



Orion Investor Presentation

Disclaimer

This presentation contains forward-looking statements which involve risks and uncertainty factors. These statements are not based on historical facts but relate to the Company's future activities and performance. They include statements about future strategies and anticipated benefits of these strategies.

These statements are subject to risks and uncertainties. Actual results may differ substantially from those stated in any forward-looking statement. This is due to a number of factors, including the possibility that Orion may decide not to implement these strategies and the possibility that the anticipated benefits of implemented strategies are not achieved. Orion assumes no obligation to update or revise any information included in this presentation.

All the figures in this presentation have been rounded, which is why the total sums of individual figures may differ from the total sums shown.

Content

- 1) Orion in brief
- 2) Highlights of 1-9/2021
- 3) Research & Development
- 4) Sustainability
- 5) Appendices
- 6) Financial calendar



Orion in brief

Key messages

1 Orion develops, manufactures and markets human and animal pharmaceuticals and APIs. Products marketed in >100 countries.



2 Balanced business model: Both proprietary drugs and generics.





3 Growth targeted through new in-house developed drugs.

4 Core therapy areas in R&D: oncology, neurological disorders and respiratory diseases.

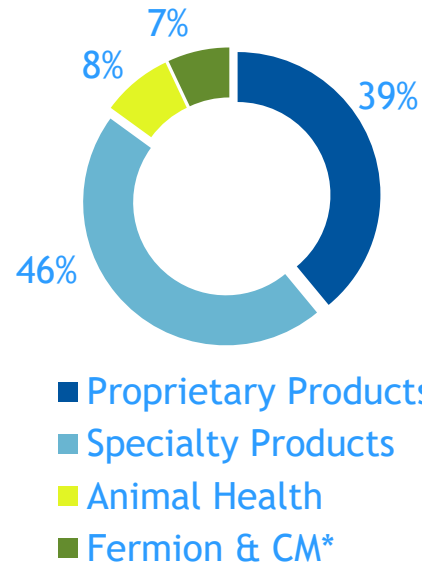
5 Strong position in the Nordic generics market.

6 Strong profitability, stable dividends.

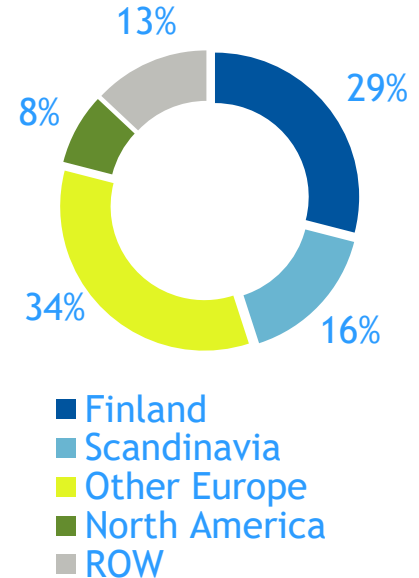
Orion at a glance (2020 figures)

	Net sales 1,078 MEUR
	Operating profit 280 MEUR
	Personnel 3,311
	R&D investments 123 MEUR
	6 production sites in Finland
	Own sales unit in 26 European countries, Singapore, Malaysia and Thailand
	Established in 1917

Sales by business



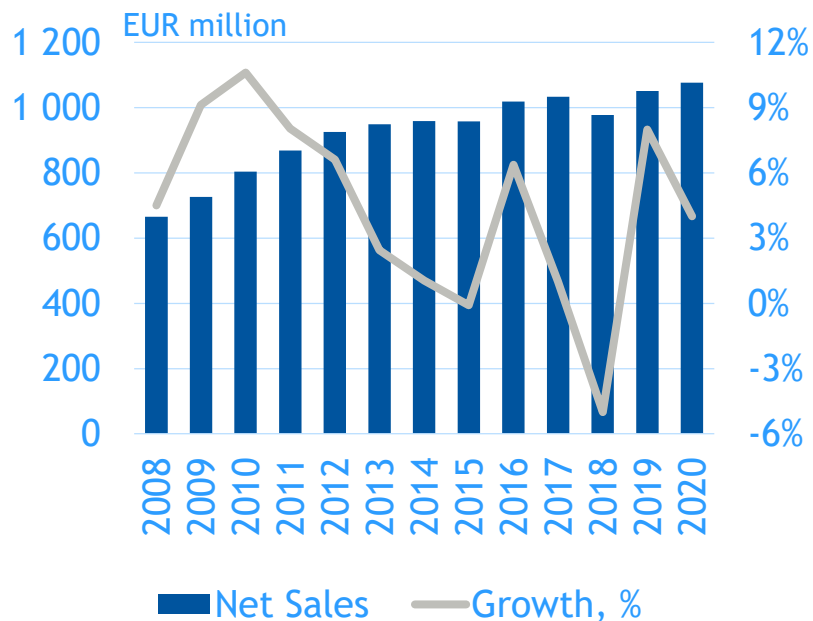
Sales by market area



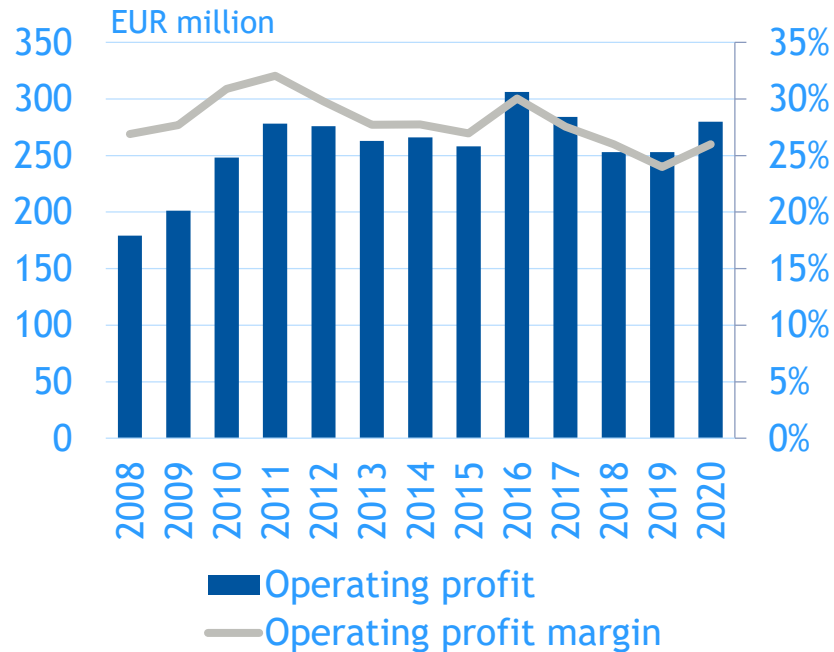
*) Contract manufacturing

Financial development between 2008 and 2020

Net sales



Operating profit



Orion's businesses



Proprietary Products

In-house developed drugs and other drugs with valid product protection for global markets. Own sales network in Europe.



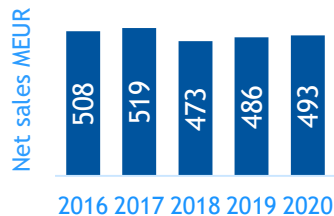
39%



Specialty Products

Generic prescription drugs, OTC and non-medical products, biosimilars.

Finland	56%
Scandinavia	16%
Eastern Europe	14%
ROW	14%

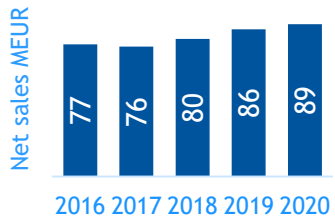


46%



Animal Health

Own animal drugs for global markets. Other drugs and well-being products. Own sales network in the Nordics and Eastern Europe.

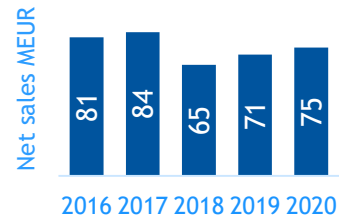


8%



Fermion & Contract manufacturing

Active pharmaceutical ingredients (APIs) for own proprietary products. CMO & CDMO services for other pharma companies.



7%

= share of Group net sales in 2020

Outlook for 2021 (specified)

Net sales

Orion estimates that in 2021 net sales will be **slightly lower** than in 2020 (net sales in 2020 were EUR 1,078 million).

Operating profit

Operating profit is estimated to be **lower** than in 2020 (in 2020 operating profit was EUR 280 million).

Key assumptions behind the outlook

Net sales

- + Nubeqa®
- + Other growing products
- Milestones
- *dexdor*®
- Simdax®
- Animal Health

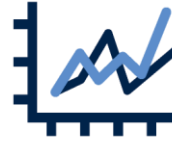
Operating profit

- + Nubeqa®
- + No more depreciation expenses from Parkinson's franchise
- Milestones
- *dexdor*®
- Simdax®

Orion's financial objectives



Growing net sales more rapidly than growth of the pharmaceuticals market. Achievement of this objective requires continuous investment in development of the product portfolio.



Keeping the equity ratio at least 50%.



Maintaining profitability at a good level. The aim is operating profit that exceeds 25% of net sales.



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.

Orion's strategic growth target to reach EUR 1.5 billion net sales by the end of 2025 expresses the above growth target in more tangible manner.

Financial targets are all important Right balance needed Relative importance of targets change over time

Key elements of Orion's growth

Proprietary
Products
and R&D



Growth drivers

Animal
Health



Support
growth

Specialty Products



Generate cash
flow to fund
growth
investments
Support growth

Fermion



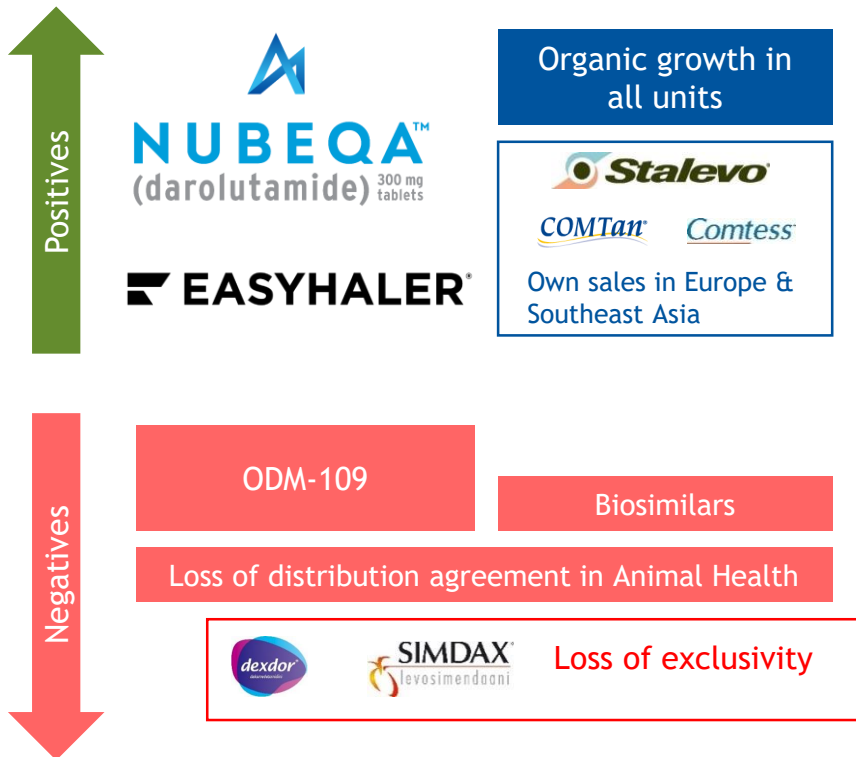
APIs for R&D
and
Proprietary
Products

Defensive
industry

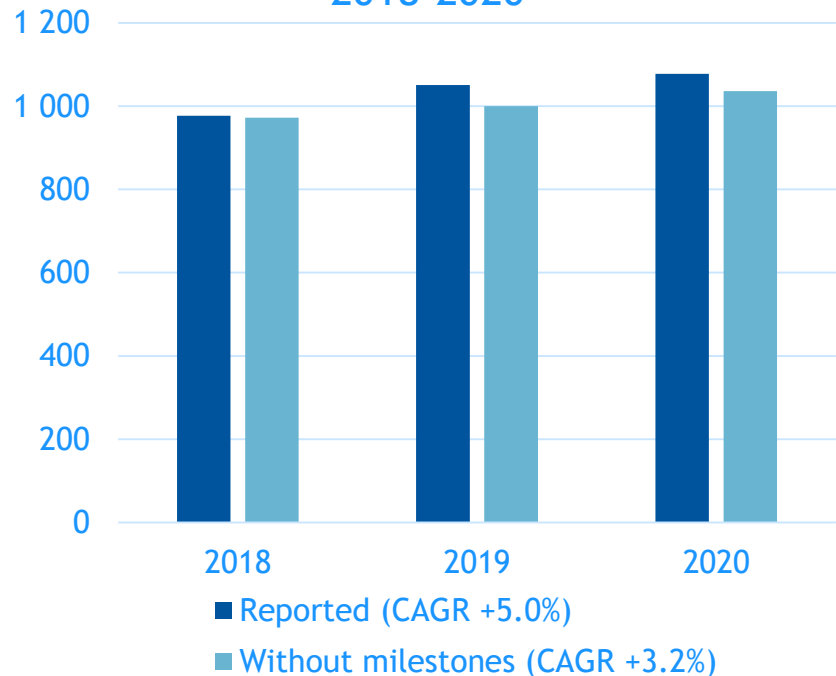


Less vulnerable
to
macroeconomic
volatility

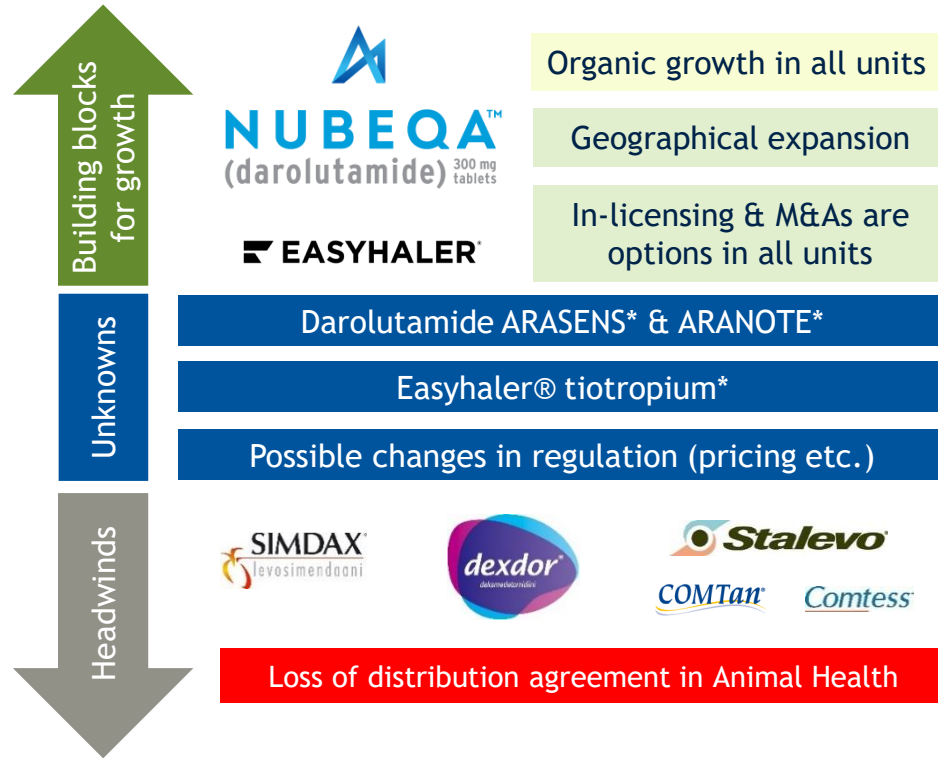
2025 Growth target - key positives and negatives so far



