



Orion Group  
Interim Report 1-3/2020

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## Orion Group Interim Report January-March 2020

- Net sales were EUR 280 million (EUR 241 million in January-March 2019).
- Operating profit was EUR 84 (55) million.
- Profit before taxes was EUR 83 (54) million.
- Equity ratio was 69% (52%).
- ROCE before taxes was 39% (26%).
- ROE after taxes was 33% (25%).
- Basic earnings per share were EUR 0.48 (0.30).
- Cash flow per share before financial items was EUR 0.34 (0.40).
- Outlook for 2020 was updated after the review period on 24 April 2020. Orion estimates that in 2020 net sales will be at a similar level as in 2019 (net sales in 2019 were EUR 1,051 million). Operating profit is estimated to be at a similar level as in 2019 (in 2019 operating profit was EUR 253 million).

### Key figures

	1-3/20	1-3/19	Change %	1-12/19
Net sales, EUR million	<b>279.9</b>	241.0	+16.1%	1,051.0
EBITDA, EUR million	<b>98.6</b>	68.7	+43.6%	308.9
% of net sales	<b>35.2%</b>	28.5%		29.4%
Operating profit, EUR million	<b>84.4</b>	55.0	+53.3%	252.8
% of net sales	<b>30.1%</b>	22.8%		24.1%
Profit before taxes, EUR million	<b>83.4</b>	53.9	+54.6%	250.8
% of net sales	<b>29.8%</b>	22.4%		23.9%
Profit for the period, EUR million	<b>67.4</b>	42.8	+57.4%	200.4
% of net sales	<b>24.1%</b>	17.8%		19.1%
R&D expenses, EUR million	<b>26.8</b>	26.4	+1.5%	119.3
% of net sales	<b>9.6%</b>	11.0%		11.3%
Capital expenditure, EUR million	<b>10.3</b>	6.1	+69.7%	42.6
% of net sales	<b>3.7%</b>	2.5%		4.0%
Interest-bearing net liabilities, EUR million	<b>-185.0</b>	-182.9	+1.2%	-139.1
Basic earnings per share, EUR million	<b>0.48</b>	0.30	+57.6%	1.43
Cash flow per share before financial items, EUR	<b>0.34</b>	0.40	-15.4%	1.68
Equity ratio, %	<b>68.9%</b>	51.5%		76.7%
Gearing, %	<b>-22.0%</b>	-30.1%		-17.8%
ROCE (before taxes), %	<b>38.8%</b>	26.2%		29.9%
ROE (after taxes), %	<b>33.2%</b>	24.8%		25.8%
Average personnel during the period	<b>3,304</b>	3,183	+3.8%	3,251

President and CEO Timo Lappalainen:

## COVID-19 increased demand and challenges

“The COVID-19 pandemic impacted Orion’s operations in many ways in the first quarter of 2020. During this exceptional time, the most important thing for us is to take care of the health and safety of employees, the continuity of production and patient safety in ongoing clinical trials. We have prioritised the production and fully utilised the capacity of medicines that are critical in this situation. Orion is also collaborating with authorities from different countries in these matters.

Orion’s net sales and operating profit from January to March 2020 clearly increased from the comparative period. The growth is mainly due to a strong increase in demand for pharmaceuticals caused by the COVID-19 pandemic. In some products, growth in demand was a temporary spike due to hoarding and stockpiling, and in some products demand has remained higher than normal or increased even further.

Net sales of Orion’s intensive care sedative Dexdor® decreased from the strong comparative period, but notably less than expected. Due to the coronavirus situation and shortages in other sedatives in the European market, the demand for Dexdor® turned to a strong growth in March and demand is forecast to remain steady in the coming months. We have made producing Dexdor® a priority in manufacturing and have introduced full capacity to be able to deliver as much of the sedative as possible to patients in need. Unfortunately the coronavirus pandemic has increased the number of patients in intensive care so much that we are currently not fully able to meet demand.

Sales of the Easyhaler® product family for asthma and chronic obstructive pulmonary disease increased faster than anticipated especially due to very strong sales in March. Demand for products has increased partly because of the coronavirus. The demand for Easyhaler® products is estimated to continue higher than forecast at least for the time being. We have also increased the production of these products to meet growing demand.

The sales of Simdax® (levosimendan), used in the treatment of acute decompensated heart failure, continued to grow well in the first quarter of the year. The first generic levosimendan product has been launched in Germany and Austria, but its product formulation is different from Simdax®. The start of generic competition is not expected to have material impact on the sales of Simdax® this year.

Net sales of Parkinson’s drugs Stalevo® and Comtess®/Comtan® increased as anticipated due to the reacquisition of their sales and distribution rights by Orion at the end of 2018 and in early 2019 as well as timing of partner deliveries.

Nubeqa®, a drug for the treatment of non-metastatic castration-resistant prostate cancer, received marketing authorisation in the review period, first in Japan in January and then in the EU in March. Sales did not start, however, in Japan or EU in the first quarter. Orion is eligible to receive milestone payments for darolutamide from Bayer, EUR 8 million upon first commercial sales in Japan and EUR 20 million in Europe. In the United States, the product has been in the market since the summer of 2019. Nubeqa® has also been granted marketing authorisation, among others, in Australia, Brazil and Canada, and Bayer has initiated or is planning marketing authorisation application processes in other regions.

The coronavirus situation caused a hoarding phenomenon and a spike in demand for self-care products and generic prescription drugs in March, which resulted in a marked rise in net sales of the Specialty Products unit. In our estimate, however, the basic demand for these products has not essentially changed, and the increase is expected to level off in the course of the year. Travel bans and other restrictions in place around the world due to the COVID-19 pandemic are estimated to cause disturbances in global pharmaceutical supply chains, which may negatively affect the net sales of the Specialty Products unit in particular from the end of the year.

The coronavirus situation and subsequent travel bans and other restrictions in different parts of the world also pose challenges to clinical development projects. Orion focuses on managing the safety and continued treatment of patients involved in clinical trials during the COVID-19 pandemic. However, the exceptional circumstances may cause delays in ongoing projects. Research projects in earlier phases may have delays because, among other things, some of the R&D personnel has transferred to assisting in the Orion supply chain and ensuring continuity of pharmaceutical production. Personnel from other functions has also transferred to assisting the supply chain. I greatly appreciate the great spirit and ability of all Orionees to pull together in this exceptional situation.

## Outlook for 2020 (provided on 24 April 2020)

Orion estimates that in 2020 net sales will be at a similar level as in 2019 (net sales in 2019 were EUR 1,051 million).

Operating profit is estimated to be at a similar level as in 2019 (in 2019 operating profit was EUR 253 million).

Basis for the outlook and an overview of near-term risks and uncertainties are provided on pages 19-22 of this review.

## Financial review for 1 January-31 March 2020

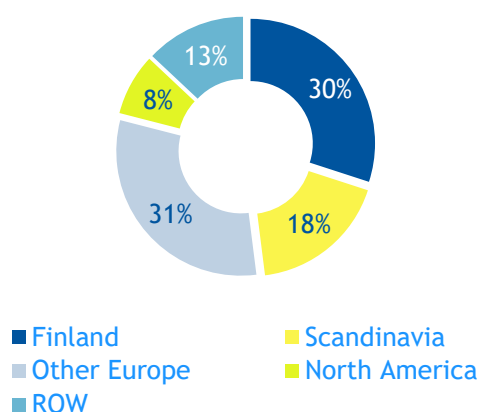
### Change in reporting of net sales

Starting with this interim report, Orion will combine Fermion's external net sales and Orion's contract manufacturing net sales in reporting. The item "Other operations" reported in the context of net sales mostly comprises the impact of exchange rate changes on consolidated net sales.

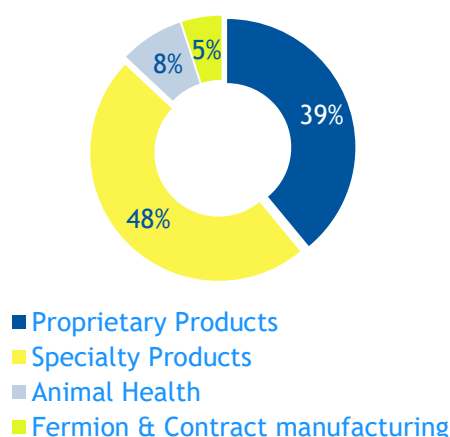
### Net sales

Orion Group's net sales in January-March 2020 totalled EUR 280 (241) million, an increase of 16%. Exchange rates impacted net sales negatively by EUR 6 million. Net sales of Orion's top ten pharmaceuticals in January-March 2020 were EUR 137 (118) million. They accounted for 49% (49%) of the total net sales.

Net sales split by region



Net sales split by business units



### Operating profit

The Orion Group's operating profit was up by 53% at EUR 84 (55) million. EBITDA was up by 44% at EUR 99 (69) million. The increase is due to strong growth in sales.

The positive effect of increased net sales calculated in local currencies on the gross profit of product and service sales was EUR 27 million. Price, cost and product portfolio changes had a positive impact of EUR 11 million and currency rate changes a negative impact of EUR 7 million. In all, with the joint impact of these items, the gross profit from product and service sales was EUR 31 million higher than in the comparative period.

Milestone payments accounted for EUR 1 (0) million and royalties for EUR 3 (4) million of net sales and operating profit. The increase in other operating income improved operating profit by EUR 2 million.

Operating expenses increased by EUR 4 million.

