



Orion Group
Interim Report 1-9/2022

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Orion Group Interim Report January-September 2022

- Net sales totalled EUR 1,046 million (EUR 765 million in 2021).
- Operating profit was EUR 399 (203) million.
- Profit before taxes was EUR 400 (202) million.
- Equity ratio was 62% (71%).
- Return on capital employed before taxes (ROCE) was 53% (32%).
- Return on equity after taxes (ROE) was 49% (29%).
- Basic earnings per share were EUR 2.26 (1.15).
- Cash flow from operating activities per share was EUR 3.05 (0.99).
- The outlook for 2022 remains unchanged. Orion estimates that net sales in 2022 will be clearly higher than in 2021 (net sales in 2021 were EUR 1,041 million). Operating profit is estimated to be clearly higher than in 2021 (operating profit in 2021 was EUR 243 million).

Key figures

	7-9/22	7-9/21	Change %	1-9/22	1-9/21	Change %	1-12/21
Net sales, EUR million	491.8	240.9	+104.1%	1,046.1	764.5	+36.8%	1,041.0
EBITDA, EUR million	257.4	68.4	+276.2%	433.9	236.5	+83.5%	289.1
% of net sales	52.3%	28.4%		41.5%	30.9%		27.8%
Operating profit, EUR million	245.4	57.3	+328.1%	398.9	203.4	+96.1%	243.3
% of net sales	49.9%	23.8%		38.1%	26.6%		23.4%
Profit before taxes, EUR million	244.6	57.3	+327.0%	399.8	202.5	+97.5%	242.3
% of net sales	49.7%	23.8%		38.2%	26.5%		23.3%
Profit for the period, EUR million	194.5	45.4	+327.9%	317.9	161.0	+97.5%	193.8
% of net sales	39.5%	18.9%		30.4%	21.1%		18.6%
Research and development expenses, EUR million	36.3	22.7	+59.5%	97.0	76.7	+26.5%	117.7
% of net sales	7.4%	9.4%		9.3%	10.0%		11.3%
Capital expenditure, excluding acquired in business combinations, EUR million	18.8	39.5	-52.4%	49.3	65.9	-25.2%	85.4
% of net sales	3.8%	16.4%		4.7%	8.6%		8.2%
Acquired in business combination, net of cash, EUR million	1.3			82.4			
Interest-bearing net liabilities, EUR million				-152.2	-48.2	+215.5%	-108.3
Basic earnings per share, EUR million	1.38	0.32	+327.9%	2.26	1.15	+97.4%	1.38
Cash flow from operating activities per share, EUR	2.46	0.28	+781.7%	3.05	0.99	+207.6%	1.53
Equity ratio, %				62.5%	71.5%		68.1%
Gearing, %				-15.7%	-6.5%		-14.5%
Return on capital employed (before taxes), %				52.7%	32.2%		28.8%
Return on equity (after taxes), %				49.3%	29.1%		26.2%
Average personnel during the period				3,451	3,368	+2.5%	3,364

President and CEO Timo Lappalainen:

Sales developed well - milestone having material impact on net sales and operating profit

”Orion's net sales and operating profit for January-September 2022 increased clearly compared to the comparative period. Both figures were boosted by the global development and commercialisation agreement for the ODM-208 molecule announced in July and the related upfront payment of USD 290 million, of which we recognised EUR 228 million in net sales and operating profit in the third quarter. Even without this milestone payment, net sales were slightly higher than in the comparative period due to positive development of sales and because the acquired animal health company VMD's (Inovet) net sales is now included in Orion's net sales.

Operating profit without the ODM-208 agreement related milestone payment and costs was slightly lower than in the comparative period, mainly due to clearly higher operating costs. The ODM-208 agreement related costs were approximately EUR 20 million. These expenses include, among others, non-recurring advisory fees and provisions for certain variable incentive systems. But even without the ODM-208 related costs, the operating costs were clearly higher than in the comparative period. Sales and marketing costs increased because of a clear increase in promotional activities since COVID-19. Research & development costs increased clearly mainly due to the timing of research and clinical development projects and their costs. However, excluding the ODM-208 agreement related milestone and costs, the year 2022 is proceeding as we anticipated in the beginning of the year.

Sales of the Proprietary Products unit excluding the ODM-208 milestone payment increased slightly, mainly due to strong growth of Nubeqa® and the Easyhaler® product family. Sales of Parkinson's medicines also developed well. Nubeqa® sales recorded by Orion show expected fluctuations between quarters due to the way Orion records Nubeqa® sales and does not reflect the development of market sales of the product. Sales of Dexdor® and Simdax® continued to decline as expected due to generic competition and price erosion. The Specialty Products unit saw an increase in sales, driven by self-care products, but prescription sales also performed well. Various respiratory tract infections have occurred more abundantly than in previous years, which partly explains the increase. The acquisition of VMD's animal health business in June is reflected in the net sales of the Animal Health unit. Fermion's net sales decreased slightly from the comparative period. The decrease is mainly due to a higher share of Fermion's capacity being used for the production of Orion's proprietary active pharmaceutical ingredients.

We have started a Phase I clinical trial with the NaV 1.8 blocker that is intended for the treatment of acute and chronic pain (ODM-111), for which we acquired the rights earlier this year. The study will investigate the safety and tolerability of the drug candidate in healthy volunteers. We have completed a Phase I clinical trial with tasipimidine (ODM-105) and, based on the accumulated data, we are preparing to initiate a Phase II clinical trial to evaluate the efficacy and safety of the drug candidate in the treatment of psychiatric disorders. In addition, we have decided to discontinue the development of Easyhaler® tiotropium for COPD. This decision is based on a reassessment of the product's commercial potential. The decision will have no impact on the existing Easyhaler® portfolio, which will continue to be an important and growing product group for Orion.

The operating environment remains challenging due to the impact of the COVID-19 pandemic, the war in Ukraine and cost inflation. Orion is continuously working hard to ensure continuity of production, product availability, patient safety and to manage risks in global supply chains. The impact of cost inflation has already started to show up in the income statement and is expected to intensify in 2023. Energy availability and price risks are also increasing across the supply chain.

I have worked for Orion since 1999 and as CEO since the beginning of 2008. I would like to express my sincere thanks to all Orion employees, customers and partners for these years. I also thank Orion's shareholders and Board of Directors for their support and trust. From the beginning of November, I will take on the role of advisor and shareholder of Orion. Building of well-being continues and I have strong confidence in Orion's future.”

A note from the Board of Directors of Orion

The time under Timo Lappalainen's leadership will remain as one of the most successful periods in Orion's long history. Timo's contribution for this has been significant. This period now ends at Orion history's highest operating profit quarter. Ahead of Timo's retirement as the CEO, the Board of Orion wants to use this opportunity to thank Timo for his great leadership and for the very supportive and collaborative way he has worked with the Board. Timo is very much respected and liked by the Board, as he is by the whole Orion family and partners alike. We wish him all the best for the future!

Outlook for 2022 (provided on 13 July 2022)

Orion estimates that net sales in 2022 will be clearly higher than in 2021 (net sales in 2021 were EUR 1,041 million).

Operating profit is estimated to be clearly higher than in 2021 (operating profit in 2021 was EUR 243 million).

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

Impacts of the war in Ukraine on Orion

Financial risks for Orion caused by the war in Ukraine relate to net sales, receivables and inventories in Russia and Ukraine. Orion's operations in Russia and Ukraine are sales operations and the Company does not have any proprietary fixed assets in these countries. Due to patient safety and ethical reasons, Orion continues to deliver certain critical medicines in limited volumes to Russia, and to supply medicines to customers from local warehouses in the country. However, the situation currently makes it very difficult to estimate the future development of the business. To Ukraine Orion has exported commercial deliveries of medicines and donated medicines through charity organisations. The company will continue efforts to deliver medicines to Ukraine also going forward.

In 2021, Orion's sales in Russia and in Ukraine accounted for less than 4% and less than 1% respectively of the Group's total net sales. In January-September 2022, the combined sales in these countries increased from the previous year. The growth is due to strong sales before the war in January and February 2022. Between March and September 2022 the combined net sales in these countries has been lower than in the comparative period.

The Russian rouble has fluctuated strongly over the year. During the period of January-September 2022, the impact of Russian rouble rate on operating profit was EUR 14 million positive. At the end of September 2022, Orion's trade receivables in Russia amounted to EUR 7 million and the value of inventories was EUR 7 million. The future development of the Russian rouble exchange rate and its impact is currently difficult to estimate.

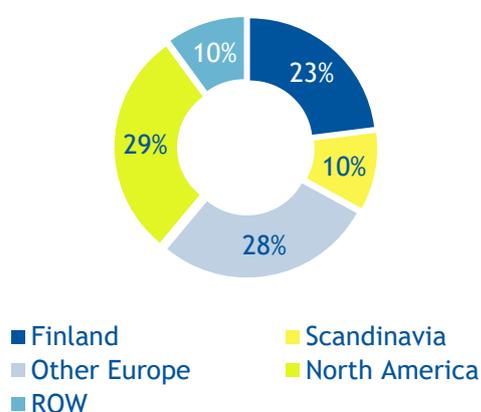
Orion has procured mainly energy and some chemicals needed in the manufacturing of pharmaceuticals or active pharmaceutical ingredients from Russia, albeit mostly indirectly. The company has found alternative sources for these products outside Russia. The availability of natural gas and raw materials from Russia and Ukraine could cause potential risks to Orion's suppliers. Together with its partners, Orion works to analyse and minimise possible risks.

