



Building well-being

ORION GROUP

# Half-Year Financial Report January-June 2024





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## Orion Group Half-Year Financial Report January-June 2024

- Net sales totalled EUR 636.7 (January-June 2023: 567.5) million
- Operating profit was EUR 121.8 (102.0) million
- Basic earnings per share were EUR 0.68 (0.57)
- Cash flow from operating activities per share was EUR 0.98 (0.27)
- The outlook for 2024 was upgraded after the reporting period on 1 July 2024: Net sales are estimated to be EUR 1,440 million to EUR 1,480 million. Operating profit is estimated to be EUR 350 million to EUR 380 million. Previously net sales were estimated to be EUR 1,340 to EUR 1,410 and operating profit was estimated to be EUR 280 million to EUR 310 million.

### Key figures

	4-6/24	4-6/23	Change %	1-6/24	1-6/23	Change %	1-12/23
Net sales, EUR million	<b>328.2</b>	289.6	+13.4%	<b>636.7</b>	567.5	+12.2%	1,189.7
EBITDA, EUR million	<b>78.8</b>	59.2	+33.0%	<b>147.3</b>	126.9	+16.1%	326.4
% of net sales	<b>24.0%</b>	20.5%		<b>23.1%</b>	22.4%		27.4%
Operating profit, EUR million	<b>65.8</b>	46.5	+41.5%	<b>121.8</b>	102.0	+19.5%	274.9
% of net sales	<b>20.1%</b>	16.1%		<b>19.1%</b>	18.0%		23.1%
Profit before taxes, EUR million	<b>65.1</b>	45.8	+42.1%	<b>120.0</b>	100.9	+18.9%	271.9
% of net sales	<b>19.8%</b>	15.8%		<b>18.8%</b>	17.8%		22.9%
Profit for the period, EUR million	<b>52.0</b>	36.4	+42.7%	<b>95.7</b>	80.2	+19.3%	216.8
% of net sales	<b>15.8%</b>	12.6%		<b>15.0%</b>	14.1%		18.2%
Research and development expenses, EUR million	<b>43.6</b>	31.3	+39.1%	<b>80.4</b>	63.0	+27.6%	126.9
% of net sales	<b>13.3%</b>	10.8%		<b>12.6%</b>	11.1%		10.7%
Capital expenditure, excluding acquired in business combinations, EUR million	<b>21.4</b>	17.6	+21.4%	<b>34.5</b>	35.7	-3.5%	92.7
% of net sales	<b>6.5%</b>	6.1%		<b>5.4%</b>	6.3%		7.8%
Acquired in business combination, net of cash, EUR million		0.1			0.1		0.1
Interest-bearing net liabilities, EUR million				<b>111.2</b>	132.1	-15.8%	93.3
Basic earnings per share, EUR	<b>0.37</b>	0.26	+42.6%	<b>0.68</b>	0.57	+19.2%	1.54
Cash flow from operating activities per share, EUR	<b>0.20</b>	0.24	-17.4%	<b>0.98</b>	0.27	> 100%	0.85
Equity ratio, %				<b>52.7%</b>	59.2%		62.3%
Gearing, %				<b>14.6%</b>	17.2%		10.5%
Return on capital employed (before taxes), %				<b>23.4%</b>	20.0%		25.3%
Return on equity (after taxes), %				<b>23.2%</b>	19.1%		24.1%
Average personnel during the period				<b>3,726</b>	3,577	+4.1%	3,599



President and CEO Liisa Hurme:

## First half of 2024 was strong for Orion

"In January-June 2024, our net sales increased by 12.2 percent to EUR 636.7 (567.5) million and operating profit increased by 19.5 percent to EUR 121.8 (102.0) million.

Nubeqa® continued to perform well and was a clear growth driver for Orion and the Innovative Medicines business division. Nubeqa® sales recorded by Orion, i.e. tablet deliveries to Bayer and royalties, grew faster than we expected, reflecting the strong performance of the product and our partner Bayer in the market.

Demand for Easyhaler® products remained strong, which explains the growth of the product portfolio and, to a large extent, of the Branded Products business division. The net sales of the Generics and Consumer Health business division were almost at par compared to the comparative period.

The first half of 2024 was strong for our Animal Health business division. The development is explained by the weak comparative period when soft market and optimisation of partners' inventory levels were causing headwinds.

Fermion's important strategic role is to manufacture active pharmaceutical ingredients for Orion's innovative medicines as well as for other important medicines. Fermion also increased its external sales in the early part of the year, although more capacity has recently been reserved for the manufacture of Orion's own products.

Orion's operating profit grew faster than net sales, even though operating expenses increased in a planned and anticipated manner. The good development of all business divisions contributed to the increase in operating profit, but the strongest impact was on Nubeqa® royalties.

After the review period in July, we reported that Orion and MSD have exercised the option to convert the companies' ongoing co-development and co-commercialization agreement for opevesostat and other candidates targeting CYP11A1 into an exclusive global license for MSD. The conversion of this collaboration into a license agreement allows Orion to focus our resources to progress our other promising development candidates while both remaining well positioned to benefit from the development and potential commercialisation of opevesostat and meeting our financial objectives. We believe MSD provides the best choice to maximise the potential of opevesostat, a compound discovered by Orion's scientists. As a consequence of the exercise of the option, we will release a EUR 60 million item from our balance sheet, which will have a positive impact on the third quarter 2024 net sales and operating profit, and as a result, we upgraded the outlook for the current year.

In mid-July, together with our partner Bayer, we reported that the ARANOTE trial had met its primary endpoint, showing that darolutamide in combination with androgen deprivation therapy (ADT) significantly increases radiological progression-free survival compared to placebo plus ADT. Safety analysis shows darolutamide plus ADT to be comparable to placebo plus ADT, reconfirming the established tolerability profile of darolutamide as observed in the ARAMIS and ARASENS trials. The results of the ARANOTE trial reconfirm that darolutamide, a compound discovered by Orion scientists, is a viable treatment option for patients with metastatic hormone-sensitive prostate cancer.

Otherwise, our clinical development pipeline remains the same. We are preparing to start the clinical phase II program with the ODM-111 molecule for the treatment of acute and chronic pain during 2024 or early 2025.

I am proud and happy of all the achievements we have already achieved together at Orion this year. We are eager to continue on our growth path!"



## Outlook for 2024 (updated on 1 July 2024)

Net sales are estimated to be EUR 1,440 million to EUR 1,480 million.

Operating profit is estimated to be EUR 350 million to EUR 380 million.

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

## Previous outlook for 2024 (provided on 13 February and specified on 25 April 2024)

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

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

## Net sales and profits in April-June 2024

### Net sales

Orion Group's net sales increased by 13.4% and totalled EUR 328.2 (289.6) million. The growth was driven by Nubeqa® and the Animal Health business division. Exchange rate fluctuations had a EUR 0.9 million positive impact on net sales.

### Operating profit

Orion Group's operating profit increased by 41.5% and totalled EUR 65.8 (46.5) million. The increase was due to growing net sales and especially the growth of Nubeqa royalties. Operating expenses increased by EUR 11.9 million. The increase was mainly due to planned increase in research and development expenses.

### Profit for the period

Profit for the period increased by 42.7% and totalled EUR 52.0 (36.4) million. Basic earnings per share were EUR 0.37 (0.26).