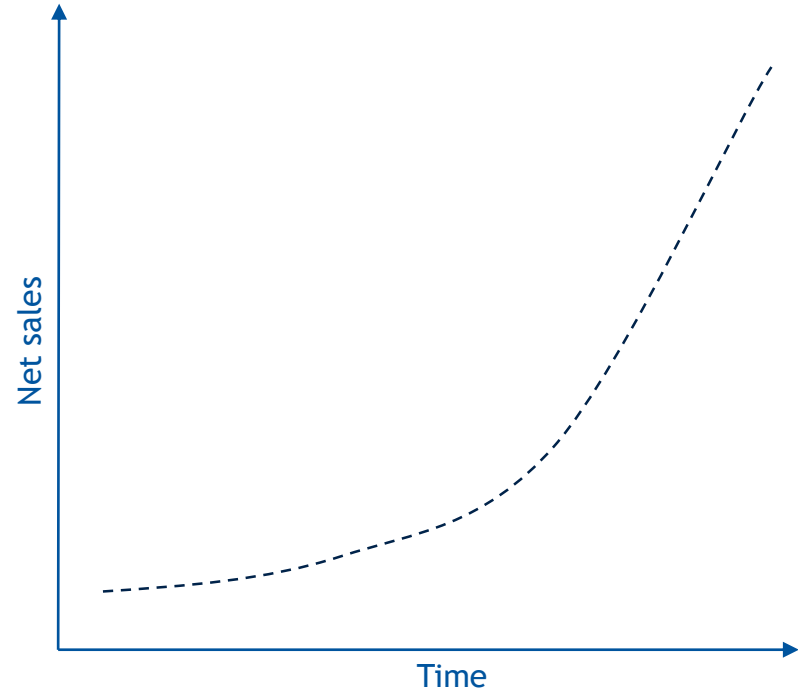
Net sales (continued operations) 2018-2020



Path to the 2025 target from 2021 onwards

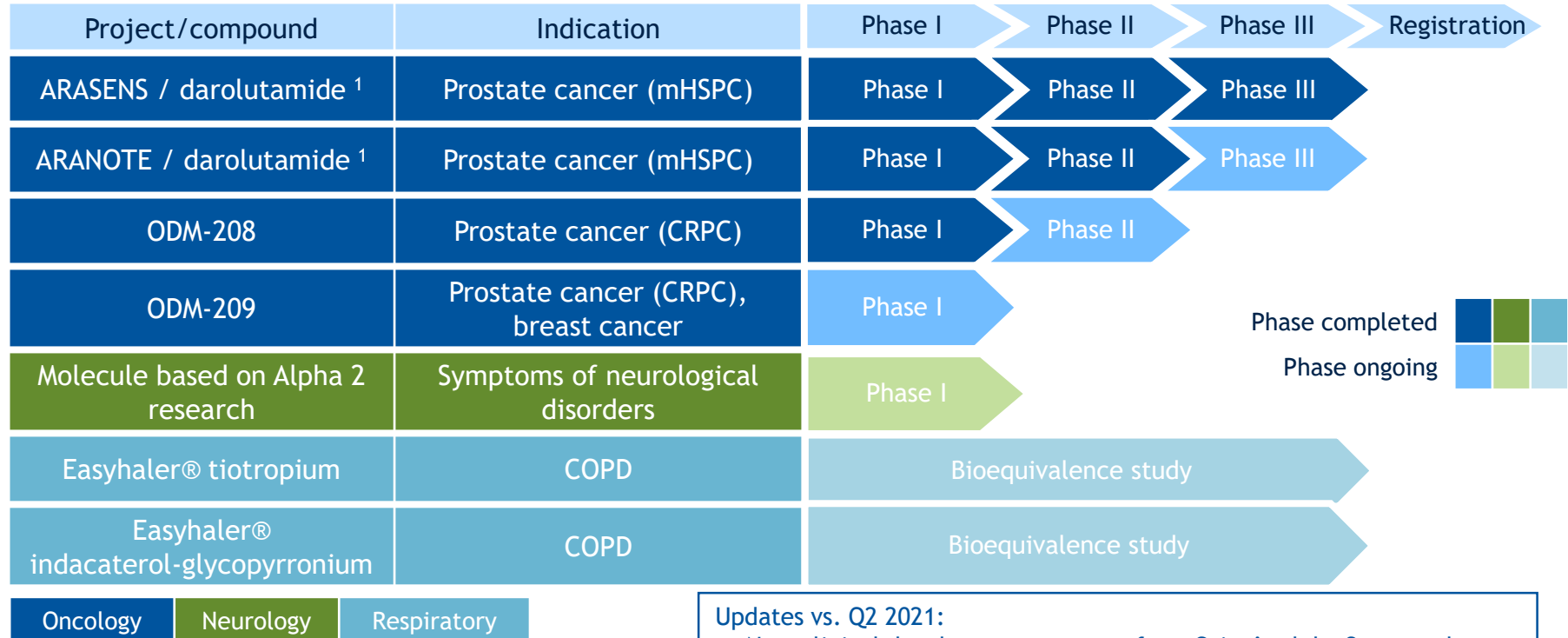


Estimated growth will not be linear



*Projects in clinical development phase

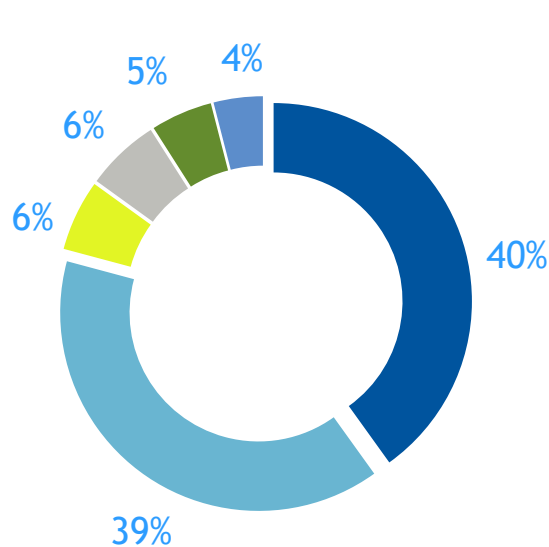
Key clinical development pipeline



¹⁾ In collaboration with Bayer

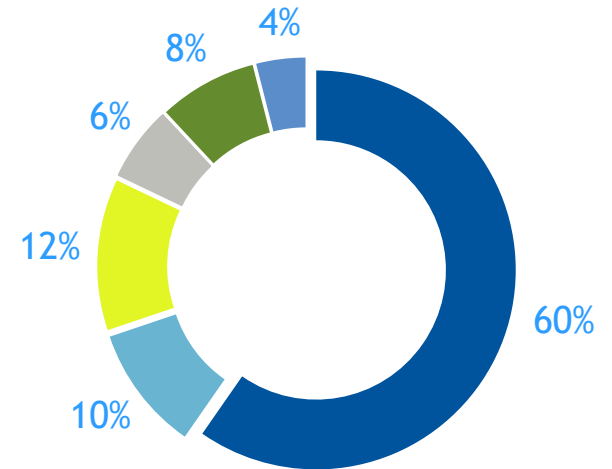
Orion had 81,845 shareholders on 30 September 2021

By number of shares



- Households (Finnish retail)
- Non-Finnish holders and nominee-registered
- Private corporations
- Public sector
- Non-profit institutions
- Financial and insurance corporations

By number of votes

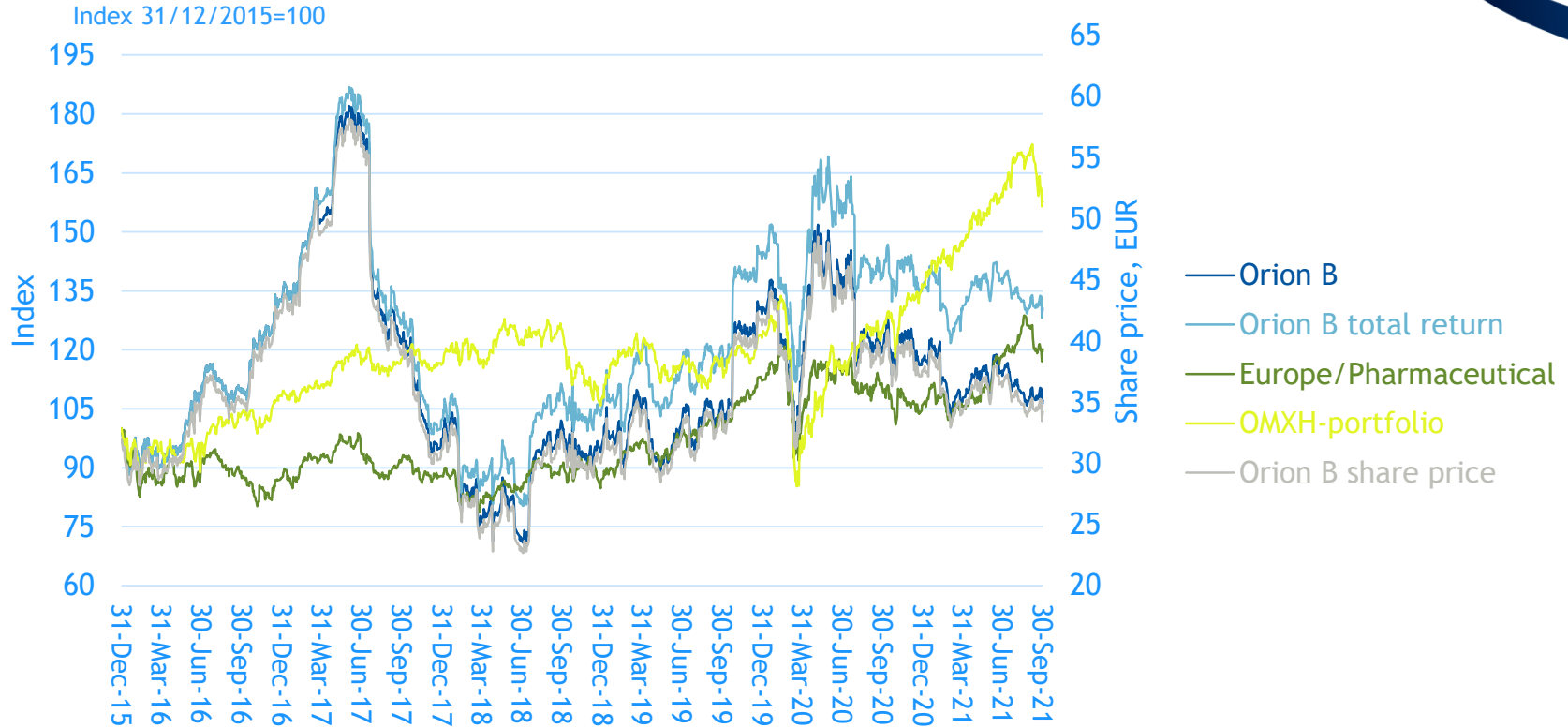


Largest shareholders by votes and shares on 30 June 2021

#	Shareholder	% of votes	Number of votes
1	Erkki Etola and companies	6.24	50,200,000
2	Maa- ja vesitekniiikan tuki r.y. and companies	5.18	41,667,200
3	Ilmarinen Mutual Pension Insurance Company	4.49	36,150,149
4	Ylppö Jukka Arvo	3.12	25,090,449
5	Into Ylppö and commanding votes	1.98	15,952,688
6	Aho Group Oy and commanding votes	1.83	14,707,789
7	Orion Pension Fund	1.38	11,658,260
8	Saastamoisen säätiö (foundation)	1.36	10,899,920
9	Eija Ronkainen and companies	1.34	10,749,130
10	Ingman Finance Oy Ab	1.11	8,900,000
11	Elo Mutual Pension Insurance Company	0.90	7,232,855
12	Leikola Erkki	0.70	5,638,000
13	Salonen Seppo Tapani	0.68	5,443,740
14	Westerlund Riikka Maritza	0.61	4,892,700
15	Kavetvuoto Matti Ilmari	0.52	4,170,000
16	Kyttilä Miika Elias Anton	0.46	3,662,200
17	Salonen Ilkka Mikael	0.44	3,510,200
18	Lenko Hanna Liisa	0.42	3,358,000
19	Kyttilä Juha	0.39	3,126,500
20	Orion Research Foundation	0.37	2,942,434
	20 largest shareholders, total	33.48	269,348,746
	Other shareholders	66.52	535,182,578
	Total		804,531,324

#	Shareholder	% of shares	Number of shares
1	Ilmarinen Mutual Pension Insurance Company	2.34	3,305,305
2	Erkki Etola and companies	1.91	2,700,000
3	Maa- ja vesitekniiikan tuki r.y. and companies	1.48	2,083,360
4	Elo Mutual Pension Insurance Company	1.18	1,669,655
5	The Social Insurance Institution of Finland, KELA	1.18	1,658,368
6	Ylppö Jukka Arvo	0.99	1,394,865
7	OP-Finland Fund	0.76	1,071,735
8	Into Ylppö and commanding votes	0.73	1,028,340
9	The State Pension Fund	0.67	950,000
10	Varma Mutual Pension Insurance Company	0.63	889,397
11	Aho Group Oy and commanding votes	0.53	740,908
12	Orion Pension Fund	0.51	724,840
13	Eija Ronkainen and companies	0.41	574,630
14	Orion Oyj	0.41	571,314
15	Saastamoisen säätiö (foundation)	0.39	544,996
16	OP-Finland Small Firms Fund	0.36	505,000
17	Schweizerische Nationalbank	0.34	475,730
18	Ingman Finance Oy Ab	0.32	445,000
19	Orion Research Foundation	0.29	415,510
20	Nordea Pro Finland Fund	0.29	410,116
	20 largest shareholders, total	15.70	22,159,069
	Other shareholders	84.30	118,975,209
	Total		141,134,278

Orion B share performance January 2016 - September 2021





Highlights in January–September 2021

Operations shift towards normal, while pandemic impacts are still visible

Net sales & operating profit

- Milestones EUR 2 (37) million
- Nubeqa® sales booked by Orion showed strong growth
- Operating costs still at a lower level than usual
- Demand for many products is recovering
- Orion receives sales and marketing rights for ganaxolone in Europe
- Outlook for 2021 specified

R&D

- EMA grants MA for Animal Health's Bonqat® and Tessie®
- New phase I study with a molecule based on Orion's alpha 2 research
- Alligator Bioscience collaboration in immuno-oncology

COVID-19

- Since summer, gradual recovery has been evident in the market
- No disruptions in the availability of products or raw materials but the risk of disruptions remain higher than normal
- Orion has increased inventories of raw materials, supplies and products

