825.3 |
| Assets total | 1,460.8 | 1,292.3 | +13.0% | 1,438.6 |

EQUITY AND LIABILITIES

| EUR million | 3/24 | 3/23 | Change % | 12/23 |
|--|----------------|----------------|---------------|----------------|
| Share capital | 92.2 | 92.2 | | 92.2 |
| Other reserves | 4.7 | 3.3 | +42.6% | 4.6 |
| Cumulative translation adjustments | -12.1 | -10.3 | +16.7% | -9.8 |
| Retained earnings | 622.7 | 642.8 | -3.1% | 802.9 |
| Equity attributable to owners of the parent company | 707.6 | 728.0 | -2.8% | 890.1 |
| Equity total | 707.6 | 728.0 | -2.8% | 890.1 |
| Deferred tax liabilities | 32.2 | 41.5 | -22.2% | 31.8 |
| Pension liabilities | 3.9 | 2.9 | +37.0% | 4.1 |
| Non-current provisions | 0.5 | 0.6 | -18.6% | 0.5 |
| Interest-bearing non-current liabilities | 165.2 | 189.7 | -12.9% | 171.0 |
| Other non-current liabilities | 76.0 | 77.3 | -1.7% | 76.4 |
| Non-current liabilities total | 277.8 | 311.9 | -10.9% | 283.8 |
| Current provisions | 1.2 | 0.1 | > 100% | 0.0 |
| Interest-bearing current liabilities | 29.4 | 20.9 | +40.7% | 29.0 |
| Trade payables | 83.8 | 78.4 | +6.9% | 102.3 |
| Current tax liabilities | 1.6 | 2.5 | -36.2% | 13.3 |
| Other current liabilities | 359.4 | 150.6 | > 100% | 120.1 |
| Current liabilities total | 475.4 | 252.4 | +88.3% | 264.8 |
| Liabilities total | 753.2 | 564.3 | +33.5% | 548.6 |
| Equity and liabilities total | 1,460.8 | 1,292.3 | +13.0% | 1,438.6 |



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| EUR million | Equity attributable to owners of the parent company | | | | | | | Equity total |
|------------------------------------|---|----------------|------------------------------------|--------------------------------|-----------------|-------------------|-------------------------|---------------|
| | Share capital | Other reserves | Cumulative translation adjustments | Remeasurement of pension plans | Treasury shares | Retained earnings | Retained earnings total | |
| Equity at 1 January 2023 | 92.2 | 3.3 | -10.8 | 37.1 | -34.8 | 821.1 | 823.3 | 908.1 |
| Profit for the period | | | | | | 43.8 | 43.8 | 43.8 |
| Other comprehensive income | | | | | | | | |
| Cumulative translation adjustments | | | 0.4 | | | -1.3 | -1.3 | -0.9 |
| Remeasurement of pension plans | | | | 0.4 | | | 0.4 | 0.4 |
| Transactions with owners | | | | | | | | |
| Dividends paid | | | | | | -224.9 | -224.9 | -224.9 |
| Share-based incentive plans | | | | | 6.8 | -5.3 | 1.5 | 1.5 |
| Other adjustments | | 0.0 | | | | 0.0 | 0.0 | 0.0 |
| Equity at 31 March 2023 | 92.2 | 3.3 | -10.3 | 37.5 | -28.0 | 633.3 | 642.8 | 728.0 |
| Equity at 1 January 2024 | 92.2 | 4.6 | -9.8 | 20.9 | -28.0 | 810.0 | 802.9 | 890.1 |
| Profit for the period | | | | | | 43.8 | 43.8 | 43.8 |
| Other comprehensive income | | | | | | | | |
| Cumulative translation adjustments | | | -2.3 | | | 1.2 | 1.2 | -1.2 |
| Remeasurement of pension plans | | | | 0.0 | | | 0.0 | 0.0 |
| Transactions with owners | | | | | | | | |
| Dividends paid | | | | | | -227.3 | -227.3 | -227.3 |
| Share-based incentive plans | | | | | 3.2 | -1.1 | 2.1 | 2.1 |
| Other adjustments | | 0.1 | | | | 0.0 | 0.0 | 0.1 |
| Equity at 31 March 2024 | 92.2 | 4.7 | -12.1 | 20.9 | -24.8 | 626.6 | 622.7 | 707.6 |