Financial review for 1 January-30 September 2022

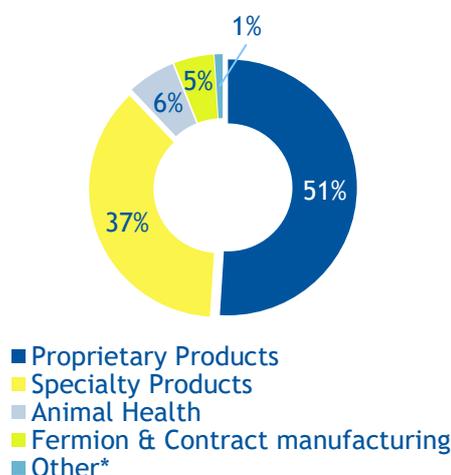
Net sales

Orion Group's net sales in January-September 2022 totalled EUR 1,046 (765) million, an increase of 37%. The increase is mainly due to the EUR 228 million milestone payment related to the ODM-208 agreement received in July, but product sales also developed positively. Also, VMD's net sales is now included in Orion Group's net sales from the acquisition date onwards. Exchange rate fluctuations had EUR 20 million positive impact on net sales during the period mainly due to Russian rouble. Net sales of Orion's top ten pharmaceuticals amounted to EUR 375 (345) million. They accounted for 36% (45%) of total net sales.

Net sales split by region
1-9/2022

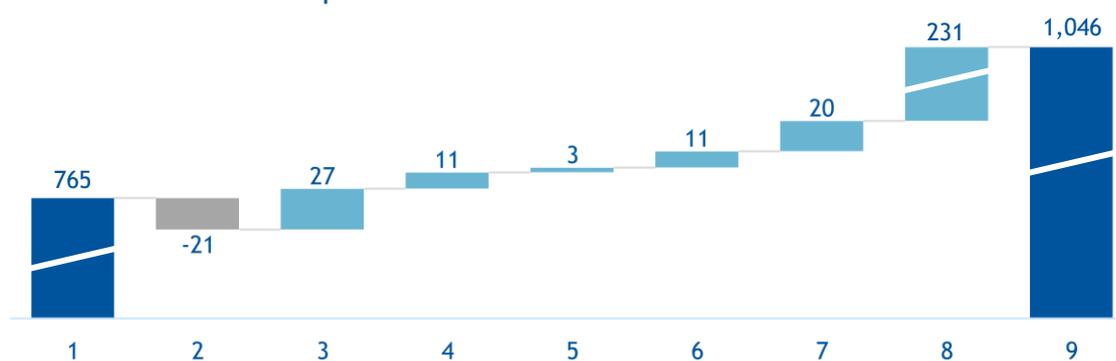


Net sales split by business units
1-9/2022



*) Other mostly comprises the impact of translation differences on Orion's net sales.

Development of net sales 1-9/2022 vs. 1-9/2021



1	Net sales in 1-9/2021	6	Animal Health and Fermion & Contract Manufacturing
2	Simdax® & Dexdor®	7	Exchange rates
3	Nubeqa® (product sales & royalty)	8	Royalties & milestones (without Nubeqa® royalties)
4	Easyhaler® product portfolio	9	Net sales in 1-9/2022
5	Other Proprietary Products and Specialty Products		

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

Operating profit

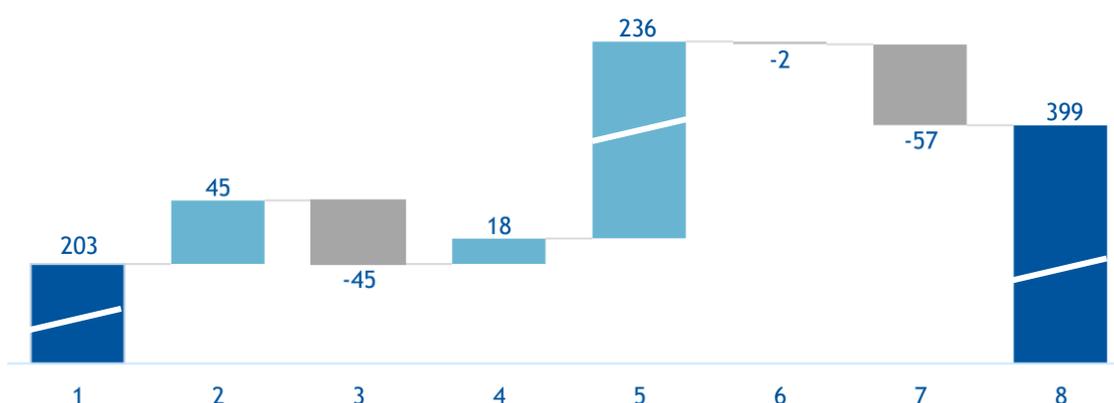
The Orion Group's operating profit was up by 96% at EUR 399 (203) million. The increase is due to the ODM-208 agreement related EUR 228 million milestone payment. EBITDA was up by 84% at EUR 434 (236) million. Operating profit excluding the ODM-208 agreement related milestone and costs was slightly lower than in the comparative period mainly due to clearly increased operating expenses.

Gross profit from sales in local currencies increased by EUR 45 million from the comparative period. Price, cost and product portfolio changes had a negative impact of EUR 45 million on gross profit of which roughly EUR 15 million are due to cost increase and the rest due to price decreases in some key products and changes in the overall portfolio. Currency rate changes had a positive impact of EUR 18 million, of which EUR 14 million was due to Russian rouble. With the combined impact of these items, the gross profit from product and service sales was EUR 18 million higher than in the comparative period.

Milestone payments accounted for EUR 233 (2) million and royalties for EUR 23 (17) million of net sales and operating profit. Other operating income and expenses accounted for EUR 4 (6) million of operating profit.

Operating expenses increased by EUR 57 million. A significant part of the cost increase, approximately EUR 20 million, relate to the execution of the ODM-208 agreement. These expenses include, among others, non-recurring advisory fees and provisions for certain variable incentive systems.

Development of operating profit 1-9/2022 vs. 1-9/2021



1	Operating profit in 1-9/2021	5	Milestones & royalties
2	Product & service sales without sales margin and product mix change and exchange rate effect	6	Other operating income and expenses
3	Product sales margin and product mix change but without exchange rate effect	7	Fixed cost
4	Exchange rate effect on gross margin	8	Operating profit in 1-9/2022

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

Operating expenses

The Group's sales and marketing expenses were up by 12% and totalled EUR 151 (135) million. Sales and marketing costs increased because of a clear increase in promotional activities since COVID-19 and because the costs now also include VMD's sales and marketing costs, which were absent in the reference period. Research and development expenses increased by 27%, mainly due to the timing of research and clinical development projects and their costs, and totalled EUR 97 (77) million. They accounted for 9% (10%) of the Group's net sales. Administrative expenses were EUR 51 (31) million. They increased by 63% mainly due to the costs related to the execution of the ODM-208 agreement.

Group profit

Profit for the period was EUR 318 (161) million. Basic earnings per share were EUR 2.26 (1.15). Equity per share was EUR 6.92 (5.29).

The return on capital employed before taxes (ROCE) was 53% (32%) and the return on equity after taxes (ROE) 49% (29%).

Financial position

The Group's gearing was -16% (-6%) and the equity ratio 62% (71%).

The Group's total liabilities as at 30 September 2022 were EUR 596 (313) million. At the end of the period, interest-bearing liabilities amounted to EUR 215 (108) million. Of the total interest-bearing liabilities EUR 198 (105) million were long-term liabilities.

The Group had EUR 367 (156) million of cash and cash equivalents at the end of the reporting period.

The remeasurement of the pension plans has increased the equity by EUR 122 million during the period.

Cash flow

The cash flow from operating activities was EUR 429 (139) million. Cash flow increased mostly due to the ODM-208 related milestone of USD 290 million, of which EUR 228 million is part of profit before taxes in cash flow and EUR 60 million, which is reserved to balance sheet to cover Orion's share of ODM-208 development cost to be accrued in the future, is shown as adjustment in the cash flow from operating activities.

The cash flow from investing activities was EUR -129 (-66) million. The increase is mainly due to the VMD acquisition.

The cash flow from financing activities was EUR -151 (-213) million. The difference to the comparative period is due to changes in borrowing. In January-September 2022, net borrowing increased by EUR 69 million. In addition, in September 2022 the company acquired its own shares with EUR 8 million.

Capital expenditure

The Group's capital expenditure without the acquisition of VMD totalled EUR 49 (66) million. This comprised EUR 38 (34) million on property, plant and equipment and EUR 11 (32) million on intangible assets.

At the end of the reporting period, capital expenditure to the acquisition of VMD totalled EUR 94 million including the initial purchase price, net of cash of EUR 82 million and deferred payments of EUR 11 million. In addition, Orion repaid shareholder loans of EUR 7 million after the acquisition.

Key business targets and key performance indicators in 2022

TARGET	KPI's in 2022	Status on 30/9/2022
Increasing the sales of the current product portfolio	Significant increase in sales of Nubeqa® booked by Orion	On target
	Easyhaler® product portfolio sales increase by more than 5%	On target
Building up long-term growth	In-licensing of new products	In progress
	Portfolio enhancement through product acquisitions and M&A	On target
	Partner for ODM-208 development and commercialisation	On target
	Launch of Phase III clinical trial on ODM-208*	Target not attainable
	At least one new project proceeds to clinical development	On target
	Solidifying the R&D portfolio with new collaboration agreements	On target

* Based on the decision to recruit additional patients to the ongoing Phase II study on ODM-208, further data from this trial is expected in 2023. Thus this target is not attainable in 2022.