## Operating expenses

The Group's sales and marketing expenses totalled EUR 53 (52) million. R&D expenses were EUR 27 (26) million. They accounted for 10% (11%) of the Group's net sales. Research projects are reported in more detail under the 'Research and development' section of this review.

Administrative expenses were EUR 13 (11) million.

Other operating income and expenses amounted to EUR 2 (0) million (positive).

## Group's profit

Profit for the period was EUR 67 (43) million.

Basic earnings per share were EUR 0.48 (0.30). Equity per share was EUR 5.99 (4.31).

The return on capital employed before taxes (ROCE) was 39% (26%) and the return on equity after taxes (ROE) 33% (25%).

## Financial position

The Group's gearing was -22% (-30%) and the equity ratio 69% (52%).

The Group's total liabilities at 31 March 2020 were EUR 401 (593) million. At the end of the period, interest-bearing liabilities amounted to EUR 159 (158) million, including EUR 106 (5) million of long-term liabilities. In the period under review, Orion withdrew a EUR 100 million long-term loan from the European Investment Bank as well as a EUR 50 million short-term loan. The loans ensure the Company's good liquidity despite possible adverse impacts of the coronavirus pandemic. Orion is not currently aware of factors that would materially affect the Company's liquidity negatively.

The Group had EUR 344 (341) million of cash and cash equivalents and money market investments at the end of the review period.

## Cash flow

Cash flow from operating activities was EUR 60 (64) million. The increase in working capital decreased cash flow by a total of EUR 28 million. Trade receivables increased by EUR 20 million in the first quarter due to the high sales in March.

The cash flow from investing activities was EUR -12 (-7) million.

The cash flow from financing activities was EUR 149 (-1) million. The difference to the comparative period is due to the EUR 100 million long-term loan withdrawn from the European Investment Bank and EUR 50 million short-term loan withdrawn.

## Capital expenditure

The Group's capital expenditure totalled EUR 10 (6) million. This comprised EUR 9 (5) million on property, plant and equipment and EUR 2 (1) million on intangible assets.



## Key business targets for 2020

TARGET	DEVELOPMENT 1-3/2020
Launch and commercialisation of the prostate cancer drug darolutamide jointly with Bayer. Continued research and development collaboration in the ARASENS trial (metastatic prostate cancer) to expand the indication.	<ul style="list-style-type: none"> <li>○ Japan and the EU granted Orion marketing authorisations for darolutamide for the treatment of non-metastatic castration-resistant prostate cancer.</li> <li>○ With recruitment completed, the ARASENS trial continues as planned.</li> </ul>
Development of orally administered levosimendan (ODM-109) for the treatment of symptoms of ALS in Phase III clinical trial (REFALS) and preparation for its possible commercialisation. In research and development, the potential of different projects are reviewed with consideration of the total research portfolio.	<ul style="list-style-type: none"> <li>○ REFALS trial meets recruitment goal.</li> <li>○ In the COVID-19 situation, focus is on patient safety and completion of the trial.</li> <li>○ Orion is assessing the prospects of launching the product in the United States on its own.</li> <li>○ Partners are being sought for the development of ODM-203 and ODM-207.</li> </ul>
Strengthening Orion's position as the most significant provider of generic drugs in Finland and competitive pricing. Development of a competitive product portfolio in Specialty Products and strengthening of product launches.	<ul style="list-style-type: none"> <li>○ Orion grew faster than the market and is a clear market leader both in self-care products and reference priced prescription drugs in Finland.</li> </ul>
Accelerating the growth of the Easyhaler® product family and strengthening its market position. Progress on the launch of the salmeterol-fluticasone Easyhaler® in Europe.	<ul style="list-style-type: none"> <li>○ Easyhaler® product family sales increased by 33%.</li> <li>○ The COVID-19 pandemic has increased demand at least temporarily.</li> </ul>
Evaluation of new in-licensing opportunities in Europe, particularly in the area of hospital care.	<ul style="list-style-type: none"> <li>○ The work continues.</li> <li>○ The COVID-19 pandemic caused the product acquisition market to freeze in the first quarter.</li> </ul>

Orion regularly monitors the progress of these goals in its financial reports.



## Business review

### Review of the Finnish human pharmaceuticals market

Finland is the most important individual market for Orion, generating about one-third of the Group's net sales. According to Pharmarket statistics (1-3/2020), the total sales of Orion's human pharmaceuticals, including both medicinal and non-medicinal products, grew faster than the market. The COVID-19 epidemic increased demand in all product groups in the first quarter, but particularly in self-care products.

Orion's biggest product group in Finland are reference-priced prescription drugs in the pharmacy channel. The sales of Orion's reference-priced prescription drugs increased from the comparative period despite continuing tough price competition and availability disruptions. The average price of reference-priced drugs in the market declined approximately 5% from the comparative period (Source: Pharmarket). The impact of 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 leader in marketing pharmaceuticals in Finland. Orion has a particularly strong position in reference priced prescription drugs and in self-care product sales, with its market share being more than a quarter of the market in each.

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

EUR million	1-3/20	1-3/19	Change %
<b>Total sales of human pharmaceuticals (hospital and pharmacy channel)</b>			
Market	750	676	+11%
Orion	86	76	+13%
<b>Prescription drugs total (pharmacy channel)</b>			
Market	398	360	+11%
Orion	46	42	+11%
<b>Reference priced prescription drugs (pharmacy channel)</b>			
Market	110	102	+8%
Orion	30	27	+9%
<b>Self-care products (pharmacy channel)</b>			
Market	119	103	+15%
Orion	30	25	+21%

Source: Pharmarket sales statistics 1-3/2020

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

Orion's market share, %	1-3/20	1-3/19
Human pharmaceuticals in total (hospital and pharmacy channel)	11%	11%
Prescription drugs total (pharmacy channel)	12%	12%
Reference priced prescription drugs (pharmacy channel)	27%	27%
Self-care products (pharmacy channel)	26%	24%

Source: Pharmarket sales statistics 1-3/2020

## Proprietary Products

The product portfolio of Proprietary Products consists of patented prescription products in three therapy areas: central nervous system diseases, oncology and critical care, and Easyhaler® pulmonary drugs.

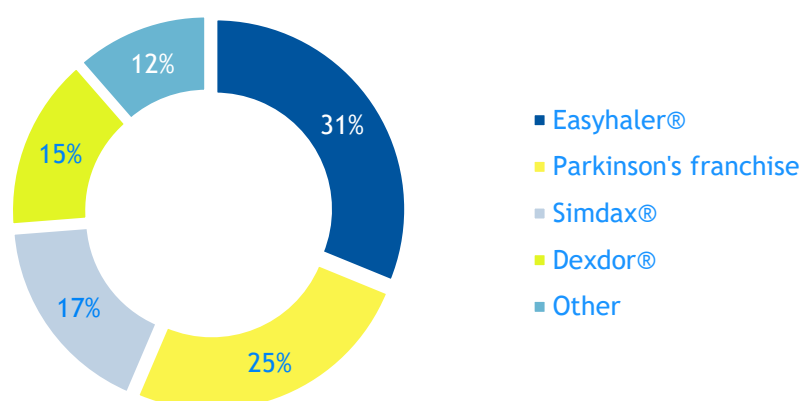
Net sales of the Proprietary Products unit in January-March 2020 were EUR 111 (89) million.

### Net sales by product

EUR million	1-3/20	1-3/19	Change %	1-12/19
Easyhaler® product family	35	26	+33%	104
Stalevo®, Comtess® and Comtan® (Parkinson's disease)	28	21	+33%	98
Simdax®	19	17	+17%	68
Dexdor®	17	19	-14%	57
Others*	13	6	+98%	80
<b>TOTAL</b>	<b>111</b>	<b>89</b>	<b>+24%</b>	<b>406</b>

\*) includes several products, among them Nubeqa®, Enanton® and Precedex®; the figure from 1–12/19 also includes the EUR 45 million milestone payment from Bayer

### Net sales split 1-3/2020



Total net sales of the Easyhaler® product family for treatment of asthma and chronic obstructive pulmonary disease were up by 33% in January-March 2020 at EUR 35 (26) million. The COVID-19 pandemic has, at least momentarily, increased demand and customers' desire to stockpile, which led to faster than expected increase in these product sales. Sales of the budesonide-formoterol combined formulation were up by 31% at EUR 20 (15) million. The combined sales of other Easyhaler® products increased by 36% to EUR 14 (11) million.

Besides Orion's sales, co-marketing partner Menarini sells the budesonide-formoterol combined formulation in France and in a few Southern European countries. The first marketing authorisation applications have also been submitted outside Europe. Menarini is the distributor of the budesonide-formoterol combined formulation in the Asia and Pacific region, and Hikma Pharmaceuticals PLC in the Middle East and North Africa.

The sales of salmeterol-fluticasone combined formulation have also started in several European countries, but they have initially developed more slowly than anticipated and for the time being, the product has no material impact on the net sales of the product family.

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).

Orion's drugs for treatment of Parkinson's disease are Stalevo® (active pharmaceutical ingredients carbidopa, levodopa and entacapone) and Comtess®/Comtan® (entacapone). Their total net sales in January-March 2020 were up by 33% at EUR 28 (21) million. In 2019, the European sales and distribution rights for Stalevo® and Comtan® returned to Orion. Growth in the review period is mostly explained by the fact that proprietary sales of Stalevo® had only started and proprietary sales of Comtan® only started in April 2019. In addition, sales to partners increased because of the timing of deliveries.