CONSOLIDATED STATEMENT OF CASH FLOWS

| EUR million | 1-3/24 | 1-3/23 | 1-12/23 |
|---|--------------|---------------|---------------|
| Profit before taxes | 54.9 | 55.1 | 271.9 |
| Adjustments | 16.5 | 15.7 | 36.1 |
| Change in working capital | 69.7 | -54.9 | -144.8 |
| Net financial items | 0.5 | 0.6 | -3.0 |
| Income taxes paid | -31.6 | -12.4 | -41.2 |
| Total net cash flow from operating activities | 110.0 | 4.0 | 119.0 |
| Investments in property, plant and equipment | -16.7 | -15.5 | -65.6 |
| Investments in intangible assets | -5.1 | -38.3 | -51.2 |
| Acquired in business combination, net of cash | | -0.0 | -0.1 |
| Sales of property, plant and equipment and other investments | 0.5 | 0.3 | 8.5 |
| Total net cash flow from investing activities | -21.2 | -53.6 | -108.4 |
| Cash flow from operating and investing activities, total | 88.8 | -49.5 | 10.7 |
| Changes in current loans including leasing liabilities | -1.0 | 3.0 | -6.6 |
| Repayment of non-current loans | -6.4 | -6.5 | -11.8 |
| Dividends paid and other distribution of profits | | -183.5 | -224.9 |
| Total net cash flow from financing activities | -7.5 | -187.1 | -243.2 |
| Net change in cash and cash equivalents | 81.3 | -236.6 | -232.6 |
| Cash and cash equivalents at the beginning of the period | 106.7 | 332.6 | 332.6 |
| Foreign exchange differences | 0.1 | 3.7 | 6.6 |
| Cash and cash equivalents at the end of the period | 188.1 | 99.8 | 106.7 |

Reconciliation of cash and cash equivalents in statement of financial position

| EUR million | 1-3/24 | 1-3/23 | 1-12/23 |
|---|--------------|-------------|--------------|
| Cash and cash equivalents in statement of financial position at the end of the period | 188.1 | 99.8 | 106.7 |
| Money market investments at the end of the period | | | |
| Cash and cash equivalents in the statement of cash flows | 188.1 | 99.8 | 106.7 |



Appendices

NET SALES BY REVENUE FLOWS

| EUR million | 1-3/24 | 1-3/23 | Change % | 1-12/23 |
|----------------------------|--------------|--------|----------|---------|
| Sale of goods | 273.4 | 252.3 | +8.4% | 1,033.3 |
| Royalty income | 32.9 | 25.1 | +31.4% | 123.9 |
| Total sale of goods | 306.3 | 277.3 | +10.5% | 1,157.2 |
| Milestone payments | 2.2 | 0.6 | > 100% | 32.4 |
| Total | 308.5 | 277.9 | +11.0% | 1,189.7 |

In January-March 2024, EUR 0.5 (0.5) million has been entered as income from performance obligations transferred to customers over time and they are included in the Milestone payments. The Group recognised EUR 0.6 (3.8) million of sales revenue to Sale of goods and Royalty income from performance obligations satisfied during previous financial periods.

NET SALES BREAK-DOWN

| EUR million | 1-3/24 | 1-3/23 | Change % | 1-12/23 |
|--|--------------|--------|----------|---------|
| Innovative Medicines | 57.4 | 41.8 | +37.4% | 235.1 |
| Branded Products | 70.2 | 59.5 | +17.9% | 260.9 |
| Generics and Consumer Health | 130.7 | 133.7 | -2.2% | 517.6 |
| Animal Health | 31.9 | 26.9 | +18.2% | 103.9 |
| Fermion | 18.5 | 18.1 | +2.4% | 73.7 |
| Translation differences and Other operations | -0.2 | -2.1 | -89.6% | -1.6 |
| Total | 308.5 | 277.9 | +11.0% | 1,189.7 |

QUARTERLY NET SALES BY REGION

| EUR million | 2024 | | 2023 | | | 2022 | | |
|---------------|--------------|-------|-------|-------|-------|-------|-------|-------|
| | 1-3 | 10-12 | 7-9 | 4-6 | 1-3 | 10-12 | 7-9 | 4-6 |
| Finland | 83.7 | 90.6 | 81.3 | 82.4 | 79.2 | 89.4 | 80.1 | 81.2 |
| Scandinavia | 40.6 | 36.4 | 35.8 | 36.4 | 33.8 | 34.8 | 32.3 | 35.8 |
| Other Europe | 98.5 | 87.8 | 80.4 | 99.1 | 99.2 | 100.2 | 97.7 | 101.9 |
| North America | 46.7 | 47.7 | 51.3 | 41.3 | 34.3 | 35.2 | 251.7 | 27.5 |
| Other markets | 39.0 | 58.7 | 52.2 | 30.6 | 31.3 | 34.9 | 30.0 | 37.3 |
| Total | 308.5 | 321.1 | 301.1 | 289.6 | 277.9 | 294.5 | 491.8 | 283.7 |