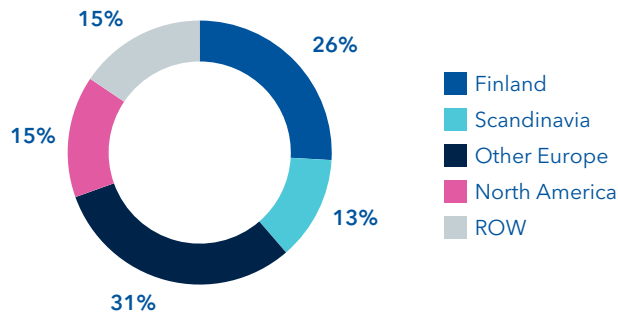


# Net sales and profits in January-June 2024

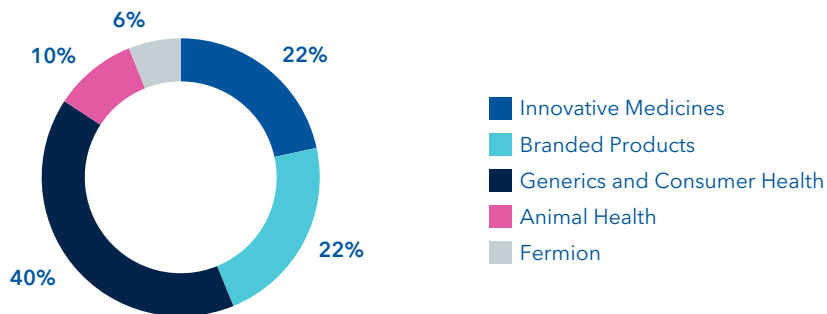
## Net sales

Orion Group's net sales increased by 12.2% and totalled EUR 636.7 (567.5) million. The growth came from a variety of sources, the most important of which were Nubeqa®, the Easyhaler® product portfolio and the Animal Health business division. Exchange rate fluctuations had a EUR 2.3 million positive impact on net sales. Net sales of Orion's top ten pharmaceuticals amounted to EUR 321.6 (279.4) million. They accounted for 50.5% (49.2%) of total net sales.

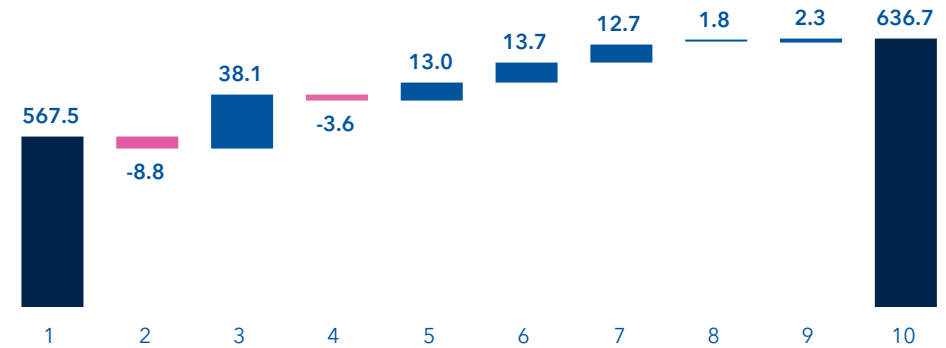
### Net sales split by region 1-6/2024



### Net sales split by business divisions 1-6/2024



### Development of net sales 1-6/2024 vs. 1-6/2023



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

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



## Operating profit

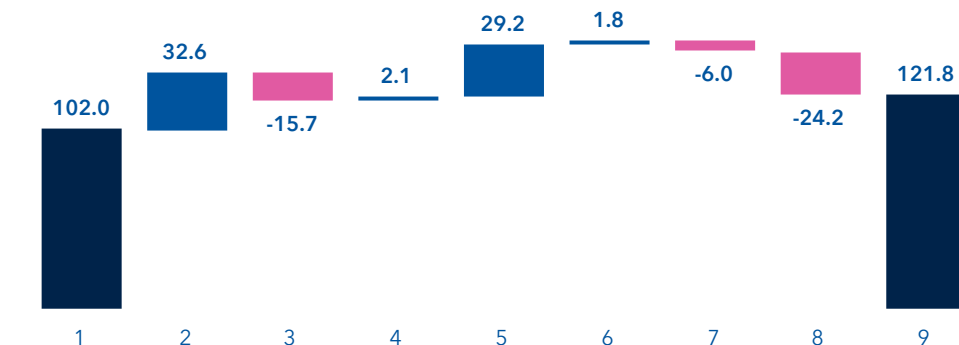
Orion Group's operating profit increased by 19.5% and totalled EUR 121.8 (102.0) million. The increase was due to growing net sales and especially the growth of Nubeqa® royalties.

Gross profit from sales in local currencies increased by EUR 32.6 million from the comparative period. Price, cost and product portfolio changes had a negative impact of EUR 15.7 million on gross profit. Currency exchange rate changes had a positive impact of EUR 2.1 million. With the combined impact of these items, the gross profit from product and service sales was EUR 19.0 million higher than in the comparative period.

Milestone payments accounted for EUR 2.8 (1.0) million and royalties for EUR 84.3 (55.1) million of net sales and operating profit. Other operating income and expenses accounted for EUR 1.4 (7.5) million of operating profit.

Operating expenses increased by EUR 24.2 million. The growth was due to planned increases in research and development expenses, and sales and marketing expenses.

### Development of operating profit 1-6/2024 vs. 1-6/2023



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

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

## Operating expenses

Sales and marketing expenses increased by 4.7% and totalled EUR 118.0 (112.7) million. The growth was planned, and it came mostly from increased efforts to support the growth of Easyhaler® product portfolio. Research and development expenses increased by 27.6% and totalled EUR 80.4 (63.0) million. R&D costs accounted for 12.6% (11.1%) of the Group's net sales. The growth was planned, and it is explained by the progress of ongoing research and development projects. Administrative expenses increased by 3.7% and were EUR 40.9 (39.4) million.

## Profit for the period

Profit for the period totalled EUR 95.7 (80.2) million. Basic earnings per share were EUR 0.68 (0.57).

# Financial position and cash flow in January-June 2024

Cash flow from operating activities was significantly better than in the comparative period at EUR 137.4 (37.2) million. The EUR 30 million milestone payment recognised in 2023 increased the cash flow for the period. The main part of the cash flow effect of the transfer of the insurance portfolio of Orion Pension Fund's B Fund (EUR 41.0 million), i.e. the excess cash, was also recognised in the reporting period. In addition, the cash flow generated by Nubeqa's product sales and royalties, for example, was clearly better than in the comparative period.

Cash flow from investing activities was EUR -36.8 (-67.2) million. Cash flow of the comparative period includes the upfront payments to Amneal and Jemincare, a total of EUR 33 million.

Cash flow from financing activities was EUR -54.1 (-232.1) million. The difference with the comparative period is due to the timing of dividend payments and due to new debt raised in the second quarter of 2024. Orion signed two EUR 75 million term loan facility agreements in the second quarter of 2024. Of the total EUR 150 million facility, EUR 75 million was in use on 30 June 2024. The term loans mature in two years from the signing.

Group's total liabilities as at 30 June 2024 were EUR 695.3 (539.9) million. Interest-bearing liabilities amounted to EUR 263.7 (206.7) million. Of the total interest-bearing liabilities, EUR 234.1 (183.2) million were long-term liabilities. The Group had EUR 152.5 (74.6) million in cash and cash equivalents at the end of the reporting period.

Group's gearing was 14.6% (17.2%) and the equity ratio 52.7% (59.2%). Equity per share was EUR 5.42 (5.47).



## Capital expenditure in January-June 2024

Capital expenditure totalled EUR 34.5 (35.7 excluding assets acquired in business combination) million. This comprised EUR 27.5 (29.1) million on property, plant and equipment and EUR 6.9 (6.6) million on intangible assets.





## Business review

### Orion's operations and sales network

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

Orion has decided to outsource the production of its plant in Kuopio, Finland. It is estimated that the Kuopio plant will continue to operate until at least the summer of 2026. Orion has also decided to outsource the manufacture of injection products due to Simdax® and Dexdor® becoming generic. The outsourcing of the manufacturing of injection products will take place between 2024 and 2027. These decisions are a continuation of Orion's efforts to continuously improve its operations and their efficiency.