 = on target	 = in progress	 = target not attainable	 = not known
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Orion regularly monitors the progress of these goals in its financial reviews.

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 (1-9/2022), the total sales of Orion's human pharmaceuticals in January-September 2022, including both medicinal and non-medicinal products, grew by 4 per cent 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 11% while the total market fell by 7 per cent from the comparative period. The significant increase in Orion's reference priced prescription medicines in the statistics is explained by the strong volume growth and the statistical method that only takes into account products that are reference priced prescription medicines at the time of compilation of the statistics. The average price of reference-priced drugs in the market declined by approximately 14% from the comparative period (Source: Pharmarket). 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 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	1-9/22	1-9/21	Change %
Total sales of human pharmaceuticals (hospital and pharmacy channel)			
Market	2,254	2,171	+4%
Orion	242	233	+4%
Prescription drugs total (pharmacy channel)			
Market	1,276	1,218	+5%
Orion	136	133	+2%
Reference priced prescription drugs (pharmacy channel) *			
Market	330	353	-7%
Orion	80	72	+11%
Self-care products (pharmacy channel)			
Market	317	298	+6%
Orion	81	75	+8%

* 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 1-9/2022

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

Orion's market share, %	1-9/22	1-9/21
Human pharmaceuticals in total (hospital and pharmacy channel)	11%	11%
Prescription drugs total (pharmacy channel)	11%	11%
Reference priced prescription drugs (pharmacy channel) *	24%	20%
Self-care products (pharmacy channel)	26%	25%

* 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 1-9/2022

Orion's sales network

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.

Proprietary Products

The product portfolio of the Proprietary Products unit consists of prescription products in three therapy areas: neurological disorders, oncology and critical care, and inhaled pulmonary drugs under the Easyhaler® product portfolio.

Net sales of the unit in January-September 2022 were up by 85% and totalled EUR 530 (287) million. The increase is mainly due to the EUR 228 million milestone but product sales also developed well.

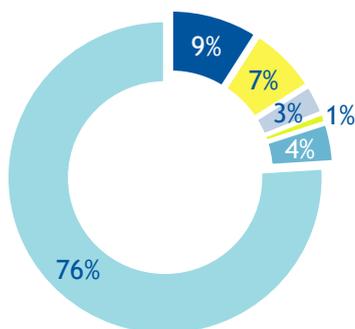
Net sales by product

EUR million	7-9/22	7-9/21	Change %	1-9/22	1-9/21	Change %
Easyhaler® product portfolio	29	27	+4%	94	83	+13%
Stalevo®, Comtess® and Comtan®	22	21	+2%	79	74	+7%
Nubeqa®*	14	7	+95%	53	26	+101%
Simdax®	9	14	-35%	33	43	-22%
Dexdor®	4	7	-42%	15	27	-44%
Other**	237	9	+2,745%	256	34	+650%
Total	314	85	+271%	530	287	+85%

*) includes product sales to Bayer and royalties booked by Orion

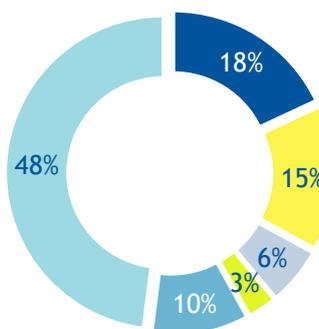
**) includes service sales, milestone payments and products such as Enanton®, Precedex® and pharmaceuticals sold for use in clinical trials. In January–September 2022, net sales of darolutamide sold for use in clinical trials were EUR 1 (10) million.

Net sales split 7-9/2022



- Easyhaler®
- Parkinson's franchise
- Simdax®
- Dexdor®
- Nubeqa®
- Other

Net sales split 1-9/2022



- Easyhaler®
- Parkinson's franchise
- Simdax®
- Dexdor®
- Nubeqa®
- Other

Orion's sales of Nubeqa® (darolutamide) in January-September 2022 totalled EUR 53 (26) million, of which royalties amounted to EUR 17 (8) million and product sales ie. deliveries to Bayer to EUR 36 (18) million. Nubeqa® is approved in more than 70 markets around the world for the treatment of non-metastatic castration-resistant prostate cancer. During the review period the U.S. Food and Drug Administration (FDA) approved additional indication of darolutamide in combination with docetaxel for the treatment of metastatic hormone-sensitive prostate cancer (mHSPC).

Bayer holds global commercial rights to darolutamide and Orion is entitled to receive annually tiered royalties on global darolutamide sales. The total annual royalty rate is approximately 20% including product sales to Bayer. Initially the total annual royalty rate will be slightly lower, and as sales increase, the total annual royalty rate will increase. Orion manufactures the product for global markets and co-

promotes the product in Europe with Bayer. Orion incurs front-end costs due to the structure of Nubeqa® sales recorded by the company. Manufacturing costs are recognised at the time of delivery of the products, but royalty income is only recognised when the product is sold on the market and Orion receives royalties from Bayer. This timing difference has a material impact on the profitability of the Nubeqa® sales recorded by Orion, especially in the early stages of the product life cycle, when the relative share of product sales in the total sales recorded by Orion is high. 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.

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 13% and amounted to EUR 94 (83) million in January-September 2022. In the comparative period, the market for dry-powder pulmonary drugs and the demand for Easyhaler® products suffered from the reduced rate of doctors' appointments due to the COVID-19 pandemic. The growth was driven by the sales of the budesonide-formoterol combined formulation which increased by 14% to EUR 60 (52) million. The sales of other Easyhaler® products (beclometasone, budesonide, formoterol, salbutamol and salmeterol-fluticasone combined formulation) increased by 11% to EUR 34 (31) million.

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-September 2022 increased by 7% and amounted to EUR 79 (74) million. Orion markets its own Parkinson's drugs in Europe and in some countries in the Asia-Pacific area. Elsewhere, the products are sold by partners. The most important single market for Orion's Parkinson's drugs is currently Japan, where Orion has a distribution agreement with Novartis. Significant mandatory price reductions have taken effect in Japan at the beginning of 2022.

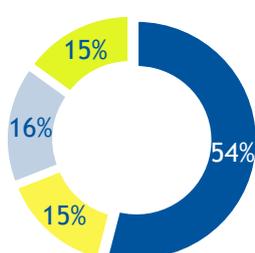
Net sales of Orion's Dexdor® intensive care sedative (dexmedetomidine), a product sold in Europe, were at EUR 15 (27) million, down by 44%. The expected decline in sales was due to generic competition and a strong comparative period owing to demand caused by the COVID-19 pandemic, despite the launch of generic competition.

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-September 2022 were down by 22% at EUR 33 (43) million. Sales declined from the comparative period mainly due to falling prices in some markets, but direct generic competition has also started to have an impact.

Specialty Products

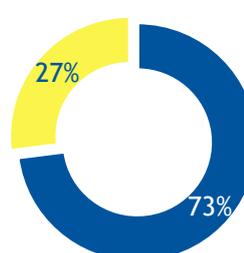
Net sales of the Specialty Products unit, comprising generic (off-patent) prescription drugs (including biosimilars) and self-care products, increased by 5% in January-September 2022 and amounted to EUR 386 (368) million. Growth was driven by self-care products, but sales of prescription medicines also developed well. There have been more respiratory tract infections than in previous years, which partly explains the growth. Prices of reference priced prescription drugs have continued to decline especially in Finland, but Orion has been able to compensate for the impact of decreasing prices through increased sales volumes. Owing to the COVID-19 pandemic and related restrictions implemented in various countries, the prevalence of seasonal illnesses, such as common respiratory tract infections, was lower than normal in the comparative period. This led to a decline in non-critical medical appointments and therefore in the number of prescriptions issued. Generic prescription drugs accounted for 73% (75%) and self-care products for 27% (25%) of Specialty Products' net sales.

Net sales split 1-9/2022



■ Finland ■ Scandinavia ■ Eastern Europe ■ ROW

Net sales split by product groups
1-9/2022



■ Generic prescription drugs ■ Self-care

Breakdown of Specialty Products' net sales by product group 7-9/2022:

EUR million	7-9/22	7-9/21	Change %	Share of unit's net sales 7-9/22	Share of unit's net sales 7-9/21
Generic prescription drugs	93	92	+1%	73%	74%
Self-care products	34	32	+6%	27%	26%
Total	127	124	+2%		

Breakdown of Specialty Products' net sales by product group 1-9/2022:

EUR million	1-9/22	1-9/21	Change %	Share of unit's net sales 1-9/22	Share of unit's net sales 1-9/21
Generic prescription drugs	283	276	+3%	73%	75%
Self-care products	103	92	+12%	27%	25%
Total	386	368	+5%		

The Specialty Products unit's most important market areas are Finland, Scandinavia and Eastern Europe. The unit's sales in Finland in January-September 2022 amounted to EUR 209 (202) million. The increase of 3% came mostly from self-care products. The general decline in the prices of reference-priced generic drugs due to price competition continued but Orion was able to compensate for this impact with strong volume development.

