



100

Orion Capital Markets Day 2017

18 May 2017 Helsinki

Agenda

Orion's century 1917-2017	Movie
Orion's Strategy	Timo Lappalainen, President & CEO
R&D update, part I	Christer Nordstedt, SVP, Research & Development
Break	
Specialty Products update	Liisa Hurme, SVP, Specialty Products
Proprietary Products update	Markku Huhta-Koivisto, SVP, Proprietary Products
Break	
R&D update, part II	Christer Nordstedt, SVP, Research & Development
Orion's Financial Targets	Jari Karlson, CFO
Closing remarks	Timo Lappalainen, President & CEO
Lunch	

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.

Orion's century 1917-2017



[Watch the film](#)

*Suomi
Finland*
100

Orion's centennial
www.orion.fi/en/orion100



100

Orion's Strategy

Timo Lappalainen, President & CEO

Orion today - year 2016 in figures



Net sales 1,074 MEUR
Operating profit 315 MEUR



Personnel 3 469



R&D investments
118 MEUR

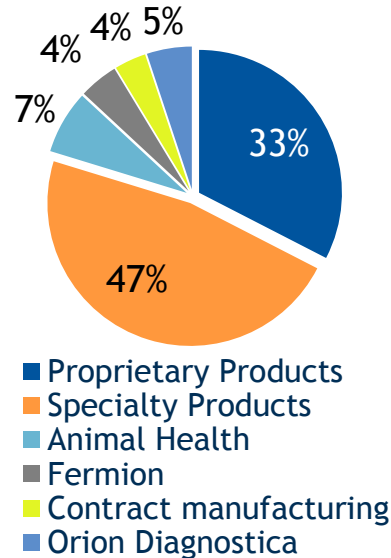


6 production sites in
Finland

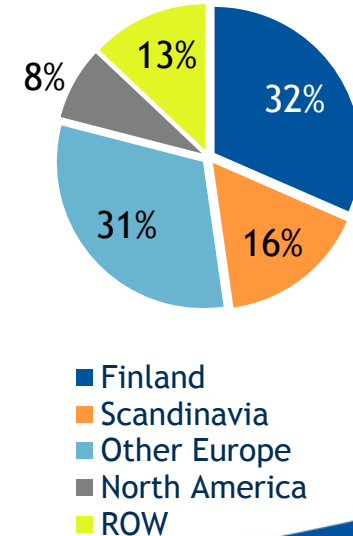


Own sales unit in
26 European countries

Sales split by business

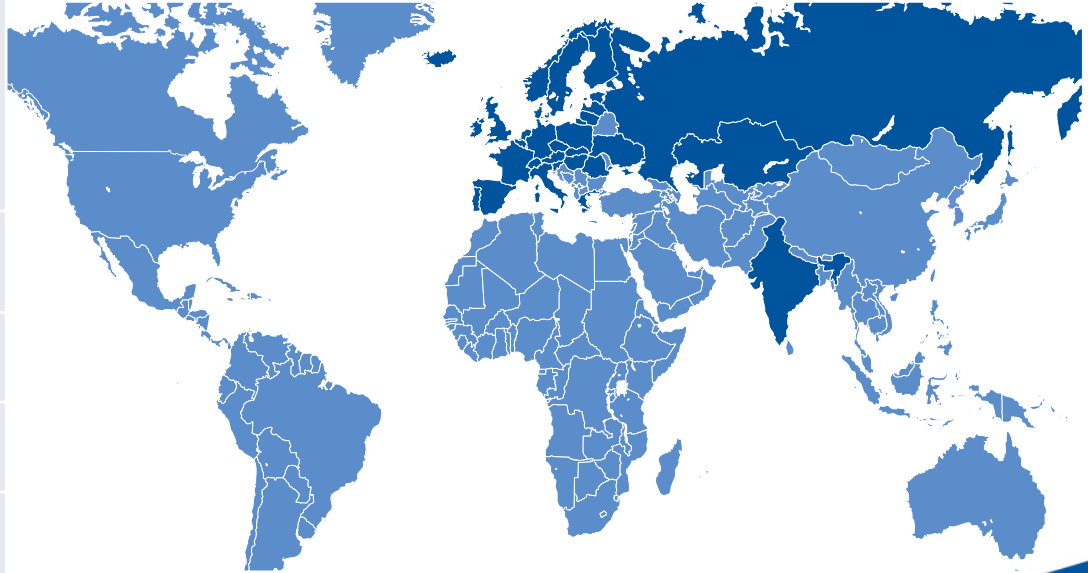


Sales split by market area



Orion has operations in 27 countries

Finland	<ul style="list-style-type: none">-HQ-Research & development-Six production sites-Sales unit-Support functions
UK	<ul style="list-style-type: none">-Sales unit-Research & development
Europe	<ul style="list-style-type: none">-Sales unit in 26 countries
India	<ul style="list-style-type: none">-Support functions
ROW	<ul style="list-style-type: none">- Global partner network



Key developments 2014 to 2016



 Easyhaler® +28 MEUR

 dexdor® +22 MEUR

Specialty
Products
+81 MEUR



 Stalevo Comtess COMTan

-45 MEUR

 Precedex®
(dexmedetomidine HCl Injection) -10 MEUR

- + Easyhaler budesonide-formoterol combination launches in Europe
- + 3 new projects in clinical development pipeline (darolutamide mHSPC, ODM-109, ODM-207)
- + MAA for Easyhaler salmeterol-fluticasone combination product in Europe
- + New strategic research partnerships
- 3 development projects discontinued (ODM-106, ODM-108, ODM-204)
- Expansion of Stalevo generic competition
- Generic threat to dexdor®

In 2017: New SVP, R&D appointed

Orion's strategy – Mission to build well-being

Ageing population	Advancements in science					
Cost burden in healthcare	Launching innovative and cost-effective pharmaceuticals and treatment methods for patients		Working together for our customers		Succeeding Together!	
Increased personal responsibility for health	Continuously improving our performance in sustainability	Growing faster than the market		Quality and safety	Productivity and flexibility	Strengthening our position in Europe
	Strong development of profitability is a target		Partnerships	Competitive product portfolio		Smart-to-Market
 Megatrends	 Strategic targets				 Top Supply Chain	 Future R&D
 Focus areas	 Strategic development projects					