Except for Japan, distribution agreements of Parkinson's drugs with Novartis in other markets will expire during 2020 and in most of these markets, Orion is transferring the distribution to new partners. In a few Southeast Asian markets, Orion is planning to sell these products through its own sales organisations, which are being set up.

Breakdown of sales of Parkinson's drugs:

EUR million	1-3/2020	1-3/2019	Change %
Deliveries to key partners	15	13	+14%
Orion's own sales	13	8	+65%

Net sales of Orion's Dexdor® intensive care sedative (dexmedetomidine) were EUR 17 (19) million, down 14% from the strong comparative period. The decline in sales followed directly from the onset of generic competition and its expansion in Europe. The decline was slower than anticipated, though, due to increase in demand caused by the COVID-19 pandemic as well as shortages in competing products by some suppliers in the markets. Demand has continued strong also after the review period.

Simdax® (levosimendan), a drug for treatment of acute decompensated heart failure is sold in some 60 countries worldwide. Net sales of the product in January-March 2020 increased by 17% to EUR 19 (17) million. Orion estimates that the COVID-19 pandemic has sparked a desire in customers to increase stocks of medicinal products, which also explains the increase in Simdax® sales in the first quarter. Simdax® is a liquid infusion concentrate, and its formulation patent will expire in September 2020. Orion has been informed that Germany and Austria have granted marketing authorisation for a generic levosimendan dry-powder infusion concentrate. The launch of generic competition is not estimated to materially impact the sales of Simdax® in 2020.

Nubeqa® (darolutamide), a drug for the treatment of non-metastatic castration-resistant prostate cancer, received marketing authorisation in Japan and the EU, among others, in the review period. Sales did not start, however, in Japan or EU in the first quarter. Orion is eligible to receive EUR 20 million milestone payment upon first commercial sales of the product in the EU and to EUR 8 million upon first commercial sales in Japan.

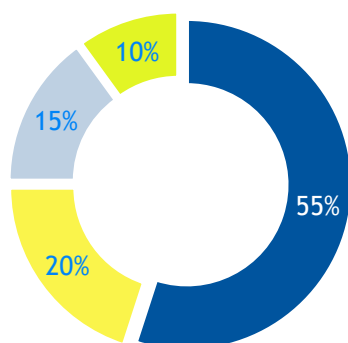
Bayer holds global commercial rights to darolutamide. In Europe, however, Orion and Bayer have agreed on co-promotion. In addition, Orion will manufacture the product for global markets. Besides milestone payments, Orion will also receive tiered royalties on global darolutamide sales, which will be approximately 20% including production revenue. With sales increase, royalties may increase slightly. Orion also has the possibility to receive one-off payments from Bayer when certain global annual sales targets are met for the first time.

## Specialty Products

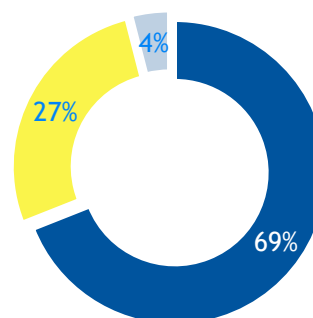
Net sales of the Specialty Products unit's off-patent, i.e. generic prescription drugs, self-care products and biosimilars were up in January-March 2020 by 21% at EUR 135 (111) million. The COVID-19 pandemic caused a drug hoarding phenomenon in Finland and other main markets in March, which explains the robust increase in sales especially of self-care products. Since there has been no material change in the

fundamental need for these products, though, the Company estimates the impacts of the demand spike to level off during the rest of the year.

Net sales split by region



Net sales split by product groups



■ Finland ■ Scandinavia ■ Eastern Europe ■ Other ■ Generic prescription drugs ■ Self-care ■ Biosimilars

Breakdown of Specialty Products' net sales by product group 1-3/2020:

EUR million	1-3/2020	1-3/2019	Change %	Share of unit's net sales 1-3/2020	Share of unit's net sales 1-3/2019
Generic prescription drugs	94	73	+28%	69%	66%
Self-care products	36	29	+26%	27%	26%
Biosimilars	5	9	-46%	4%	8%
<b>TOTAL</b>	<b>135</b>	<b>111</b>	<b>+21%</b>		

Finland, Scandinavia and Eastern Europe and Russia are the most important markets for Specialty Products. In Finland, the unit's sales in January to March 2020 increased by 14% to EUR 74 (65) million. The growth is mainly due to the spike in demand for self-care products and prescription drugs caused by the COVID-19 epidemic in March. On the other hand, decline in the price of generic drugs due to price competition and availability disruptions impacted net sales negatively.

In Scandinavia the sales of Specialty Products totalled EUR 26 (22) million, up 19%. The increase is due to robust demand for generic prescription drugs, particularly in March. Sales of biosimilars in Scandinavia declined markedly, as expected. In Eastern Europe and Russia, Specialty Products sales were up by 51% at EUR 21 (14) million. The increase is partly explained by strong demand in March and partly by the timing of major deliveries of some products.

In Specialty Products, 69% (66%) of the net sales came from generic prescription drugs, 27% (26%) from self-care products and 4% (8%) from biosimilars. The biosimilars net sales totalled EUR 5 (9) million, down by 46%. The expected decline is due to lost tendering competitions. Biosimilars distributed by Orion include Remsima® (infliximab), Ritemvia® (rituximab) and Amgevita® (adalimumab).

## Animal Health

In the Nordic countries and some Eastern European markets Orion itself sells veterinary drugs, and in other markets the Company operates through partners. In addition, in the Nordic countries Orion markets and sells veterinary drugs manufactured by several other companies. Orion's Animal Health unit has a strong market position in the Nordic countries, its home markets.

Net sales of the Animal Health unit in January-March 2020 were up by 12% at EUR 23 (21) million. At EUR 9 (10) million, sales of animal sedative products accounted for 38% (47%) of the Animal Health business

division's total net sales. 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.

In February 2018, Orion received positive conclusions under the decentralised EU marketing authorisation procedure for Clevor®. Clevor®, with ropinirole as the active pharmaceutical ingredient, is an eye-drop formula designed to treat poisoning in dogs. The product was launched in the first European countries in the review period.

#### **Fermion and contract manufacturing**

Fermion manufactures active pharmaceutical ingredients for Orion and other pharmaceutical companies. Its product range comprises nearly 30 pharmaceutical ingredients. Fermion produces the active pharmaceutical ingredients for Orion's in-house developed proprietary drugs. For other pharmaceutical companies Fermion manufactures generic pharmaceutical ingredients and offers contract manufacturing services for development and manufacturing of new active pharmaceutical ingredients.

Net sales of Fermion and contract manufacturing excluding deliveries for Orion's own use were down 18% at EUR 15 (18) million. The decline is mostly due to the timing of deliveries. In recent years order cycles in the trade in pharmaceutical raw materials have become ever shorter, and this has led to clearly greater fluctuation in business volume than before within each year and between different years.

## Research and development

The Group's R&D expenses totalled EUR 27 (26) million in January-March 2020, up 2%. They accounted for 10% (11%) of the Group's net sales. R&D expenses also include expenses related to development of the current portfolio.

Orion focuses on managing the safety and continued treatment of patients involved in clinical trials during the COVID-19 pandemic. However, the exceptional circumstances may cause delays in ongoing projects. Research projects in earlier phases may have delays because, among other things, some of the R&D personnel has transferred to assisting in the Orion supply chain and ensuring continuity of pharmaceutical production.

### Key clinical development projects

Project	Indication	PHASE			Registration
		I	II	III	
Easyhaler® tiotropium	COPD	Bioequivalence study			
Darolutamide <sup>1)</sup>	Prostate cancer (nmCRPC)	I	II	III	Registration
Darolutamide <sup>1)</sup>	Prostate cancer (mHSPC)	I	II	III	
ODM-109 (oral levosimendan)	ALS	I	II	III	
ODM-203 (targeted FGFR+VEGFR inhibitor) <sup>2)</sup>	Solid tumours	I	II		
ODM-207 (BET protein inhibitor) <sup>2)</sup>	Cancer	I			
ODM-208 (CYP11A1 inhibitor)	Prostate cancer (CRPC)	I			
ODM-209 (CYP11A1 inhibitor)	Breast cancer, prostate cancer (CRPC)	I			

<sup>1)</sup> In collaboration with Bayer

<sup>2)</sup> Search for a partner ongoing for the next possible development phase

=Phase completed

= Phase ongoing

=Status changed

Orion is working on a project to expand the Easyhaler product family for the treatment of asthma and COPD by developing a tiotropium formulation for European markets. The bioequivalence study with the formulation is ongoing. Tiotropium is a long-acting anticholinergic bronchodilator used in the treatment of chronic obstructive pulmonary disease.

Darolutamide, developed jointly by Orion and Bayer, has received marketing authorisation in key markets, the United States, EU and Japan, for the treatment of non-metastatic castration-resistant prostate cancer (nmCRPC). The product has also been approved in Australia, Brazil and Canada, and marketing authorisation applications have been submitted in other markets as well. The marketing authorisations are based on the results of the ARAMIS trial completed by Orion and Bayer.