In Scandinavia, Specialty Products' sales totalled EUR 58 (57) million, up by 1%. In Eastern Europe, they were up by 3% and amounted to EUR 62 (61) million. The growth is mainly due to a strong sales development before the war broke out in Ukraine. Specialty Products' sales in regions other than Finland, Scandinavia and Eastern Europe stood at EUR 57 (48) million.

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 unit in January-September 2022 were up by 23% and amounted to EUR 65 (53) million. Sales include the turnover of the animal health company VMD (Inovet), acquired in June, which explains the increase from the comparative period. Sales of animal sedative products accounted for 43% (51%), or EUR 28 (27) million, of the unit'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.

Fermion and Contract Manufacturing

Fermion manufactures active pharmaceutical ingredients for Orion and other pharmaceutical companies. Its product range comprises nearly 30 pharmaceutical ingredients. It produces the active pharmaceutical ingredients for Orion's proprietary drugs developed in house. 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 and Contract Manufacturing, excluding deliveries for Orion's own use, totalled EUR 53 (55) 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 decline in external net sales is partly explained by the fact that more production capacity has been allocated to the manufacturing of Orion's active pharmaceutical ingredients.

Research and development

The Group's R&D expenses in January-September 2022 totalled EUR 97 (77) million, up by 26%. They accounted for 9% (10%) of the Group's net sales. R&D expenses also include expenses related to the development of the current portfolio. The core therapy areas of Orion's pharmaceutical research are oncology and pain. Orion also develops veterinary drugs and selected generic drugs.

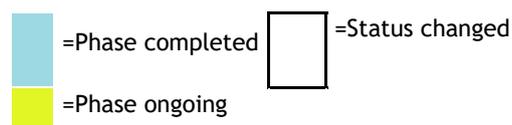
Orion has focused on managing the safety and continued treatment of patients involved in clinical trials during the COVID-19 pandemic. However, the exceptional circumstances may cause delays in ongoing projects due to, for example, slower than anticipated patient recruitment or weaker than normal availability of research supplies.

Key clinical development projects

Project	Indication	PHASE			Registration
		I	II	III	
Darolutamide ARASENS ¹	Prostate cancer (mHSPC)	I	II	III	Registration
Darolutamide ARANOTE ¹	Prostate cancer (mHSPC)	I	II	III	
ODM-208 (CYP11A1 inhibitor) ²	Prostate cancer (mCRPC)	I	II		
ODM-105 (tasipimidine)	Treatment of psychiatric disorders	I			
ODM-111 (NaV 1.8 blocker)	Pain	I			
Easyhaler® tiotropium	COPD	Bioequivalence study			

¹ In collaboration with Bayer

² In collaboration with MSD



Detailed results from Orion's and Bayer's Phase III ARASENS trial investigating the use of the oral androgen receptor inhibitor (ARI) darolutamide in metastatic hormone-sensitive prostate cancer (mHSPC) were published in February in the New England Journal of Medicine and at the 2022 ASCO GU Cancers Symposium. In the ARASENS trial, darolutamide in combination with docetaxel and androgen deprivation therapy (ADT) significantly increased overall survival (OS) compared to placebo, docetaxel and ADT. The overall incidence of reported adverse events was similar between treatment arms. Consistent benefits were also seen across secondary endpoints. In August, the U.S. Food and Drug Administration (FDA) approved additional indication of darolutamide in combination with docetaxel for the treatment of metastatic hormone-sensitive prostate cancer (mHSPC). Bayer has submitted applications for additional indication of darolutamide also in the EU, Japan and China, among others.

In addition, Orion and Bayer have an ongoing Phase III ARANOTE clinical trial, which investigates the efficacy and safety of darolutamide in combination with androgen deprivation therapy (ADT) versus placebo plus ADT in patients with metastatic hormone-sensitive prostate cancer (mHSPC).

Orion has an ongoing Phase II CYPIDES clinical trial on the ODM-208 molecule, a novel selective hormone synthesis inhibitor (CYP11A1 inhibitor), for the treatment of patients with metastatic castration-resistant prostate cancer (mCRPC). Based on the decision to recruit additional patients to this study, further data from this trial is expected in 2023. In July, Orion and MSD announced a global development and commercialisation agreement for ODM-208 and other drugs targeting cytochrome P450 11A1 (CYP11A1), an enzyme important in steroid production. Under the terms of the agreement, Orion and MSD will co-develop and co-commercialise ODM-208. MSD paid Orion an upfront payment of USD 290 million. Of this upfront payment Orion recognised EUR 228 million as income at the time of signing and EUR 60 million is reserved to cover Orion's share of ODM-208 development cost to be accrued in the future. Orion will be responsible for the manufacture of clinical and commercial supply 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 programme. 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.

Orion has completed Phase I clinical trial on ODM-105 molecule (tasipimidine) that is based on its alpha 2 research, investigating the tolerability and safety of the drug candidate in healthy volunteers. Based on the accumulated data, Orion is preparing to start a Phase II clinical trial to investigate the efficacy and safety of ODM-105 in the treatment of psychiatric disorders.

Orion has initiated a Phase I clinical trial with ODM-111, a NaV 1.8 channel blocker. The study will investigate the tolerability and safety of the drug candidate in healthy volunteers.

During the period, Orion decided to discontinue the development of Easyhaler® tiotropium for the treatment of COPD. The decision is based on a reassessment of the product's commercial potential. The decision has no impact on the current Easyhaler® product portfolio on the market.

Orion together with Propeller Health has an ongoing development project in which the Easyhaler® device is equipped with a sensor that monitors the use of the device.

Orion has two ongoing clinical projects in the field of digital therapies. The VIRPI (Pilot Study of a Virtual Reality Software for Chronic Pain) trial investigated the impacts of using virtual reality software in treating chronic low back pain. The results of this trial were positive, and Orion is currently looking for a partner for further development and commercialisation of a digital therapy software solution for treatment of chronic pain. The ODD-402 project in collaboration with Healthware Group investigates how the care of Parkinson's patients could be developed, personalised and improved using a digital tool that collects data from patients.

Orion has several projects in the early research phase, investigating cancer and pain. Additionally, Orion has projects underway to develop new veterinary drugs and selected generic drugs.

Personnel

The average number of employees in the Orion Group in January-September 2022 was 3,451 (3,368). At the end of September 2022 the Group had a total of 3,527 (3,339) employees, of whom 2,634 (2,612) worked in Finland and 893 (727) outside Finland. The increase in personnel is due to VMD employees included in the Orion Group.

Salaries and other personnel expenses in January-September 2022 totalled EUR 193 (164) million.

Changes in Executive Management

On 20 April 2022, Orion Corporation's Board of Directors appointed Dr. Liisa Hurme as President and CEO of Orion Corporation as of 1 November 2022, until which her predecessor Timo Lappalainen will hold the position.

On 20 September 2022, Juhani Kankaanpää was appointed as Senior Vice President, Global Operations, and member of the Executive Management Board of Orion Group as of 1 November 2022.

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-September 2022

- 17 Feb 2022 Detailed results of Phase III ARASENS study were published.
- 17 Feb 2022 Orion's collaboration partner Bayer upgraded estimate on Nubeqa®'s peak sales potential.
- 9 Mar 2022 Orion's collaboration partner Bayer announced submissions of applications in the U.S and EU for additional indication of darolutamide.
- 11 Mar 2022 Orion's collaboration partner Bayer announced submission of application for additional indication of darolutamide in Japan.
- 23 Mar 2022 Orion Corporation's Annual General Meeting was held in Helsinki.
- 24 Mar 2022 Orion announced that the Company is planning to refocus its R&D.
- 20 Apr 2022 Liisa Hurme was appointed President and CEO of Orion Corporation as of 1 November 2022.
- 22 Apr 2022 Orion's collaboration partner Bayer submitted application for additional indication of darolutamide in China.
- 3 May 2022 U.S. FDA accepted supplemental new drug application (sNDA) and granted priority review for additional indication of darolutamide.
- 6 May 2022 Orion entered into exclusive agreement with Jemincare for novel non-opioid drug candidate for the treatment of pain.
- 9 May 2022 Orion announced that in the future the Company's research and development of new proprietary drugs will focus on oncology and pain.
- 15 Jun 2022 Orion announced that it is acquiring Inovet's Animal Health Business.
- 13 Jul 2022 Orion and MSD announced a global development and commercialisation agreement for ODM-208.
- 13 Jul 2022 Orion upgraded full-year outlook for 2022.
- 20 Sep 2022 Juhani Kankaanpää was appointed as Senior Vice President, Global Operations, and member of the Executive Management Board of Orion Group as of 1 November 2022

Key events after the reporting period

- 17 Oct 2022 Orion announced changes in Orion Group Executive Management Board and new organisational structure as of 1 January 2023.

Shares and shareholders

On 30 September 2022 Orion had a total of 141,134,278 (141,134,278) shares, of which 34,310,524 (34,915,634) were A shares and 106,823,754 (106,218,644) B shares. The Group's share capital is EUR 92,238,541.46 (92,238,541.46). At the end of September 2022 Orion held 711,272 (571,314) B shares as treasury shares. On 30 September 2022, the aggregate number of votes conferred by the A and B shares was 792,322,962 (803,960,010) excluding treasury shares.

At the end of September 2022, Orion had 79,631 (81,845) 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 502,682 A shares were converted into B shares in January-September 2022.

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 30 September 2022, the market capitalisation of the Company's shares, excluding treasury shares, was EUR 6,060 million.