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

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

### Top ten best-selling pharmaceutical products

EUR million	<sup>1</sup>	1-6/24	1-6/23	Change %	1-12/23
Nubeqa® (prostate cancer)	A	121.1	83.0	+45.9%	182.5
Easyhaler® product portfolio (asthma, COPD)	B	81.2	68.2	+19.0%	144.2
Entacapone products (Parkinson's disease) <sup>2</sup>	B	43.2	46.8	-7.7%	88.4
Dexdomitor®, Domitor®, Domosedan® and Antisedan® (animal sedatives)	D	18.8	12.8	+46.7%	22.8
Divina® series (menopausal symptoms)	B	11.8	10.2	+16.6%	21.0
Burana® (inflammatory pain)	C	11.7	12.0	-2.9%	25.1
Simdax® (acute decompensated heart failure)	C	10.0	15.1	-33.6%	25.7
Dexmedetomidine products for human use <sup>3</sup>	C	8.5	12.2	-29.8%	21.5
Fareston® (breast cancer)	C	7.8	6.4	+20.8%	13.5
Trexan® (rheumatoid arthritis, cancer)	C	7.3	12.6	-42.1%	19.1
<b>Total</b>		<b>321.6</b>	279.4	+15.1%	563.7
Share of net sales, %		<b>50.5%</b>	49.2%		47.4%

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

<sup>2</sup> Entacapone products include Stalevo®, Comtess®, Comtan® and all other products including entacapone.

<sup>3</sup> Includes Dexdor®, Precedex® and other dexmedetomidine products for human use

### Innovative Medicines

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

Net sales of the division in January-June 2024 increased by 46.0% and totalled EUR 137.5 (94.2) million. Currently, the net sales of the business division are mainly generated by Orion's sales of Nubeqa®. Orion's sales of Nubeqa® in January-June 2024 increased by 45.9% and totalled EUR 121.1 (83.0) million, of which royalties were EUR 82.5 (52.5) million and product sales, i.e., deliveries to Bayer, EUR 38.6 (30.5) million.

Nubeqa® (darolutamide) is approved in more than 85 countries around the world for the treatment of patients with non-metastatic castration-resistant prostate cancer (nmCRPC), who are at high risk of developing metastatic disease. It is also approved for the treatment of patients with



metastatic hormone-sensitive prostate cancer (mHSPC) in combination with chemotherapy in a number of markets including the U.S., Japan, EU and China. Filings in other regions are underway or planned by Bayer.

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

## Branded Products

The Branded Products business division includes products that have a strong brand name which provides a competitive advantage. Currently, most of the business division's products are products developed by Orion. Key products are the Easyhaler® product portfolio, the entacapone products and the Divina® series. Total net sales of the Branded Products business division in January-June 2024 increased by 11.3% and were EUR 141.2 (126.8) million. The growth was mainly driven by the Easyhaler® product portfolio.

Orion's Easyhaler® is a dry-powder inhaler developed in-house, for which Orion has developed Easyhaler®-adapted dry-powder formulations of several well-known generic active pharmaceutical ingredients (salbutamol, beclometasone, budesonide, formoterol, salmeterol and fluticasone). Total net sales of the Easyhaler® product portfolio for the treatment of asthma and chronic obstructive pulmonary disease increased by 19.0% and amounted to EUR 81.2 (68.2) million. The sales of the budesonide-formoterol combined formulation increased by 28.2% to EUR 55.5 (43.3) million. The sales of other Easyhaler® products (beclometasone, budesonide, formoterol, salbutamol and salmeterol-fluticasone combined formulation) increased by 3.1% to EUR 25.7 (25.0) million. Orion has announced that the Easyhaler® product portfolio has potential to exceed EUR 200 million in peak annual sales. The estimate is based on, among others, recent initiatives and recommendations by healthcare systems and health organisations to prefer dry-powder inhalers over metered-dose inhalers due to climate reasons.

Orion's entacapone products for the treatment of Parkinson's disease are Stalevo®, Comtess®, Comtan® and other entacapone-containing products. Their total net sales in January-June 2024 decreased by 7.7% and amounted to EUR 43.2 (46.8) million. Orion markets entacapone products in Europe and in some countries in the Asia-Pacific region. Elsewhere, the products are sold by partners. The most important individual market for Orion's entacapone products is currently Japan, where Orion is taking over sales when the distribution agreement with Novartis expires in 2024. During the period under review, Orion and Navamedic signed a license and supply agreement for a novel Parkinson's disease treatment Precifit® (Flexilev®), including the

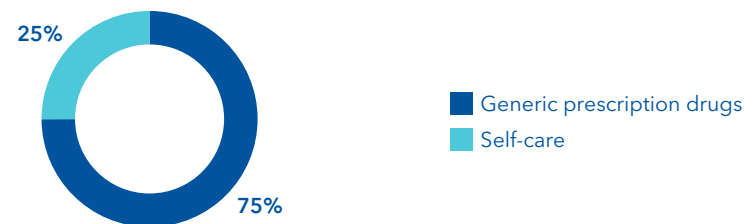
OraFID® dispenser. Orion has exclusive right to market, distribute and sell Precifit® across Europe, excluding Sweden, Norway, Denmark, and Iceland.

Sales of the Divina® series of hormone replacement products increased by 16.6% to EUR 11.8 (10.2) million.

## Generics and Consumer Health

Net sales of the Generics and Consumer Health business division, comprising generic (off-patent) prescription drugs (including biosimilars) and self-care products, decreased by 1.2% in January-June 2024 and amounted to EUR 257.2 (260.3) million. The decline is mainly explained by the declining sales of Simdax® and dexmedetomidine products for human use, and by Russia, where Orion sold remaining inventories in early 2023 before exiting the market. Excluding these items, business was solid and developed positively. Generic prescription drugs accounted for 75% (75%) and self-care products for 25% (25%) of the business division's net sales. The net sales of generic prescription drugs decreased by 1.2% and were EUR 192.8 (195.1) million and the net sales of self-care products decreased by 1.0% and were EUR 64.4 (65.1) million.

### Net sales split by product groups 1-6/2024



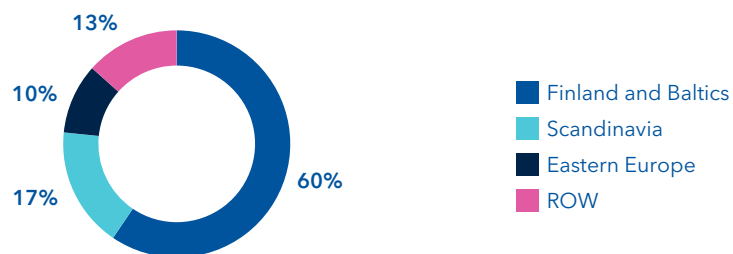
The Generics and Consumer Health business division has four geographic regions, which are Finland and Baltics, Scandinavia, Eastern Europe, and Rest of the World (ROW). The unit's sales in Finland and Baltics increased by 1.5% and amounted to EUR 153.0 (150.8) million. The increase came from both generic prescription drugs and self-care products. The general decline in the prices of reference-priced drugs due to price competition continued, but the average price of Orion's reference-priced drugs increased slightly. However, the average price of Orion's reference-priced drugs is still clearly lower than the average price of reference-priced drugs in general in the market. Increase in average price and volume both contributed to the sales growth of Orion. In Scandinavia, the division's sales increased by 16.7% and totalled EUR 44.1 (37.8)



million. In Eastern Europe, the division's sales increased by 7.8% and amounted to EUR 25.8 (23.9) million.

Sales in ROW declined by 28.2% and stood at EUR 34.4 (47.9) million. The decline is mostly due to the generic competition and declining prices of Simdax® and dexmedetomidine products for human use, and due to Russia, where Orion sold remaining inventories in early 2023 before exiting the market.