OPERATING PROFIT BY QUARTER

| EUR million | 2024 | | 2023 | | | 2022 | | |
|------------------|------|-------|------|------|------|-------|-------|------|
| | 1-3 | 10-12 | 7-9 | 4-6 | 1-3 | 10-12 | 7-9 | 4-6 |
| Operating profit | 56.0 | 92.9 | 80.0 | 46.5 | 55.5 | 40.7 | 245.4 | 82.0 |



TOP TEN BEST-SELLING PHARMACEUTICAL PRODUCTS

| EUR million | 1-3/24 | 1-3/23 | Change % | 1-12/23 |
|---|--------------|--------------|---------------|--------------|
| Nubeqa® (prostate cancer) | 49.5 | 37.7 | +31.3% | 182.5 |
| Easyhaler® product portfolio (asthma, COPD) | 41.9 | 32.2 | +30.2% | 144.2 |
| Entacapone products (Parkinson's disease) | 20.0 | 21.5 | -6.7% | 88.4 |
| Dexdomitor®, Domitor®, Domosedan® and Antisedan® (animal sedatives) | 10.3 | 8.0 | +27.5% | 22.8 |
| Burana® (inflammatory pain) | 5.8 | 5.9 | -0.8% | 25.1 |
| Divina® series (menopausal symptoms) | 5.5 | 4.9 | +11.9% | 21.0 |
| Simdax® (acute decompensated heart failure) | 5.3 | 8.1 | -34.5% | 25.7 |
| Dexmedetomidine products for human use | 4.8 | 7.1 | -32.6% | 21.5 |
| Fareston® (breast cancer) | 4.6 | 4.0 | +13.6% | 13.5 |
| Trexan® (rheumatoid arthritis, cancer) | 4.0 | 7.6 | -48.3% | 19.1 |
| Total | 151.7 | 137.1 | +10.6% | 563.7 |
| Share of net sales, % | 49.2% | 49.3% | | 47.4% |

¹Starting from reporting period January-June 2023, the income from Nubeqa® packaging is included in contract manufacturing and no longer reported as part of Nubeqa® product sales; for this reason, the comparative figures from prior periods differ from previously published figures.



CHANGES IN PROPERTY, PLANT AND EQUIPMENT

| EUR million | 3/24 | 3/23 | 12/23 |
|---|--------------|--------------|--------------|
| Carrying amount at the beginning of the period | 400.9 | 373.3 | 373.3 |
| Additions | 11.4 | 13.8 | 72.3 |
| Depreciation and impairment for the period | -11.0 | -10.4 | -43.6 |
| Disposals and other changes | -0.4 | -0.4 | -1.1 |
| Carrying amount at the end of the period | 400.8 | 376.3 | 400.9 |

CHANGES IN INTANGIBLE ASSETS (EXCLUDING GOODWILL)

| EUR million | 3/24 | 3/23 | 12/23 |
|---|--------------|--------------|--------------|
| Carrying amount at the beginning of the period | 112.9 | 103.8 | 103.8 |
| Additions | 1.7 | 4.3 | 20.4 |
| Amortisation and impairment for the period | -1.5 | -1.8 | -7.9 |
| Disposals and other changes | 0.0 | -3.0 | -3.4 |
| Carrying amount at the end of the period | 113.1 | 103.3 | 112.9 |

CHANGES IN FINANCIAL LIABILITIES

Orion Group has withdrawn two loans from the European Investment Bank, which include financial covenants. If the financial covenants in the terms of the loan agreements of the European Investment Bank are breached, the lender optionally has the right to demand early repayment of the loan. As at 31 March 2024 Orion met these financial covenants.

COMMITMENTS AND CONTINGENCIES

Contingencies for own liabilities

| EUR million | 3/24 | 3/23 | 12/23 |
|-------------------|------|------|-------|
| Guarantees | 2.8 | 5.0 | 2.6 |
| Other liabilities | | 0.3 | |

Commitments

Orion has commitments for the acquisition of property, plant and equipment, which mainly concern existing factories and premises in Finland.