Key figures 1–9/2021

Net sales

765

MEUR (823)
-7%

Operating profit

203

MEUR (246)
-17%

Operating profit
margin

27%

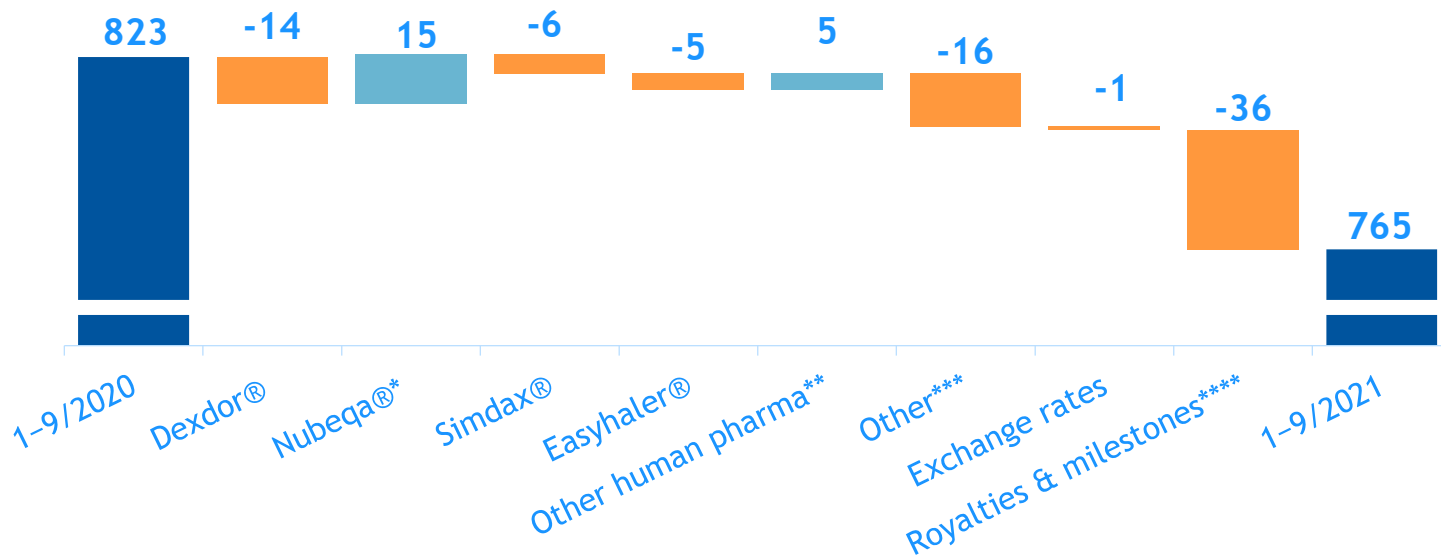
(30%)

Cash flow per share
before financial
items

1.15

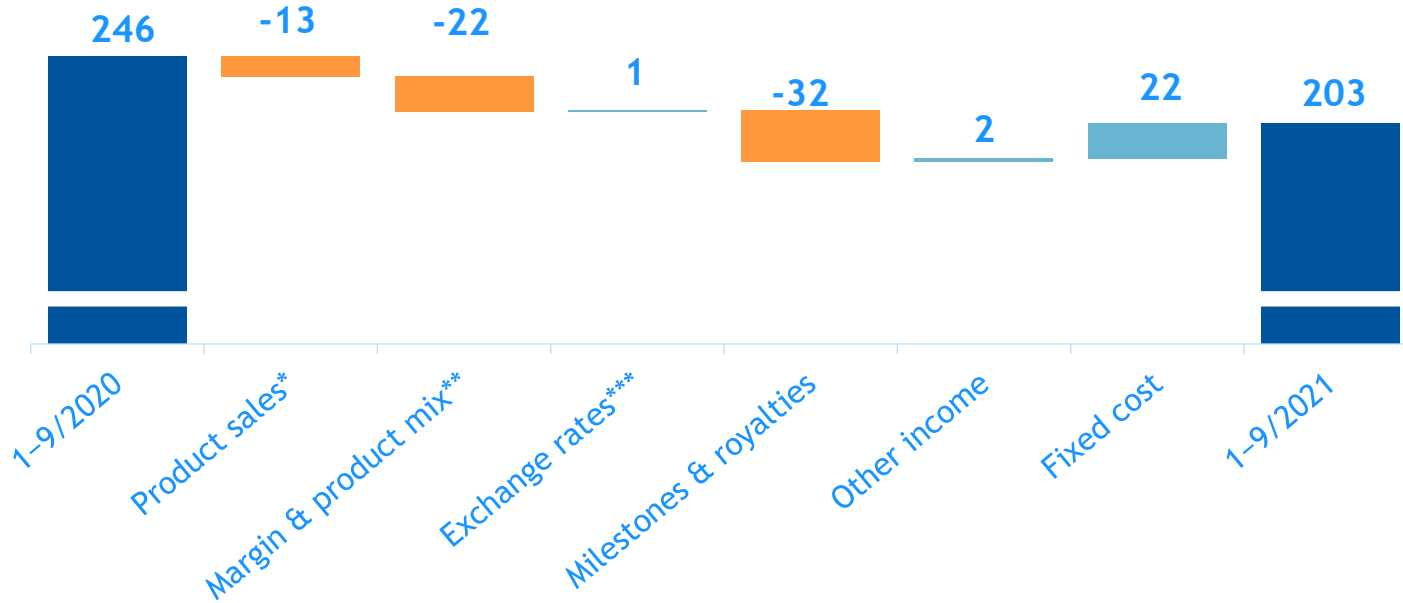
EUR (1.38)
-17%

Development of net sales in 1-9/2021 vs. 1-9/2020



* Nubeqa® product sales & royalty ** Proprietary Products and Specialty Products *** Animal Health, Fermion and Contract Manufacturing
 **** Without Nubeqa® royalties

Development of operating profit in 1-9/2021 vs. 1-9/2020

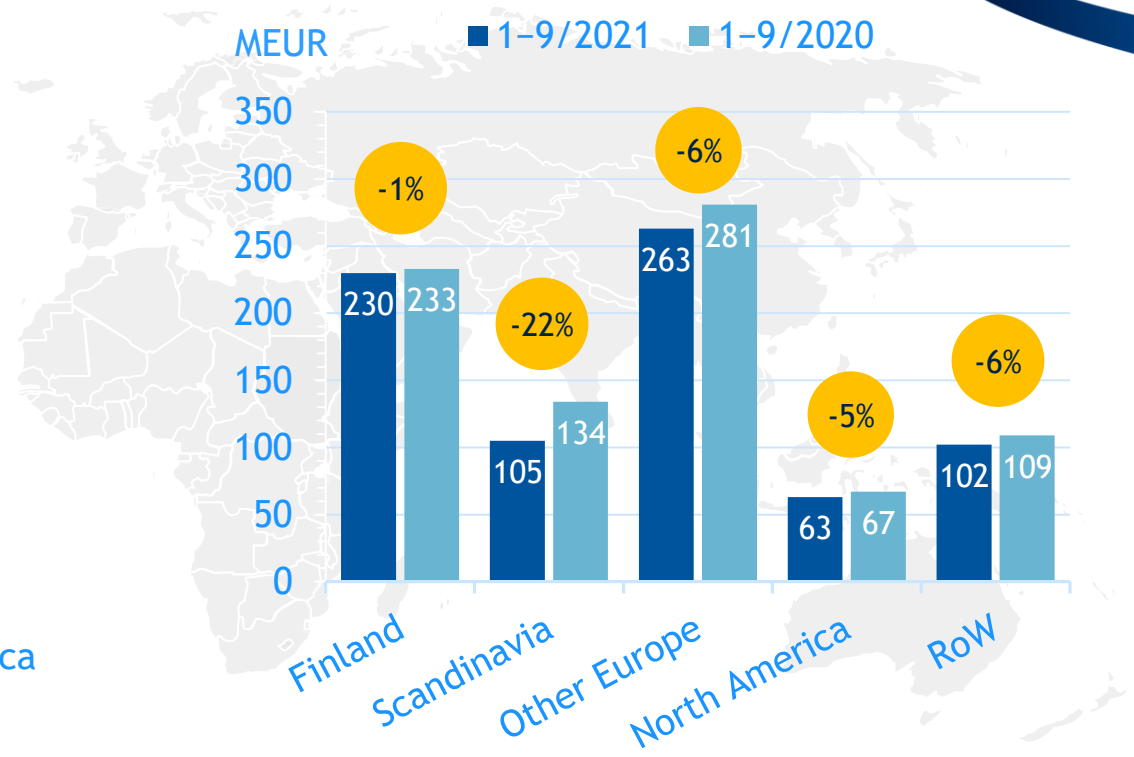
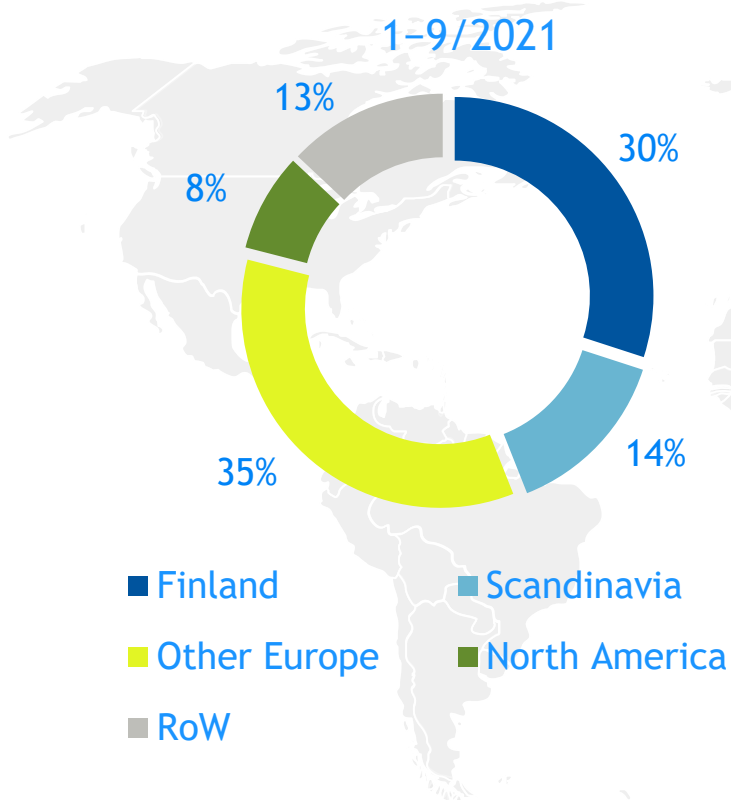


* Product & service sales without sales margin and product mix change and exchange rate effect

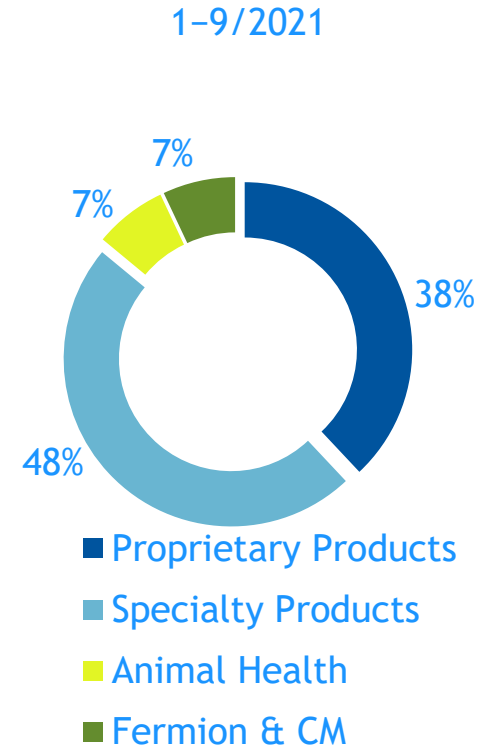
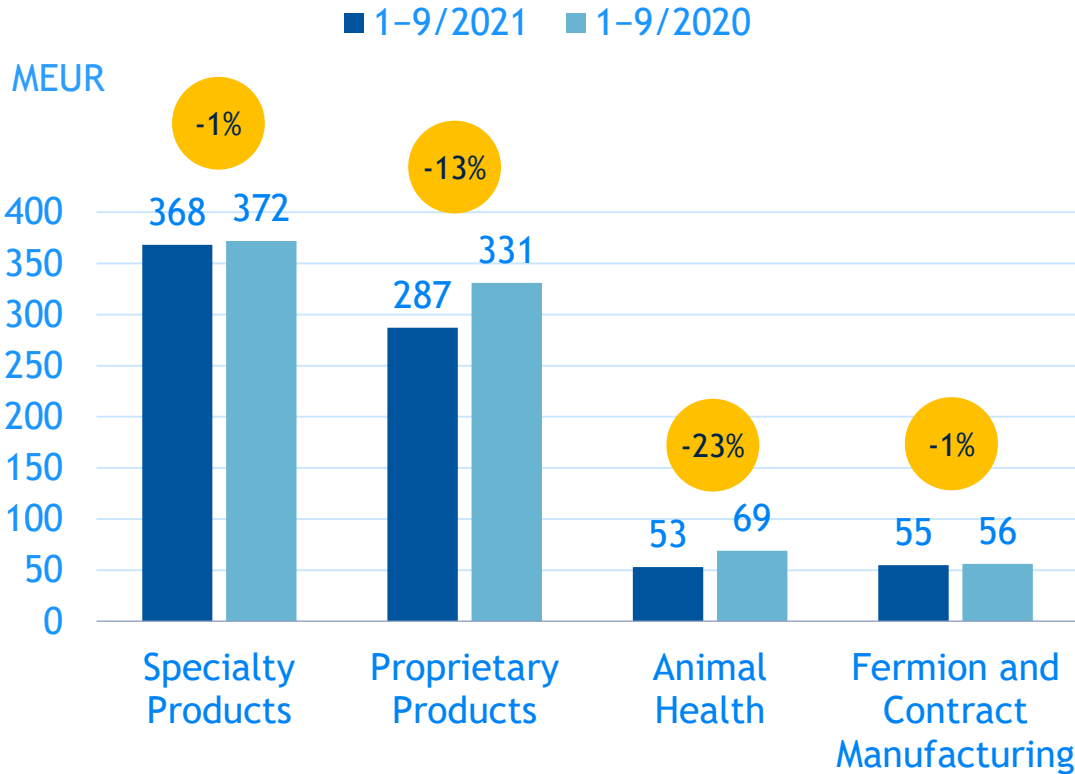
** Product sales margin and product mix change but without exchange rate effect

*** Exchange rate effect on gross margin

Geographical breakdown and development of net sales



Milestones, generic competition and the ending of Animal Health distribution agreement headwinds for revenue