In addition to the completed ARAMIS trial, Orion and Bayer also have another ongoing Phase III clinical trial (ARASENS), which evaluates the efficacy and safety of darolutamide in the treatment of patients with newly diagnosed metastatic hormone-sensitive prostate cancer (mHSPC) who are starting hormone therapy. The treatment is darolutamide in combination with hormonal therapy (androgen deprivation therapy) and docetaxel, a chemotherapy drug. The trial, which commenced at the end of 2016, is on track, and patient recruitment was finalized in the second quarter of 2018. The trial is estimated to be completed in 2022.

Orion has an ongoing the Phase III clinical trial (REFALS) evaluating orally administered levosimendan (ODM-109) in the treatment of symptoms of amyotrophic lateral sclerosis (ALS). Patient recruitment for the REFALS trial was finalised in July 2019 and the trial is estimated to be completed in the summer of 2020. However, the COVID-19 pandemic may delay trial completion, if, for instance, data cannot be assessed at study sites on planned schedule due to restrictions in place. The trial will involve 496 patients and 104 clinical sites in the United States, Canada, the EU and Australia.

The purpose of the REFALS trial is to demonstrate that orally administered levosimendan, by enhancing respiratory muscle function, can help maintain breathing capacity and so benefit overall functioning of patients with ALS. Levosimendan does not cure ALS. The aim is to delay the need for ventilation support

and thus improve the patient's quality of life. Orion is conducting the trial on its own and investing in it around EUR 60 million in 2018-2020. If the results of the trial are positive, Orion aims to file for marketing authorisation in the United States and Europe. Orally administered levosimendan has been granted an Orphan Drug Designation. Levosimendan is a molecule developed by Orion and launched already in 2000 for the i.v. treatment of acute decompensated heart failure.

Orion has carried out a Phase II clinical trial with a new targeted FGFR+VEGFR inhibitor (ODM-203) for the treatment of cancers. The trial has investigated the efficacy of the drug candidate in slowing the growth of solid cancerous tumours in patients with detected FGFR changes in cancerous tumours. Orion is looking for a partner to the possible next development phase.

Orion has carried out a Phase I clinical trial with a BET protein inhibitor (ODM-207) which inhibits transcription of key oncogenes such as Myc in many cancers. In preclinical studies, ODM-207 has shown antiproliferative effects in several solid tumour cell lines. The trial has investigated the safety and tolerability of the drug candidate and provisionally its efficacy in cancer patients. Orion is looking for a partner to the possible next development phase.

Orion has an ongoing Phase I clinical trial for the development of a novel selective hormone synthesis inhibitor (CYP11A1 inhibitor) for castration-resistant prostate cancer. A decision has been made to expand the trial to ensure sufficient research data for making informed decisions regarding subsequent development phases. The recruitment of new patients in the trial has been suspended due to the COVID-19-pandemic. In preclinical studies, the molecule (ODM-208) has shown antitumor activity. It has potential efficacy also for those cancers that have become resistant to the standard hormonal treatments. Orion is the first pharmaceutical company to develop a drug that works with this mechanism. The trial will investigate the safety and tolerability of the drug candidate in prostate cancer patients, but Orion also plans to study the potential of the molecule for breast cancer treatment.

Orion has an ongoing Phase I clinical trial on the ODM-209 molecule. This molecule is a selective hormone synthesis inhibitor (CYP11A1 inhibitor) much like the ODM-208. A decision has been made to expand this trial as well to ensure sufficient data for making informed decisions regarding subsequent research phases. However, the recruitment of new patients in the trial has been suspended due to the COVID-19 pandemic. In preclinical studies, the molecule (ODM-209) has shown antitumor activity. Like ODM-208, it has potential efficacy also for those hormone-dependent cancers that have become resistant to the standard hormonal treatments. The trial will investigate the safety and tolerability of the drug candidate in breast cancer and prostate cancer patients.

Orion also has several projects in the early research phase investigating central nervous system diseases, cancer, neuropathic pain and rare diseases regarded as Finnish heritage diseases, among others.

## Personnel

The average number of employees in the Orion Group in January-March 2020 was 3,304 (3,183). At the end of March 2020, the Group had a total of 3,324 (3,184) employees, of whom 2,638 (2,514) worked in Finland and 686 (670) outside Finland.

Salaries and other personnel expenses in January-March 2020 totalled EUR 56 (55) million.

## Significant legal proceedings

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.



## Key events in January-March 2020

- 23 Jan 2020 Japan's Ministry of Health granted marketing authorisation to darolutamide for the treatment of non-metastatic castration-resistant prostate cancer (nmCRPC).
- 30 Jan 2020 Orion announced that new results from the ARAMIS trial indicate that the combination of darolutamide and conventional hormonal therapy significantly extend the overall survival of men with non-metastatic castration-resistant prostate cancer. More detailed updated findings on overall survival and other secondary variables as well as an update on the safety of longer-term use of the product will be published later in a scientific conference.
- 31 Jan 2020 The Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) issued a positive opinion, recommending darolutamide be granted marketing authorisation.
- 5 Mar 2020 Orion announced that the Company's SVP for Research and Development, Christer Nordtstedt, resigned from his post for family reasons.
- 19 Mar 2020 Orion cancelled the Annual General Meeting which was due to be held on 25 March 2020 due to the coronavirus situation.
- 30 Mar 2020 Nubeqa® (darolutamide) was granted marketing authorisation in the EU as a new treatment for non-metastatic castration-resistant prostate cancer.

## Key events after the review period

- 14 Apr 2020 Orion's Board of Directors set a new date of 6 May 2020 for the Annual General Meeting.
- 24 Apr 2020 Orion upgraded full-year outlook for 2020

## Shares and shareholders

On 31 March 2020 Orion had a total of 141,257,828 (141,257,828) shares, of which 36,107,240 (37,120,346) were A shares and 105,150,588 (104,137,482) B shares. The Group's share capital is EUR 92,238,541.46 (92,238,541.46). At the end of March 2020, Orion held 671,082 (515,161) B shares as treasury shares. On 31 March 2020, the aggregate number of votes conferred by the A and B shares was 826,624,306 (846,029,241) excluding treasury shares.

At the end of March 2020, Orion had 67,652 (71,209) registered shareholders.

### Voting rights conferred by shares

Each A share entitles its holder to twenty (20) votes at General Meetings of Shareholders and each B share 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 228,223 A shares were converted into B shares in January-March 2020.

### 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 2020, the market capitalisation of the Company's shares, excluding treasury shares, was EUR 5,225 million.

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

### Authorisations of the Board of Directors

On 26 March 2019, the Annual General Meeting of Orion Corporation authorised the Board of Directors to decide on an acquisition of no more than 350,000 Orion Corporation B shares. Based on this authorisation and a decision by the Board of Directors on 25 April 2019, Orion acquired a total of 250,000 B shares between 2 and 13 May 2019. The Board of Directors was authorised by Orion Corporation's Annual General Meeting on 26 March 2019 to decide on a share issue in which shares held by the Company can be conveyed. The Board of Directors is authorised to decide on a share issue in which no more than 850,000 B shares held by the Company can be conveyed. The authorisation to issue shares is valid for five years from the decision taken by the Annual General Meeting. The authorisation to issue shares has been used by conveying treasury shares on 2 March 2020 as stated below.

The terms and conditions of the authorisations are reported in more detail in a stock exchange release on 26 March 2019.

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 two currently operating share-based incentive plans for key persons of the Group: Orion Group's Long-Term Incentive Plan 2016, announced in a stock exchange release published on 2 February 2016 and Orion Group's Long-Term Incentive Plan 2019, announced in a stock exchange release published on 6 February 2019.

On 2 March 2020, Orion transferred altogether 94,317 Orion Corporation B shares held by the Company as a share reward for earning periods 2017-2019 and 2019 to the key persons employed by the Orion Group and belonging to the share-based incentive plans of the Orion Group. The transfer is based on the authorisation granted by the Annual General Meeting on 26 March 2019.

The transfer price of the transferred shares was EUR 36.2999 per share, which is the weighted average price of the B-share on 2 March 2020. The total transfer price of the transferred shares was thus EUR 3,423,697.67.

### 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 2020, Orion had a total of 67,652 (71,209) registered shareholders, of whom 96% (95%) were private individuals. They held 39% (42%) of the entire share stock and had 59% (61%) of the total votes. There were 56 (47) million nominee-registered and foreign-owned shares, which was 39% (33%) of all shares, and they conferred entitlement to 9% (8%) of the total votes.

At the end of March 2020, Orion held 671,082 (515,161) B shares as treasury shares, which is 0.5% (0.4%) of the Company's total share stock and 0.08% (0.06%) of the total votes.

## 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 are:

- Growing net sales more rapidly than growth of the pharmaceuticals market. Achievement of this objective requires continuous investment in development of the product portfolio.
- Maintaining profitability at a good level. The aim is operating profit that exceeds 25% of net sales.
- Keeping the equity ratio at least 50%.
- Distributing an annual dividend that in the next few years will be at least EUR 1.30 per share, and increasing the dividend in the long term.

In the short term what actually happens may deviate from the objectives.

## Outlook for 2020 (provided on 24 April 2020)

Orion estimates that in 2020 net sales will be at a similar level as in 2019 (net sales in 2019 were EUR 1,051 million).

Operating profit is estimated to be at a similar level as in 2019 (in 2019 operating profit was EUR 253 million).

### Basis for outlook in more detail

Orion continues persistent actions to generate growth more rapidly than growth of the market in the long term. However, significant growth investments to be made in research and development and sales and marketing in 2020-2021 will affect annual profitability.