Orion's values

Customer focus

Mutual trust and respect

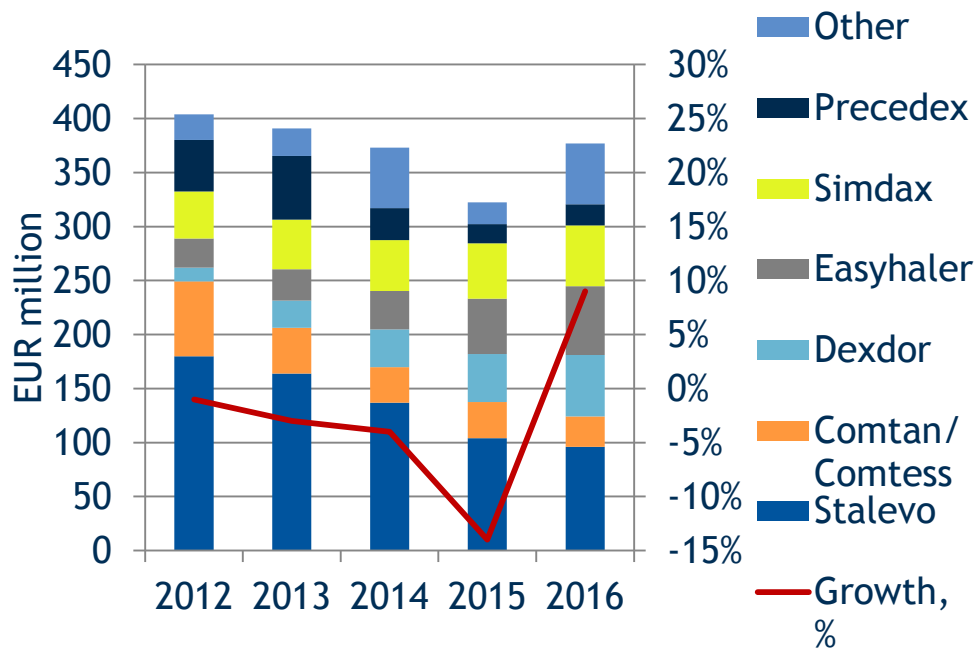
Orion people
Building Well-being

Quality, reliability and safety

Innovation

Achievement

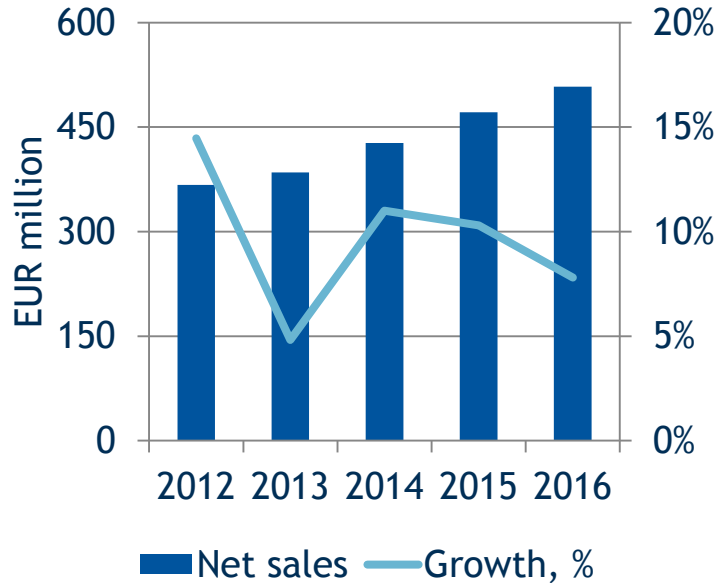
Proprietary Products back on growth track



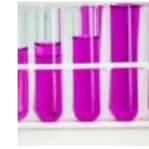
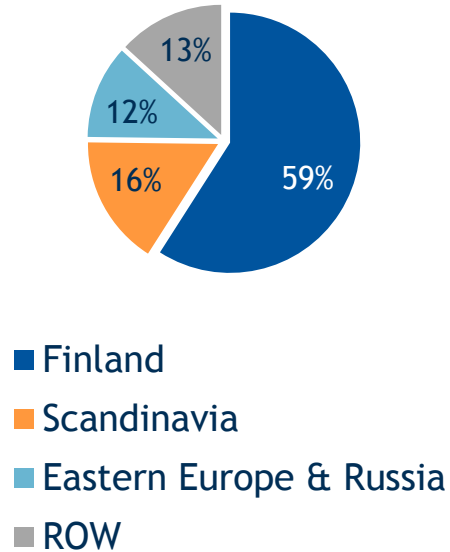
R&D Pipeline

Project	Indication	PHASE	Registration
Easyhaler® salmeterol-fluticasone	Asthma, COPD	Bioequivalence study	Registration
Darolutamide (ODM-201) ¹⁾	Prostate cancer (nmCRPC)	I II III	
Darolutamide (ODM-201) ¹⁾	Prostate cancer (mHSPC)	I II III	
Levosimendan ²⁾	Low Cardiac Output Syndrome	I II III	