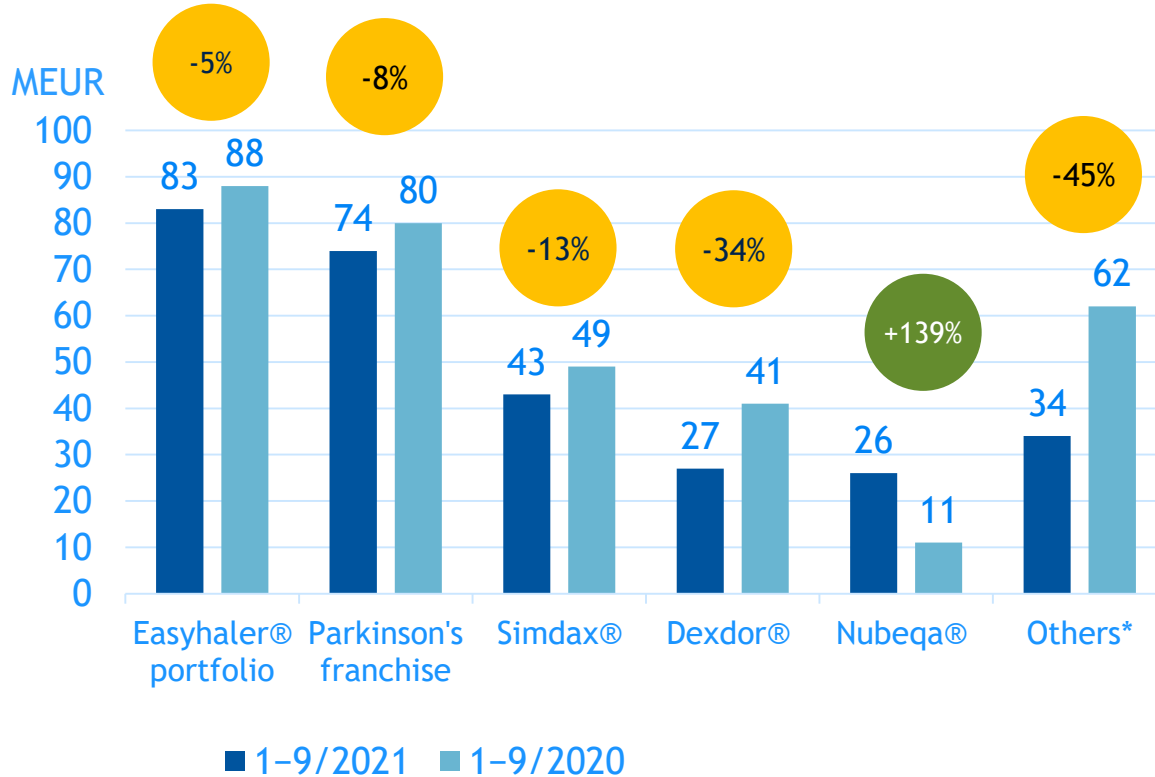
TOP 10 products in 1-9/2021

		EUR million	vs. 1-9/2020
1.	Easyhaler® product portfolio	83	-5 %
2.	Stalevo®, Comtess®, Comtan®	74	-8 %
3.	Simdax®	43	-13 %
4.	<i>dexdor</i> ®	27	-34 %
5.	Dexdomitor®, Domitor®, Domosedan®, Antisedan®	27	-8 %
6.	Nubeqa®	26	+139 %
7.	Divina® series	17	+7 %
8.	Burana®	17	-4 %
9.	Biosimilars	16	+25 %
10.	Solomet®	16	+36 %
Proprietary Products		Specialty Products	Animal Health

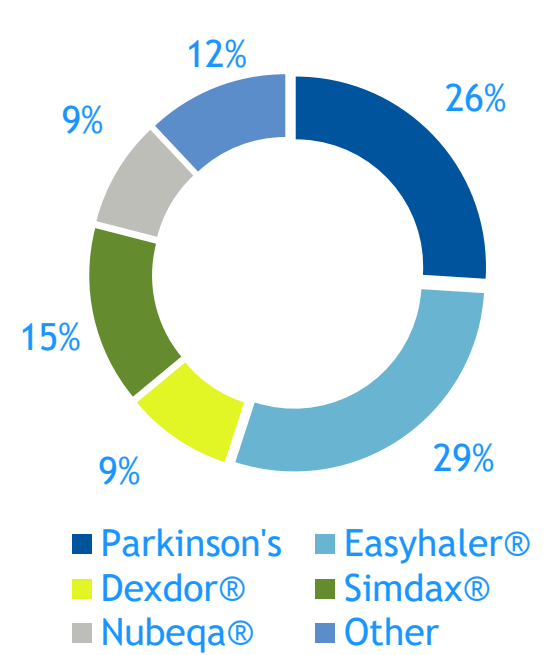


Proprietary Products

Nubeqa® continues to grow strongly as expected



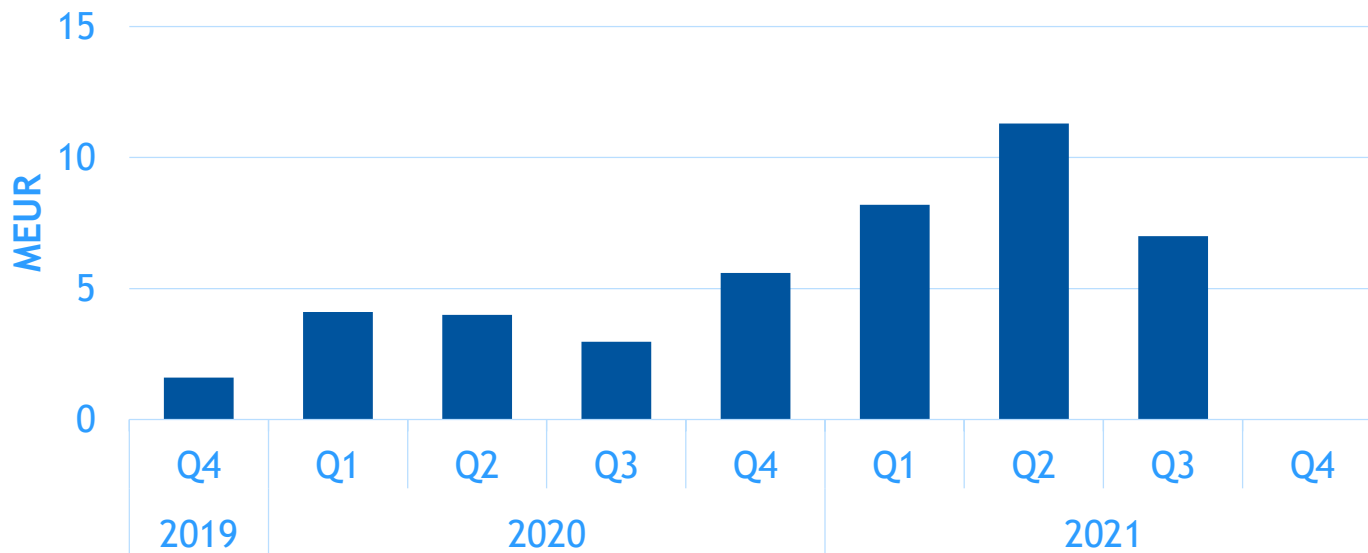
Proprietary Products sales split 1-9/2021



*) 'Others' include milestone payments and products such as Enanton®, Precedex® and pharmaceuticals sold for use in clinical trials.

Nubeqa® sales* booked by Orion showing strong growth

1-9/2021 Nubeqa® MEUR 26 (11) +139 %

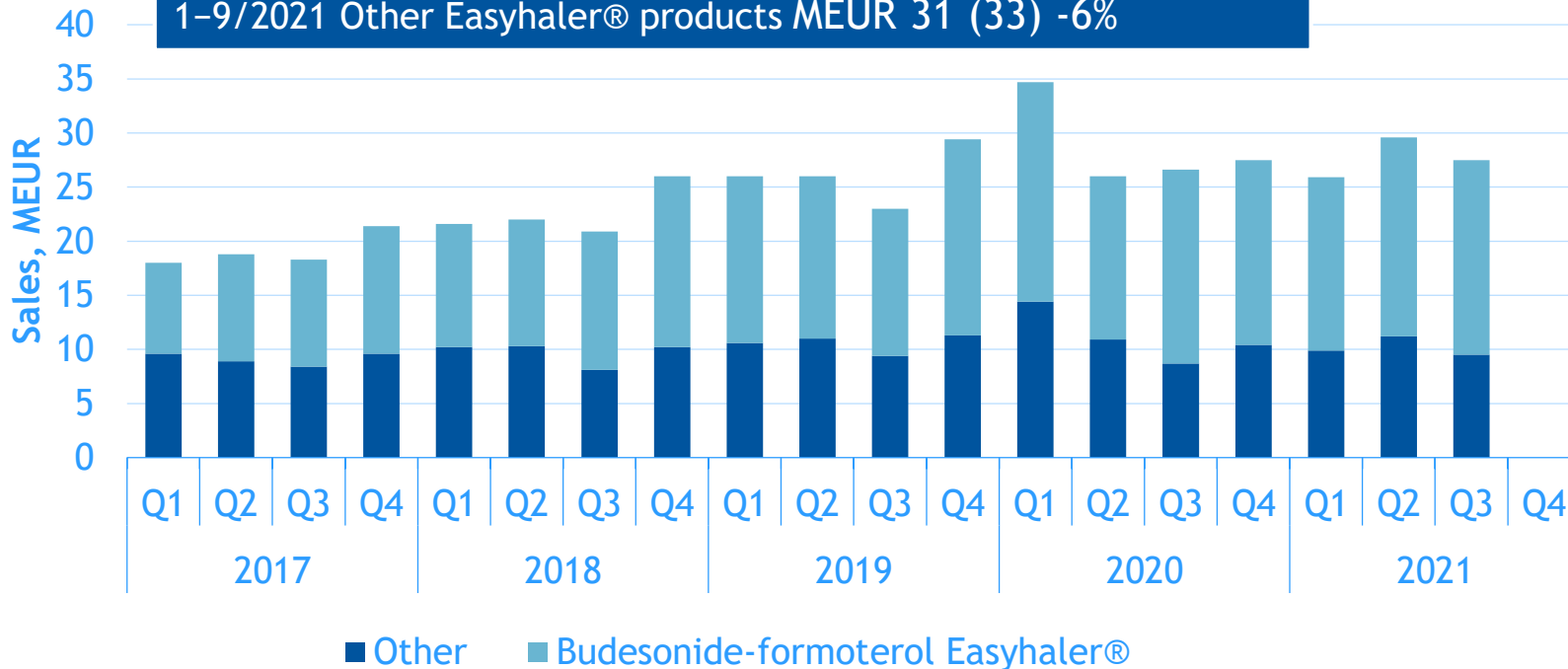


* Orion's sales to Bayer for commercial use + royalties from Bayer

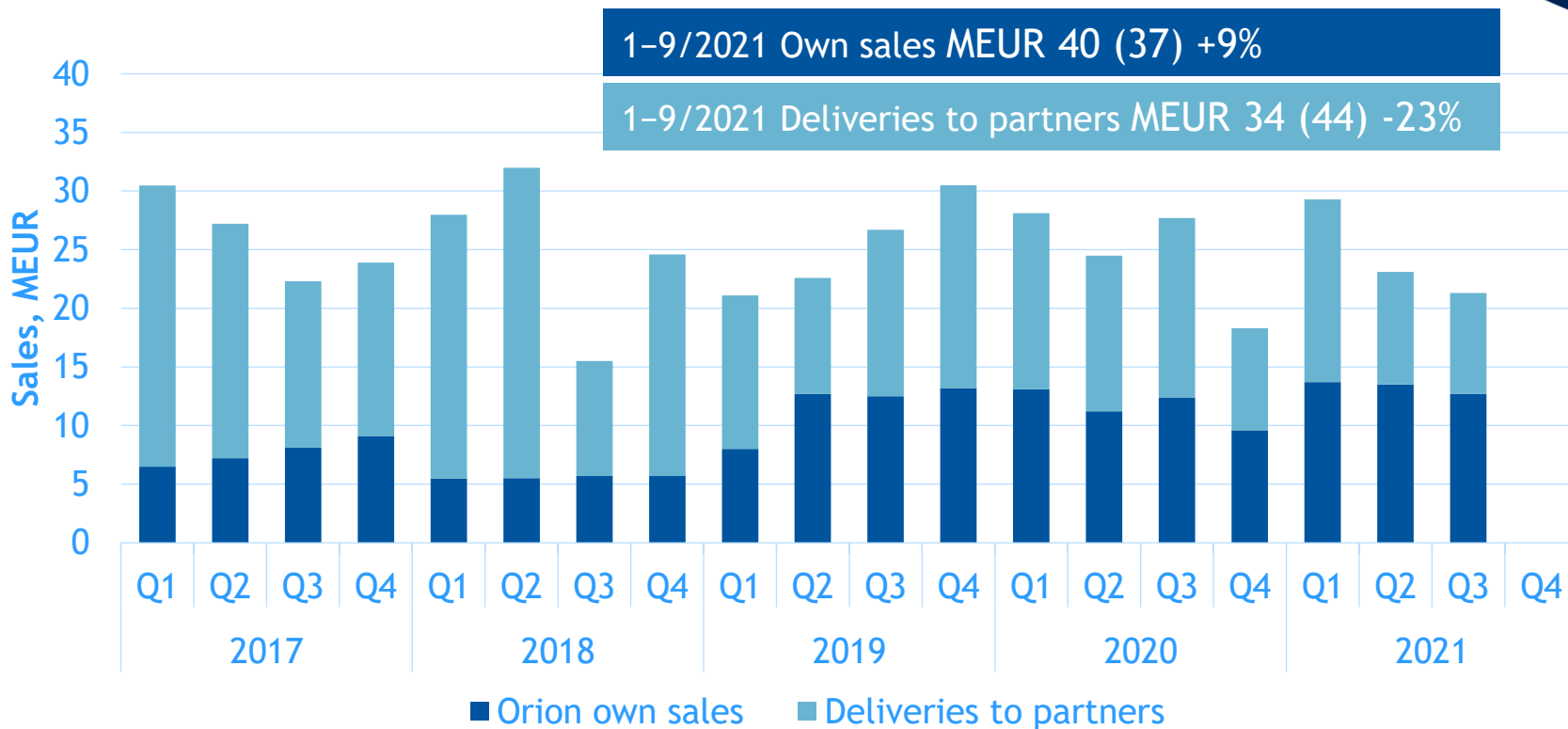
Easyhaler® product portfolio sales -5%

1-9/2021 Budesonide-formoterol Easyhaler® MEUR 52 (55) -5%

1-9/2021 Other Easyhaler® products MEUR 31 (33) -6%



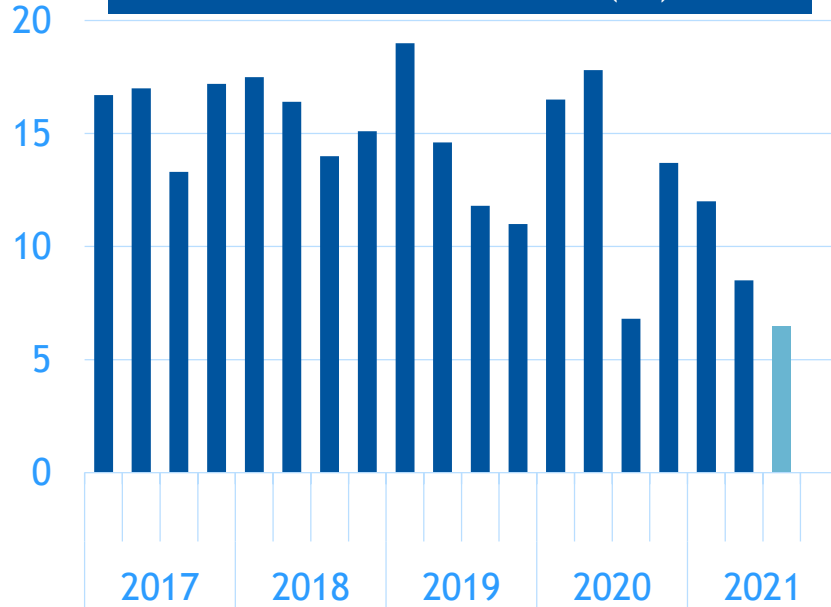
Sales of Parkinson's franchise -8%



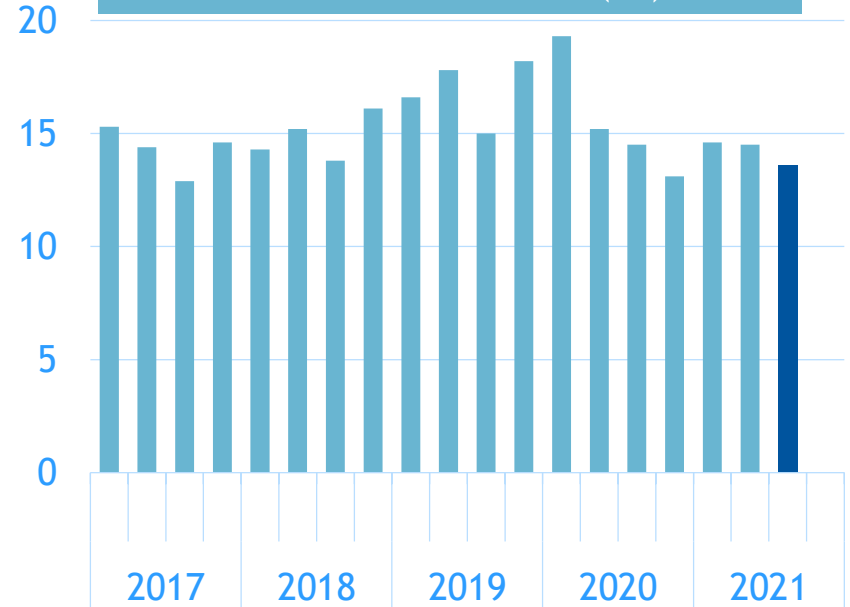
Dexdor® and Simdax® - impact of generic competition starting to show