Towards the end of the first quarter of 2020, the COVID-19 pandemic caused significant increase in demand, causing the sales and operating profit in the period to exceed the expected level. This was partly due to product hoarding and stockpiling and partly to an increase in actual demand for products.

As regards Specialty Products unit, the company estimates the sales growth that was caused by the spike in demand in the early part of 2020 to level off during the year. The sales of generic products in Orion's portfolio manufactured by other pharmaceutical companies are estimated to be lower than in the previous year due to weaker than normal availability in the second half of the year caused by the COVID-19 pandemic. However, this decrease is estimated to be compensated mainly by sales of proprietary products Dexdor® and Easyhaler® whose full-year sales are estimated to exceed previously expected level due to the strong start of the year and the COVID-19 pandemic. For these reasons, Orion still estimates the full-year 2020 net sales to be at a similar level as in the previous year even though in the first quarter of 2020 the net sales increased clearly.

Orion estimates the full-year 2020 operating profit to be higher than previously estimated due to the strong start of the year and because the full-year sales of proprietary products Dexdor® and Easyhaler®, that are mainly delivered to European markets, are estimated to exceed previously estimated level.

The outlook is based on the assumption that Orion's own production can continue normal operations despite the COVID-19 pandemic. This requires that Orion continues to succeed in protecting its employees and employee absence rates do not significantly increase, that personal protective equipment, starting materials, intermediate products and materials are available and that the logistics chains are sufficiently functional.

The outlook does not include any income or expenses associated with possible product or company acquisitions.

#### Net sales

The sales of the Easyhaler® product family will continue to grow also in 2020 due to combined formulations (budesonide-formoterol and salmeterol-fluticasone) launched in the past few years. The COVID-19 pandemic has at least temporarily increased the demand for Easyhaler® products.

Orion reacquired from Novartis the European sales and distribution rights for the Parkinson's drugs Stalevo® and Comtan® in December 2018 and April 2019, respectively. Except for Japan, Orion's arrangements with Novartis in other markets will expire during 2020 and in most of these markets, Orion is transferring the distribution to new partners. In a few Southeast Asian markets, Orion is planning to sell these products through its own sales organisations, which are being set up. After these changes, the sales of Orion's branded Parkinson's drugs (Comtess®, Comtan® and Stalevo®) are estimated to remain at the same level as in the previous year.

Generic competition for Dexdor® started in Germany in 2017 and has since expanded to most countries in the European Union, turning down sales of the product. However since March 2020, the strong increase in demand for intensive care sedatives caused by the COVID-19 pandemic has at least temporarily brought a significant increase to the sales of the product. It is therefore difficult to make precise estimates on the sales of Dexdor® in 2020.

Orion has also been informed that marketing authorisation applications have been filed for a generic version of Simdax® in Europe, and that a generic dry-powder infusion concentrate of levosimendan has entered the markets in Germany and Austria. The levosimendan used in Simdax® is a liquid infusion concentrate. It is, however, difficult to make precise estimates on the impact of generic competition on the sales of Simdax®. The formulation patent for Simdax® will expire in September 2020. The expiry of product protection and start of generic competition is not estimated to materially affect Simdax® sales in 2020.

Sales of generic products account for a significant proportion of Orion's total sales. Towards the end of the first quarter of 2020, the COVID-19 pandemic caused significant increase in demand but the spike in demand in the early part of 2020 is estimated to level off during the year. At the same time availability disruptions and price competition in generic drugs have affected and continue to affect the net sales negatively in all markets. The prices of reference-priced prescription drugs in Finland, which is Orion's biggest individual market, continued to decrease slightly in the first quarter of 2020 compared with the first quarter of 2019. The sales of generic products in Orion's portfolio manufactured by other pharmaceutical companies are estimated to be lower than in the previous year due to weaker than normal availability in the second half of the year caused by the COVID-19 pandemic.

Net sales of Orion's biosimilars (Remsima®, Ritemvia® and Amgevita®) have fluctuated heavily in the past few years. Their net sales were EUR 57 million in 2017, EUR 25 million in 2018 and EUR 38 million in 2019. The changes are due to varying success in national or regional tendering competitions. Tendering competitions for 2020 have been challenging for Orion, and therefore the net sales of biosimilars are estimated to decline significantly in 2020.

Collaboration agreements with other pharmaceutical companies are an important component of Orion's business model. Agreements often include payments recorded in net sales that vary greatly from year to year. Forecasting the timing and amount of these payments is difficult. In some cases they are conditional on, for instance, the progress or findings of research projects, which are not known until studies have been completed. On the other hand, neither the outcome nor the schedule of contract negotiations is generally known before the final signing of the agreement. In 2019, milestone payments amounted to EUR 51 million, including the EUR 45 million milestone payment from Bayer for the commercialisation of the prostate cancer drug darolutamide in the United States. The outlook for 2020 includes milestone payments worth around EUR 35 million, the largest single payments among which are EUR 20 million for the commercialisation of darolutamide in the EU and EUR 8 million for its commercialisation in Japan.

## Expenditure

Sales and marketing expenditure for 2019-2020 includes a EUR 12 million annual depreciation related to the acquisition of the European sales and distribution rights for the Parkinson's drugs Stalevo® and Comtan®. Orion paid a total of USD 28 million for the transfer of the sales rights in December 2018 and in April 2019, and the investment will be depreciated over two years. The outlook also includes an estimated expenditure of EUR 5 million for preparing the launch of the ALS drug as well as costs associated with Orion's potential branching out to the United States. Most of these costs will only materialise in the second half of the year, provided that upon completion, the results of the ongoing Phase III REFALS clinical trial are considered sufficiently positive for obtaining marketing authorisation in the United States.

Because the registrations and launches of new products are projects that generally take more than a year, the increases in resources and other inputs required in 2020 were mainly planned during the previous year.

Research and development costs are estimated to be roughly equal to those in 2019. The expenses from the Phase III REFALS clinical trial investigating levosimendan (ODM-109) for the treatment of symptoms of amyotrophic lateral sclerosis (ALS) will slightly decline from previous year, since the trial will come to an end in 2020. On the other hand, investments in earlier research phases will increase. Research and development expenses partly consist of the Company's internal fixed cost items, such as salaries and maintenance of the operating infrastructure, and partly of external variable costs. External costs arise from, among other things, long-term clinical trials, which are typically performed in clinics located in several countries. The most important clinical trials scheduled for 2020 are either continuing from the previous year or at an advanced stage of planning, therefore their cost level can be estimated rather accurately. However, the accrued costs are materially affected by collaboration arrangements and how

the costs arising are allocated between Orion and its collaboration partners. For instance, Bayer is paying the majority of the darolutamide research costs.

The COVID-19 pandemic has had no material impact on expenditure for the time being. However, as the situation continues, it may have a damping effect on research expenditure, as clinical trials cannot be launched or promoted as planned.

### Capital expenditure

The Group's total capital expenditure in 2020 is expected to be higher than in 2019, when capital expenditure was EUR 43 million. However, the COVID-19 pandemic may slow down the execution of planned investments and thus slightly reduce the volume of investments originally planned for 2020.

## Near-term risks and uncertainties

Orion's outlook is based on the assumption that Orion's own production can continue normal operations despite the COVID-19 pandemic. The sales Orion-manufactured products depend on the ability of production and the entire supply chain to operate at planned level. This involves numerous pandemic-related risks that may cause even material production disruptions. Such risks include the infection of employees, poor availability of personal protective equipment, poorer availability of starting materials and intermediate products as well as logistics chain disruptions.

The reacquisition of European sales and distribution rights for Stalevo® and Comtan® has generated additional sales for Orion's branded Parkinson's drugs since 2019. With the expiration of the Novartis contract in 2020, the distribution of these products will be handed over to new partners in most non-European markets, with the exception of Japan. In a few Southeast Asian markets, Orion is also taking over sales on its own. Sales will continue to be negatively affected by continued generic competition. All these changes and impacts have been taken into account in the outlook for the current year. However, they still entail uncertainty that may materially affect the accuracy of the estimate made at this stage.

The basic Dexdor® and Simdax® patents have expired and Dexdor®'s indication patent expired at the end of March 2019. The last product protection for Simdax® will expire in 2020. Generic competition for Dexdor® started in Germany in 2017 and has since expanded to most countries in the European Union, turning down sales of the product. However since March 2020, the strong increase in demand for intensive care sedatives caused by the COVID-19 pandemic has at least temporarily brought a significant increase to the sales of Dexdor®. It is therefore difficult to make precise estimates on the impact of generic competition on the sales of Dexdor® in 2020. Orion has been informed that a generic levosimendan dry-powder infusion concentrate has entered the markets in Germany and Austria. The levosimendan used in Simdax® is a liquid infusion concentrate. However, the launch of generic competition is not estimated to materially impact the sales of Simdax® in 2020.

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 pharmaceuticals markets in recent years will specifically focus on Orion's products. 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.

The structural exchange rate risk due to the US dollar has decreased in recent years because the share of Orion's net sales invoiced in dollars has fallen to below ten per cent and at the same time the value of purchases in dollars has increased. The greatest exchange rate risk at present relates to European currencies such as the Swedish crown and British pound. However, the overall effect of the risk due to currencies of European countries will be abated by the fact that Orion has organisations of its own in most of these countries, which means that in addition to sales income, there are also costs in these currencies. Changes in the Japanese yen exchange rate have become more important as sales of Parkinson's drugs in Japan have increased. The exchange rate effect related to the Russian rouble has increased due to the strong volatility of the currency. However, Russian sales are not a significant portion of Orion's entire net sales.