Significant legal proceedings

On 26 October 2023, Orion Corporation filed together with Bayer et al a patent infringement lawsuit against Hetero USA Inc. et al in the United States District Court for the District of Delaware. Hetero USA Inc. (et al) has filed an Abbreviated New Drug Application ("ANDA") for Nubeqa® (darolutamide) with the U.S. Food and Drug Administration seeking approval to commercialise a generic version of Nubeqa® prior to certain patents expiring in 2036 and 2038. However, according to Orion's information, the ANDA as filed does not seek approval prior to the expiry of the compound patent protection for Nubeqa® (darolutamide) in the U.S.

In the U.S., generic pharmaceutical companies may apply for an ANDA after a certain time has lapsed from the grant of the marketing authorisation of the originator's product, and such applications will occur in the ordinary course of business.

In addition to the above, companies belonging to the Orion Group are parties to various legal disputes, which are not, however, considered to be significant legal proceedings for the Group.

DERIVATIVES

Nominal values of currency derivatives

| EUR million | 3/24 | 3/23 | 12/23 |
|---|------|------|-------|
| Currency forward contracts and currency swaps | 51.0 | 33.5 | 49.3 |
| Currency options | 44.0 | 36.4 | 28.0 |

Fair values of currency derivatives

| EUR million | 3/24 | 3/23 | 12/23 |
|---|------|------|-------|
| Currency forward contracts and currency swaps | 0.2 | 0.2 | 0.3 |
| Currency options | 0.0 | 0.1 | -0.1 |



FAIR VALUE MEASUREMENT AND HIERARCHY OF FINANCIAL INSTRUMENTS, 31 March 2024

| EUR million | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------------|---------|---------|---------|-------|
| Currency derivatives | | 0.4 | | 0.4 |
| Shares and investments | | | 0.2 | 0.2 |
| Assets total | | 0.4 | 0.2 | 0.6 |
| Deferred purchase price and earn-out | | | -9.3 | -9.3 |
| Currency derivatives | | -0.2 | | -0.2 |
| Liabilities total | | -0.2 | -9.3 | -9.5 |

The fair value of level 1 financial instrument is based on quotations available in active markets. The fair value of level 2 derivatives is based on prices available in the markets. The fair value of level 3 financial instruments cannot be estimated on the basis of data available in the markets.

In the Group the principle is applied that transfers between levels of fair value hierarchy are recognised on the date on which the event triggering the transfer occurred. No transfers between levels occurred during the reporting period.

BASIC SHARE INFORMATION, 31 March 2024

| | A share | B share | Total |
|--|--------------|---------------|---------------|
| Trading code on Nasdaq Helsinki | ORNAV | ORNBV | |
| Listing day | 1 Jul 2006 | 1 Jul 2006 | |
| ISIN code | FI0009014369 | FI0009014377 | |
| ICB code | 4500 | 4500 | |
| Reuters code | ORNAV.HE | ORNBV.HE | |
| Bloomberg code | ORNAV.FH | ORNBV.FH | |
| Share capital, EUR million | 21.7 | 70.5 | 92.2 |
| Counter book value per share, EUR | 0.65 | 0.65 | |
| Minimum number of shares | | | 1 |
| Maximum number of A and B shares, and maximum number of all shares | 500,000,000 | 1,000,000,000 | 1,000,000,000 |
| Votes per share | 20 | 1 | |

Both share classes, A and B, confer equal rights to the Company's assets and dividends.