1-9/2021 Dexdor® MEUR 27 (41) -34%



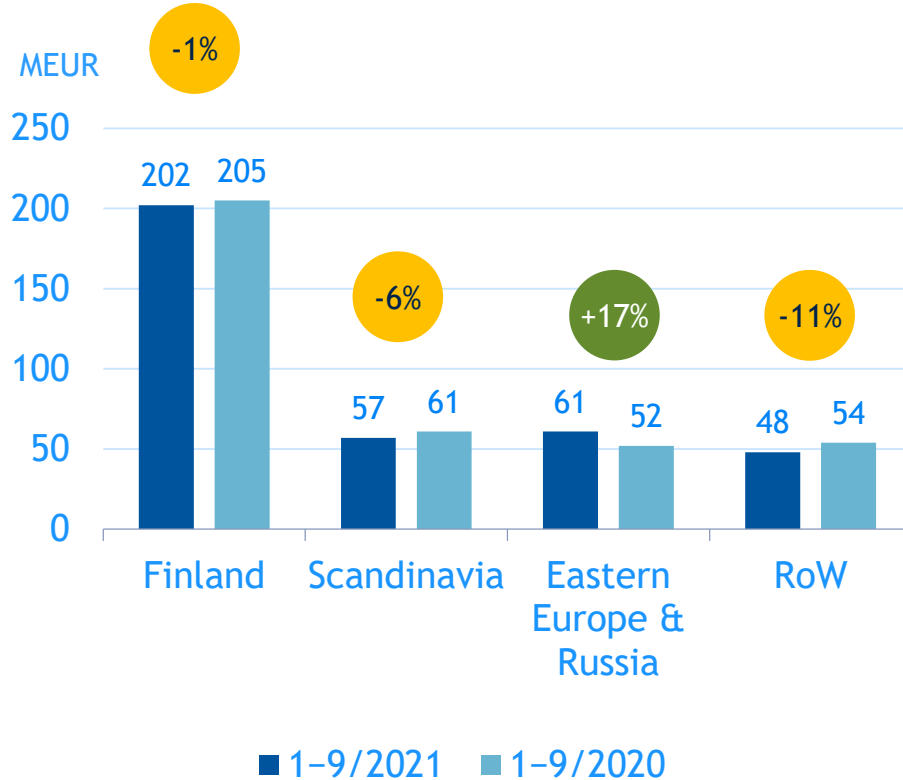
1-9/2021 Simdax® MEUR 43 (49) -13%



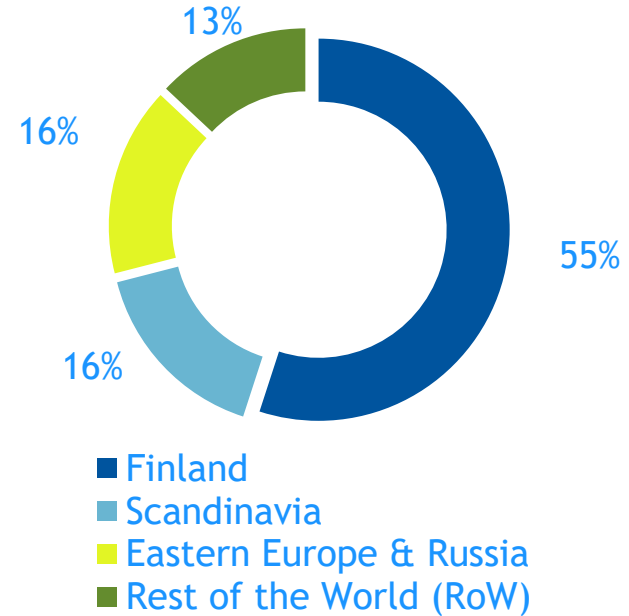


Specialty Products

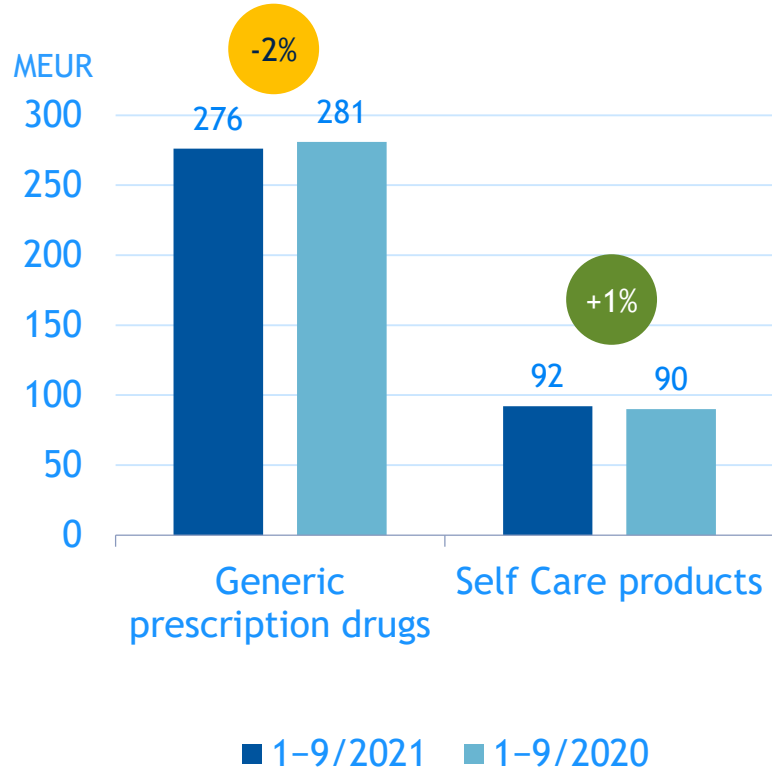
Good development in Eastern Europe and Russia



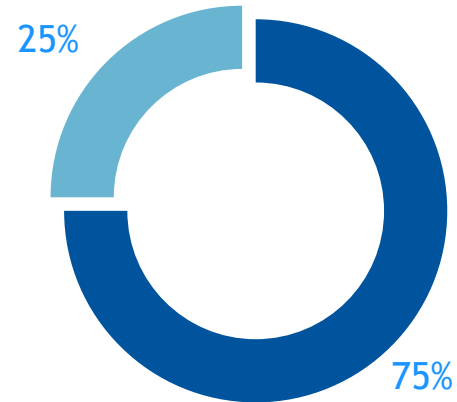
Sales split 1-9/2021



Demand of self care products recovering



Sales split 1-9/2021



■ Generic drugs ■ Self-care products

In Finland, Orion's reference priced prescription drugs developed clearly better than the market

The market for reference priced prescription drugs in Finland* (1-9/2021)

MEUR **325** (341)



The sales of Orion's reference priced prescription drugs in Finland

MEUR **79** (76)

Market development

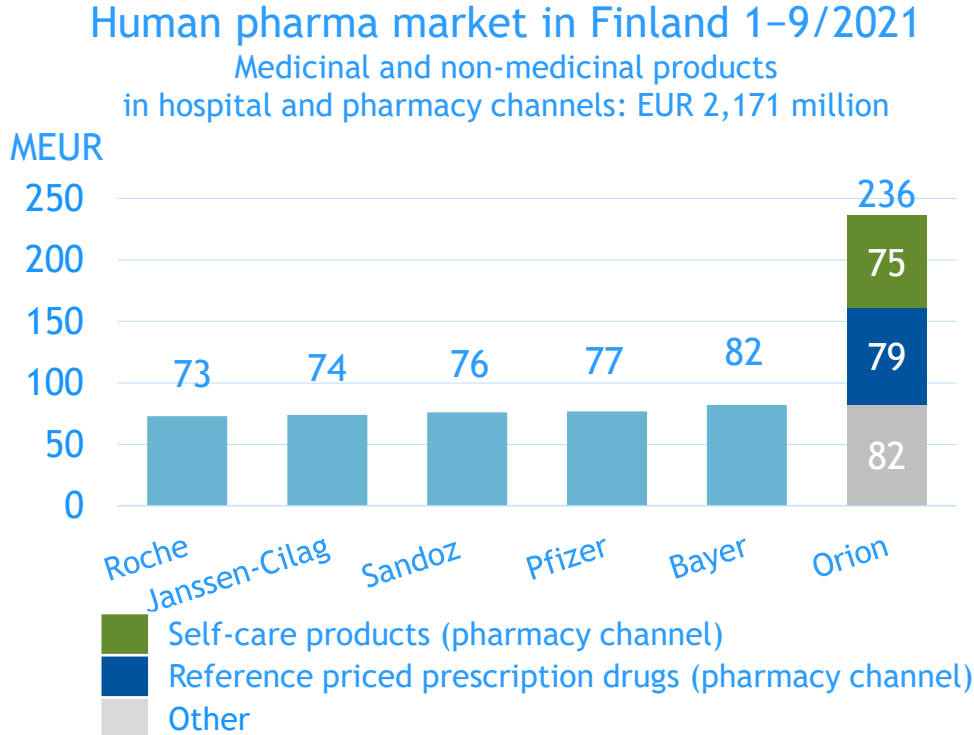
-5%

Orion's development

+3%

* 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 figure in the comparative period may deviate from previously published data.

Orion is strong in home market Finland



Reference priced prescription drugs

Orion market share in pharmacy

24%

(22%)*

* 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, the market share figure in the comparative period may deviate from previously published data.

Self-care products

Orion market share in pharmacy

25%

(25%)

Human pharmaceuticals total

Orion market share in hospital & pharmacy

11%

(11%)

Key business targets in 2021

	TARGET	STATUS on 30 Sep 2021
	Supporting sales growth and co-promotion in Europe with Bayer	Proceeded on target
	Positive outcome from Phase III ARASENS trial	Not known
	Taking phase III ARANOTE trial forward together with Bayer	Proceeded on target
EASYHALER	Sales growth	Behind target
ODM-208	Taking the development program forward according to plan	Proceeded on target
Finland	Maintenance and strengthening of market position	Proceeded on target
Scandinavia	Reinforcing Orion's position in generic prescription drugs	Behind target
Enable future growth	In-licensing of new products	Proceeded on target
	Portfolio enhancement through product acquisitions and M&A	Behind target



Proceeded on target



Behind target



Target not attainable



Not known

Orion's Sustainability Agenda



Patient safety as a top priority



Patient safety has been a priority for us for a hundred years and it continues to be the cornerstone of our daily operations.

We play a significant role in ensuring reliable supply of medications - even in the wake of a crisis.



Active work for a better environment



We want to be the environmental leaders in our industry.

We continuously raise the bar in climate and environmental responsibility, and we challenge others to follow.

We are strongly heading towards achieving carbon-neutrality in our own operations by 2030.



Care for well-being professionals



We want to take care of Orionees - professionals who put their heart and expertise in everything they do.

Our workplace is inspiring. We want our people to feel well.



Ethics at the core of our business



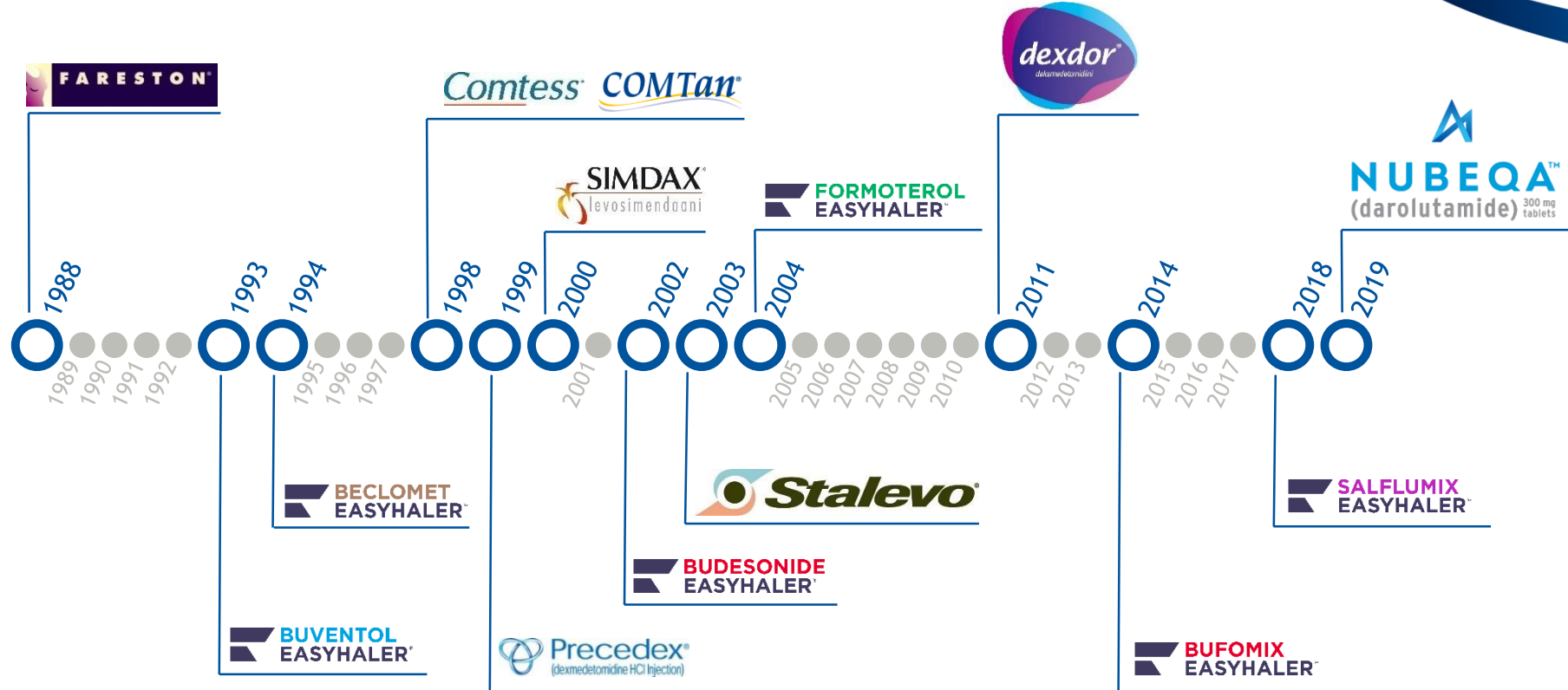
We maintain strict ethical standards and act responsibly in all situations.