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

Authorisations of the Board of Directors

On 23 March 2022, 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 Annual General Meeting authorised the Board of Directors also to decide on the acquisition of the Company's own shares and to decide on a share issue by conveying own shares. The Board of Directors shall be entitled to decide on the acquisition of no more than 500,000 class B shares of the Company and to decide on the conveyance of no more than 1,000,000 own Class B shares held by the Company. The authorisation to acquire own shares shall be valid for 18 months and the authorisation to convey own shares shall be valid for five years from the decision of the Annual General Meeting.

The terms of the authorisations 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.

The Board of Directors of Orion Corporation decided on 25 August 2022 on a share acquisition based on the authorisation by the Annual General Meeting on 23 March 2022. According to the decision, up to 400,000 Class B shares of Orion Corporation will be acquired. The acquisition started on 1 September 2022 and it can continue until further notice. Between 1 September and 19 September 2022, Orion acquired 178,501 Class B shares.

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 2019, announced in a stock exchange release published on 6 February

2019 and 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 September 2022, Orion had a total of 79,631 (81,845) registered shareholders, of whom 96% (96%) were private individuals. They held 39% (40%) of the entire share stock and had 61% (62%) of the total votes. There were 56 (55) million nominee-registered and foreign-owned shares, which was 40% (39%) of all shares, and they conferred entitlement to 9% (10%) of the total votes.

At the end of September 2022, Orion held 711,272 (571,314) B shares as treasury shares, which is 0.5% (0.4%) of the Company's total share stock and 0.09% (0.07%) of the total votes.

Flagging notifications

In January-September 2022 Orion Corporation received altogether 9 notifications pursuant to Chapter 9, Section 5 of the Securities Market Act. According to the notifications, the total number of Orion shares owned directly, indirectly or/and through financial instruments by BlackRock, Inc. and its funds either increased above five (5) per cent or decreased below five (5) per cent of Orion Corporation's total shares.

The details of the notifications 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 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 2022 (provided on 13 July 2022)

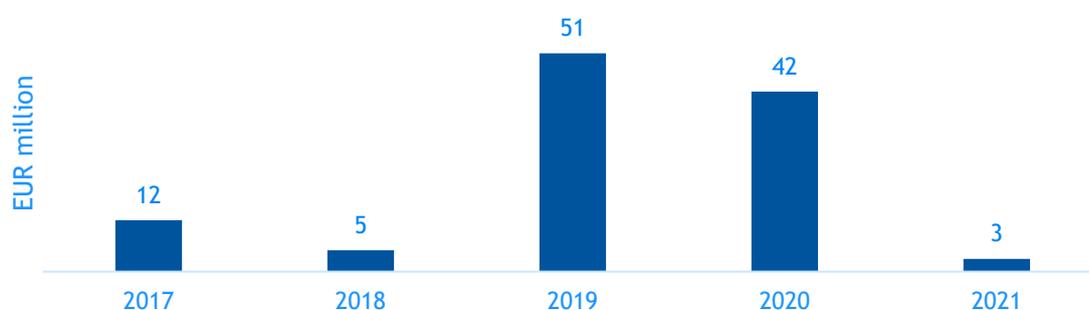
Orion estimates that net sales in 2022 will be clearly higher than in 2021 (net sales in 2021 were EUR 1,041 million).

Operating profit is estimated to be clearly higher than in 2021 (operating profit in 2021 was EUR 243 million).

Basis for outlook in more detail

Collaboration agreements with other pharmaceutical companies are an important component 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 research outcomes which are not known until studies have been completed, the progress of research projects or the attainment of specified sales levels. On the other hand, neither the outcome nor the schedule of contract negotiations is generally known before the final signing of the agreement.

Milestone payments received by Orion in 2017-2021



The outlook for 2022 includes EUR 228 million to be recognised for this year from the USD 290 million upfront payment Orion received but not any other material milestones. Orion is currently looking for a partner for further development and commercialisation of its digital therapy software solution for treating chronic pain. The outlook does not contain any potential milestone payments associated with this project, as the company does not yet have assurance of finding any partner or of the financial structure of any agreement to be made. Orion is entitled to receive milestone payments from Bayer for Nubeqa® sales when certain global annual sales thresholds are met for the first time. Such milestone payments are not included in the outlook for 2022, as Orion does not have the ability to accurately estimate or predict the timing when the sales thresholds potentially are met.

The outlook is based on the assumption that Orion's own production can continue to operate normally despite the COVID-19 pandemic, the challenges in the global supply chains and the impacts of the war in Ukraine. This requires, among other things, continued success in employee protection so that absence rates do not significantly increase, that personal protective equipment, supplies, equipment and spare parts needed in production as well as starting materials, intermediate products and materials are available and that there are no material disruptions in the logistics or supply chains or energy supply.

The outlook includes the impact of the acquisition of animal health company VMD on the Group's net sales and operating profit.

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

Net sales

Regarding Proprietary Products, the outlook anticipates that the net sales of Nubeqa® booked by Orion will clearly increase in 2022. Orion's estimate is based on forecasts received from its partner Bayer. The sales of the Easyhaler® product portfolio is estimated to increase slightly or increase. 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, even though significant mandatory price reductions of Stalevo® and Comtan® have taken effect in Japan at the beginning of 2022.

The COVID-19 pandemic significantly increased the demand for the intensive care sedative Dexdor® in 2020 and 2021, as a result of which the impact of generic competition on its sales did not fully materialise. Although the demand for intensive care sedatives remains elevated due to the pandemic, a clear decline in the net sales of the Dexdor® product is expected to continue in 2022. However, uncertainty prevails in this respect due to the pandemic.

Net sales of Simdax® are estimated to clearly decrease due to generic competition. Nevertheless, uncertainty still prevails as to when direct generic competition begins and how significantly the prices will drop.

The Specialty Products unit, meaning generic drugs and self-care products, accounts for a significant share of Orion's total sales. The outlook assumes that the COVID-19 pandemic will no longer materially affect the demand for generic drugs in 2022, although some customers may start using the stockpiles they had accumulated earlier in the pandemic. The outlook assumes that Orion will be able to increase its generic drugs sales volume, but foresees a simultaneous continued decline in generic drug prices. Visibility of the business development in Russia and Ukraine is currently very low due to the war. However, Orion assumes that the sales development in these countries will not have material impact on the Group's net sales in 2022. For example, the outlook does not assume significant write-downs of the value of the trade receivables in Russian roubles which at the end of September 2022 were EUR 7 million. Due to the above-mentioned reasons, net sales of the Specialty Products unit are expected to be at a similar level as in 2021. The estimate does not include any impact of material supply disruptions or product shortages.

Net sales of Orion's Animal Health unit are expected to be clearly higher than in 2021 due to the acquisition of animal health company VMD.

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, and consequently Fermion's external net sales reported by Orion are estimated to slightly decline in 2022.

Operating profit

Orion's operating profit in 2022 will be clearly higher than in 2021 due to an upfront payment of USD 290 million received by Orion, of which EUR 228 million will be recognised in profit this year. Orion's operating profit will also be positively impacted by growing products such as Nubeqa® and the Easyhaler® portfolio. Orion incurs front-end costs due to the structure of Nubeqa® sales recorded by the company. Manufacturing costs are recognised at the time of delivery of the products, but royalty income is only recognised when the product is sold on the market and Orion receives royalties from Bayer. This timing difference has a material impact on the quarterly profitability of the Nubeqa® sales recorded by Orion, especially in the early stages of the product life cycle, when the relative share of product sales in the total sales recorded by Orion is high.

The falling sales of proprietary drugs Dexdor® and Simdax® due to generic competition will have a negative impact on Orion's operating profit in 2022. The price cuts of Stalevo® and Comtan® in Japan are also having a negative impact on operating profit. Relative gross margin of some products is estimated to decline, as production costs, including wages, and the prices of raw materials, goods and services rise, and these price increases cannot be passed through to Orion's product prices. On the contrary, the prices of generic drugs are estimated to continue on a downward path despite rising costs. Also, cost inflation will have a negative impact on Orion's operating profit in 2022. The acquisition of animal health company VMD is not expected to have a material impact on the Group's operating profit in 2022.

Operating expenses are estimated to increase from 2021. The impact of the COVID-19 pandemic kept operating expenses below normal in 2020-2021. The outlook presupposes that the pandemic will no longer affect costs with equal force in the second half of 2022. At the same time, increasing investments are made in the sales and marketing of products that are experiencing growth as well as new products, such as ganaxolone. Research and development expenses are estimated to be higher than in 2021.

Capital expenditure

The Group's total capital expenditure in 2022 is expected to be clearly higher than in 2021, when capital expenditure was EUR 85 million. Investments in 2021 included the EUR 25 million signing fee paid to Marinus for the sales and marketing rights to ganaxolone. In 2022, the grand total of investments will be raised by the the acquisition of VMD, the revamping of Orion's Enterprise Resource Planning (ERP) system and renovation of the company's head office in Espoo, both scheduled for 2021-23.

Near-term risks and uncertainties

The outlook is based on the assumption that Orion's own production can continue to operate normally despite the COVID-19 pandemic, the challenges in the global supply chains and the impacts of the war in Ukraine. The sales of Orion-manufactured products depend on the ability of production and the entire supply chain to operate at the planned level. This involves numerous risks that may cause even material production disruptions. Such risks include the infection of employees, the availability of supplies, equipment and spare parts, deteriorating availability of starting materials and intermediate products as well as logistics chain disruptions. The logistics challenges especially in China and also globally are currently increasing. Risks related to energy availability and price have increased throughout the supply chain. The availability of natural gas and raw materials from Russia and Ukraine could cause potential risks to global supply chains.