#### Geographic split of net sales 1-6/2024



#### Review of the Finnish human pharmaceuticals market

Finland is an important market for Orion, generating about a quarter of the Group's net sales. Majority of the sales in Finland is generated by the Generics and Consumer Health business division with reference-priced prescription drugs and self-care products being the main product groups in Finland. The table below shows the market development in according to Pharmarket statistics (1-6/2024). The increase in Orion's reference-priced prescription drugs sales is mainly explained by volume growth.

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

EUR million	1-6/24	1-6/23	Change %
<b>Total sales of human pharmaceuticals (hospital and pharmacy channel)</b>			
Market	1,625.6	1,556.0	+4.5%
Orion	167.1	167.8	-0.4%
<b>Prescription drugs total (pharmacy channel)</b>			
Market	922.2	870.2	+6.0%
Orion	99.9	95.5	+4.6%
<b>Reference priced prescription drugs (pharmacy channel)<sup>1</sup></b>			
Market	195.4	194.6	+0.4%
Orion	53.2	47.9	+11.0%
<b>Self-care products (pharmacy channel)</b>			
Market	242.7	245.8	-1.3%
Orion	58.3	58.3	-0.1%

<sup>1</sup> 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 1-6/2024

#### Animal Health

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

Net sales of the Animal Health business division in January-June 2024 increased by 22.8% and amounted to EUR 61.8 (50.3) million. The growth came from various sources with animal sedatives being the single largest contributor.

Sales of animal sedative products accounted for 30.5% (25.5%), or EUR 18.8 (12.8) million, of the unit's total net sales. The increase is explained by the recovery in deliveries to partners. The animal sedative product family comprises Orion's animal sedatives Dexdomitor® (dexmedetomidine), Domitor® (medetomidine) and Domosedan® (detomidine), and antagonist Antisedan® (atipamezole), which reverses the effects of the sedatives.

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



## Fermion

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

Net sales of Fermion in January–June 2024, excluding deliveries for Orion's own use, increased by 3.1% and totalled EUR 38.5 (37.3) million. In recent years, order cycles in the trade in pharmaceutical raw materials have become increasingly shorter. This has led to clearly greater fluctuation in business volumes than before, both within each annual period and between different years. Demand for Fermion products has been good and production capacity has been nearly fully utilised. The production capacity is increasingly more allocated to the manufacturing of Orion's active pharmaceutical ingredients.

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

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

After the review period in July 2024, Orion and MSD (Merck & Co., Inc. Rahway NJ USA) announced the mutual exercise of an option to convert the companies' co-development and co-commercialization agreement for opevesostat (MK-5684/ODM-208), an investigational CYP11A1 inhibitor, and other candidates targeting CYP11A1 into an exclusive global license for MSD. With the exercise of the option, MSD will gain global exclusive rights to develop and commercialise opevesostat and other candidates targeting CYP11A1 covered by the agreement. Under the terms of the agreement, Orion is now eligible to receive development milestone payments up to USD 30 million, regulatory milestone payments up to USD 625 million and sales-based milestone payments up to USD 975 million as well as annually tiered royalty payments ranging from a low double-digit rate up to a rate in the low twenties on net sales for any commercialised licensed product. The development and regulatory milestones are determined by the scope of a number

of treatment indications and multiple geographies. Annual sales exceeding several billion US dollars would be required to reach the total amount of the sales milestones and higher-end of the royalty rate. In addition, as a result of the exercise of the option, MSD will now assume full responsibility for all past and future development and commercialisation expenses associated with the candidates covered by the agreement. As a result of the option exercise and MSD's assumption of expenses, Orion announced it will release EUR 60 million that was reserved in July 2022 to cover Orion's share of development cost to be accrued from the balance sheet to net sales and operating profit in Q3 2024. Orion will retain responsibility for the manufacture of clinical and commercial supply for MSD. No payment is associated with the exercise of this option. The exclusive global license is subject to approval under the Hart-Scott-Rodino Antitrust Improvements Act and other customary conditions, and is expected to become effective in the third quarter of 2024.

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

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

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

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



## Research and development

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

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

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

### Key R&D events in January-June 2024

Clinical phase I trial with ODM-111 was completed during the first quarter of 2024. No significant safety findings were identified in the study. More detailed data from the phase I is planned to be presented later in a scientific conference or publication. Orion is preparing to start a clinical phase II program with the ODM-111 molecule for the treatment of acute and chronic pain during 2024 or early 2025.

### Key clinical development projects

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

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

<sup>2</sup> Orion and MSD have exercised an option providing MSD global exclusive rights to opevesostat

After the review period in July 2024, Orion and Bayer's Phase III ARANOTE trial met its primary endpoint, significantly increasing radiological progression-free survival (rPFS) with darolutamide + androgen deprivation therapy (ADT) compared to placebo plus ADT. Safety analysis shows darolutamide plus ADT to be comparable to placebo plus ADT, reconfirming the established tolerability profile of darolutamide as observed in the ARAMIS and ARASENS trials. Bayer plans to present the pivotal data at a forthcoming scientific congress and prepare for submission with health authorities globally to extend the indication of darolutamide.

After the review period in July, Orion and MSD announced mutual exercise of option providing MSD global exclusive rights to opevesostat. Two ongoing phase III trials, OMAHA1 and OMAHA2a, are evaluating opevesostat in combination with hormone replacement therapy (HRT), for the treatment of certain patients with metastatic castration-resistant prostate cancer (mCRPC).

Orion Group's R&D expenses in January-June 2024 increased by 27.6% and totalled EUR 80.4 (63.0) million. They accounted for 12.6% (11.1%) of the Group's net sales. The growth is explained by the progress of ongoing research and development projects.



## Personnel

The average number of employees in the Orion Group in January–June 2024 was 3,726 (3,577). At the end of June 2024, the Group had a total of 3,819 (3,657) employees, of whom 2,885 (2,786) worked in Finland and 934 (871) outside Finland.

Salaries and other personnel expenses in January–June 2024 totalled EUR 154.5 (140.7) million.

## Changes in Executive Management

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

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

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

On 7 May 2024, Orion announced that Olli Huotari, Senior Vice President responsible for Corporate Functions organisation (including, i.a., Communications, Compliance, Corporate Responsibility, Intellectual Property Rights, Legal Affairs and Public Affairs) of the Orion Group and Secretary to the Board of Directors of Orion Corporation, and a member of the Executive Management Board of the Orion Group has informed the company of his decision to leave Orion. In order to secure a proper transition of responsibilities to his successor, Orion and Huotari have agreed that Huotari will continue in his current positions at Orion (including the membership of the Executive Management Board of the Orion Group) until 31 May 2025, after which he will leave the company.

## Significant legal proceedings

On 26 October 2023, Orion Corporation filed together with Bayer et al a patent infringement lawsuit against Hetero USA Inc. et al in the United States District Court for the District of Delaware. Hetero USA Inc. (et al) has filed an Abbreviated New Drug Application ("ANDA") for

Nubeqa® (darolutamide) with the U.S. Food and Drug Administration seeking approval to commercialise a generic version of Nubeqa® prior to certain patents expiring in 2036 and 2038. However, according to Orion's information, the ANDA as filed does not seek approval prior to the expiry of the compound patent protection for Nubeqa® (darolutamide) in the U.S.

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

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

## Key events in January–June 2024

11 Jan 2024	Orion announced that the insurance portfolio of Orion Pension Fund's B fund was transferred to an external pension insurance company.
23 Jan 2024	René Lindell was appointed Chief Financial Officer of Orion Group as of 1 May 2024.
20 Mar 2024	Orion Corporation's Annual General Meeting was held in Helsinki.
22 Mar 2024	Orion announced that the Corporate Strategy and Program Management (CSPMO) unit will become part of the Finance and Corporate Business Development unit, and as a result of the change, SVP Virve Laitinen will step down from the Orion Executive Management Board and will report to the Chief Financial Officer of the Orion Group as a Head of CSPMO.
7 May 2024	Orion announced that Olli Huotari, Senior Vice President responsible for Corporate Functions organisation of the Orion Group and Secretary to the Board of Directors of Orion Corporation, and a member of the Executive Management Board of the Orion Group, has decided to leave the company. Huotari will continue in his current positions until 31 May 2025.