Orion's broad product range may cause risks to the delivery reliability and make it challenging to maintain the high quality standard required in production. The impact of availability disruptions on our net sales has increased in the past few years. The ongoing COVID-19 pandemic has clearly raised this risk. The travel and other restrictions in place around the world may cause disruptions to the global pharmaceutical supply and logistics chains with a delay. Authorities and key customers in different countries undertake regular and detailed inspections of development and manufacturing of drugs 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 deliver active pharmaceutical or other ingredients. 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. In 2020, there is a heightened risk of strikes or other industrial action in Finland. If strikes or industrial action do occur, they may place Orion's delivery reliability at risk. Potential production and financial impacts will depend on the extent and duration of the action, which are difficult to predict.

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, for example due to the COVID-19 pandemic, 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 timetables and costs of new studies that are being started are known well in advance. They therefore typically do not lead to unexpected changes in the estimated cost structure. 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. In 2014-2019 the annual payments varied from EUR 5 million to EUR 51 million. 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 outlook for 2020 includes milestone payments worth around EUR 35 million, the largest single payments among which are EUR 20 million for the commercialisation of darolutamide in the EU and EUR 8 million for its commercialisation in Japan.

## Orion calendar

Annual General Meeting 2020  
 Half-Year Financial Report January-June 2020  
 Interim Report January-September 2020

Wednesday 6 May 2020  
 Friday 17 July 2020  
 Wednesday 21 October 2020

Espoo, 28 April 2020

Board of Directors of Orion Corporation

Orion Corporation



# Tables

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	1-3/20	1-3/19	Change %	1-12/19
<b>Net sales</b>	<b>279.9</b>	241.0	+16.1%	1,051.0
Cost of goods sold	<b>-104.8</b>	-96.6	+8.5%	-417.6
<b>Gross profit</b>	<b>175.1</b>	144.5	+21.2%	633.4
Other operating income and expenses	<b>2.4</b>	0.1		2.2
Sales and marketing expenses	<b>-53.5</b>	-52.0	+2.8%	-215.7
R&D expenses	<b>-26.8</b>	-26.4	+1.5%	-119.3
Administrative expenses	<b>-12.8</b>	-11.1	+15.8%	-47.8
<b>Operating profit</b>	<b>84.4</b>	55.0	+53.3%	252.8
Finance income	<b>0.0</b>	0.2		0.7
Finance expenses	<b>-1.0</b>	-1.2	-17.2%	-2.6
<b>Profit before taxes</b>	<b>83.4</b>	53.9	+54.6%	250.8
Income tax expense	<b>-16.0</b>	-11.1	+43.7%	-50.5
<b>Profit for the period</b>	<b>67.4</b>	42.8	+57.4%	200.4
<b>OTHER COMPREHENSIVE INCOME INCLUDING TAX EFFECTS<sup>1</sup></b>				
Translation differences	<b>-2.7</b>	0.8		0.9
<b>Items that may be reclassified subsequently to profit and loss</b>	<b>-2.7</b>	0.8		0.9
Remeasurement of pension plans	<b>-3.3</b>	-0.0		19.9
<b>Items that will not be reclassified to profit and loss</b>	<b>-3.3</b>	-0.0		19.9
<b>Other comprehensive income net of tax</b>	<b>-6.0</b>	0.8	-829.3%	20.9
<b>Comprehensive income for the period including tax effects</b>	<b>61.4</b>	43.6	+40.8%	221.2
<b>PROFIT ATTRIBUTABLE TO<sup>1</sup></b>				
Owners of the parent company	<b>67.4</b>	42.8	+57.4%	200.4
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO<sup>1</sup></b>				
Owners of the parent company	<b>61.4</b>	43.6	+40.8%	221.2
<b>Basic earnings per share, EUR<sup>1</sup></b>	<b>0.48</b>	0.30	+57.6%	1.43
<b>Diluted earnings per share, EUR<sup>1</sup></b>	<b>0.48</b>	0.30	+57.6%	1.43
Depreciation, amortisation and impairment	<b>14.2</b>	13.6	+4.1%	56.1
Personnel expenses	<b>55.8</b>	55.1	+1.2%	217.1

<sup>1</sup> The figure has been calculated from the profit attributable to the owners of the parent company.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### ASSETS

EUR million	3/20	3/19	Change %	12/19
Property, plant and equipment	319.9	320.2	-0.1%	320.9
Goodwill	13.5	13.5		13.5
Intangible rights	31.3	43.7	-28.3%	34.8
Other intangible assets	2.8	2.7	+0.8%	2.8
Investments in associates	0.1	0.1		0.1
Other investments	0.2	0.3	-19.0%	0.2
Pension asset	51.5	31.2	+65.0%	55.8
Deferred tax assets	6.1	5.3	+16.7%	6.8
Other non-current assets	0.7	0.9	-18.9%	0.8
<b>Non-current assets total</b>	<b>426.1</b>	<b>417.8</b>	<b>+2.0%</b>	<b>435.6</b>
Inventories	232.2	220.4	+5.4%	230.3
Trade receivables	216.5	178.6	+21.2%	196.5
Other receivables	25.0	41.7	-40.1%	24.3
Money market investments	27.4	36.6	-25.2%	35.0
Cash and cash equivalents	316.6	304.6	+3.9%	114.0
<b>Current assets total</b>	<b>817.6</b>	<b>781.8</b>	<b>+4.6%</b>	<b>600.1</b>
<b>Assets total</b>	<b>1,243.7</b>	<b>1,199.7</b>	<b>+3.7%</b>	<b>1,035.7</b>

### EQUITY AND LIABILITIES

EUR million	3/20	3/19	Change %	12/19
Share capital	92.2	92.2		92.2
Other reserves <sup>1</sup>	3.0	3.0		3.0
Retained earnings	747.4	511.6	+46.1%	684.2
<b>Equity attributable to owners of the parent company</b>	<b>842.6</b>	<b>606.8</b>	<b>+38.9%</b>	<b>779.4</b>
<b>Equity total</b>	<b>842.6</b>	<b>606.8</b>	<b>+38.9%</b>	<b>779.4</b>
Deferred tax liabilities	40.6	39.7	+2.2%	41.2
Pension liability	3.3	3.6	-8.4%	3.4
Provisions	0.4	0.3	+7.1%	0.4
Interest-bearing non-current liabilities	105.9	5.4		6.7
Other non-current liabilities	16.6	16.9	-2.0%	17.1
<b>Non-current liabilities total</b>	<b>166.7</b>	<b>65.9</b>	<b>+153.1%</b>	<b>68.8</b>
Trade payables	70.6	68.3	+3.3%	79.0
Current tax liabilities	1.1			2.6
Other current liabilities	109.8	305.7	-64.1%	102.6
Interest-bearing current liabilities	53.0	152.9	-65.4%	3.3
<b>Current liabilities total</b>	<b>234.4</b>	<b>527.0</b>	<b>-55.5%</b>	<b>187.5</b>
<b>Liabilities total</b>	<b>401.1</b>	<b>592.9</b>	<b>-32.3%</b>	<b>256.3</b>
<b>Equity and liabilities total</b>	<b>1,243.7</b>	<b>1,199.7</b>	<b>+3.7%</b>	<b>1,035.7</b>

<sup>1</sup>As of Q3/2019 reporting, the Group has combined the previously separately presented "Expendable fund" item under the item "Other reserves". The share of the expendable fund of other reserves at 31 March 2020 is EUR 0.5 million. There have been no changes in the expendable fund since 1 January 2018.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### Equity attributable to owners of the parent company

EUR million	Share capital	Other reserves <sup>1</sup>	Remeasurement of pension plans <sup>2</sup>	Treasury shares	Translation differences	Retained earnings	Equity total
<b>Equity at 1 January 2019</b>	92.2	2.9	10.5	-18.0	-7.7	693.2	<b>773.1</b>
Impact of the adoption of the IFRS 16 standard						-0.2	<b>-0.2</b>
<b>Adjusted equity at 1 January 2019</b>	92.2	2.9	10.5	-18.0	-7.7	693.0	<b>772.9</b>
Profit for the period						42.8	<b>42.8</b>
<b>Other comprehensive income</b>							
Translation differences					0.6	0.2	<b>0.8</b>
Remeasurement of pension plans			-0.0				<b>-0.0</b>
<b>Transaction with owners</b>							
Dividend and capital repayment						-211.4	<b>-211.4</b>
Share-based incentive plan				0.9		-0.4	<b>0.5</b>
Other adjustments		0.0				1.1	<b>1.1</b>
<b>Equity at 31 March 2019</b>	92.2	3.0	10.5	-17.1	-7.1	525.4	<b>606.8</b>
<b>Equity at 1 January 2020</b>	92.2	3.0	30.5	-24.5	-7.0	685.2	<b>779.4</b>
Profit for the period						67.4	<b>67.4</b>
<b>Other comprehensive income</b>							
Translation differences					-2.2	-0.5	<b>-2.7</b>
Remeasurement of pension plans			-3.3				<b>-3.3</b>
<b>Transaction with owners</b>							
Share-based incentive plan				2.9		-1.3	<b>1.6</b>
Other adjustments						0.2	<b>0.2</b>
<b>Equity at 31 March 2020</b>	<b>92.2</b>	<b>3.0</b>	<b>27.2</b>	<b>-21.5</b>	<b>-9.2</b>	<b>751.0</b>	<b>842.6</b>

<sup>1</sup> As of Q3/2019 reporting, the Group has combined the previously separately presented "Expendable fund" item under the item "Other reserves". The share of the expendable fund of other reserves at 31 December is EUR 0.5 million. There have been no changes in the expendable fund since 1 January 2018.