KEY FINANCIAL FIGURES

| | 1-3/24 | 1-3/23 | Change % | 1-12/23 |
|---|---------|---------|----------|---------|
| Net sales, EUR million | 308.5 | 277.9 | +11.0% | 1,189.7 |
| EBITDA, EUR million | 68.5 | 67.7 | +1.2% | 326.4 |
| % of net sales | 22.2% | 24.4% | | 27.4% |
| Operating profit, EUR million | 56.0 | 55.5 | +1.0% | 274.9 |
| % of net sales | 18.2% | 20.0% | | 23.1% |
| Profit for the period, EUR million | 43.8 | 43.8 | -0.1% | 216.8 |
| % of net sales | 14.2% | 15.8% | | 18.2% |
| Research and development expenses, EUR million | 36.8 | 31.7 | +16.1% | 126.9 |
| % of net sales | 11.9% | 11.4% | | 10.7% |
| Capital expenditure, excluding acquired in business combinations, EUR million | 13.1 | 18.1 | -27.6% | 92.7 |
| % of net sales | 4.2% | 6.5% | | 7.8% |
| Acquired in business combination, net of cash, EUR million | | 0.0 | | 0.1 |
| Depreciation, amortisation and impairment, EUR million | 12.5 | 12.2 | +2.5% | 51.5 |
| Personnel expenses, EUR million | 75.9 | 67.4 | +12.6% | 273.0 |
| Equity total, EUR million | 707.6 | 728.0 | -2.8% | 890.1 |
| Interest-bearing net liabilities, EUR million | 6.4 | 110.8 | -94.2% | 93.3 |
| Assets total, EUR million | 1,460.8 | 1,292.3 | +13.0% | 1,438.6 |
| Cash flow from operating activities, EUR million | 110.0 | 4.0 | > 100% | 119.0 |
| Equity ratio, % | 48.8% | 56.9% | | 62.3% |
| Gearing, % | 0.9% | 15.2% | | 10.5% |
| Return on capital employed (before taxes), % | 22.8% | 22.0% | | 25.3% |
| Return on equity (after taxes), % | 21.9% | 21.4% | | 24.1% |
| Personnel at the end of the period | 3,698 | 3,564 | +3.8% | 3,632 |
| Average personnel during the period | 3,673 | 3,546 | +3.6% | 3,599 |



PERFORMANCE PER SHARE

| | 1-3/24 | 1-3/23 | Change % | 1-12/23 |
|--|-------------|-------------|----------|-------------|
| Basic earnings per share, EUR | 0.31 | 0.31 | -0.2% | 1.54 |
| Diluted earnings per share, EUR | 0.31 | 0.31 | -0.2% | 1.54 |
| Cash flow from operating activities per share, EUR | 0.78 | 0.03 | > 100% | 0.85 |
| Equity per share, EUR | 5.04 | 5.19 | -2.9% | 6.34 |
| A share | | | | |
| Number of shares at the end of the period | 33,232,361 | 34,032,382 | -2.4% | 33,351,382 |
| % of total share stock | 23.5% | 24.1% | | 23.6% |
| Number of votes excluding treasury shares | 664,647,220 | 680,647,640 | -2.4% | 667,027,640 |
| % of total votes | 86.1% | 86.5% | | 86.2% |
| Total number of shareholders | 25,014 | 23,684 | +5.6% | 24,589 |
| Lowest quotation of review period, EUR | 33.95 | 40.60 | -16.4% | 34.25 |
| Average quotation of review period, EUR | 39.57 | 48.30 | -18.1% | 41.19 |
| Highest quotation of review period, EUR | 45.15 | 55.00 | -17.9% | 55.00 |
| Closing quotation at the end of review period, EUR | 34.60 | 42.50 | -18.6% | 39.20 |
| Trading volume, EUR million | 16.2 | 16.1 | +1.1% | 50.0 |
| Shares traded | 410,612 | 332,766 | +23.4% | 1,213,681 |
| % of the total number of shares | 1.2% | 1.0% | | 3.6% |

| | 1-3/24 | 1-3/23 | Change % | 1-12/23 |
|---|-------------|-------------|----------|-------------|
| B share | | | | |
| Number of shares at the end of the period, including treasury shares | 107,901,917 | 107,101,896 | +0.7% | 107,782,896 |
| % of total share stock | 76.5% | 75.9% | | 76.4% |
| Treasury shares | 632,855 | 782,973 | -19.2% | 782,973 |
| Number of shares at the end of the period, excluding treasury shares | 107,269,062 | 106,318,923 | +0.9% | 106,999,923 |
| Number of votes excluding treasury shares | 107,269,062 | 106,318,923 | +0.9% | 106,999,923 |
| % of total votes | 13.9% | 13.5% | | 13.8% |
| Diluted number of shares, average, excluding treasury shares | 106,319,181 | 106,186,272 | +0.1% | 106,633,693 |
| % of total share stock | 75.3% | 75.2% | | 75.6% |
| Total number of shareholders | 72,908 | 64,898 | +12.3% | 71,309 |
| Lowest quotation of review period, EUR | 33.85 | 40.21 | -15.8% | 32.89 |
| Average quotation of review period, EUR | 39.53 | 46.65 | -15.3% | 40.48 |
| Highest quotation of review period, EUR | 45.29 | 55.16 | -17.9% | 55.16 |
| Closing quotation at the end of review period, EUR | 34.57 | 41.19 | -16.1% | 39.27 |
| Trading volume, EUR million | 587.0 | 757.7 | -22.5% | 2,601.5 |
| Shares traded | 14,849,180 | 16,243,303 | -8.6% | 64,267,609 |
| % of the total number of shares | 13.8% | 15.2% | | 59.6% |
| A and B share total | | | | |
| Number of shares at the end of the period | 141,134,278 | 141,134,278 | | 141,134,278 |
| Average number of shares during the period excluding treasury shares | 140,400,794 | 140,251,440 | +0.1% | 140,326,681 |
| Total number of votes conferred by the shares | 771,916,282 | 786,966,563 | -1.9% | 774,027,563 |
| Diluted number of shares, average, excluding treasury shares | 140,436,355 | 140,261,463 | +0.1% | 140,361,039 |
| Total number of shareholders | 90,647 | 81,619 | +11.1% | 88,722 |
| Trading volume, EUR million | 603.3 | 773.7 | -22.0% | 2,651.5 |
| Shares traded | 15,259,792 | 16,576,069 | -7.9% | 65,481,290 |
| Total shares traded, % of total shares | 10.8% | 11.7% | | 46.4% |
| Market capitalisation at the end of the period excluding treasury shares, EUR million | 4,858.1 | 5,825.7 | -16.6% | 5,509.3 |