The basic patents for Dexdor® and Simdax® have expired and generic competition on these products has begun. In 2020-2021, the COVID-19 pandemic strongly increased the demand for intensive care sedatives, and therefore the sales of Dexdor® decreased during the period far less than anticipated. Its sales are estimated to decrease clearly in 2022. In 2022, net sales of Simdax® are estimated to decrease clearly. Sales are depressed by price reductions and direct generic competition.

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. In June 2022, the Finnish government has issued a proposal to cut government spending on pharmaceuticals from 1 January 2023. The proposal is currently in consultation and its final content and impact on Orion will be known during autumn 2022. 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 COVID-19 pandemic significantly increased the demand for some Orion products especially in 2020, partly because customers increased their safety stocks. The dismantling of such safety stocks may have a momentary negative effect on the demand for Orion products. However, Orion is unaware of how much additional safety stocks customers have remaining and when customers might start using inventories that exceed normal stock levels. Due to the pandemic and various pandemic-related restrictions, the prevalence of many seasonal illnesses has been below normal, whereby the numbers of medical appointments and prescriptions issued have also declined. Non-critical procedures have also been postponed due to the pandemic. These phenomena have negatively impacted the development of the entire pharma market. At present, it is difficult to estimate how long the situation will last or to what extent the eventual waning of the pandemic will manifest as a release of any pent-up demand. Due to Russia's invasion of Ukraine, the visibility of business in these countries is currently very low. Furthermore, it is uncertain whether all the receivables in Russia can be collected. Orion has insured its receivables, but only in part.

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 exchange rate effect related to the Russian rouble arises in particular due to the strong volatility of the currency. Russian sales do not represent a significant portion of Orion's entire net sales. However, due to the war in Ukraine, the fluctuations in the Russian rouble exchange rate pose a higher risk to the Company's Russian receivables than previously assumed.

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 impacts of the COVID-19 pandemic 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. Supply chain risks have been well managed by Orion and potential challenges during the remainder of the year 2022 are likely to be reflected in company's operations more in the following years. The rise of raw material prices and other supply chain costs deteriorates the profitability of Orion's products, since in the pharmaceuticals industry it is virtually impossible to pass through the cost increases to own product prices, especially in Europe. Cost inflation remains a risk for Orion's profitability in 2022. The impact of cost inflation is expected to start to be felt in late 2022 and more in 2023.

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, 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 2014-2021 the annual payments varied from EUR 3 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.

Upcoming events

Financial Statement Release for 2022	Thursday 9 February 2023
Annual General Meeting 2023	planned to be held on Wednesday 22 March 2023
Interim Report January-March 2023	Thursday 27 April 2023
Half-Year Financial Report January-June 2023	Monday 17 July 2023
Interim Report January-September 2023	Thursday 26 October 2023

The Financial Statements and the Report of the Board of Directors for 2022 will be published on the Company's website at the latest in week 9/2023.

Espoo, 20 October 2022

Board of Directors of Orion Corporation

Orion Corporation

Tables

CONSOLIDATED INCOME STATEMENT

EUR million	7-9/22	7-9/21	Change %	1-9/22	1-9/21	Change %	1-12/21
Net sales	491.8	240.9	+104.1%	1,046.1	764.5	+36.8%	1,041.0
Cost of goods sold	-136.1	-110.3	+23.4%	-352.4	-324.6	+8.6%	-447.5
Gross profit	355.7	130.6	+172.3%	693.7	439.9	+57.7%	593.5
Other operating income and expenses	2.2	0.6	+247.5%	4.3	6.0	-27.7%	6.4
Sales and marketing expenses	-51.4	-42.3	+21.6%	-151.2	-134.7	+12.3%	-191.0
Research and development expenses	-36.3	-22.7	+59.5%	-97.0	-76.7	+26.5%	-117.7
Administrative expenses	-24.8	-8.9	+178.7%	-50.9	-31.2	+63.1%	-47.9
Operating profit	245.4	57.3	+328.1%	398.9	203.4	+96.1%	243.3
Finance income and expenses	-0.8	-0.1		0.9	-0.9	+204.1%	-1.0
Profit before taxes	244.6	57.3	+327.0%	399.8	202.5	+97.5%	242.3
Income tax expense	-50.1	-11.8	+325.7%	-82.0	-41.5	+97.5%	-48.5
Profit for the period	194.5	45.4	+327.9%	317.9	161.0	+97.5%	193.8
PROFIT ATTRIBUTABLE TO							
Owners of the parent company	194.5	45.4	+327.9%	317.9	161.0	+97.5%	193.8
Basic earnings per share, EUR¹	1.38	0.32	+327.9%	2.26	1.15	+97.4%	1.38
Diluted earnings per share, EUR¹	1.38	0.32	+327.9%	2.26	1.15	+97.4%	1.38

¹The number has been calculated from the profit attributable to the owners of the parent company.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	7-9/22	7-9/21	Change %	1-9/22	1-9/21	Change %	1-12/21
Profit for the period	194.5	45.4	+327.9%	317.9	161.0	+97.5%	193.8
Translation differences	0.3	-0.2		-1.3	1.0		1.6
Items that may be reclassified subsequently to profit and loss	0.3	-0.2		-1.3	1.0		1.6
Remeasurement of pension plans, net of tax	31.4	-0.0		122.0	58.9		29.0
Items that will not be reclassified to profit and loss	31.4	-0.0		122.0	58.9		29.0
Other comprehensive income net of tax	31.7	-0.2		120.6	59.9		30.6
Comprehensive income for the period	226.1	45.2	+399.9%	438.5	220.9	+98.5%	224.4
COMPREHENSIVE INCOME ATTRIBUTABLE TO							
Owners of the parent company	226.1	45.2	+399.9%	438.5	220.9	+98.5%	224.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

EUR million	9/22	9/21	Change %	12/21
Property, plant and equipment	364.6	324.6	+12.3%	332.6
Goodwill	87.2	13.5	+546.9%	13.5
Intangible rights	62.1	54.3	+14.4%	53.0
Other intangible assets	4.0	2.4	+64.9%	2.5
Investments in associates	0.1	0.1		0.1
Other investments	0.2	0.2	-16.4%	0.2
Pension asset	162.4	55.9	+190.5%	15.0
Deferred tax assets	6.3	2.0	+209.2%	6.6
Other non-current assets	1.1	0.4	+195.1%	0.3
Non-current assets total	688.1	453.4	+51.7%	423.7
Inventories	309.1	272.6	+13.4%	265.2
Trade receivables	172.1	147.2	+16.9%	174.8
Current tax receivables	2.8	0.0		3.3
Other receivables	28.4	26.6	+6.6%	30.2
Cash and cash equivalents	367.1	156.3	+134.9%	216.7
Current assets total	879.5	602.7	+45.9%	690.3
Assets total	1,567.5	1,056.1	+48.4%	1,114.0

EQUITY AND LIABILITIES

EUR million	9/22	9/21	Change %	12/21
Share capital	92.2	92.2		92.2
Other reserves	3.3	3.3		3.3
Cumulative translation adjustments	-9.3	-9.0	+2.6%	-8.4
Retained earnings	885.5	656.6	+34.9%	660.7
Equity attributable to owners of the parent company	971.8	743.1	+30.8%	747.9
Equity total	971.8	743.1	+30.8%	747.9
Deferred tax liabilities	64.1	39.0	+64.2%	34.0
Pension liability	2.5	1.0	+150.8%	4.9
Non-current provisions	1.3	0.4	+211.7%	0.4
Interest-bearing non-current liabilities	197.9	104.7	+88.9%	104.7
Other non-current liabilities	77.8	13.5	+477.0%	13.0
Non-current liabilities total	343.6	158.7	+116.5%	156.9
Current provisions	0.4	0.0		0.0
Interest-bearing current liabilities	17.1	3.3	+413.1%	3.8
Trade payables	84.9	63.5	+33.8%	89.6
Current tax liabilities	43.1	1.7		6.8
Other current liabilities	106.7	85.9	+24.2%	109.0
Current liabilities total	252.1	154.3	+63.4%	209.2
Liabilities total	595.7	313.0	+90.3%	366.1
Equity and liabilities total	1,567.5	1,056.1	+48.4%	1,114.0

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	Re-measurement of pension plans	Treasury shares	Retained earnings	Retained earnings total	
Equity at 1 January 2021	92.2	3.4	-7.9	-28.9	-21.5	694.1	643.7	731.3
Profit for the period						161.0	161.0	161.0
Other comprehensive income								
Cumulative translation adjustments			-1.1			2.1	2.1	1.0
Remeasurement of pension plans				58.9			58.9	58.9
Transactions with owners								
Dividends paid						-211.2	-211.2	-211.2
Share-based incentive plan					3.4	-1.2	2.2	2.2
Other adjustments		-0.1				-0.0	-0.0	-0.1
Equity at 30 September 2021	92.2	3.3	-9.0	29.9	-18.2	644.8	656.5	743.1
Equity at 1 January 2022	92.2	3.3	-8.4	0.0	-18.2	678.9	660.7	747.9
Profit for the period						317.9	317.9	317.9
Other comprehensive income								
Cumulative translation adjustments			-0.9			-0.5	-0.5	-1.3
Remeasurement of pension plans				122.0			122.0	122.0
Transactions with owners								
Dividends paid						-211.3	-211.3	-211.3
Repurchase of own shares					-8.0		-8.0	-8.0
Share-based incentive plan					1.3	3.4	4.7	4.7
Other adjustments		-0.0				0.0	0.0	-0.1
Equity at 30 September 2022	92.2	3.3	-9.3	122.0	-24.9	788.4	885.5	971.8