Together with our partners we are building a transparent and sustainable business.

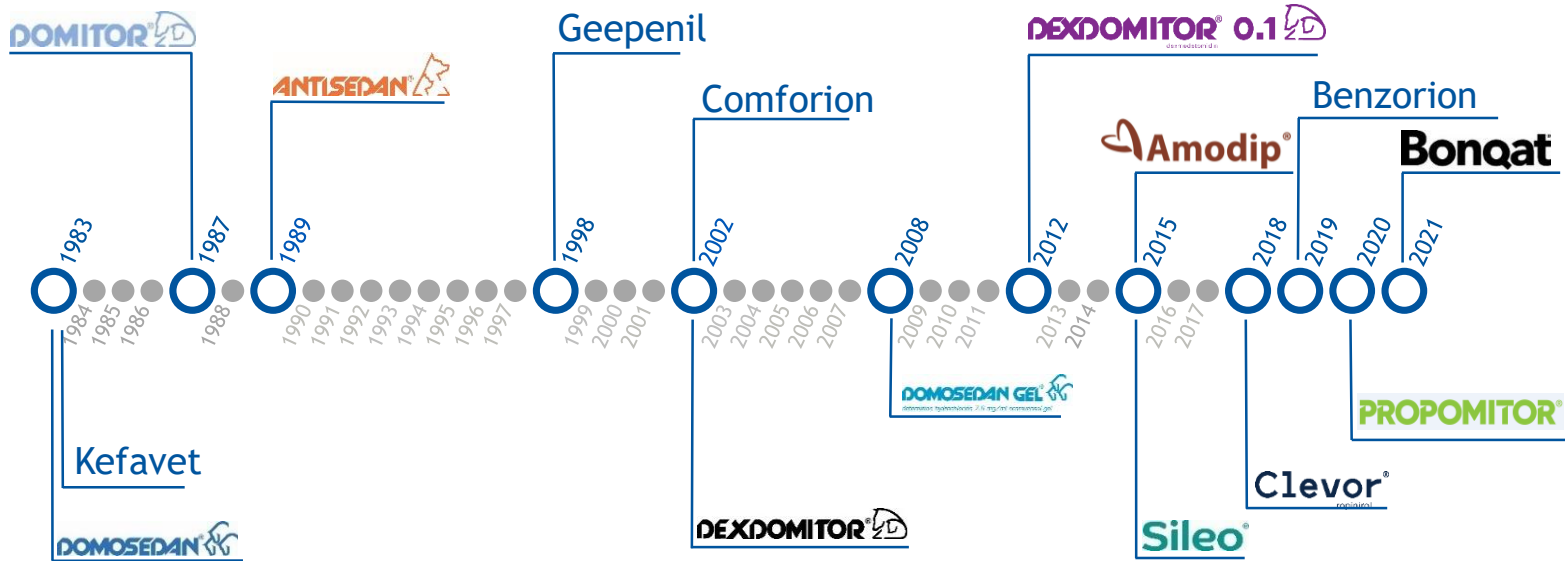


Research and development

Proprietary human pharmaceuticals developed by Orion



Main Orion Animal Health Marketing Authorisations



Focus areas of Orion's R&D



Proprietary products

- Neurological disorders (including rare diseases)
- Oncology
- Respiratory (dry-powder inhaler platforms)



Animal Health

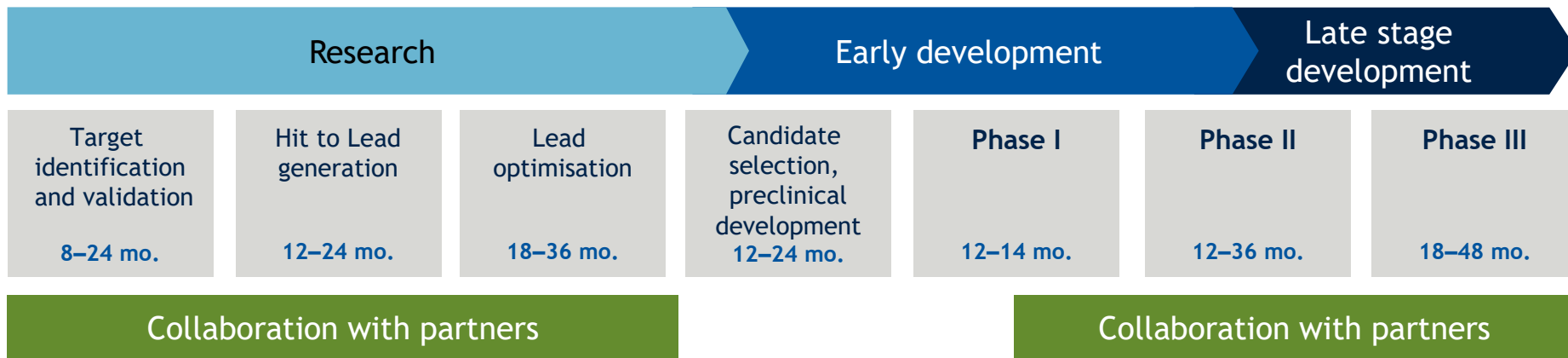
- Orion utilises the R&D of proprietary products to develop new medicines for animals



Fermion

- APIs for Orion's proprietary products
- Generic APIs
- Contract development for pharmaceutical companies

Together we can achieve more in R&D



Research Areas in Orion's R&D



Neurological Disorders

- Pain
- Neurodegenerative Proteinopathy
- Neurological Genetic Disorders



Oncology Research

- Immuno-oncology
- Cancer Genomics and Signalling
- Antibody Drug Conjugates



Discovery Sciences

- New Therapies
- Microbiome
- Discovery Technologies

Neurological Disorders Research

Research Areas



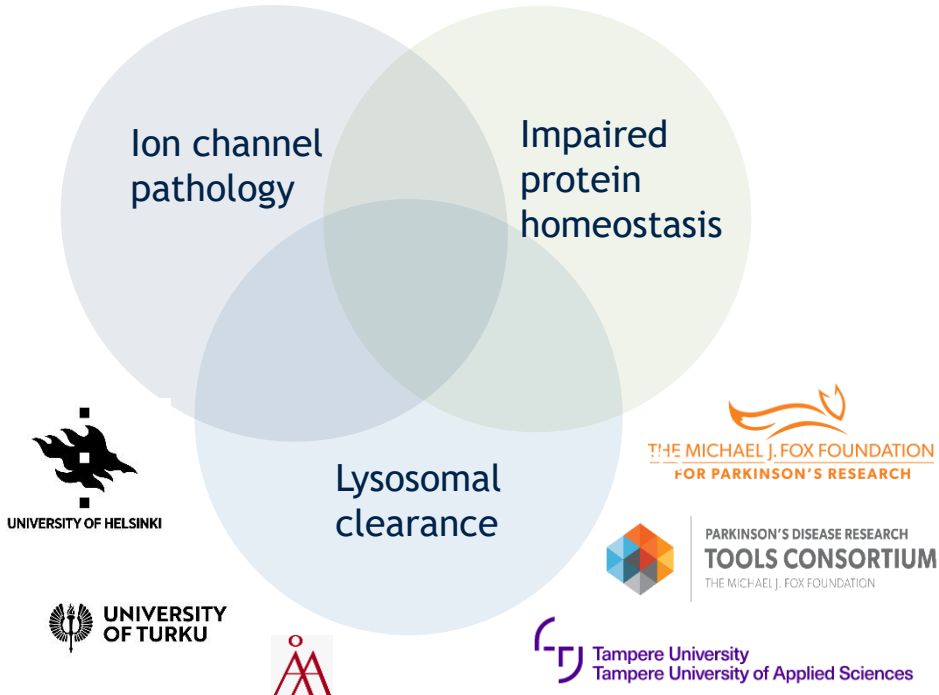
Pain - Ion channels and neuro-immune interaction



Neurodegenerative Proteinopathy - Pathological protein aggregation and clearance



Neurological Genetic Disorders - Rare lysosomal storage disorders and epilepsies



Oncology Research

Research Areas

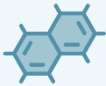


Immuno-Oncology

- FiCAR T-cell therapy
- 2nd generation immune-checkpoint inhibitors



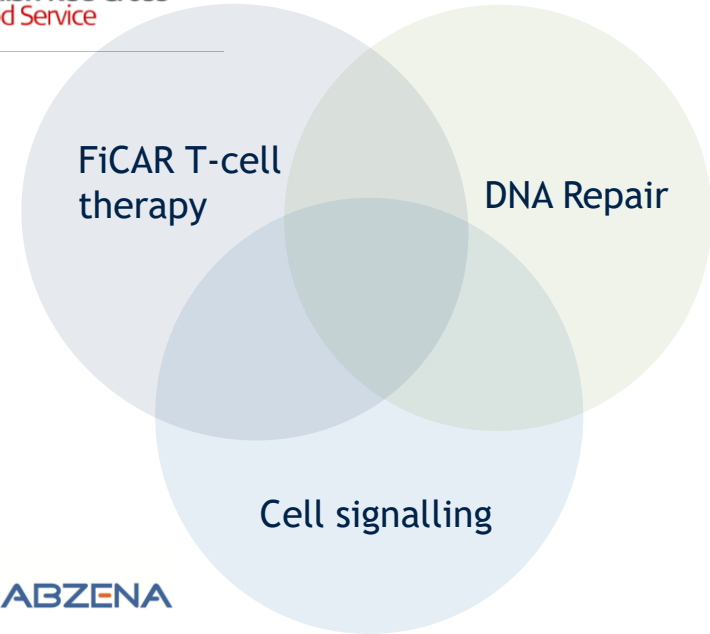
Cancer genomics and Cell signalling



Antibody drug conjugates



Finnish Red Cross
Blood Service



Discovery Sciences

Research Areas



New Therapies

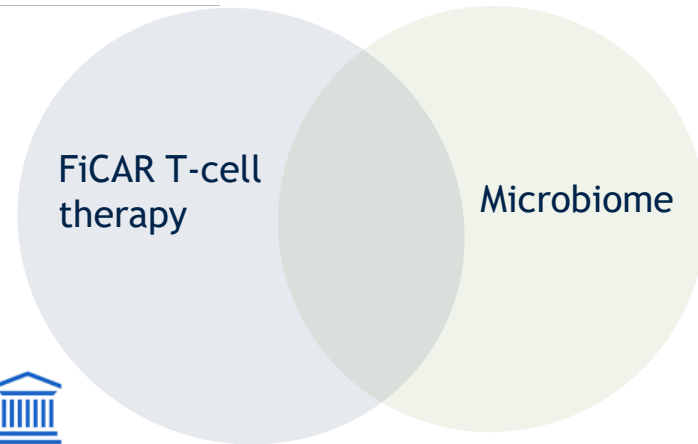
- Cell and Gene Therapy



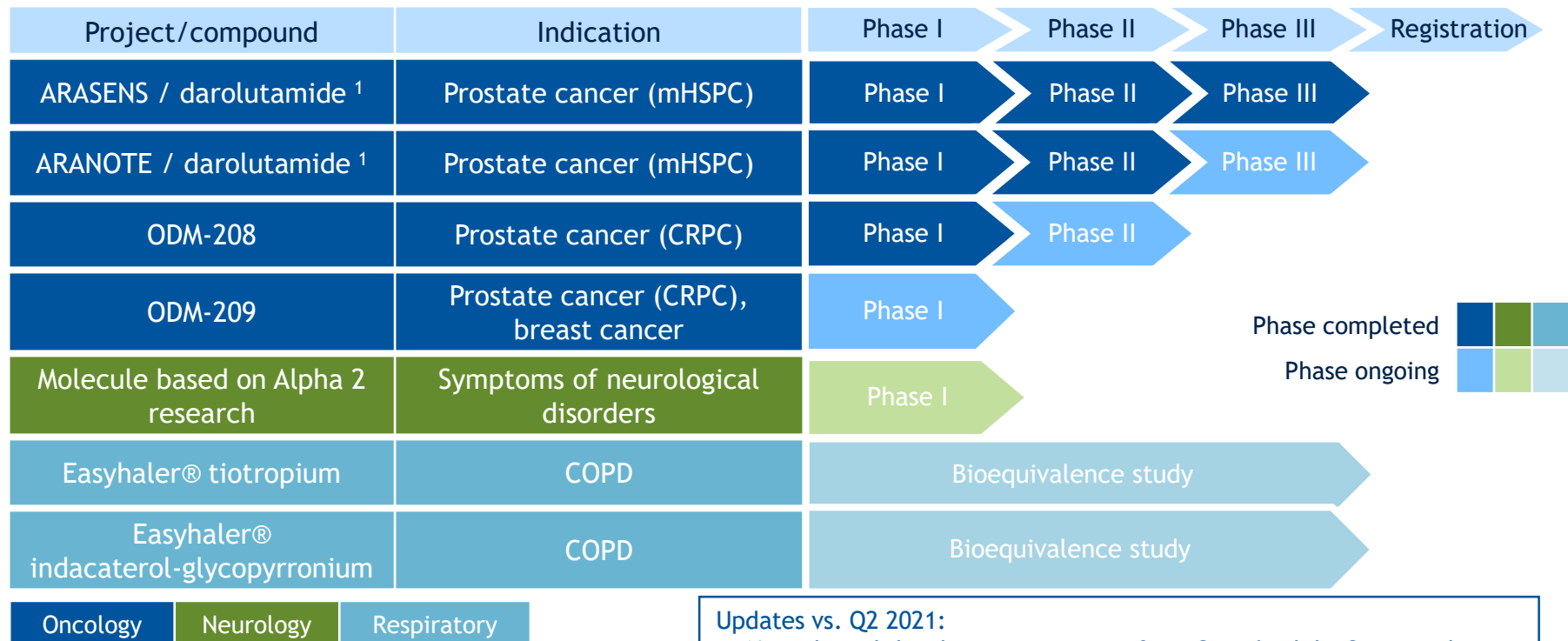
Microbiome



Discovery Technologies



Key clinical development pipeline



¹) In collaboration with Bayer

ARASENS & ARANOTE trials aiming to expand the indication of darolutamide to metastatic hormone-sensitive prostate cancer

Trial on-going	Target Patients	Treatment Combo	Primary End-point	Present Status	Estimated completion
ARASENS	mHSPC	Darolutamide + ADT + Docetaxel	Overall survival	Completed - primary endpoint met	
ARANOTE	mHSPC	Darolutamide + ADT	Radiological progression-free survival	Recruitment ongoing	Q1 2024

Global prostate cancer estimates (GLOBOCAN 2020)

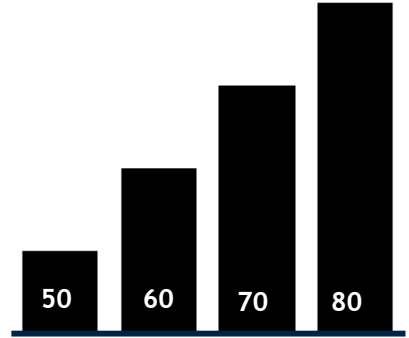
2nd

most commonly
diagnosed
malignancy
in men worldwide



5th

leading cause of
death from cancer
in men



1.4

million men
diagnosed with
prostate cancer

375,000

died from
the disease

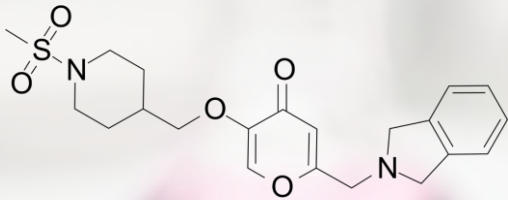


50+

Mainly affects men
over 50, the risk
increases with age

ODM-208 (& ODM-209): CYP11A1 inhibitor to treat patients with metastatic castration-resistant prostate cancer

ODM-208



- First-in-class oral molecule to inhibit the synthesis of all steroid hormones and precursors, which could mediate androgen receptor signalling and tumor growth

Target Patients



Target patients with prostate cancer that has become resistant to the standard hormonal treatments.