Steady sales growth for Specialty Products

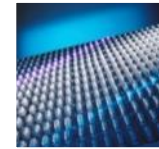


Sales split 2016



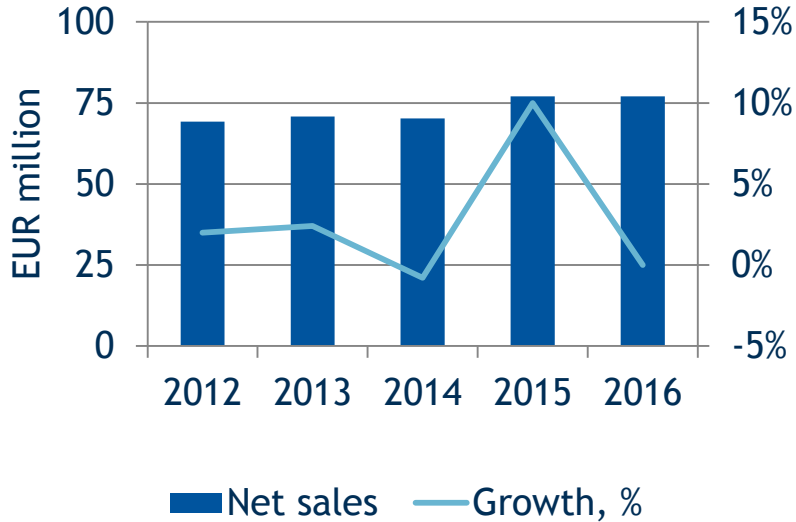
Biosimilars

Gx

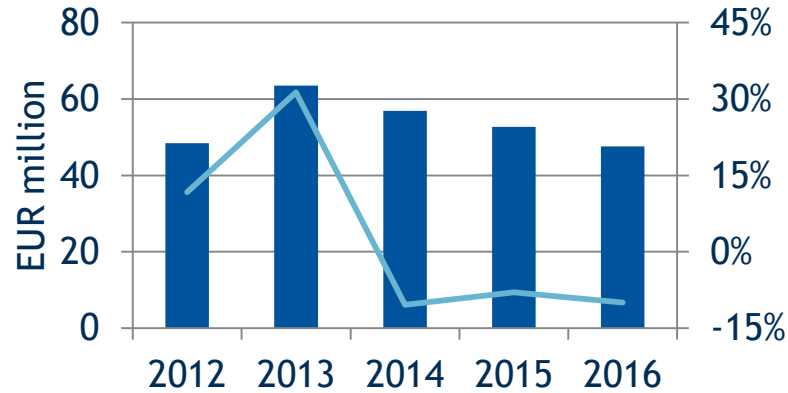


OTC

Animal Health - something old, something new



Fermion has an important strategic role



■ Net sales* — Growth, %

*) Excluding supply to Orion



APIs for Orion's proprietary products

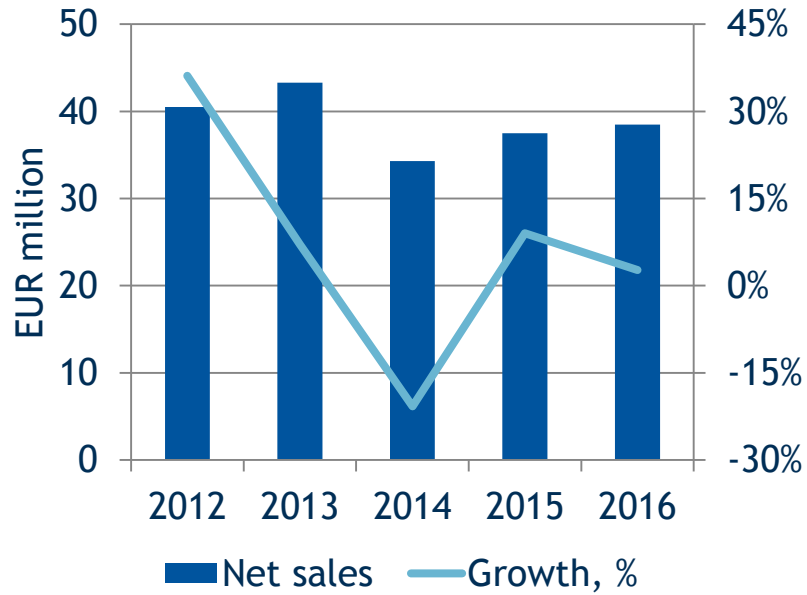


Generic APIs for Orion and other pharmaceutical companies



Contract development and manufacturing

Contract manufacturing & other

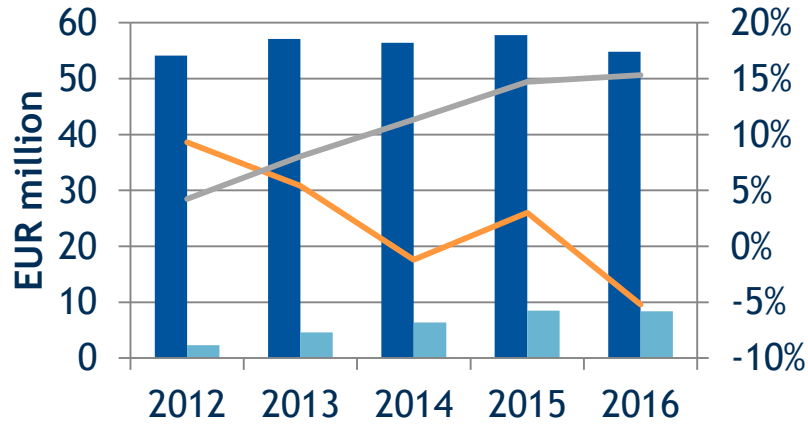


Pharmaceutical manufacturing for other companies



Orion has special capacity e.g. in hormonal gel products

Orion Diagnostica



- Net sales
- Operating profit
- Sales growth, %
- Operating profit margin



QuikRead



GenRead

Investments for future growth

HANKO 2018

Fermion's new
production facility



Easyhaler production
capacity expansion



R&D

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%.



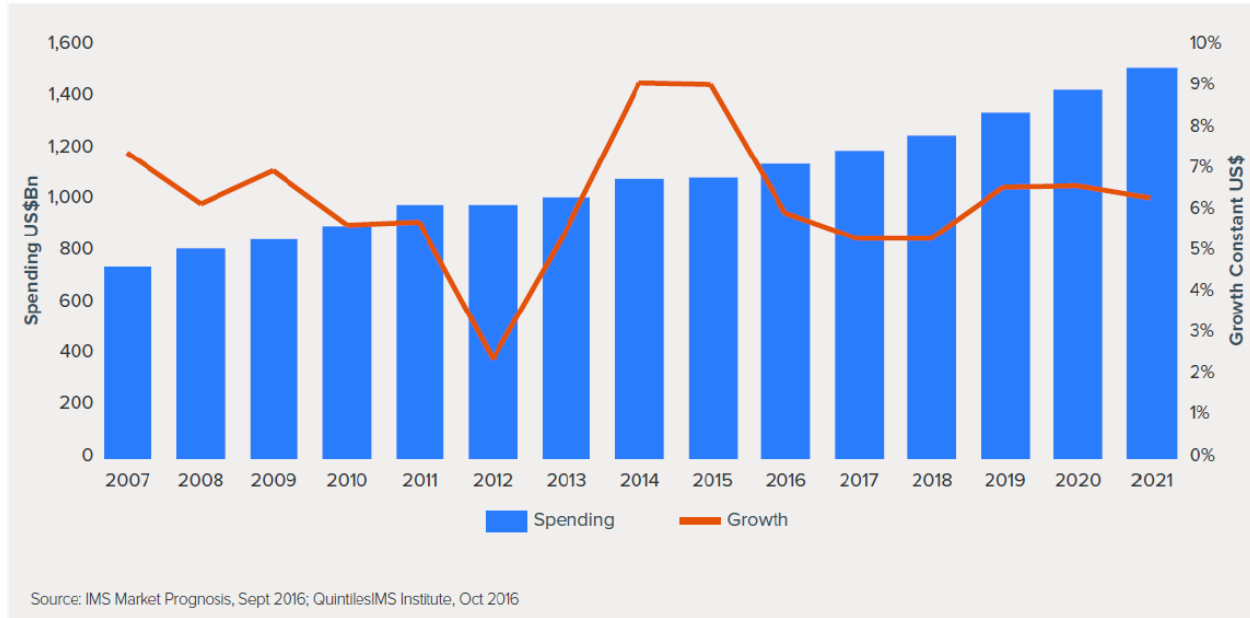
Maintaining profitability at a good level. The aim is operating profit that exceeds 25% of net sales.



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.

World pharma market development

Global Market Spending and Growth 2007–2021



Outlook for Global Medicines Through 2021: Balancing Cost and Value Report, QuintilesIMS Institute, Oct 2016



100

R&D review Part I

Christer Nordstedt
SVP, Research & Development

Previous Experience - Christer Nordstedt

1/2

1983

1990

1997

2000

2007

2011

2017



Academia
(MD, PhD, post-doc)

Lab Head

Various Vice President roles with increasing responsibilities

Previous Experience - Christer Nordstedt

2/2

Extensive experience of small molecule and biologics (monoclonal antibodies and other protein drugs)

Strong interest in translational aspects (bringing basic research to practical patient use)

Extensive experience of partnering (in- and out licensing, academic collaborations)

Primarily Discovery and Early Development (through phase 2A/proof of concept) experience but also phase 3 and Life cycle Management

Strong interest in combining therapeutics and diagnostics and personalization of treatments

Research Philosophy

“The patient comes first!”

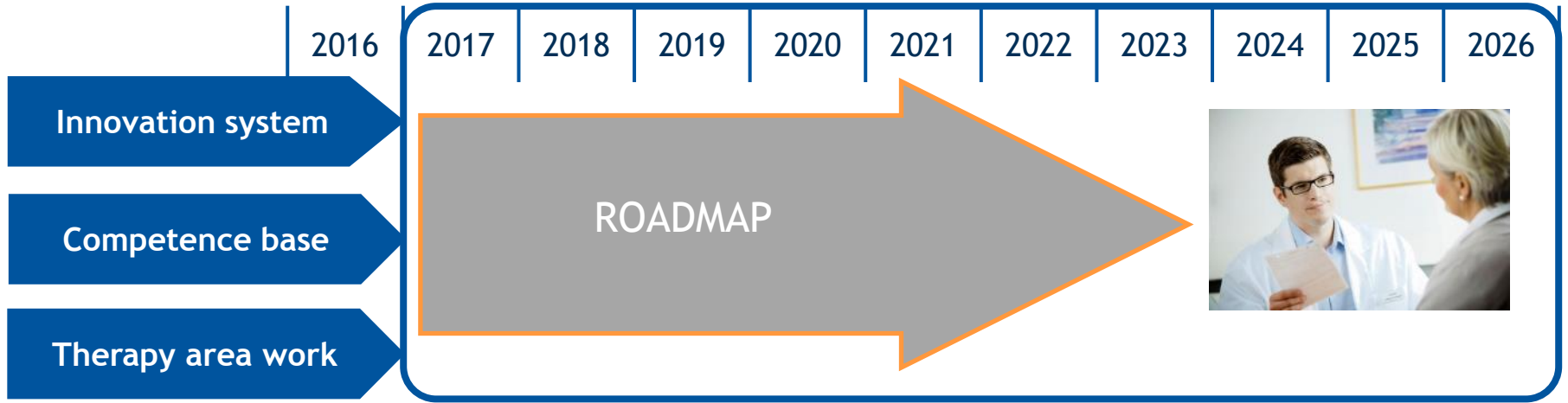
Mechanistic approach to diseases -
Understanding and targeting underlying disease processes