## Key events after the reporting period

1 Jul 2024	Orion and MSD announced mutual exercise of option providing MSD global exclusive rights to opevesostat, an investigational CYP11A1 inhibitor, for the treatment of metastatic castration-resistant prostate cancer
1 Jul 2024	Orion upgraded full-year outlook for 2024
17 Jul 2024	Orion announced that phase III ARANOTE trial of darolutamide in combination with androgen deprivation therapy in men with metastatic hormone-sensitive prostate cancer had met its primary endpoint



## Shares and shareholders

On 30 June 2024 Orion had a total of 141,134,278 (141,134,278) shares, of which 33,232,361 (33,462,382) were A shares and 107,901,917 (107,671,896) B shares. The Group's share capital is EUR 92,238,541.46 (92,238,541.46). At the end of June 2024, Orion held 632,855 (782,973) B shares as treasury shares. On 30 June 2024, the aggregate number of votes conferred by the A and B shares was 771,916,282 (776,136,563) excluding treasury shares.

### Voting rights conferred by shares

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

### Conversion of shares

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

### Trading in Orion's shares

Orion's A shares and B shares are quoted on Nasdaq Helsinki in the Large Cap group under the Healthcare sector heading under the trading codes ORNAV and ORNBV. Trading in both of the Company's share classes commenced on 3 July 2006, and information on trading in the Company's shares has been available since that date. On 30 June 2024, the market capitalisation of the Company's shares, excluding treasury shares, was EUR 5,595.1 million.

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

### Authorisations of the Board of Directors

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

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

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

### Share-based incentive plans

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

### Share ownership

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

At the end of June 2024, Orion had a total of 93,658 (83,339) registered shareholders, of whom 95% (96%) were private individuals. They held 39% (39%) of the entire share stock and had 61% (62%) of the total votes. There were 44 (53) million nominee-registered and foreign-owned shares, which was 31% (38%) of all shares, and they conferred entitlement to 9% (9%) of the total votes.

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

### Flagging notifications

Orion received no flagging notifications during the reporting period.

The details of the notifications published by Orion are available at [www.orion.fi/en/flaggings](http://www.orion.fi/en/flaggings).

## Orion's dividend distribution policy

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



## Financial objectives

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

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

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





## Outlook for 2024 (updated on 1 July 2024)

Net sales are estimated to be EUR 1,440 million to EUR 1,480 million.

Operating profit is estimated to be EUR 350 million to EUR 380 million.

## Previous outlook for 2024 (provided on 13 February and specified on 25 April 2024)

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

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

## Basis for outlook in more detail

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

Orion is eligible to receive milestone payments from Bayer based on sales of the Nubeqa® product upon meeting certain global annual sales thresholds for the first time. In 2023 Orion received one such milestone payment of EUR 30 million. The outlook for 2024 includes one Nubeqa® sales-related milestone payment of EUR 70 million which is included in both the net sales outlook and the operating profit outlook.

In addition, both the net sales outlook and the operating profit outlook include a EUR 60 million item which Orion will release from the balance sheet in Q3 2024 after Orion and MSD exercised an option in July 2024 to convert the companies' co-development and co-commercialisation agreement for opevesostat (MK-5684/ODM-208), an investigational CYP11A1 inhibitor, and other candidates targeting CYP11A1 into an exclusive global license for MSD.

The outlook does not include any other material milestone payments or one-offs.

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

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

### Milestone payments received by Orion in 2019-2023

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

### Net sales

The outlook assumes that the net sales of Nubeqa® booked by Orion, and thus the net sales of the Innovative Medicines business division, will clearly increase in 2024. Orion's assumption is based on forecasts received from its partner Bayer. However, it is difficult to predict the exact level of product sales and royalties for a strongly growing product for the whole year. In addition, the EUR 70 million Nubeqa®-related milestone is expected to increase the net sales of the Innovative Medicines business division. The net sales of the business division increases also due to the EUR 60 million item to be released from the balance sheet in Q3 2024.

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

The Generics and Consumer Health business division continues to suffer from the decline of Simdax® and dexmedetomidine products due to generic competition and falling prices, but less than in recent years. The overall volume of generic products is expected to grow. Due to the aforementioned reasons, the net sales of the Generic and Consumer Health business division in 2024 is assumed to be at a similar level as in 2023.

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



## Operating profit

Gross profit is expected to increase clearly driven by growing Nubeqa® royalties, the EUR 60 million item to be released from the balance sheet in Q3 2024, and the anticipated EUR 70 million Nubeqa®-related sales milestone.

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

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

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

## Capital expenditure

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

## Near-term risks and uncertainties

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

could cause disruptions to Orion's production, supply chains or other operations. Such risks may include accidents, strikes, natural disasters, epidemics and pandemics, wars, terrorism, cyber-attacks or hybrid influencing.

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

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

Currently no single currency is posing a material exchange rate risk for Orion. Key currencies that carry an exchange rate risk are the US dollar and European currencies other than EUR. However, the overall effect of the risk arising from currencies of European countries will be abated by the fact that Orion has organisations of its own in most European countries, which means that in addition to sales income there are also costs in these currencies. The exchange rate performance of the Japanese yen is significant due to sales of Parkinson's drugs in Japan.

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

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



channel system used for pharmaceuticals distribution in Finland, in which Orion's products have been delivered to customers through only one wholesaler, may also cause risks to delivery reliability.

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

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

## Upcoming events

Interim Report January-September 2024	Tuesday 29 October 2024
Financial Statement Release for 2024	Tuesday 25 February 2025
Annual General Meeting 2025	planned to be held on 3 April 2025
Interim Report January-March 2025	Wednesday 23 April 2025
Half-Year Financial Report January-June 2025	Friday 18 July 2025
Interim Report January-September 2025	Tuesday 28 October 2025

The Financial Statements and the Report of the Board of Directors for 2024 will be published on the Company's website at the latest in week 11/2025.

Espoo, 8 August 2024

Board of Directors of Orion Corporation



## Tables

### CONSOLIDATED INCOME STATEMENT

EUR million	4-6/24	4-6/23	Change %	1-6/24	1-6/23	Change %	1-12/23
<b>Net sales</b>	<b>328.2</b>	289.6	+13.4%	<b>636.7</b>	567.5	+12.2%	1,189.7
Cost of goods sold	<b>-139.1</b>	-136.0	+2.2%	<b>-277.0</b>	-257.8	+7.4%	-531.9
<b>Gross profit</b>	<b>189.2</b>	153.5	+23.2%	<b>359.7</b>	309.6	+16.2%	657.7
Other operating income and expenses	<b>0.4</b>	4.9	-91.0%	<b>1.4</b>	7.5	-80.8%	43.7
Sales and marketing expenses	<b>-59.8</b>	-58.9	+1.4%	<b>-118.0</b>	-112.7	+4.7%	-224.8
Research and development expenses	<b>-43.6</b>	-31.3	+39.1%	<b>-80.4</b>	-63.0	+27.6%	-126.9
Administrative expenses	<b>-20.4</b>	-21.6	-5.7%	<b>-40.9</b>	-39.4	+3.7%	-74.8
<b>Operating profit</b>	<b>65.8</b>	46.5	+41.5%	<b>121.8</b>	102.0	+19.5%	274.9
Finance income and expenses	<b>-0.8</b>	-0.7	+3.5%	<b>-1.8</b>	-1.1	+71.4%	-3.0
<b>Profit before taxes</b>	<b>65.1</b>	45.8	+42.1%	<b>120.0</b>	100.9	+18.9%	271.9
Income tax expense	<b>-13.1</b>	-9.4	+39.8%	<b>-24.3</b>	-20.7	+17.3%	-55.1
<b>Profit for the period</b>	<b>52.0</b>	36.4	+42.7%	<b>95.7</b>	80.2	+19.3%	216.8