Potential indications beyond prostate cancer: breast cancer, endometrial uterus cancer

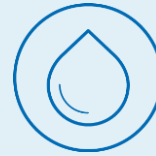


Sustainability is built into Orion's mission

Orion's Sustainability Agenda and indicators 2020



Patient safety and ensuring reliable supply of medications



Responsibility for the environment



Responsibility for Orionees



Business ethics and transparency



Customer complaints
(pharmaceuticals)

76

Ppm (76)

GxP* audits
by Orion

141

(238)

Greenhouse gas
emissions
(scope 1&2)

18,611

tCO2e (20,123)

Energy savings
target set for
2025
achieved

53%

(51%)

Injury rate

3.6

LTIF 1 (6.6)

Code of Conduct
training, no. of
participants

3 410

(n/a)

This is how we are building well-being responsibly



WE PRODUCE
1/3 OF THE
GLOBAL SUPPLY
OF
METHOTREXATE



~**200-300**
AUDITS
ANNUALLY



NUMBER OF
CUSTOMER
COMPLAINTS IN
2020
76 (ppm)

ORION'S FOCUS ON QUALITY THROUGHOUT THE LIFECYCLE



PATIENT
NEEDS

R&D

RAW
MATERIALS

MANUFACTURING

PACKING

DELIVERY

SALES

PATIENT
USE

RECYCLING

REDUCING
PHARMACEUTICAL
RESIDUES E.G. BY
RENEWING WASTE
WATER SYSTEMS



ACTIONS ON
SERIALISATION
AND ANTI-
TAMPERING

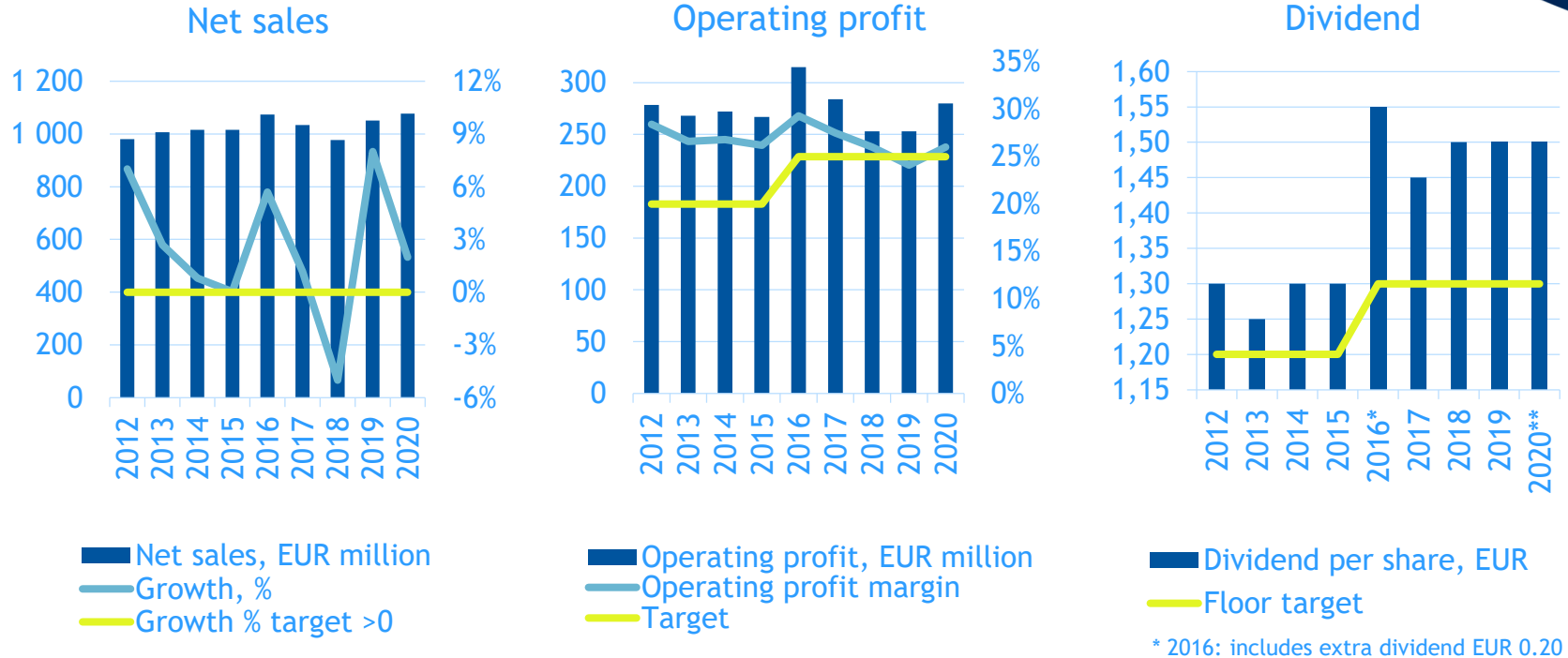


CO₂e
REDUCTION
TARGET FOR
2025
-75%
FROM 2016



Appendices

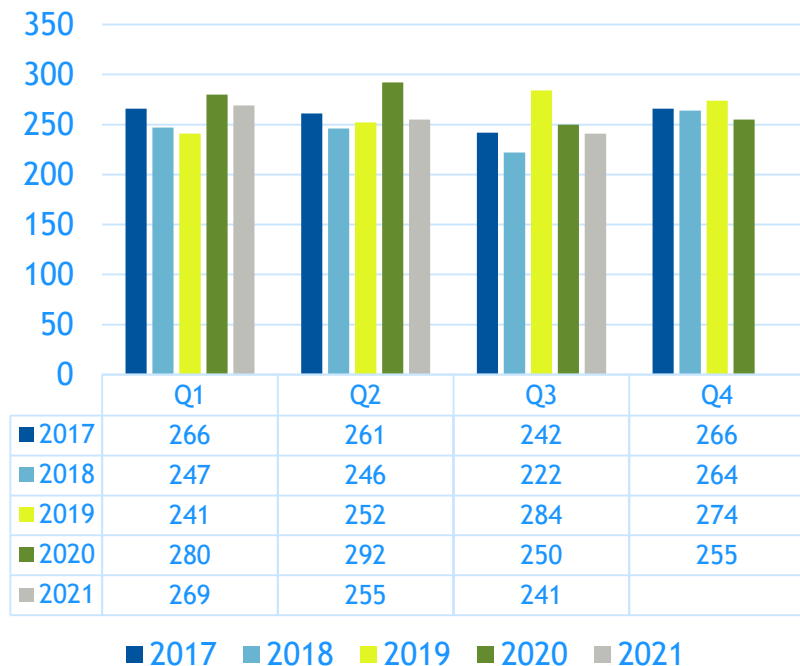
Track record vs. financial objectives



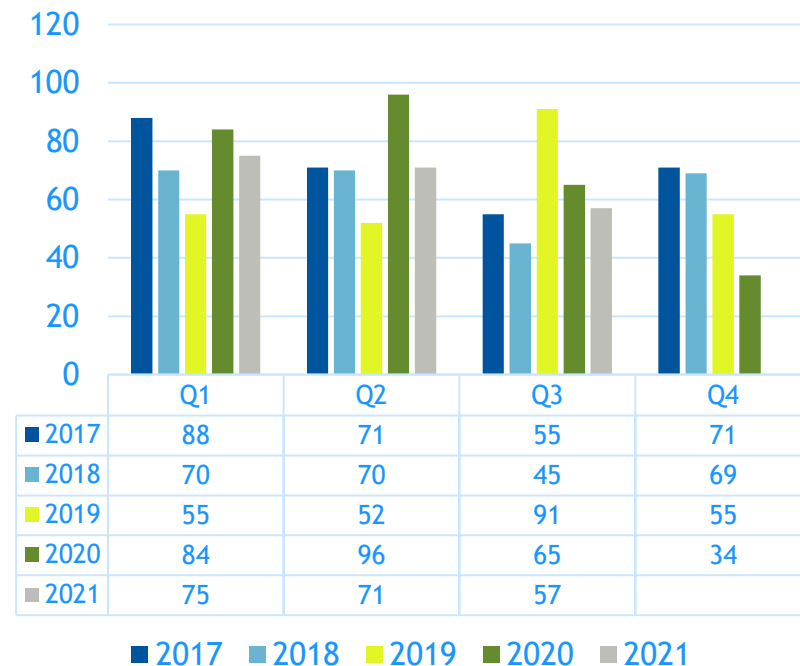
Orion Diagnostica Oy was divested in 2018 and is not included in the Net sales and Operating profit figures from 2017 onwards.

Net sales and operating profit by quarter (MEUR)

Net sales

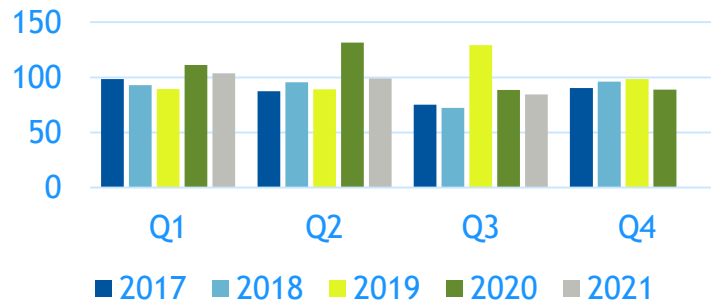


Operating profit

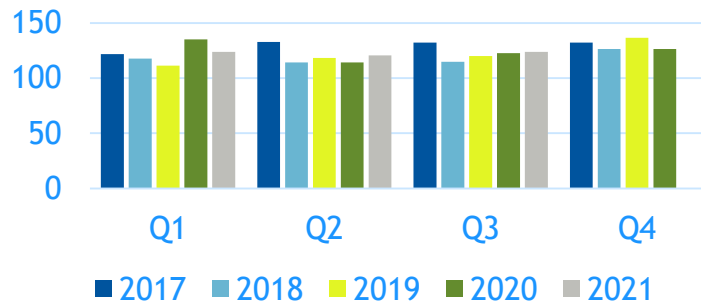


Quarterly net sales by unit (MEUR)

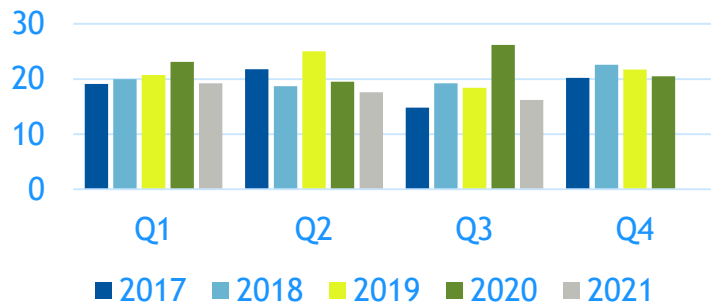
Proprietary Products



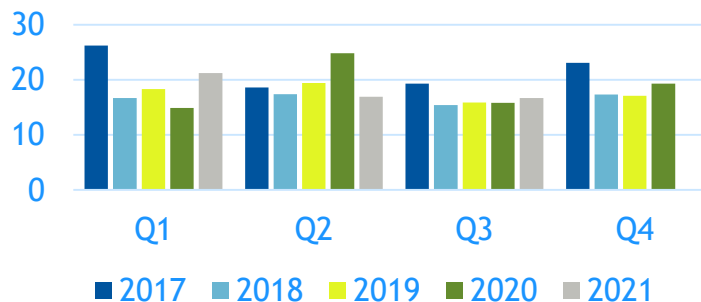
Specialty Products



Animal Health



Fermion & Contract Manufacturing



Key figures

Orion's key figures	2017	2018	2019	2020	1-9/ 2021	Change vs. 1-9/2020
Net sales, EUR million	1,033.6	977.5	1,051.0	1,078.1	764.5	-7.1%
EBITDA	323.6	293.9	308.9	336.5	236.5	-18.1%
Operating profit, EUR million	284.1	252.8	252.8	280.1	203.4	-17.3%
Profit before taxes, EUR million	277.7	248.4	250.8	278.3	202.5	-17.2%
R&D expenses, EUR million	99.1	104.0	119.3	123.2	76.7	-9.6%
Equity ratio, %	64.6%	68.8%	76.7%	66.7%	71.5%	
Gearing, %	-1.9%	-17.1%	-17.8%	-25.4%	-6.5%	
ROCE (before taxes), %	36.2%	44.3%	29.9%	34.8%	32.2%	
Return on equity, %	34.2%	45.5%	25.8%	29.1%	29.1%	
Basic earnings per share, EUR	1.56	1.40	1.43	1.56	1.15	-17.2%
Interest bearing net debt	-12.7	-132.1	-139.1	-185.8	-48.2	-65.6%
Cash flow per share before financial items, EUR	1.09	2.32	1.68	1.85	0.52	-65.7%
Dividend per share, EUR	1.45	1.50	1.50	1.50		