CALCULATION OF THE KEY FIGURES

| | | |
|--|---|--|
| EBITDA | = | Operating profit + Depreciation + Amortisation + Impairment losses |
| Interest-bearing net liabilities | = | Interest-bearing liabilities - Cash and cash equivalents - Money market investments |
| Return on capital employed (ROCE), % | = | $\frac{\text{Profit before taxes + Interest and other finance expenses}}{\text{Total assets - Non-interest-bearing liabilities (average during the period)}} \times 100$ |
| Return on equity (ROE), % | = | $\frac{\text{Profit for the period}}{\text{Total equity (average during the period)}} \times 100$ |
| Equity ratio, % | = | $\frac{\text{Equity}}{\text{Total assets - Advances received}} \times 100$ |
| Gearing, % | = | $\frac{\text{Interest-bearing liabilities - Cash and cash equivalents - Money market investments}}{\text{Equity}} \times 100$ |
| Earnings per share, EUR (basic and diluted) | = | $\frac{\text{Profit attributable to the owners of the parent company}}{\text{Average number of shares during the period, excluding treasury shares}}$ |
| Cash flow from operating activities per share, EUR | = | $\frac{\text{Cash flow from operating activities}}{\text{Average number of shares during the period, excluding treasury shares}}$ |
| Equity per share, EUR | = | $\frac{\text{Equity attributable to owners of the parent company}}{\text{Number of shares at the end of the period, excluding treasury shares}}$ |
| Average share price, EUR | = | $\frac{\text{Total EUR value of shares traded}}{\text{Average number of traded shares during the period}}$ |
| Market capitalisation, EUR million | = | Number of shares at the end of the period excluding treasury shares x Closing quotation of the period |

ACCOUNTING POLICIES

Orion has a single business area or operating segment that forms the basis of reporting. Orion's net sales are itemised as follows:

- Innovative Medicines
- Branded Products
- Generics and Consumer Health
- Animal Health
- Fermion.

In addition to these, net sales reporting contains one further item, "Translation differences and Other operations", which mostly comprises the impact of translation differences on Orion's net sales.

This report has been prepared in accordance with the accounting policies set out in IAS 34 Interim Financial Reporting. The same accounting principles have been applied as in the 2023 financial statements, besides which the amendments to existing IFRS and IAS standards endorsed by the EU have been adopted as of 1 January 2024. New amendments to existing IFRS and IAS standards adopted from 1 January 2024 have not affected the consolidated financial statements. The policies and calculation methods applied during the period can be found on the Orion website at <http://www.orion.fi/en/investors>.

The figures in this report have not been audited. The figures in parentheses are for the comparative period, i.e. the corresponding period of the previous year. All the figures in this report have been rounded, which is why the total sums of individual figures may differ from the total sums shown.

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Orion is a globally operating Finnish pharmaceutical company - a builder of well-being. We develop, manufacture and market human and veterinary pharmaceuticals and active pharmaceutical ingredients. Orion has an extensive portfolio of proprietary and generic medicines and self-care products. The core therapy areas of our pharmaceutical R&D are oncology and pain. Proprietary products developed by Orion are used to treat cancer, neurological diseases and respiratory diseases, among others. Orion's net sales in 2023 amounted to EUR 1,190 million and the company had about 3,600 employees at the end of the year. Orion's A and B shares are listed on Nasdaq Helsinki.