Agnostic with regard to modalities - small molecules, biologics and beyond

“The power of genetics” - Finland an excellent arena for that type of research

Wearable technology and “digital biomarkers/end-points”

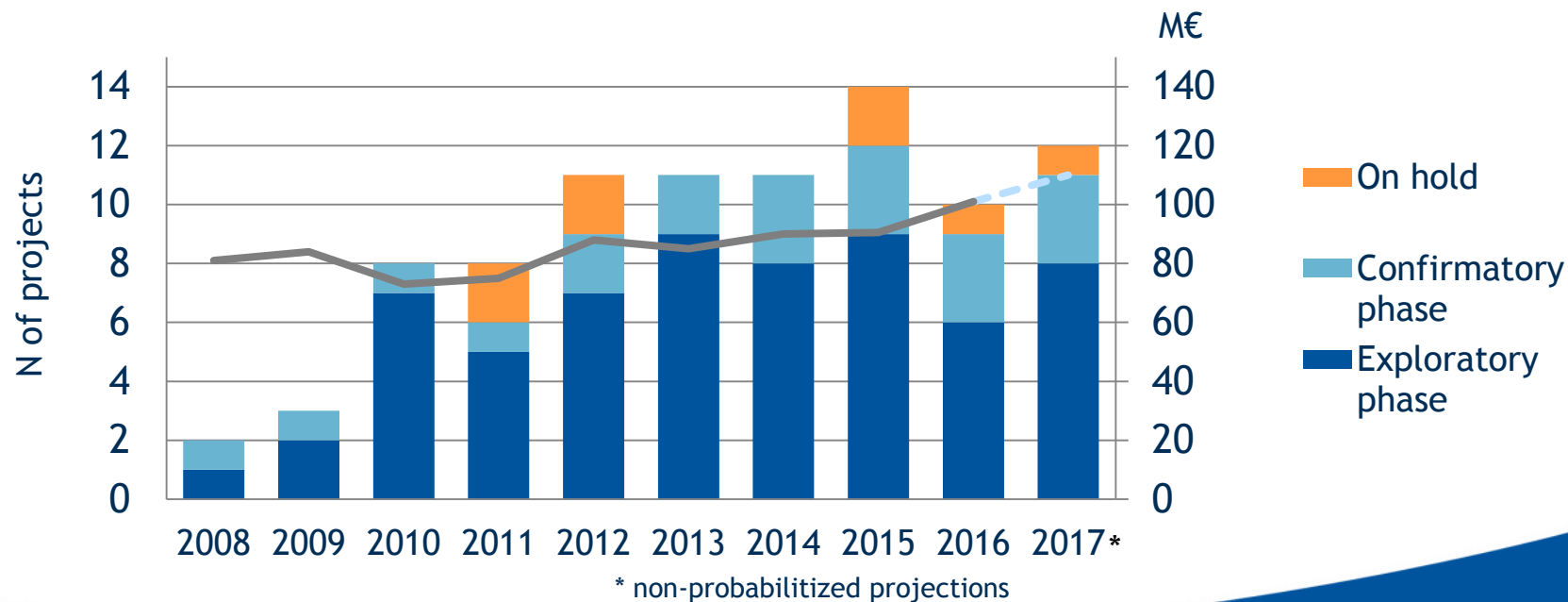
Building the R&D future success



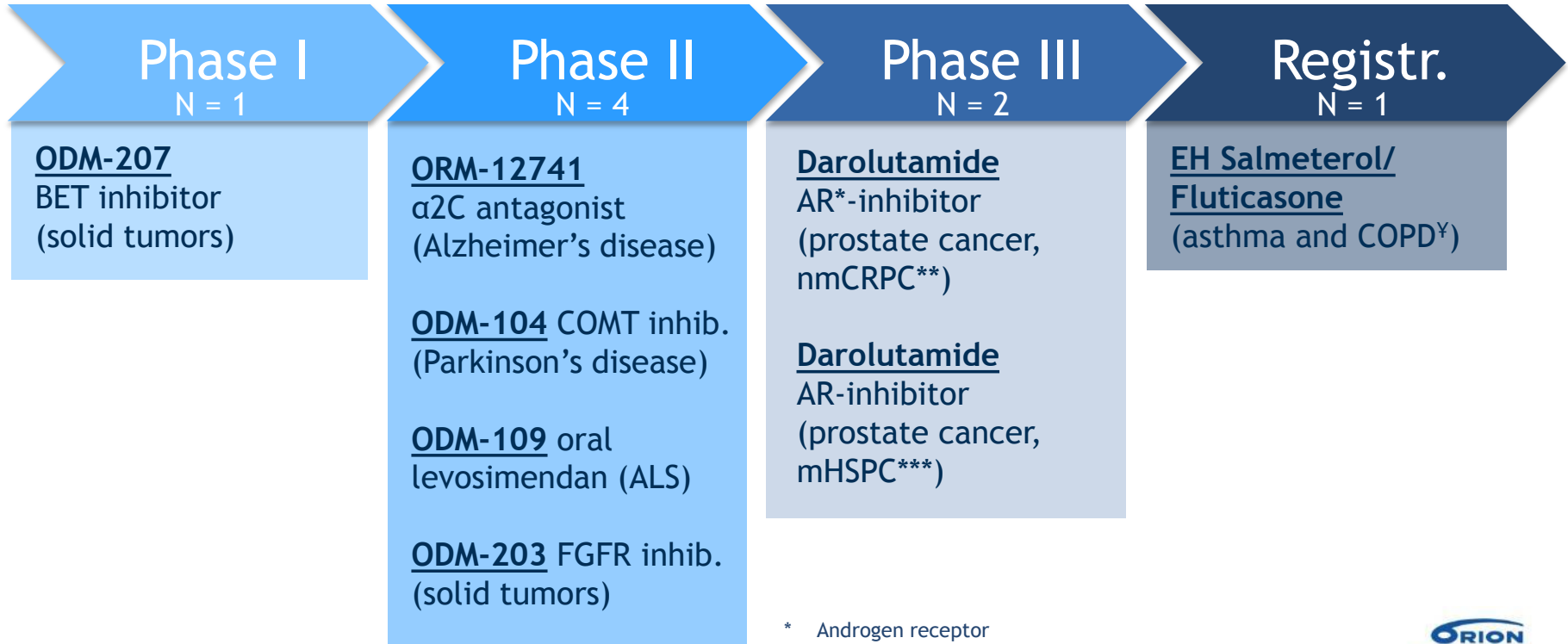
- ODM-207
- ODM-109
- ODM-203
- ODM-104
- ORM-12741
- Darolutamide

Bringing treatments to patients addressing unmet needs also in the future require capability to discover and develop less validated targets, new treatment concepts and increasing collaboration with academic partners

R&D development portfolio is maturing and more confirmatory programs expected in the portfolio



On-going drug development projects at Orion R&D (May 2017)



* Androgen receptor

** non-metastatic Castration Resistant Prostate Cancer




*** metastatic Hormone Sensitive Prostate Cancer

‡ Chronic Obstructive Pulmonary Disease

Key clinical pharmaceutical development projects 1/2

Project	Indication	PHASE			Registration
Easyhaler® salmeterol-fluticasone	Asthma, COPD	Bioequivalence study			Registration
Darolutamide (ODM-201) ¹⁾	Prostate cancer (nmCRPC)	I	II	III	
Darolutamide (ODM-201) ¹⁾	Prostate cancer (mHSPC)	I	II	III	
Levosimendan ²⁾	Low Cardiac Output Syndrome	I	II	III	

¹⁾ In collaboration with Bayer ²⁾ Partner: Tenax Therapeutics, Inc.