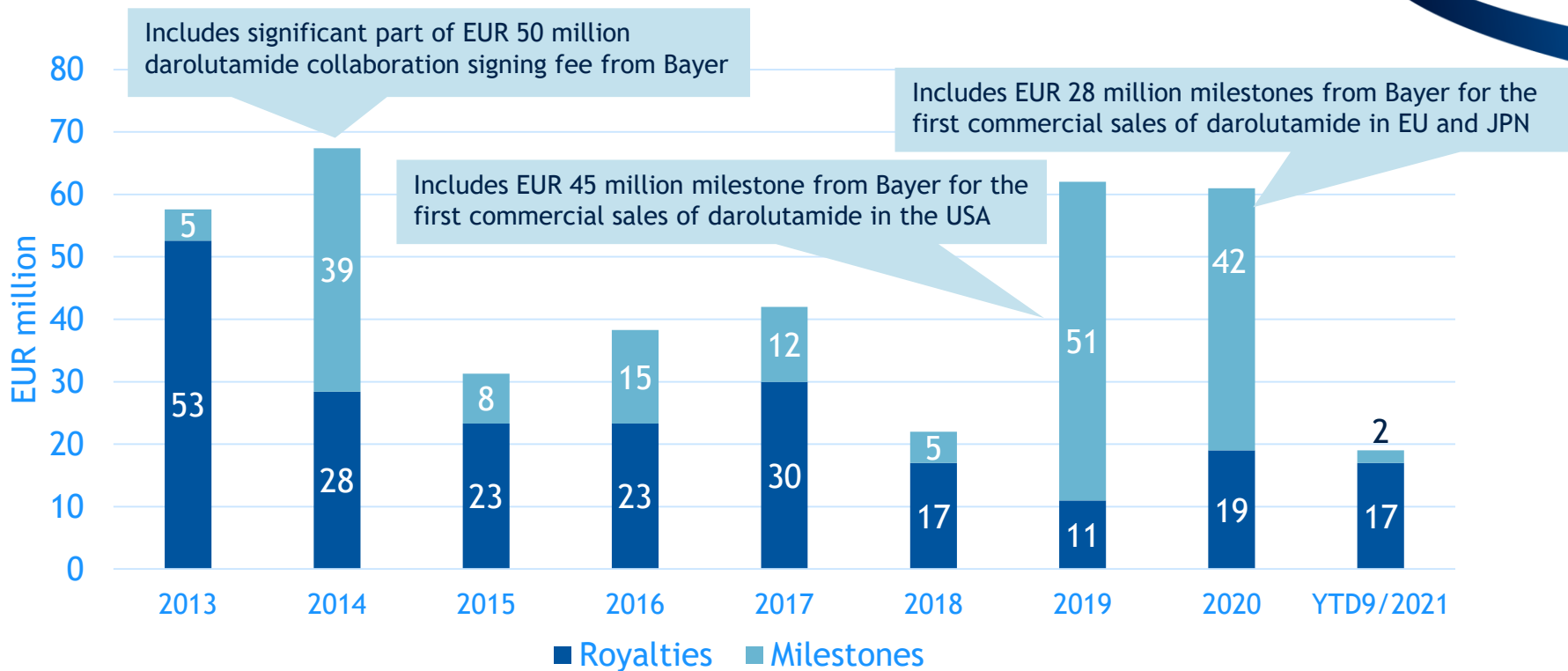
* Proposal by the Board of Directors

= includes both continuing and discontinued (Orion Diagnostica) operations

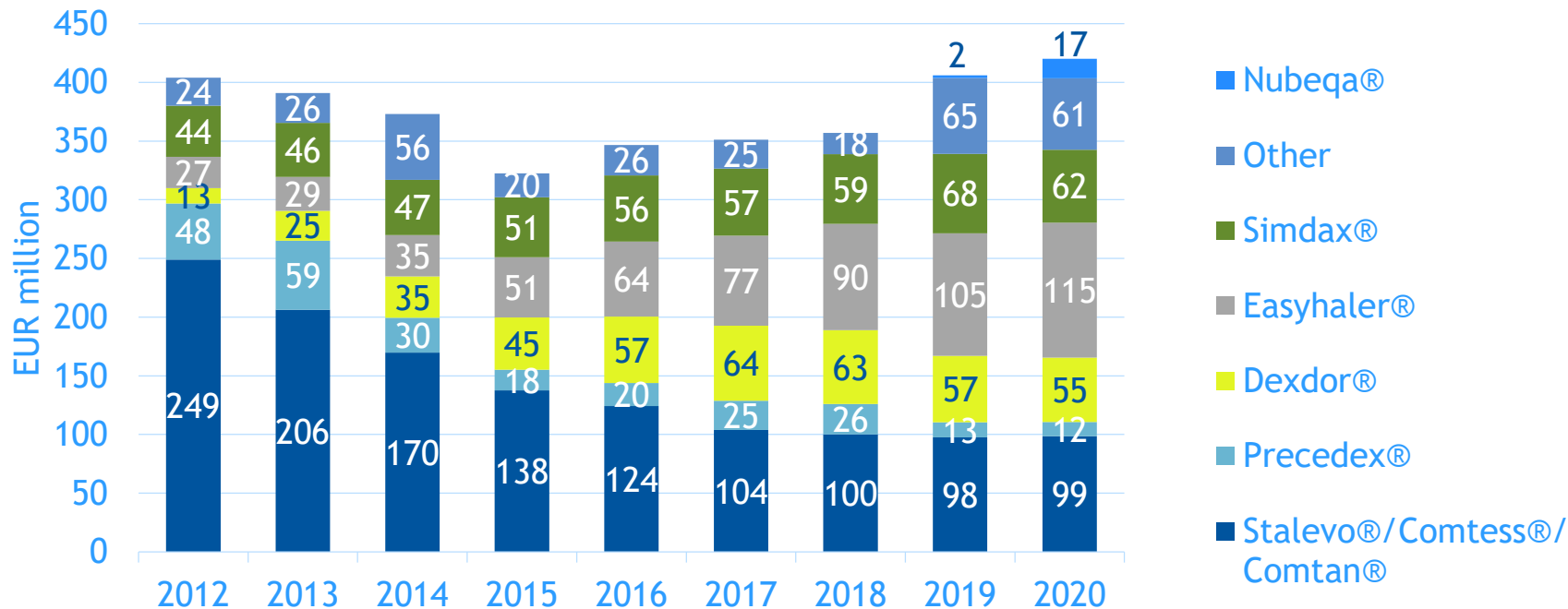
Income statement

Formation of profits, EUR million	2017	2018	2019	2020	1-9/2021	Change vs. 1-9/2020
Net sales	1,033.6	977.5	1,051.0	1,078.1	764.5	-7.1%
Cost of goods sold	-417.6	-387.9	-417.6	-434.4	-324.6	+2.4%
Gross profit	616.0	589.6	633.4	643.7	439.9	-13.0%
Other operating income and expenses	4.9	5.5	2.2	5.4	6.0	+45.3%
Sales and marketing expenses	-188.9	-195.3	-215.7	-204.3	-134.7	-8.6%
R&D expenses	-99.1	104.0	-119.3	-123.2	-76.7	-9.6%
Administrative expenses	-48.8	-43.0	-47.8	-41.6	-31.2	-2.0%
Operating profit	284.1	252.8	252.8	280.1	203.4	-17.3%
Profit before taxes	277.7	248.4	250.8	278.3	202.5	-17.2%
Profit for the period for continuing operations	219.1	197.3	200.4	219.9	161.0	-17.2%
Profit for the period for discontinued operations	7.0	132.9				
Profit for the period	226.0	330.3	200.4	219.9	161.0	-17.2%

Royalties and milestones



Development of Proprietary Products net sales



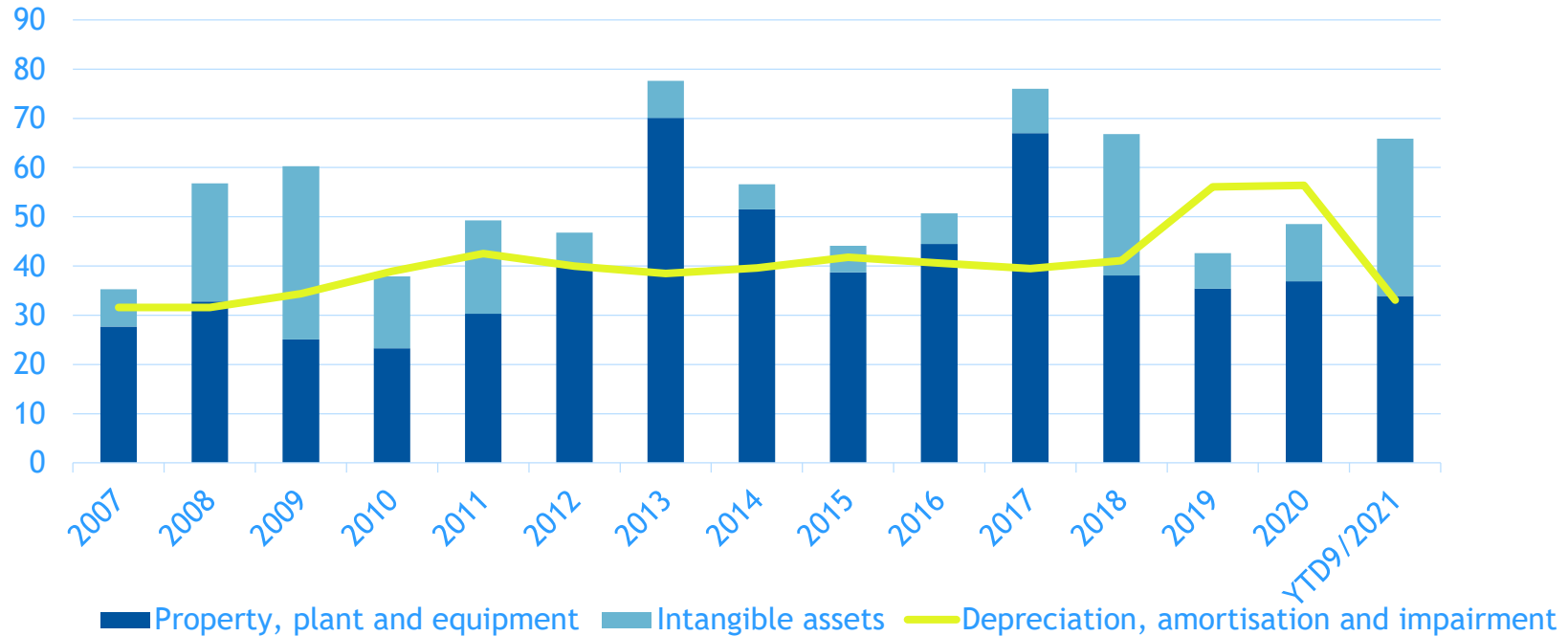
Financial position

EUR million	9/21	9/20	Change %
Non-current assets total	453.4	417.2	+8.7%
Inventories	272.6	254.6	+7.1%
Trade receivables	147.2	150.2	-2.0%
Other receivables	26.6	30.0	-11.2%
Cash & cash equivalents & money market investments	156.3	248.5	-37.1%
Current assets total	602.7	683.2	-11.8%
Assets total	1,056.1	1,100.4	-4.0%

EUR million	9/21	9/20	Change %
Equity total	743.1	761.0	-2.4%
Interest-bearing non-current liabilities	104.7	105.4	-0.7%
Non-current liabilities total	158.7	165.7	-4.3%
Current liabilities total	154.3	173.6	-11.1%
Liabilities total	313.0	339.3	-7.8%
Equity and liabilities total	1,056.4	1,100.4	-4.0%

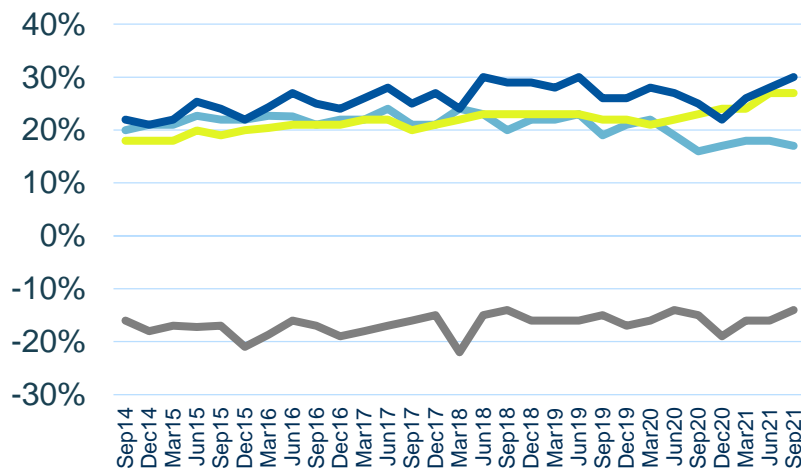
Development of capital expenditure

Orion capex, EUR million



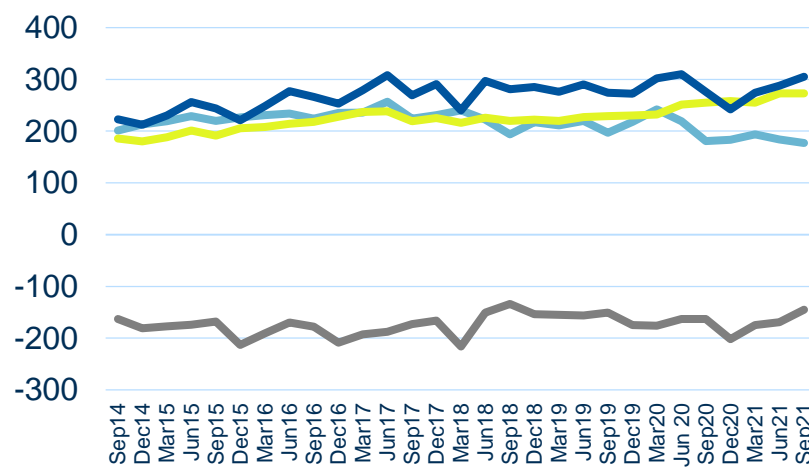
Development of net working capital

% of net sales



- Receivables
- Inventories
- Short-term non-interest bearing liabilities
- Net Working Capital

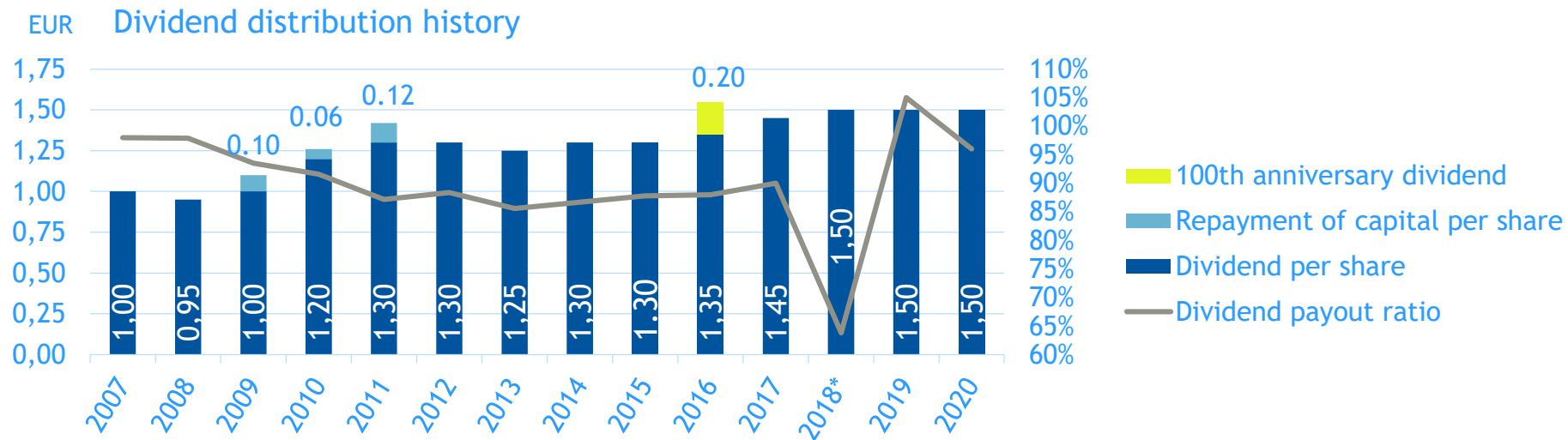
EUR million



- Receivables
- Inventories
- Short-term non-interest bearing liabilities
- Net Working Capital

Dividend distribution policy and dividend history

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



* Change in dividend payout ratio is due to higher EPS (EUR 2.35) which is explained by the divestment of Orion Diagnostica

Easyhaler® - diverse treatment options for asthma and COPD by utilising the same inhaler technology

- Easyhaler® is a dry-powder inhaler developed in-house
- Orion has developed Easyhaler®-adapted dry powder formulations of several well-known generic active substances:
 - salbutamol, beclometasone, budesonide, formoterol, salmeterol and fluticasone
- Key benefits:
 - Dosing accuracy and consistent deposition
 - Easy to teach, learn and use
 - A wide range of products





Upcoming events

Financial Statement Release for 2021	10/2/2022
AGM planned to be held	23/3/2022
Interim Report 1-3/2022	28/4/2022
Half-Year Financial Report	15/7/2022
Interim Report 1-9/2022	20/10/2022



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