<sup>2</sup> The Group has revaluated the pension assets of Orion Pension Fund on 31 March 2020 due to the COVID-19 pandemic. Besides, the Group has taken into account the change in the discount rate used in the pension liability calculation during the reporting period. The discount rate in reporting for 1-3/2020 has been increased to 2.15 percent (the discount rate used in 2019 reporting was 1.65 percent). The combined effect on pension receivable of the revaluation of the pension assets and the discount rate change on the balance sheet in the first quarter of 2020 is -4.2 million euros. The change in pension receivable has been directly recognised as a decrease in equity under other comprehensive income, stated with deferred tax impact.

## CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	1-3/20	1-3/19	1-12/19
Operating profit	84.4	55.0	252.8
Adjustments	18.5	13.4	56.7
Change in working capital	-28.2	9.2	14.5
Net financial items	-1.2	-0.1	-3.9
Income taxes paid	-13.9	-13.9	-49.3
<b>Total net cash flow from operating activities</b>	<b>59.6</b>	<b>63.8</b>	<b>270.8</b>
Investments in property, plant and equipment	-10.6	-5.9	-28.7
Investments in intangible assets	-1.5	-1.5	-7.5
Sales of property, plant and equipment and other investments	0.2	0.1	0.7
Sales of subsidiaries			1.4
<b>Total net cash flow from investing activities</b>	<b>-11.8</b>	<b>-7.3</b>	<b>-34.0</b>
<b>Cash flow from operating and investing activities, total</b>	<b>47.7</b>	<b>56.5</b>	<b>236.8</b>
Current loans raised	49.3	0.2	1.4
Repayments of current loans		-0.7	-154.2
Non-current loans raised	100.0		
Repurchase of own shares			-7.4
Dividends paid and other distribution of profits	-0.1	0.0	-211.2
<b>Total net cash flow from financing activities</b>	<b>149.2</b>	<b>-0.6</b>	<b>-371.4</b>
<b>Net change in cash and cash equivalents</b>	<b>196.9</b>	<b>55.9</b>	<b>-134.5</b>
Cash and cash equivalents at the beginning of the period	149.0	283.7	283.7
Foreign exchange differences	-2.0	1.6	-0.1
Cash and cash equivalents at the end of the period	343.9	341.2	149.0
<b>Reconciliation of cash and cash equivalents in statement of financial position</b>			
Cash and cash equivalents in statement of financial position at the end of the period	316.6	304.6	114.0
Money market investments at the end of the period	27.4	36.6	35.0
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>343.9</b>	<b>341.2</b>	<b>149.0</b>

## Appendices

### REVENUE BY REVENUE FLOWS

EUR million	1-3/20	1-3/19	Change %	1-12/19
Sale of goods	276.6	237.1	+16.7%	988.6
Royalty income	2.8	3.4	-20.2%	11.5
<b>Total sale of goods</b>	<b>279.4</b>	240.5	+16.1%	1,000.1
Milestone payments	0.5	0.5	+3.7%	50.8
<b>Group total</b>	<b>279.9</b>	241.0	+16.1%	1,051.0

In the period 1-3/2020, EUR 0.1 (0.1) million of the profits from clinical phase R&D falls under Milestone payments and EUR 2.8 (0.0) million under Product sales. Profits from clinical phase R&D are reported under Product sales once the product is commercially available. In the period 1-3/2020, EUR 0.5 (0.5) million has been entered as income from performance obligations delivered to customers. The Group recorded EUR -0.0 (-0.0) million of sales revenue from performance obligations satisfied during previous financial periods in the period 1-3/2020.

### NET SALES BREAK-DOWN

EUR million	1-3/20	1-3/19	Change %	1-12/19
Proprietary products <sup>1</sup>	111.3	89.4	+24.5%	406.1
Specialty Products	135.0	111.2	+21.3%	486.1
Animal Health	23.1	20.7	+11.9%	85.8
Fermion and Contract manufacturing	14.9	18.3	-18.3%	70.7
Other	-4.4	1.5	-393.4%	2.4
<b>Group total</b>	<b>279.9</b>	241.0	+16.1%	1,051.0

<sup>1</sup> The net sales of Proprietary Products during the period 1-3/20 includes EUR 0.5 (0.5) million of sales revenue for performance obligations to be transferred to customers that will be entered as income over time.

### NET SALES AND OPERATING PROFIT BY QUARTER

EUR million	2020		2019			2018		
	1-3	10-12	7-9	4-6	1-3	10-12	7-9	4-6
Net sales	279.9	274.5	283.7	251.7	241.0	262.4	221.8	246.1
Operating profit	84.4	55.0	90.7	52.1	55.0	68.6	44.6	69.7

### GEOGRAPHICAL BREAKDOWN OF NET SALES BY QUARTER

EUR million	2020		2019			2018		
	1-3	10-12	7-9	4-6	1-3	10-12	7-9	4-6
Finland	84.2	83.0	76.2	75.2	74.3	82.7	74.0	75.4
Scandinavia	51.0	46.2	42.0	44.6	43.9	40.4	36.4	36.9
Other Europe	87.3	87.5	78.1	85.7	82.8	83.5	72.0	73.0
North America	21.7	14.8	57.8	16.5	13.9	15.9	14.9	13.5
Other markets	35.7	42.9	29.6	29.9	26.1	39.7	24.4	47.3
<b>Group total</b>	<b>279.9</b>	274.5	283.7	251.7	241.0	262.4	221.8	246.1

## TOP TEN BEST-SELLING PHARMACEUTICAL PRODUCTS

EUR million	1-3/20	1-3/19	Change %	1-12/19
Easyhaler® product family (asthma, COPD)	34.7	26.1	+33.1%	104.5
Stalevo®, Comtess® and Comtan® (Parkinson's disease)	28.1	21.1	+32.9%	97.5
Simdax® (acute decompensated heart failure)	19.3	16.6	+16.6%	67.6
Dexdor® (intensive care sedative)	16.5	19.2	-14.2%	56.6
Dexdomitor®, Domitor®, Domosedan® and Antisedan® (animal sedatives)	8.9	9.7	-8.2%	36.2
Burana® (inflammatory pain)	8.3	6.1	+36.7%	25.0
Divina series (menopausal symptoms)	5.9	4.5	+30.9%	19.0
Trexan® (rheumatoid arthritis, cancer)	5.5	2.4	+127.9%	11.4
Biosimilars (rheumatoid arthritis, inflammatory bowel diseases)	5.1	9.3	-45.7%	37.7
Solomet® (inflammation, pain)	4.3	2.8	+57.8%	14.0
<b>Total</b>	<b>136.6</b>	117.7	+16.0%	469.7
Share of net sales	49%	49%		45%

## CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	3/20	3/19	12/19
Carrying amount at the beginning of the period	320.9	316.9	316.9
+ Impact of the adoption of the IFRS 16 standard		8.6	8.6
Additions	8.8	4.9	35.4
Disposals	-0.2	-1.7	-3.6
Depreciation, amortisation and impairment	-9.2	-8.6	-36.3
<b>Carrying amount at the end of the period</b>	<b>319.9</b>	<b>320.2</b>	<b>320.9</b>

## CHANGES IN INTANGIBLE ASSETS (EXCLUDING GOODWILL)

EUR million	3/20	3/19	12/19
Carrying amount at the beginning of the period	37.6	50.2	50.2
Additions	1.5	1.1	7.2
Disposals	-0.0	-0.0	-0.0
Depreciation, amortisation and impairment	-5.0	-5.0	-19.8
<b>Carrying amount at the end of the period</b>	<b>34.1</b>	<b>46.4</b>	<b>37.6</b>

## CHANGES IN FINANCIAL LIABILITIES

Orion has withdrawn during the period Q1/20 a long-term loan of 100 million Euros from European Investment Bank. The first repayment of the loan will be made in two years and the last repayment is scheduled after 10 years from the disbursement. In addition, Orion has withdrawn during the period 1-3/20 a short-term loan of 50 million Euros from the committed credit limit facility. Furthermore, Orion has undrawn committed credit limit facility in the value of 50 million Euros. If the financial covenants determined in the terms of the credit limit agreements of the company and loan agreement of the European Investment Bank are breached, the lender optionally has the right to demand early repayment of the loan. As of 31st March 2020 Orion met these financial covenants.

## COMMITMENTS AND CONTINGENCIES

EUR million	3/20	3/19	12/19
<b>CONTINGENCIES FOR OWN LIABILITIES</b>			
Guarantees	6.7	4.9	6.5
<b>OTHER LIABILITIES</b>			
Other liabilities	0.3	0.3	0.3

## DERIVATIVES

EUR million	3/20	3/19	12/19
<b>CURRENCY FORWARD CONTRACTS AND CURRENCY SWAPS</b>			
Fair value, EUR million	0.9	-0.1	-0.5
Nominal value, EUR million	36.3	33.2	56.2
<b>CURRENCY OPTIONS</b>			
Fair value, EUR million	0.2	-0.1	-0.1
Nominal value, EUR million	45.6	52.9	44.6



## FAIR VALUE MEASUREMENT AND HIERARCHY OF FINANCIAL INSTRUMENTS

EUR million	Level 1	Level 2	Level 3	Total
Derivatives				
Currency derivatives		1.3		1.3
Money market investments	27.4			27.4
Other investments				
Shares and investments			0.2	0.2
<b>Assets total</b>	27.4	1.3	0.2	28.9
Derivatives				
Currency derivatives		-0.2		-0.2
<b>Liabilities total</b>		-0.2		-0.2

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 data feeds 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.