	= Phase completed
	= Phase ongoing
	= Status changed

More info about R&D projects at: <http://www.orion.fi/en/rd/orion-rd/pipeline/>

Key clinical pharmaceutical development projects 2/2

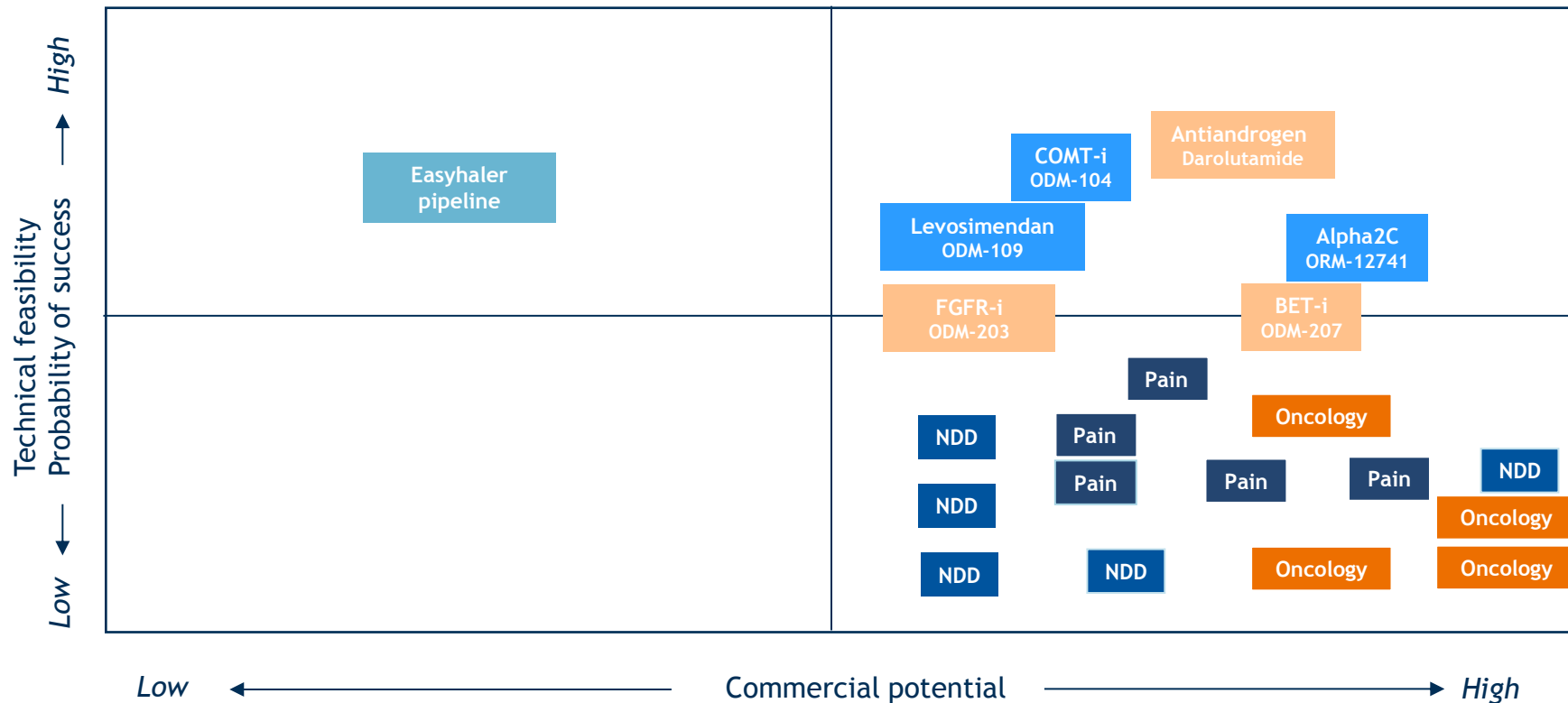
Project	Indication	PHASE			Registration
ODM-109 (oral levosimendan)	ALS	I	II		
ORM-12741 (alpha-2c adrenoceptor antagonist) ³⁾	Alzheimer's disease	I	IIa		
ODM-104 (more effective COMT inhibitor)	Parkinson's disease	I	II		
ODM-203 (targeted FGFR+VEGFR inhibitor)	Solid tumours	I	II		
ODM-207 (BET protein inhibitor)	Cancer	I			

³⁾ In collaboration with Janssen Pharmaceuticals

 = Phase completed
 = Phase ongoing

More info about R&D projects at: <http://www.orion.fi/en/rd/orion-rd/pipeline/>

R&D portfolio: Human proprietary projects in research and development phase



NDD = neurodegenerative disease

Several academic and other collaborations both in early and late phase of development





Salmeterol-fluticasone Easyhaler

Easyhalers for treatment of asthma and COPD

Easyhaler® portfolio expanding

Salmeterol-fluticasone Easyhaler® in registration phase in Europe

Favorable bioequivalency study results at the end of 2016

We have utilised the learnings from budesonide-formoterol Easyhaler® development which have significantly increased our understanding of the regulatory requirements

2014 Bufomix Easyhaler®
(budesonide-formoterol)

2004 Formoterol
Easyhaler®
(formoterol)

1994 Beclomet
Easyhaler®
(beclomethasone)



Salmeterol-fluticasone
Easyhaler®



2002 Budesonide
Easyhaler®
(budesonide)

1993 Buventol
Easyhaler®
(salbutamol)

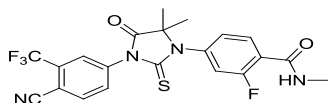


Darolutamide (ODM-201)

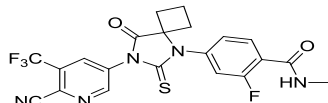
A novel second generation androgen receptor (AR) inhibitor for the treatment of prostate cancer

In collaboration with Bayer

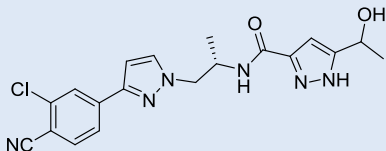
Darolutamide has a unique profile



Enzalutamide



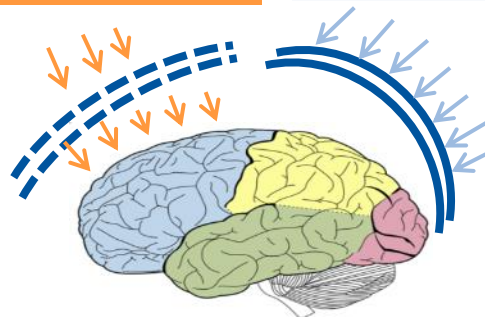
Apalutamide



Darolutamide

Enzalutamide 19%*
Apalutamide 29%*

Darolutamide 3% **



Compound	AR affinity Ki (nM)	Antagonism IC50 (nM)				Proliferation VCaP IC50 (nM)
		WT AR	AR (F876L)	AR (T877A)	AR (W741L)	
Bicalutamide	12	150	218	957	Agonist	
Enzalutamide	86	155	Agonist	296	>10000	400
Apalutamide (ARN-509)	68	168	Agonist	1130	>10000	300
Darolutamide	9	65	66	1782	1500	500