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	1-9/22	1-9/21	1-12/21
Profit before taxes	399.8	202.5	242.3
Adjustments	97.6	28.7	50.2
Change in working capital	-24.3	-61.8	-36.3
Net financial items	1.3	-0.8	-0.9
Income taxes paid	-45.5	-29.1	-39.6
Total net cash flow from operating activities	428.9	139.4	215.7
Investments in property, plant and equipment	-35.5	-33.9	-47.0
Investments in intangible assets	-11.3	-36.9	-38.0
Acquired in business combination, net of cash	-82.4		
Sales of property, plant and equipment and other investments	0.7	4.5	4.7
Total net cash flow from investing activities	-128.5	-66.2	-80.2
Cash flow from operating and investing activities, total	300.4	73.2	135.5
Changes in current loans including leasing liabilities	-12.3	-1.4	-3.6
Proceeds of non-current loans	100.0		
Repayment of non-current loans	-19.2		
Repurchase of own shares	-8.0		
Dividends paid and other distribution of profits	-211.2	-211.2	-211.2
Total net cash flow from financing activities	-150.7	-212.6	-214.8
Net change in cash and cash equivalents	149.7	-139.4	-79.3
Cash and cash equivalents at the beginning of the period	216.7	294.4	294.4
Foreign exchange differences	0.8	1.3	1.6
Cash and cash equivalents at the end of the period	367.1	156.3	216.7
Reconciliation of cash and cash equivalents in statement of financial position			
Cash and cash equivalents in statement of financial position at the end of the period	367.1	156.3	216.7
Money market investments at the end of the period			
Cash and cash equivalents in the statement of cash flows	367.1	156.3	216.7

Appendices

NET SALES BY REVENUE FLOWS

EUR million	7-9/22	7-9/21	Change %	1-9/22	1-9/21	Change %	1-12/21
Sale of goods	255.6	235.1	+8.7%	790.2	745.0	+6.1%	1,013.9
Royalty income	7.8	5.3	+47.1%	22.7	17.3	+31.3%	24.3
Total sale of goods	263.4	240.4	+9.5%	812.9	762.3	+6.6%	1,038.2
Milestone payments	228.5	0.5		233.2	2.2		2.8
Total	491.8	240.9	+104.1%	1,046.1	764.5	+36.8%	1,041.0

In the period January-September 2022 EUR 0.4 (0.4) million of the sales revenue from clinical phase R&D falls under Milestone payments and EUR 1.5 (10.3) million under Sale of goods. Sales revenue from clinical phase R&D are reported under Sale of goods once the product is commercially available.

EUR 2.7 (1.5) 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 12.3 (5.0) 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	7-9/22	7-9/21	Change %	1-9/22	1-9/21	Change %	1-12/21
Proprietary Products ¹	313.9	84.5	+271.4%	530.5	286.9	+84.9%	388.1
Specialty Products	126.9	123.8	+2.4%	386.3	368.1	+4.9%	503.2
Animal Health	34.4	16.2	+112.6%	65.3	53.1	+23.1%	73.1
Fermion and Contract manufacturing	16.6	16.7	-0.4%	52.7	54.8	-3.9%	74.9
Translation differences and Other operations	0.0	-0.3	+115.4%	11.3	1.6	+592.0%	1.6
Total	491.8	240.9	+104.1%	1,046.1	764.5	+36.8%	1,041.0

¹The net sales of Proprietary Products during January-September 2022 include EUR 2.7 (1.5) million of sales revenue for performance obligations to be transferred to customers that will be recognised as income over time.

QUARTERLY NET SALES BY REGION

EUR million	2022			2021			2020	
	7-9	4-6	1-3	10-12	7-9	4-6	1-3	10-12
Finland	80.1	81.2	75.7	85.3	78.2	78.0	74.2	83.3
Scandinavia	32.3	35.8	36.1	36.2	34.8	33.8	36.5	43.0
Other Europe	97.7	101.9	98.7	90.2	82.7	86.6	94.1	87.0
North America	251.7	27.5	20.3	26.3	14.7	23.1	25.6	15.9
Other markets	30.0	37.3	39.9	38.4	30.5	33.5	38.3	26.2
Total	491.8	283.7	270.6	276.5	240.9	254.9	268.7	255.4

OPERATING PROFIT BY QUARTER

EUR million	2022			2021			2020	
	7-9	4-6	1-3	10-12	7-9	4-6	1-3	10-12
Operating profit	245.4	82.0	71.5	39.9	57.3	71.0	75.0	34.2

TOP TEN BEST-SELLING PHARMACEUTICAL PRODUCTS

EUR million	7-9/22	7-9/21	Change %	1-9/22	1-9/21	Change %	1-12/21
Easyhaler® product family (asthma, COPD)	28.6	27.5	+4.1%	93.7	83.0	+12.9%	117.2
Stalevo®, Comtess® and Comtan® (Parkinson's disease)	21.8	21.3	+2.1%	79.0	73.7	+7.1%	95.2
Nubeqa® (prostate cancer)	13.6	7.0	+94.6%	53.0	26.4	+100.6%	39.4
Simdax® (acute decompensated heart failure)	8.8	13.6	-35.3%	33.2	42.7	-22.1%	56.8
Dexdomitor®, Domitor®, Domosedan® and Antisedan® (animal sedatives)	11.3	8.3	+35.5%	28.3	26.8	+5.6%	38.8
Divina series (menopausal symptoms)	6.4	5.5	+16.6%	20.4	17.1	+18.9%	23.1
Burana® (inflammatory pain)	7.0	6.2	+12.3%	19.3	17.0	+13.6%	23.7
Solomet® (inflammatory diseases, among others)	5.0	5.3	-5.7%	17.8	15.5	+14.7%	22.4
Dexdor® (intensive care sedative)	3.8	6.5	-42.0%	15.2	26.9	-43.7%	36.9
Biosimilars (rheumatoid arthritis, inflammatory bowel diseases)	5.0	5.8	-14.2%	14.8	15.8	-6.4%	22.0
Total	111.2	107.0	+3.9%	374.6	345.0	+8.6%	475.6
Share of net sales, %	23%	44%		36%	45%		46%

ACQUISITION OF INOVET'S ANIMAL HEALTH BUSINESS

Orion has acquired on 15 June, 2022 from Belgian private company Inovet BV its wholly owned subsidiary V.M.D. NV and all companies belonging to V.M.D. NV's group of companies (V.M.D. NV and its subsidiary companies collectively, "VMD"). VMD is a veterinary pharmaceuticals company specialised in medicines and health products for livestock. It also has a product portfolio for companion animals and minor species. VMD has production sites in Arques, France (manufacturing) and in Arendonk, Belgium (packaging) as well as its own sales operations in Belgium, France, Hungary and Vietnam. VMD's revenues in 2021 were EUR 61 million, and the group was profitable. Following this acquisition, the 181 employees of VMD joined the Orion Group.

Through this acquisition, Orion's Animal Health unit expands its product portfolio and gets a foothold in the livestock market, expands its own geographical presence to Western Europe and expands export markets, and gains a production unit that is specialised in manufacturing of veterinary medicines. Thus the acquisition supports Orion Group's growth strategy.

Orion Group has 100 percent equity interest over the acquired companies. The transaction price is approximately EUR 130 million debt free. The transaction is funded from Orion's cash reserves. At the end of reporting period capital expenditure of the acquisition of VMD was totally EUR 94 million including the initial purchase price, net of cash of 82 million and deferred payments of EUR 11 million. In addition Orion did repayment of shareholder loans of EUR 7 million after the acquisition. Advisory costs amount to EUR 0.4 million.

The acquired business has been consolidated into Group financials from the acquisition date onwards and is reported as part of Orion Animal Health's business.

Preliminary fair values of assets acquired, liabilities assumed, and goodwill recognized at the date of acquisition, together with net cash flow impact for acquisition is summarized in the table. The net assets acquired for the business combination is denominated in euros. The assumed accounting for the acquisition, including estimated purchase consideration, is based on provisional amounts and associated purchase accounting is not final.