There are no material differences between the fair values and book values of the financial instruments.

## RELATED PARTY TRANSACTIONS

EUR million	1-3/20	1-3/19	1-12/19
Management's employment benefits	4.9	2.7	4.9

## BASIC SHARE INFORMATION, 31 MARCH 2020

	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	23.6	68.6	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

	1-3/20	1-3/19	Change %	1-12/19
Net sales, EUR million	279.9	241.0	+16.1%	1,051.0
EBITDA, EUR million	98.6	68.7	+43.6%	308.9
% of net sales	35.2%	28.5%		29.4%
Operating profit, EUR million	84.4	55.0	+53.3%	252.8
% of net sales	30.1%	22.8%		24.1%
Profit for the period, EUR million	67.4	42.8	+57.4%	200.4
% of net sales	24.1%	17.8%		19.1%
R&D expenses, EUR million	26.8	26.4	+1.5%	119.3
% of net sales	9.6%	11.0%		11.3%
Capital expenditure, EUR million	10.3	6.1	+69.7%	42.6
% of net sales	3.7%	2.5%		4.0%
Depreciation, amortisation and impairment, EUR million	14.2	13.6	+4.1%	56.1
Personnel expenses, EUR million	55.8	55.1	+1.2%	217.1
Equity total, EUR million	842.6	606.8	+38.9%	779.4
Interest-bearing net liabilities, EUR million	-185.0	-182.9	+1.2%	-139.1
Assets total, EUR million	1,243.7	1,199.7	+3.7%	1,035.7
Cash flow from operating activities, EUR million	59.6	63.8	-6.6%	270.8
Equity ratio, %	68.9%	51.5%		76.7%
Gearing, %	-22.0%	-30.1%		-17.8%
ROCE (before taxes), %	38.8%	26.2%		29.9%
ROE (after taxes), %	33.2%	24.8%		25.8%
Personnel at the end of the period	3,324	3,184	+4.4%	3,265
Average personnel during the period	3,304	3,183	+3.8%	3,251

## PERFORMANCE PER SHARE

	1-3/20	1-3/19	Change %	1-12/19
Basic earnings per share, EUR	0.48	0.30	+57.6%	1.43
Diluted earnings per share, EUR	0.48	0.30	+57.6%	1.43
Cash flow per share before financial items, EUR	0.34	0.40	-15.4%	1.68
Equity per share, EUR	5.99	4.31	+39.0%	5.55
<b>A share</b>				
Number of shares at the end of the period	36,107,240	37,120,346	-2.7%	36,335,463
% of total share stock	25.6%	26.3%		25.7%
Number of votes excluding treasury shares	722,144,800	742,406,920	-2.7%	726,709,260
% of total votes	87.4%	87.8%		87.5%
Total number of shareholders	20,766	20,421	+1.7%	19,990
Closing quotation at the end of previous financial year, EUR	40.95	30.30	+35.1%	30.30
Lowest quotation of review period, EUR	29.60	28.75	+3.0%	28.20
Average quotation of review period, EUR	37.18	32.03	+16.1%	34.26
Highest quotation of review period, EUR	44.10	35.25	+25.1%	42.00
Closing quotation at the end of review period, EUR	36.85	33.35	+10.5%	40.95
Trading volume, EUR million	31.2	19.0	+63.6%	73.5
Shares traded	837,675	594,560	+40.9%	2,149,046
% of the total number of shares	2.3%	1.6%		5.9%
<b>B share</b>				
Number of shares at the end of the period, including treasury shares	105,150,588	104,137,482	+1.0%	104,922,365
% of total share stock	74.4%	73.7%		74.3%
Treasury shares	671,082	515,161	+30.3%	765,399
Number of shares at the end of the period, excluding treasury shares	104,479,506	103,622,321	+0.8%	104,156,966
Number of votes excluding treasury shares	104,479,506	103,622,321	+0.8%	104,156,966
% of total votes	12.6%	12.2%		12.5%
Total number of shareholders	53,261	57,272	-7.0%	52,913
Closing quotation at the end of previous financial year, EUR	41.27	30.28	+36.3%	30.28
Lowest quotation of review period, EUR	30.02	28.64	+4.8%	28.19
Average quotation of review period, EUR	37.73	31.81	+18.6%	33.48
Highest quotation of review period, EUR	44.32	35.40	+25.2%	42.52
Closing quotation at the end of review period, EUR	37.28	33.42	+11.5%	41.27
Trading volume, EUR million	999.7	847.0	+18.0%	2,846.5
Shares traded	26,486,901	26,630,879	-0.5%	85,303,946
% of the total number of shares	25.2%	25.6%		81.3%
<b>A and B share total</b>				
Number of shares at the end of the period	141,257,828	141,257,828		141,257,828
Average number of shares during the period excluding treasury shares	140,522,486	140,711,148	-0.1%	140,571,373
Total number of votes conferred by the shares	826,624,306	846,029,241	-2.3%	830,866,226
Total number of shareholders	67,652	71,209	-5.0%	66,595
Trading volume, EUR million	1,030.9	866.0	+19.0%	2,920.0
Shares traded	27,324,576	27,225,439	+0.4%	87,452,992
Total shares traded, % of total shares	19.3%	19.3%		61.9%
Market capitalisation at the end of the period excluding treasury shares, EUR million	5,225.5	4,701.0	+11.2%	5,786.5

## REPORTING

Orion has one business area or operating segment according to which Orion reports on its operations. Orion breaks down the net sales as follows:

- Proprietary Products (patented prescription products for three therapy areas)
- Specialty Products (off-patent generic prescription products, self-care products and biosimilars)
- Animal Health (veterinary products for pets and production animals)
- Fermion and Contract manufacturing (manufacture of active pharmaceutical ingredients for Orion and other companies and manufacture of pharmaceuticals for other companies)

The item “Other operations” reported in the context of net sales mostly comprises of the impact of exchange rate changes on consolidated net sales.

## ACCOUNTING POLICIES

This report has been prepared in accordance with the accounting policies set out in International Accounting Standard 34 on Interim Financial Reporting. The same accounting principles have been applied as in the 2019 financial statements, besides which the amendments to existing IFRS and IAS standards endorsed by the EU have been adopted as of 1 January 2020.

New amendments to existing IFRS and IAS standards adopted from 1 January 2020 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>.

## OTHERS

The figures in this Interim Report have not been audited.

The figures in parentheses are for 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.

## CALCULATION OF THE KEY FIGURES

EBITDA	=	Operating profit, depreciation + impairment losses	
Interest-bearing net liabilities	=	Interest-bearing liabilities - Cash and cash equivalents - Money market investments	
Return on capital employed (ROCE), %	=	$\frac{\text{Profit before taxes} + \text{Interest and other finance expenses}}{\text{Total assets} - \text{Non-interest-bearing liabilities (average during the period)}}$	x 100
Return on equity (ROE), %	=	$\frac{\text{Profit for the period}}{\text{Total equity (average during the period)}}$	x 100
Equity ratio, %	=	$\frac{\text{Equity}}{\text{Total assets} - \text{Advances received}}$	x 100
Gearing, %	=	$\frac{\text{Interest-bearing liabilities} - \text{Cash and cash equivalents} - \text{Money market investments}}{\text{Equity}}$	x 100
Earnings per share, EUR	=	$\frac{\text{Profit available for the owners of the parent company}}{\text{Average number of shares during the period, excluding treasury shares}}$	
Cash flow per share before financial items, EUR	=	$\frac{\text{Cash flow from operating activities} + \text{Cash flow from investing activities}}{\text{Average number of shares during the period, excluding treasury shares}}$	
Equity per share, EUR	=	$\frac{\text{Equity attributable to owners of the parent company}}{\text{Number of shares at the end of the period, excluding treasury shares}}$	
Dividend per share, EUR	=	$\frac{\text{Dividend to be distributed for the period}}{\text{Number of shares at the end of the period, excluding treasury shares}}$	
Payout ratio, %	=	$\frac{\text{Dividend per share}}{\text{Earnings per share}}$	x 100
Effective dividend yield, %	=	$\frac{\text{Dividend per share}}{\text{Closing quotation of the period}}$	x 100
Price/earnings ratio (P/E)	=	$\frac{\text{Closing quotation of the period}}{\text{Earnings per share}}$	
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 × Closing quotation of the period	

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Orion is a globally operating Finnish pharmaceutical company - a builder of well-being. Orion develops, manufactures and markets human and veterinary pharmaceuticals and active pharmaceutical ingredients. The company is continuously developing new drugs and treatment methods. The core therapy areas of Orion's pharmaceutical R&D are central nervous system (CNS) disorders, oncology, Finnish heritage rare diseases and respiratory diseases for which Orion develops inhaled Easyhaler® pulmonary drugs. Orion's net sales in 2019 amounted to EUR 1,051 million and the company had about 3,300 employees at the end of the year. Orion's A and B shares are listed on Nasdaq Helsinki.