*Refs. Clegg et al, 2012; Forster et al, 2011
** Rat autoradiography (QWBA confirms brain/plasma ratio of 14C-darolutamide related radioactivity was 0.04-0.06, indicating negligible penetration to the brain)

- Darolutamide blocks the function of androgen receptor in both biochemical and cell assays with equal or better potency compared to enzalutamide and apalutamide
- Low likelihood for brain entry demonstrated in preclinical models

Darolutamide Clinical studies

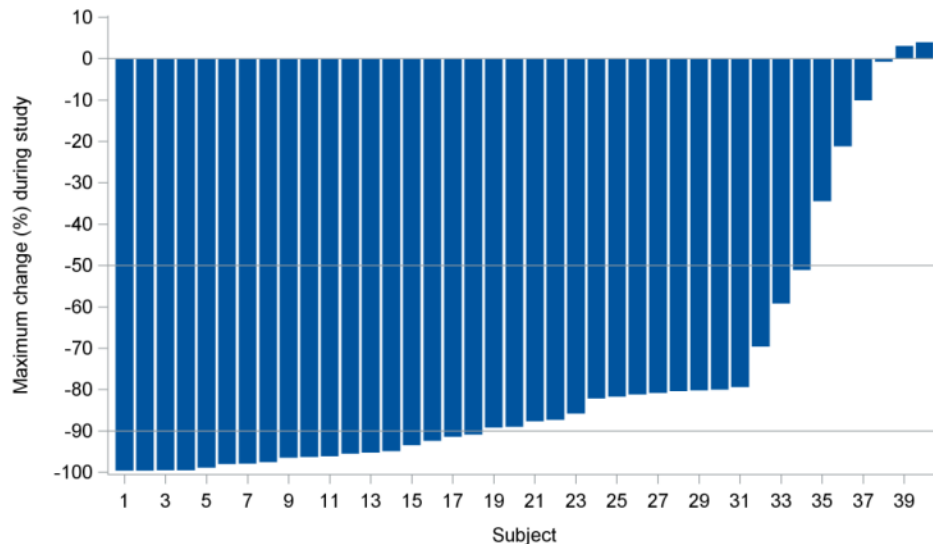
Study	Phase	Populations	N	Daily Dose (mg)	Status	ClinicalTrials.gov identifier
ARADES	I/II	mCRPC* <ul style="list-style-type: none"> • Chemo/CYP17 naïve • Post chemo/ CYP17 naïve • Post CYP17 	134	200-1800	Completed	NCT01317641
ARADES ext	II	mCRPC* <ul style="list-style-type: none"> • Chemo/CYP17 naïve • Post chemo/ CYP17 naïve • Post CYP17 	76	200-1800	Completed	NCT01317641
ARAFOR	I	Chemo-naïve mCRPC*	30	1200	Ongoing	NCT01784757
ARIADME	I	Healthy subjects	12	300	Completed	NCT02418650
ARAMIS	III	nmCRPC**	1500	1200	Ongoing	NCT02200614
ARASENS	III	mHSPC***	1300	1200	Ongoing	NCT02799602

* metastatic Castration Resistant Prostate Cancer
 ** non-metastatic Castration Resistant Prostate Cancer
 *** metastatic Hormone Sensitive Prostate Cancer

Darolutamide showed significant and durable antitumour activity at clinical dose levels

(phase I/II studies, mCRPC patients naïve for chemotherapy and CYP17-inhibitor, 1200, 1400, and 1800 mg bid)

Maximum PSA* % change from baseline

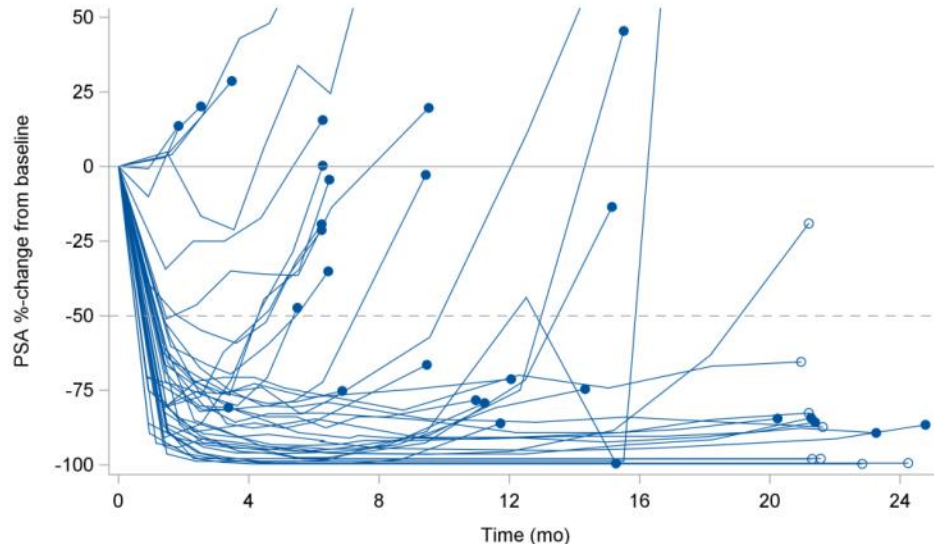


Each bar (left) or line (right) represents one subject.

* Prostate-specific antigen

Shore et al. European Urology Focus, 2017, online 14 February 2017

PSA* % change from baseline



Median time to PSA* progression - 12 months (95%CI 6-18)

- Subject in study at cut-off
- Subject discontinued study

Darolutamide Phase III study ongoing in non-metastatic castration resistant prostate cancer (nmCRPC)

- nmCRPC patients who are at high risk for developing metastatic disease are included
- Primary endpoint
 - Darolutamide over placebo in metastasis-free survival (MFS)
- Secondary endpoints
 - Overall survival, time to first symptomatic skeletal event (SSE), time to first initiation of cytotoxic chemotherapy, time to pain progression, and to characterize the safety and tolerability of darolutamide
- The study is proceeding as planned with estimated completion in 2018



ClinicalTrials.gov identifier:
NCT02200614

Darolutamide Phase III study ongoing in metastatic hormone sensitive prostate cancer (mHSPC)

- mHSPC patients candidate for ADT (hormonal therapy) and docetaxel (chemotherapy) are included. Treatment Darolutamide with ADT and six cycles of docetaxel
- Primary endpoint
 - Darolutamide over placebo in overall survival
- Secondary endpoints
 - Time to castration resistance, time to antineoplastic therapy, time to first symptomatic skeletal event, time to initiation of opioids, time to pain progression, and to characterize the safety and tolerability of darolutamide
- The study is proceeding as planned with estimated completion in 2022



[ClinicalTrials.gov identifier:](https://clinicaltrials.gov/ct2/show/study/NCT02799602)
[NCT02799602](https://clinicaltrials.gov/ct2/show/study/NCT02799602)



ODM-203
A unique and selective dual FGFR+VEGFR inhibitor for FGFR-dependent tumors

Rationale for combining FGFR* and VEGFR** inhibition

Constitutively active FGFRs are oncogenic in non-clinical studies

Both VEGFR and FGFRs are drivers for angiogenesis, a hallmark of tumorigenesis

FGFR amplifications have an impact on patient survival in studied cancer types (breast, lung, and gastric)

VEGFR expression correlates with survival or progression in tumor types with high incidence of FGFR alterations (bladder, breast, lung, gastric)