#### PROFIT ATTRIBUTABLE TO

Owners of the parent company	<b>52.0</b>	36.4	+42.7%	<b>95.7</b>	80.2	+19.3%	216.8
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<b>Basic earnings per share, EUR<sup>1</sup></b>	<b>0.37</b>	0.26	+42.6%	<b>0.68</b>	0.57	+19.2%	1.54
<b>Diluted earnings per share, EUR<sup>1</sup></b>	<b>0.37</b>	0.26	+42.6%	<b>0.68</b>	0.57	+19.2%	1.54

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

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	4-6/24	4-6/23	Change %	1-6/24	1-6/23	Change %	1-12/23
<b>Profit for the period</b>	<b>52.0</b>	36.4	+42.7%	<b>95.7</b>	80.2	+19.3%	216.8
Translation differences	<b>1.1</b>	-0.3		<b>-0.1</b>	-1.2		-0.3
<b>Items that may be reclassified subsequently to profit and loss</b>	<b>1.1</b>	-0.3		<b>-0.1</b>	-1.2		-0.3
Remeasurement of pension plans, net of tax	<b>0.0</b>	1.6		<b>0.0</b>	2.0		-16.2
<b>Items that will not be reclassified to profit and loss</b>	<b>0.0</b>	1.6		<b>0.0</b>	2.0		-16.2
<b>Other comprehensive income, net of tax</b>	<b>1.1</b>	1.3		<b>-0.1</b>	0.8		-16.5
<b>Comprehensive income for the period</b>	<b>53.0</b>	37.7	+40.5%	<b>95.7</b>	81.1	+18.0%	200.3

#### COMPREHENSIVE INCOME ATTRIBUTABLE TO

Owners of the parent company	<b>53.0</b>	37.7	+40.5%	<b>95.7</b>	81.1	+18.0%	200.3
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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### ASSETS

EUR million	6/24	6/23	Change %	12/23
Property, plant and equipment	405.1	380.4	+6.5%	400.9
Goodwill	87.2	87.2		87.2
Intangible rights	110.3	100.3	+10.0%	106.8
Other intangible assets	6.6	3.5	+88.4%	6.1
Investment in associate	0.1	0.1		0.1
Other investments	0.2	0.2	-0.5%	0.2
Pension assets	6.9	55.7	-87.6%	6.9
Deferred tax assets	5.3	5.0	+6.6%	4.3
Other non-current assets	0.8	0.3	> 100 %	0.9
<b>Non-current assets total</b>	<b>622.5</b>	<b>632.5</b>	<b>-1.6%</b>	<b>613.3</b>
Inventories	384.7	350.9	+9.6%	362.2
Trade receivables	207.5	185.3	+12.0%	247.1
Current tax receivables	8.2	7.2	+13.2%	0.6
Other receivables	81.9	57.4	+42.7%	108.8
Cash and cash equivalents	152.5	74.6	> 100 %	106.7
<b>Current assets total</b>	<b>834.8</b>	<b>675.4</b>	<b>+23.6%</b>	<b>825.3</b>
<b>Assets total</b>	<b>1,457.3</b>	<b>1,307.9</b>	<b>+11.4%</b>	<b>1,438.6</b>

### EQUITY AND LIABILITIES

EUR million	6/24	6/23	Change %	12/23
Share capital	92.2	92.2		92.2
Other reserves	5.3	3.3	+60.3%	4.6
Cumulative translation adjustments	-11.0	-10.6	+3.7%	-9.8
Retained earnings	675.4	683.0	-1.1%	802.9
<b>Equity attributable to owners of the parent company</b>	<b>762.0</b>	<b>768.0</b>	<b>-0.8%</b>	<b>890.1</b>
<b>Equity total</b>	<b>762.0</b>	<b>768.0</b>	<b>-0.8%</b>	<b>890.1</b>
Deferred tax liabilities	32.0	43.0	-25.6%	31.8
Pension liabilities	3.8	2.8	+35.7%	4.1
Non-current provisions	0.5	0.5	-1.5%	0.5
Interest-bearing non-current liabilities	234.1	183.2	+27.8%	171.0
Other non-current liabilities	75.5	76.8	-1.7%	76.4
<b>Non-current liabilities total</b>	<b>346.0</b>	<b>306.3</b>	<b>+13.0%</b>	<b>283.8</b>
Current provisions	0.0	0.1	-33.8%	0.0
Interest-bearing current liabilities	29.6	23.6	+25.6%	29.0
Trade payables	74.8	94.5	-20.9%	102.3
Current tax liabilities	2.1	0.7	> 100 %	13.3
Other current liabilities	242.8	114.8	> 100%	120.1
<b>Current liabilities total</b>	<b>349.4</b>	<b>233.6</b>	<b>+49.5%</b>	<b>264.8</b>
<b>Liabilities total</b>	<b>695.3</b>	<b>539.9</b>	<b>+28.8%</b>	<b>548.6</b>
<b>Equity and liabilities total</b>	<b>1,457.3</b>	<b>1,307.9</b>	<b>+11.4%</b>	<b>1,438.6</b>



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Equity attributable to owners of the parent company							Equity total
	Share capital	Other reserves	Cumulative translation adjustments	Remeasurement of pension plans	Treasury shares	Retained earnings	Retained earnings total	
<b>Equity at 1 January 2023</b>	92.2	3.3	-10.8	37.1	-34.8	821.1	823.3	<b>908.1</b>
Profit for the period						80.2	80.2	<b>80.2</b>
<b>Other comprehensive income</b>								
Cumulative translation adjustments			0.2			-1.3	-1.3	<b>-1.2</b>
Remeasurement of pension plans				2.0			2.0	<b>2.0</b>
<b>Transactions with owners</b>								
Dividends paid						-224.9	-224.9	<b>-224.9</b>
Share-based incentive plans					6.8	-3.1	3.7	<b>3.7</b>
Other adjustments		0.0				0.0	0.0	<b>0.0</b>
<b>Equity at 30 June 2023</b>	92.2	3.3	-10.6	39.1	-28.0	671.9	683.0	<b>768.0</b>
<b>Equity at 1 January 2024</b>	92.2	4.6	-9.8	20.9	-28.0	810.0	802.9	<b>890.1</b>
Profit for the period						95.7	95.7	<b>95.7</b>
<b>Other comprehensive income</b>								
Cumulative translation adjustments			-1.2			1.2	1.2	<b>-0.1</b>
Remeasurement of pension plans				0.0			0.0	<b>0.0</b>
<b>Transactions with owners</b>								
Dividends paid						-227.3	-227.3	<b>-227.3</b>
Share-based incentive plans					3.2	0.5	3.7	<b>3.7</b>
Other adjustments		0.7				-0.9	-0.9	<b>-0.2</b>
<b>Equity at 30 June 2024</b>	<b>92.2</b>	<b>5.3</b>	<b>-11.0</b>	<b>20.9</b>	<b>-24.8</b>	<b>679.3</b>	<b>675.4</b>	<b>762.0</b>



## CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	4-6/24	4-6/23	1-6/24	1-6/23	1-12/23
Profit before taxes	65.1	45.8	120.0	100.9	271.9
Adjustments	14.4	13.5	31.0	29.2	36.1
Change in working capital	-38.0	-12.0	31.6	-66.9	-144.8
Net financial items	-1.8	-1.3	-1.3	-0.7	-3.0
Income taxes paid	-12.3	-12.9	-43.9	-25.3	-41.2
<b>Total net cash flow from operating activities</b>	<b>27.4</b>	<b>33.2</b>	<b>137.4</b>	<b>37.2</b>	<b>119.0</b>
Investments in property, plant and equipment	-11.1	-15.6	-27.8	-31.2	-65.6
Investments in intangible assets	-4.7	-1.9	-9.7	-40.2	-51.2
Acquired in business combination, net of cash		-0.1		-0.1	-0.1
Sales of property, plant and equipment and other investments	0.3	4.0	0.8	4.2	8.5
<b>Total net cash flow from investing activities</b>	<b>-15.6</b>	<b>-13.7</b>	<b>-36.8</b>	<b>-67.2</b>	<b>-108.4</b>
<b>Cash flow from operating and investing activities, total</b>	<b>11.8</b>	<b>19.5</b>	<b>100.6</b>	<b>-30.0</b>	<b>10.7</b>
Changes in current loans including leasing liabilities	-1.4	-3.8	-2.5	-0.9	-6.6
Proceeds of non-current loans	75.0		75.0		
Repayment of non-current loans	-6.4	-0.5	-12.8	-7.0	-11.8
Dividends paid and other distribution of profits	-113.8	-40.7	-113.8	-224.3	-224.9
<b>Total net cash flow from financing activities</b>	<b>-46.7</b>	<b>-45.1</b>	<b>-54.1</b>	<b>-232.1</b>	<b>-243.2</b>
Net change in cash and cash equivalents	-34.8	-25.6	46.5	-262.1	-232.6
Cash and cash equivalents at the beginning of the period	188.1	99.8	106.7	332.6	332.6
Foreign exchange differences	-0.8	0.4	-0.7	4.1	6.6
<b>Cash and cash equivalents at the end of the period</b>	<b>152.5</b>	<b>74.6</b>	<b>152.5</b>	<b>74.6</b>	<b>106.7</b>

### Reconciliation of cash and cash equivalents in statement of financial position

EUR million	4-6/24	4-6/23	1-6/24	1-6/23	1-12/23
Cash and cash equivalents in statement of financial position at the end of the period	152.5	74.6	152.5	74.6	106.7
Money market investments at the end of the period					
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>152.5</b>	<b>74.6</b>	<b>152.5</b>	<b>74.6</b>	<b>106.7</b>



## Appendices

### NET SALES BY REVENUE FLOWS

EUR million	4-6/24	4-6/23	Change %	1-6/24	1-6/23	Change %	1-12/23
Sale of goods	276.2	259.1	+6.6%	549.6	511.4	+7.5%	1,033.3
Royalty income	51.4	30.0	+71.4%	84.3	55.1	+53.2%	123.9
<b>Total sale of goods</b>	<b>327.6</b>	<b>289.1</b>	<b>+13.3%</b>	<b>633.9</b>	<b>566.5</b>	<b>+11.9%</b>	<b>1,157.2</b>
Milestone payments	0.7	0.4	+55.8%	2.8	1.0	> 100 %	32.4
<b>Total</b>	<b>328.2</b>	<b>289.6</b>	<b>+13.4%</b>	<b>636.7</b>	<b>567.5</b>	<b>+12.2%</b>	<b>1,189.7</b>

In January-June 2024, EUR 1.0 (1.0) million has been entered as income from performance obligations transferred to customers over time and they are included in the Milestone payments.

### NET SALES BREAK-DOWN

EUR million	4-6/24	4-6/23	Change %	1-6/24	1-6/23	Change %	1-12/23
Innovative Medicines	80.1	52.4	+52.8%	137.5	94.2	+46.0%	235.1
Branded Products	71.0	67.3	+5.5%	141.2	126.8	+11.3%	260.9
Generics and Consumer Health	126.5	126.7	-0.1%	257.2	260.3	-1.2%	517.6
Animal Health	30.0	23.4	+28.1%	61.8	50.3	+22.8%	103.9
Fermion	20.0	19.3	+3.8%	38.5	37.3	+3.1%	73.7
Translation differences and Other operations	0.6	0.5	+24.8%	0.4	-1.6	> 100 %	-1.6
<b>Total</b>	<b>328.2</b>	<b>289.6</b>	<b>+13.4%</b>	<b>636.7</b>	<b>567.5</b>	<b>+12.2%</b>	<b>1,189.7</b>

### QUARTERLY NET SALES BY REGION

EUR million	2024		2023				2022	
	4-6	1-3	10-12	7-9	4-6	1-3	10-12	7-9
Finland	81.4	83.7	90.6	81.3	82.4	79.2	89.4	80.1
Scandinavia	40.4	40.6	36.4	35.8	36.4	33.8	34.8	32.3
Other Europe	98.2	98.5	87.8	80.4	99.1	99.2	100.2	97.7
North America	48.2	46.7	47.7	51.3	41.3	34.3	35.2	251.7
Other markets	60.0	39.0	58.7	52.2	30.6	31.3	34.9	30.0
<b>Total</b>	<b>328.2</b>	<b>308.5</b>	<b>321.1</b>	<b>301.1</b>	<b>289.6</b>	<b>277.9</b>	<b>294.5</b>	<b>491.8</b>

### OPERATING PROFIT BY QUARTER

EUR million	2024		2023				2022	
	4-6	1-3	10-12	7-9	4-6	1-3	10-12	7-9
Operating profit	65.8	56.0	92.9	80.0	46.5	55.5	40.7	245.4





## TOP TEN BEST-SELLING PHARMACEUTICAL PRODUCTS

EUR million	4-6/24	4-6/23	Change %	1-6/24	1-6/23	Change %	1-12/23
Nubeqa® (prostate cancer)	71.6	45.3	+58.0%	121.1	83.0	+45.9%	182.5
Easyhaler® product portfolio (asthma, COPD)	39.3	36.0	+9.0%	81.2	68.2	+19.0%	144.2
Entacapone products (Parkinson's disease)	23.1	25.3	-8.5%	43.2	46.8	-7.7%	88.4
Dexdomitor®, Domitor®, Domosedan® and Antisedan® (animal sedatives)	8.6	4.8	+78.8%	18.8	12.8	+46.7%	22.8
Divina® series (menopausal symptoms)	6.3	5.2	+20.9%	11.8	10.2	+16.6%	21.0
Burana® (inflammatory pain)	5.8	6.1	-4.8%	11.7	12.0	-2.9%	25.1
Simdax® (acute decompensated heart failure)	4.7	7.0	-32.6%	10.0	15.1	-33.6%	25.7
Dexmedetomidine products for human use	3.7	5.1	-25.9%	8.5	12.2	-29.8%	21.5
Fareston® (breast cancer)	3.2	2.4	+32.9%	7.8	6.4	+20.8%	13.5
Trexan® (rheumatoid arthritis, cancer)	3.4	5.0	-32.6%	7.3	12.6	-42.1%	19.1
<b>Total</b>	<b>169.8</b>	<b>142.3</b>	<b>+19.4%</b>	<b>321.6</b>	<b>279.4</b>	<b>+15.1%</b>	<b>563.7</b>
Share of net sales, %	51.7%	49.1%		50.5%	49.2%		47.4%



## CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR million	6/24	6/23	12/23
Carrying amount at the beginning of the period	400.9	373.3	373.3
Additions	27.5	29.1	72.3
Depreciation and impairment for the period	-22.4	-21.3	-43.6
Disposals and other changes	-0.9	-0.7	-1.1
<b>Carrying amount at the end of the period</b>	<b>405.1</b>	<b>380.4</b>	<b>400.9</b>

## CHANGES IN INTANGIBLE ASSETS (EXCLUDING GOODWILL)

EUR million	6/24	6/23	12/23
Carrying amount at the beginning of the period	112.9	103.8	103.8
Additions	6.9	6.6	20.4
Amortisation and impairment for the period	-3.1	-3.6	-7.9
Disposals and other changes	0.1	-3.0	-3.4
<b>Carrying amount at the end of the period</b>	<b>116.9</b>	<b>103.8</b>	<b>112.9</b>

## CHANGES IN FINANCIAL LIABILITIES

Orion Group has loan agreements that include financial covenants. If the financial covenants in the terms of the loan agreements are breached, the lenders optionally have the right to demand early repayment of the loan. As at 30 June 2024 Orion met these financial covenants.