PRELIMINARY FAIR VALUES OF ASSETS ACQUIRED AND LIABILITIES ASSUMED AT THE DATE OF ACQUISITION

EUR million	30 September 2022
Property, plant and equipment	28.0
Intangible rights	4.1
Investments in associates	0.1
Other non-current assets	0.0
Non-current assets total	32.2
Inventories	26.3
Trade receivables	14.5
Other receivables	0.1
Cash and cash equivalents	0.2
Current assets total	41.1
Assets total	73.2
Deferred tax liabilities	1.3
Pension liability	0.7
Interest-bearing non-current liabilities	23.9
Non-current liabilities total	25.9
Interest-bearing current liabilities	13.1
Trade payables	11.1
Other current liabilities	5.4
Current liabilities total	29.6
Liabilities total	55.4
Net assets acquired	17.8
Goodwill	73.8
Interest accrual on deferred purchase price	2.4
Preliminary purchase consideration including interest	94.0
Deferred purchase price and earn-out	11.4
Consideration transferred	82.6

CASH FLOWS ASSOCIATED WITH THE ACQUISITION

EUR million	30 September 2022
Consideration transferred in cash	82.6
Cash and cash equivalents acquired	-0.2
Net cash outflow	82.4

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	9/22	9/21	12/21
Carrying amount at the beginning of the period	332.6	319.6	319.6
Additions	38.0	33.9	51.9
Acquired in business combination	28.0		
Depreciation and impairment for the period	-30.1	-28.3	-38.3
Disposals and other changes	-3.9	-0.7	-0.6
Carrying amount at the end of the period	364.6	324.6	332.6

CHANGES IN INTANGIBLE ASSETS (EXCLUDING GOODWILL)

EUR million	9/22	9/21	12/21
Carrying amount at the beginning of the period	55.5	29.5	29.5
Additions	11.3	32.0	33.5
Acquired in business combination	4.1		
Amortisation and impairment for the period	-5.0	-4.8	-7.4
Disposals and other changes	0.2	-0.0	-0.0
Carrying amount at the end of the period	66.1	56.7	55.5

CHANGES IN FINANCIAL LIABILITIES

In December 2021, Orion signed EUR 100 million loan agreement with European Investment Bank and the loan was withdrawn in June 2022. In addition, Orion has withdrawn in 2020 a long-term loan EUR 100 million from European Investment Bank. The first repayment of the loan was made during the period January-March 2022 and the last repayment will be made in the financial year 2030.

If the financial covenants determined in the terms of the credit limit agreements of the company and loan agreements of the European Investment Bank are breached, the lender optionally has the right to demand early repayment of the loan. As at 30 September 2022 Orion met these financial covenants.

COMMITMENTS AND CONTINGENCIES

EUR million	9/22	9/21	12/21
CONTINGENCIES FOR OWN LIABILITIES			
Guarantees	5.2	6.8	7.0
OTHER LIABILITIES			
Other liabilities	0.3	0.3	0.3

Commitments

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

DERIVATIVES

EUR million	9/22	9/21	12/21
CURRENCY FORWARD CONTRACTS AND CURRENCY SWAPS			
Fair value	-0.5	-0.0	-0.0
Nominal value	27.3	16.4	30.4
CURRENCY OPTIONS			
Fair value	-0.1	-0.0	0.0
Nominal value	30.0	38.2	30.2

FAIR VALUE MEASUREMENT AND HIERARCHY OF FINANCIAL INSTRUMENTS, 30 SEPTEMBER 2022

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	0.5
Currency derivatives		-1.0		-1.0
Liabilities total		-1.0		-1.0

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.

RELATED PARTY TRANSACTIONS

EUR million	1-9/22	1-9/21	1-12/21
Management's employment benefits paid	4.2	6.0	6.5

Orion Group related party includes Orion Pension Fund and Aava Oy medical center. Transactions with related parties have not changed materially during the reporting period.

BASIC SHARE INFORMATION, 30 SEPTEMBER 2022

	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	22.4	69.8	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

	7-9/22	7-9/21	Change %	1-9/22	1-9/21	Change %	1-12/21
Net sales, EUR million	491.8	240.9	+104.1%	1,046.1	764.5	+36.8%	1,041.0
EBITDA, EUR million	257.4	68.4	+276.2%	433.9	236.5	+83.5%	289.1
% of net sales	52.3%	28.4%		41.5%	30.9%		27.8%
Operating profit, EUR million	245.4	57.3	+328.1%	398.9	203.4	+96.1%	243.3
% of net sales	49.9%	23.8%		38.1%	26.6%		23.4%
Profit for the period, EUR million	194.5	45.4	+327.9%	317.9	161.0	+97.5%	193.8
% of net sales	39.5%	18.9%		30.4%	21.1%		18.6%
Reasearch and development expenses, EUR million	36.3	22.7	+59.5%	97.0	76.7	+26.5%	117.7
% of net sales	7.4%	9.4%		9.3%	10.0%		11.3%
Capital expenditure, excluding acquired in business combinations, EUR million	18.8	39.5	-52.4%	49.3	65.9	-25.2%	85.4
% of net sales	3.8%	16.4%		4.7%	8.6%		8.2%
Acquired in business combination, net of cash, EUR million	1.3			82.4			
Depreciation, amortisation and impairment, EUR million	12.0	11.1	+7.8%	35.0	33.1	+5.9%	45.8
Personnel expenses, EUR million	68.1	44.3	+53.6%	192.5	164.0	+17.4%	231.0
Equity total, EUR million				971.8	743.1	+30.8%	747.9
Interest-bearing net liabilities, EUR million				-152.2	-48.2	+215.5%	-108.3
Assets total, EUR million				1,567.5	1,056.1	+48.4%	1,114.0
Cash flow from operating activities, EUR million				428.9	139.4	+207.7%	215.7
Equity ratio, %				62.5%	71.5%		68.1%
Gearing, %				-15.7%	-6.5%		-14.5%
Return on capital employed (before taxes), %				52.7%	32.2%		28.8%
Return on equity (after taxes), %				49.3%	29.1%		26.2%
Personnel at the end of the period				3,527	3,339	+5.6%	3,355
Average personnel during the period				3,451	3,368	+2.5%	3,364

PERFORMANCE PER SHARE

	7-9/22	7-9/21	Change %	1-9/22	1-9/21	Change %	1-12/21
Basic earnings per share, EUR	1.38	0.32	+327.9%	2.26	1.15	+97.4%	1.38
Diluted earnings per share, EUR	1.38	0.32	+327.9%	2.26	1.15	+97.4%	1.38
Cash flow from operating activities per share, EUR	2.46	0.28	+781.7%	3.05	0.99	+207.6%	1.53
Equity per share, EUR				6.92	5.29	+30.9%	5.32
A share							
Number of shares at the end of the period				34,310,524	34,915,634	-1.7%	34,813,206
% of total share stock				24.3%	24.7%		24.7%
Number of votes excluding treasury shares				686,210,480	698,312,680	-1.7%	696,264,120
% of total votes				86.6%	86.9%		86.8%
Total number of shareholders				23,186	23,368	-0.8%	23,252
Closing quotation at the end of previous financial year, EUR				36.10	37.40	-3.5%	37.40
Lowest quotation of review period, EUR				33.90	33.70	+0.6%	33.45
Average quotation of review period, EUR				40.21	36.43	+10.4%	36.33
Highest quotation of review period, EUR				49.55	41.05	+20.7%	41.05
Closing quotation at the end of review period, EUR				43.40	34.30	+26.5%	36.10
Trading volume, EUR million				57.8	43.5	+33.0%	58.9
Shares traded				1,434,718	1,193,264	+20.2%	1,620,990
% of the total number of shares				4.2%	3.4%		4.7%
B share							
Number of shares at the end of the period including treasury shares				106,823,754	106,218,644	+0.6%	106,321,072
% of total share stock				75.7%	75.3%		75.3%
Treasury shares				711,272	571,314	+24.5%	571,314
Number of shares at the end of the period excluding treasury shares				106,112,482	105,647,330	+0.4%	105,749,758
Number of votes excluding treasury shares				106,112,482	105,647,330	+0.4%	105,749,758
% of total votes				13.4%	13.1%		13.2%
Diluted number of shares, average				106,027,502	105,564,374	+0.4%	105,548,260
% of total share stock				75.4%	75.1%		75.1%
Total number of shareholders				63,242	65,387	-3.3%	64,385
Closing quotation at the end of previous financial year, EUR				36.52	37.53	-2.7%	37.53
Lowest quotation of review period, EUR				33.75	32.51	+3.8%	32.51
Average quotation of review period, EUR				40.62	35.76	+13.6%	35.86
Highest quotation of review period, EUR				49.69	39.42	+26.1%	39.42
Closing quotation at the end of review period, EUR				43.08	34.25	+25.8%	36.52
Trading volume, EUR million				2,545.6	2,306.6	+10.4%	3,027.7
Shares traded				62,660,668	64,507,086	-2.9%	84,437,433
% of the total number of shares				58.7%	60.7%		79.4%
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				140,579,901	140,541,037		140,546,563
Total number of votes conferred by the shares excluding treasury shares				792,322,962	803,960,010	-1.4%	802,013,878
Diluted number of shares, average				140,644,959	140,598,416		140,546,563
Total number of shareholders				79,631	81,845	-2.7%	80,792
Trading volume, EUR million				2,603.5	2,350.1	+10.8%	3,086.6
Shares traded				64,095,386	65,700,350	-2.4%	86,058,423
Total shares traded, % of total shares				45.4%	46.6%		61.0%
Market capitalisation at the end of the period excluding treasury shares, EUR million				6,060.4	4,816.0	+25.8%	5,118.7

REPORTING

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

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

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

ACCOUNTING POLICIES

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 2021 financial statements, besides which the amendments to existing IFRS and IAS standards endorsed by the EU have been adopted as of 1 January 2022. New amendments to existing IFRS and IAS standards adopted from 1 January 2022 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 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.

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), %	=	$\frac{\text{Profit before taxes + Interest and other finance expenses}}{\text{Total assets - Non-interest-bearing liabilities (average during the period)}} \times 100$	
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 × 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 oncology and pain. Orion's net sales in 2021 amounted to EUR 1,041 million and the company had about 3,350 employees at the end of the year. Orion's A and B shares are listed on Nasdaq Helsinki.