FGFR signaling is a known escape mechanism for anti-VEGFR treatments

* Fibroblast Growth Factor Receptor

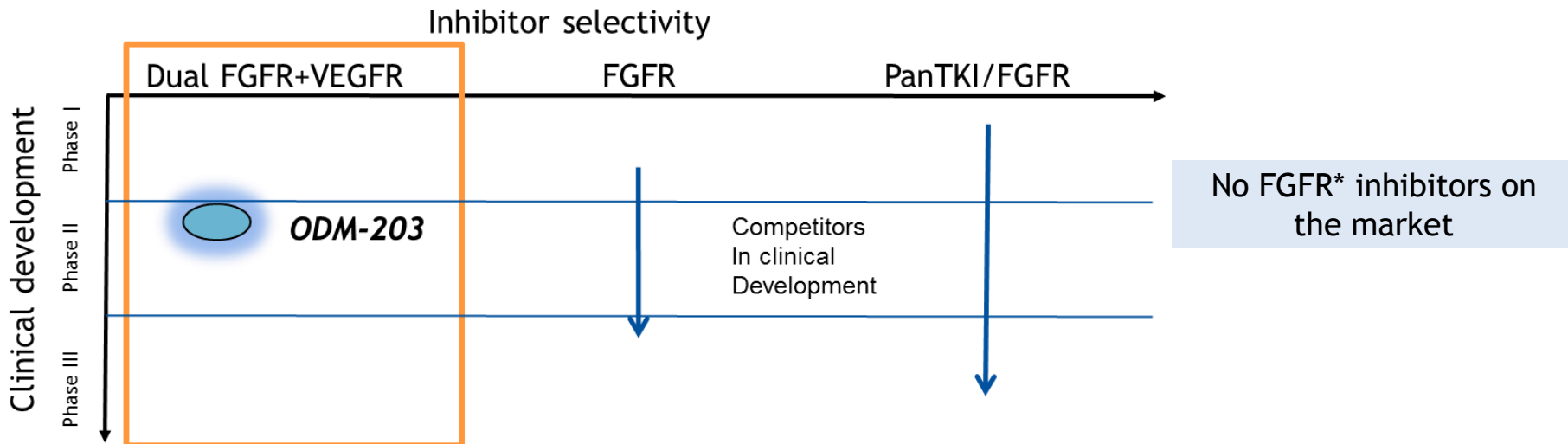
** Vascular Endothelial Growth Factor Receptor

Angiogenic indications with altered FGFR* signalling

Tumor type	Genomic alterations of FGFRs and FGFs
Breast (luminal)	~35% (FGFR1 amp, FGFR2 amp, FGFR4 amp, FGFs)
NSCLC-SCC	~20% (FGFR1 amp, FGFR2 amp)
Bladder (invasive)	~15% (FGFR3 fusions, FGFR1 amp, FGFs)
Prostate	~14% (FGFR1 amp, FGFR2&3 fusions)
Colorectal	~10% (FGFR1 amp, FGFR3 mut)
Endometrial	~10% (FGFR2 mut)
Gastric	~7% (FGFR2 amp)
Renal	~6% (FGFR4 amp)

* Fibroblast Growth Factor Receptor

ODM-203 is the only equally balanced selective dual FGFR*/VEGFR** inhibitor



In vitro kinase activity

Ratio	ODM-203	Lucitanib
FGFR1/VEGFR2	1:1	1:6

Cell based activity

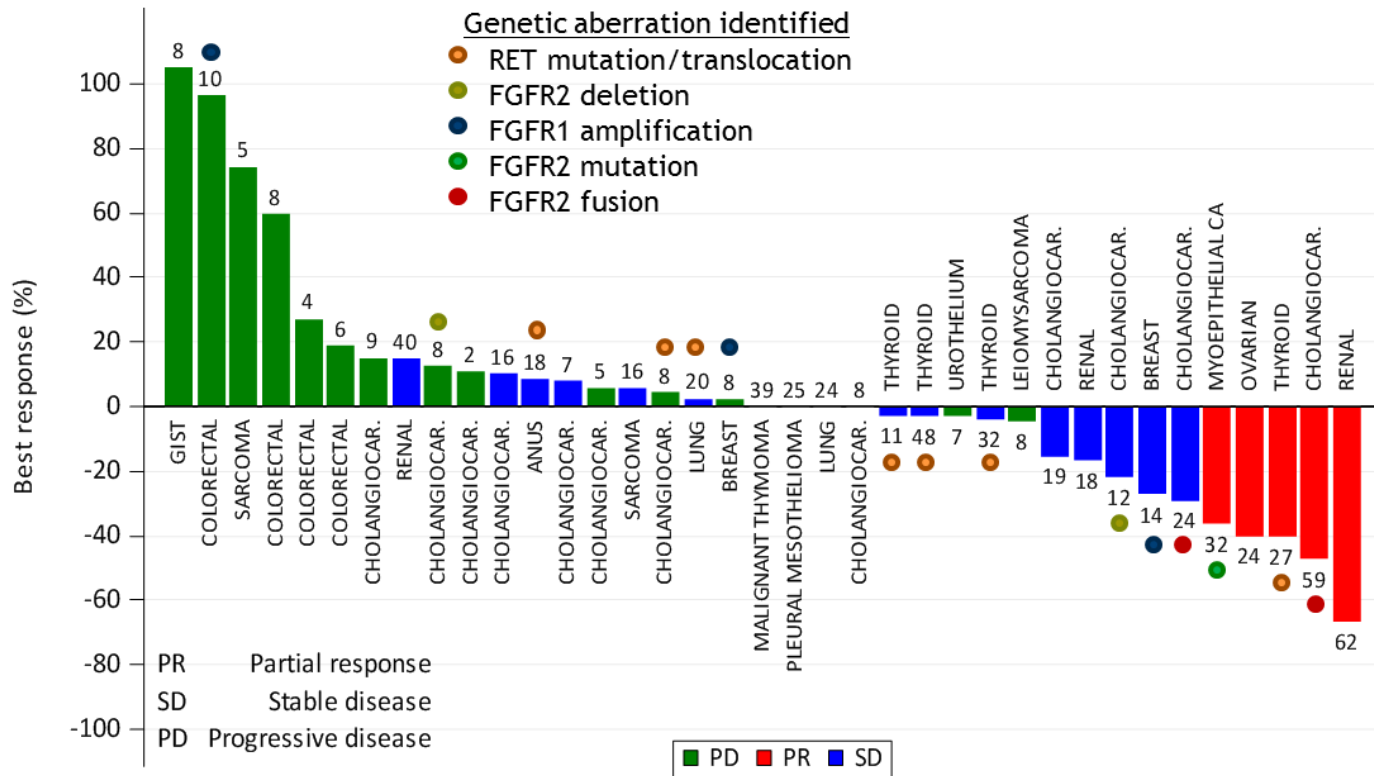
Cell line (receptor), Ratio	ODM-203	Lucitanib
FGFR/Angiogenesis	1:2	1:100

- ODM-203 has very high kinase selectivity against FGFR1-4 and VEGFR1-3
- Equally balanced inhibition may provide better efficacy/safety profile

* Fibroblast Growth Factor Receptor

** Vascular Endothelial Growth Factor Receptor

ODM-203 Best tumour response (RECIST*) in KIDES study



Patients were generally not selected by molecular screening and tumor genetic profiling data are incomplete

- 5 partial responses with durable stable disease in a number of other patients.
- 2 patients have received ODM-203 treatment for >1 year
- Reductions in target lesions were seen in patients with significant FGFR genetic aberrations as well as in patients with VEGFR-sensitive tumors without FGFR genetic aberration

From poster by P. Bono et al., presented at The Cholangiocarcinoma Foundation Annual meeting, 1-3 Feb 2017, Salt Lake City, Utah