## COMMITMENTS AND CONTINGENCIES

### Contingencies for own liabilities

EUR million	6/24	6/23	12/23
Guarantees	2.8	3.9	2.6
Other liabilities		0.3	

### Commitments

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

## Significant legal proceedings

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

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

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

## DERIVATIVES

### Nominal values of currency derivatives

EUR million	6/24	6/23	12/23
Currency forward contracts and currency swaps	41.4	45.5	49.3
Currency options	36.4	32.9	28.0

### Fair values of currency derivatives

EUR million	6/24	6/23	12/23
Currency forward contracts and currency swaps	-0.1	0.0	0.3
Currency options	-0.1	0.1	-0.1



## FAIR VALUE MEASUREMENT AND HIERARCHY OF FINANCIAL INSTRUMENTS, 30 June 2024

EUR million	Level 1	Level 2	Level 3	Total
Currency derivatives		0.1		0.1
Shares and investments			0.2	0.2
<b>Assets total</b>		0.1	0.2	0.3
Deferred purchase price and earn-out			-9.3	-9.3
Currency derivatives		-0.3		-0.3
<b>Liabilities total</b>		-0.3	-9.3	-9.6

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

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

## BASIC SHARE INFORMATION, 30 June 2024

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

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



## KEY FINANCIAL FIGURES

	4-6/24	4-6/23	Change %	1-6/24	1-6/23	Change %	1-12/23
Net sales, EUR million	<b>328.2</b>	289.6	+13.4%	<b>636.7</b>	567.5	+12.2%	1,189.7
EBITDA, EUR million	<b>78.8</b>	59.2	+33.0%	<b>147.3</b>	126.9	+16.1%	326.4
% of net sales	<b>24.0%</b>	20.5%		<b>23.1%</b>	22.4%		27.4%
Operating profit, EUR million	<b>65.8</b>	46.5	+41.5%	<b>121.8</b>	102.0	+19.5%	274.9
% of net sales	<b>20.1%</b>	16.1%		<b>19.1%</b>	18.0%		23.1%
Profit for the period, EUR million	<b>52.0</b>	36.4	+42.7%	<b>95.7</b>	80.2	+19.3%	216.8
% of net sales	<b>15.8%</b>	12.6%		<b>15.0%</b>	14.1%		18.2%
Research and development expenses, EUR million	<b>43.6</b>	31.3	+39.1%	<b>80.4</b>	63.0	+27.6%	126.9
% of net sales	<b>13.3%</b>	10.8%		<b>12.6%</b>	11.1%		10.7%
Capital expenditure, excluding acquired in business combinations, EUR million	<b>21.4</b>	17.6	+21.4%	<b>34.5</b>	35.7	-3.5%	92.7
% of net sales	<b>6.5%</b>	6.1%		<b>5.4%</b>	6.3%		7.8%
Acquired in business combination, net of cash, EUR million		0.1			0.1		0.1
Depreciation, amortisation and impairment, EUR million	<b>12.9</b>	12.7	+1.8%	<b>25.5</b>	24.9	+2.1%	51.5
Personnel expenses, EUR million	<b>78.6</b>	73.3	+7.2%	<b>154.5</b>	140.7	+9.8%	273.0
Equity total, EUR million				<b>762.0</b>	768.0	-0.8%	890.1
Interest-bearing net liabilities, EUR million				<b>111.2</b>	132.1	-15.8%	93.3
Assets total, EUR million				<b>1,457.3</b>	1,307.9	+11.4%	1,438.6
Cash flow from operating activities, EUR million	<b>27.4</b>	33.2	-17.4%	<b>137.4</b>	37.2	> 100%	119.0
Equity ratio, %				<b>52.7%</b>	59.2%		62.3%
Gearing, %				<b>14.6%</b>	17.2%		10.5%
Return on capital employed (before taxes), %				<b>23.4%</b>	20.0%		25.3%
Return on equity (after taxes), %				<b>23.2%</b>	19.1%		24.1%
Personnel at the end of the period				<b>3,819</b>	3,657	+4.4%	3,632
Average personnel during the period				<b>3,726</b>	3,577	+4.1%	3,599



## PERFORMANCE PER SHARE

	4-6/24	4-6/23	Change %	1-6/24	1-6/23	Change %	1-12/23
Basic earnings per share, EUR	0.37	0.26	+42.6%	0.68	0.57	+19.2%	1.54
Diluted earnings per share, EUR	0.37	0.26	+42.6%	0.68	0.57	+19.2%	1.54
Cash flow from operating activities per share, EUR	0.20	0.24	-17.4%	0.98	0.27	> 100%	0.85
Equity per share, EUR				5.42	5.47	-0.9%	6.34
<b>A share</b>							
Number of shares at the end of the period				33,232,361	33,462,382	-0.7%	33,351,382
% of total share stock				23.5%	23.7%		23.6%
Number of votes excluding treasury shares				664,647,220	669,247,640	-0.7%	667,027,640
% of total votes				86.1%	86.2%		86.2%
Total number of shareholders				25,470	23,926	+6.5%	24,589
Lowest quotation of review period, EUR				32.50	37.85	-14.1%	34.25
Average quotation of review period, EUR				37.87	45.38	-16.5%	41.19
Highest quotation of review period, EUR				45.15	55.00	-17.9%	55.00
Closing quotation at the end of review period, EUR				39.70	38.80	+2.3%	39.20
Trading volume, EUR million				35.5	27.8	+27.9%	50.0
Shares traded				938,060	611,981	+53.3%	1,213,681
% of the total number of shares				2.8%	1.8%		3.6%



	1-6/24	1-6/23	Change %	1-12/23
<b>B share</b>				
Number of shares at the end of the period, including treasury shares	107,901,917	107,671,896	+0.2%	107,782,896
% of total share stock	76.5%	76.3%		76.4%
Treasury shares	632,855	782,973	-19.2%	782,973
Number of shares at the end of the period, excluding treasury shares	107,269,062	106,888,923	+0.4%	106,999,923
Number of votes excluding treasury shares	107,269,062	106,888,923	+0.4%	106,999,923
% of total votes	13.9%	13.8%		13.8%
Diluted number of shares, average, excluding treasury shares	107,243,420	106,287,271	+0.9%	106,633,693
% of total share stock	76.0%	75.3%		75.6%
Total number of shareholders	75,576	66,433	+13.8%	71,309
Lowest quotation of review period, EUR	31.86	37.30	-14.6%	32.89
Average quotation of review period, EUR	37.74	44.00	-14.2%	40.48
Highest quotation of review period, EUR	45.29	55.16	-17.9%	55.16
Closing quotation at the end of review period, EUR	39.86	38.02	+4.8%	39.27
Trading volume, EUR million	1,140.3	1,462.4	-22.0%	2,601.5
Shares traded	30,213,283	33,238,753	-9.1%	64,267,609
% of the total number of shares	28.0%	30.9%		59.6%
<b>A and B share total</b>				
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	140,451,109	140,301,648	+0.1%	140,326,681
Total number of votes conferred by the shares, excluding treasury shares	771,916,282	776,136,563	-0.5%	774,027,563
Diluted number of shares, average, excluding treasury shares	140,500,632	140,312,597	+0.1%	140,361,039
Total number of shareholders	93,658	83,339	+12.4%	88,722
Trading volume, EUR million	1,175.9	1,490.2	-21.1%	2,651.5
Shares traded	31,151,343	33,850,734	-8.0%	65,481,290
Total shares traded, % of total shares	22.1%	24.0%		46.4%
Market capitalisation at the end of the period excluding treasury shares, EUR million	5,595.1	5,362.3	+4.3%	5,509.3



## CALCULATION OF THE KEY FIGURES

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

## ACCOUNTING POLICIES

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

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

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

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

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

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