ODM-203 - current status

ODM-203 (targeted FGFR+VEGFR inhibitor)

Solid tumours



KIDES trial with Phase II expansion ongoing

- The trial is investigating
 - Safety and tolerability of ODM-203 in subjects with advanced solid tumours
 - Efficacy of ODM-203 in slowing the growth of solid cancerous tumours in patients in which FGFR changes in cancerous tumours have been detected

[ClinicalTrials.gov identifier: NCT02264418](https://clinicaltrials.gov/ct2/show/study/NCT02264418)

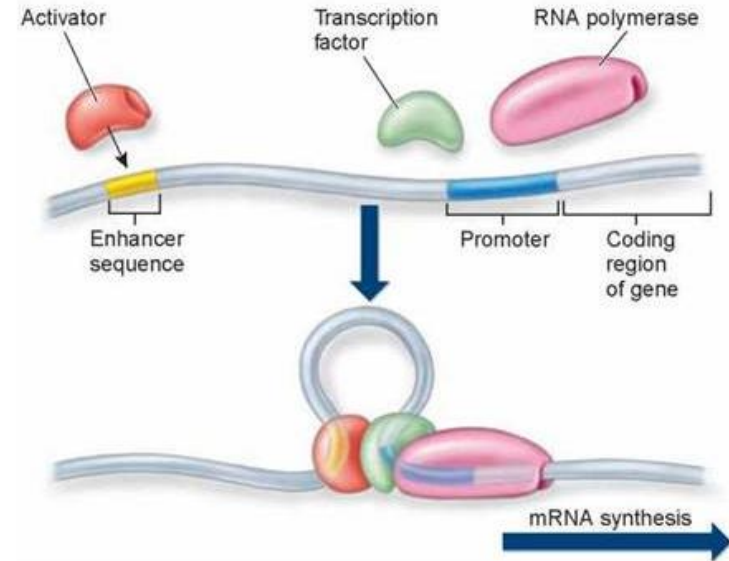


ODM-207

Unique BET inhibitor for solid tumors

Target: BET proteins which regulate expression of oncogenes

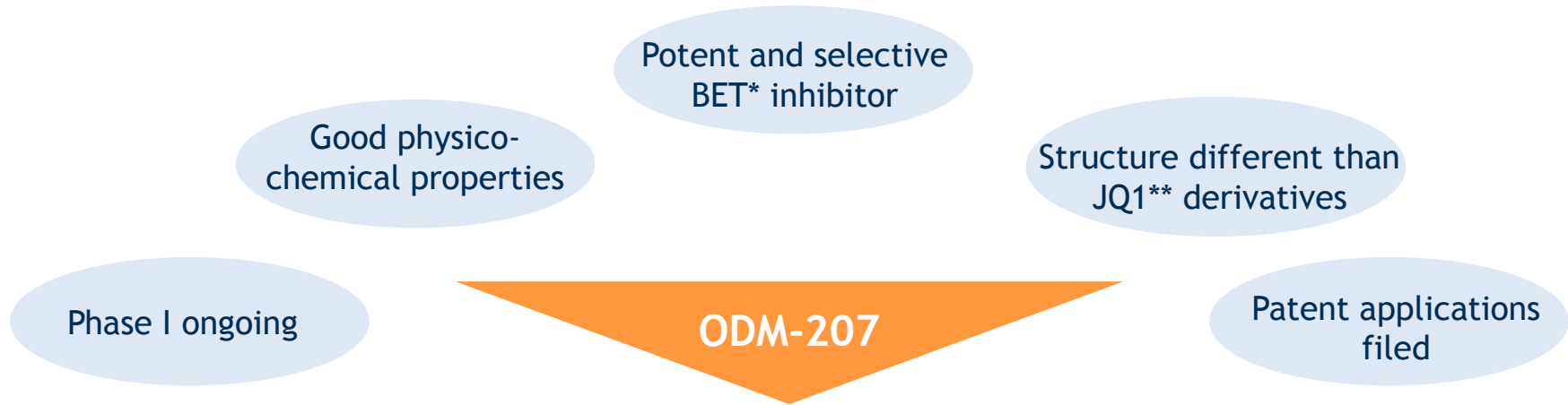
- BET proteins occupy regulatory elements of DNA (superenhancers) in many key oncogenes
 - They increase the expression target oncogenes
- BET target genes include: **Myc**, **MycN**



ODM-207

- Binds to BET proteins
- Inhibits transcription of key oncogenes such as **Myc** and **MycN** in many cancers

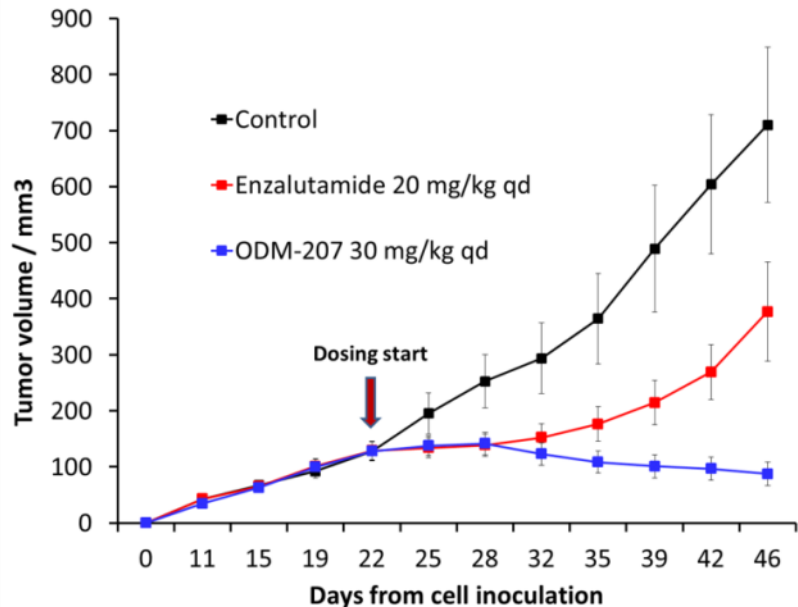
ODM-207 - A unique BET* inhibitor for solid tumours



ODM-207 is an investigational small molecule that has a unique chemical structure designed to block the growth of cancer cells through potent and selective inhibition of BET* family proteins. In preclinical studies, ODM-207 has shown antiproliferative effects in several haematological and solid tumour cell lines.

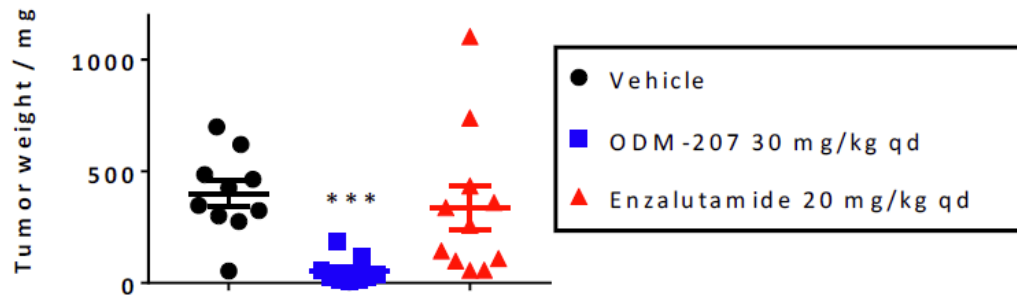
ODM-207 inhibits the tumour growth in enzalutamide-resistant 22Rv1 prostate cancer xenograft

Effect of ODM-207 on tumour volumes

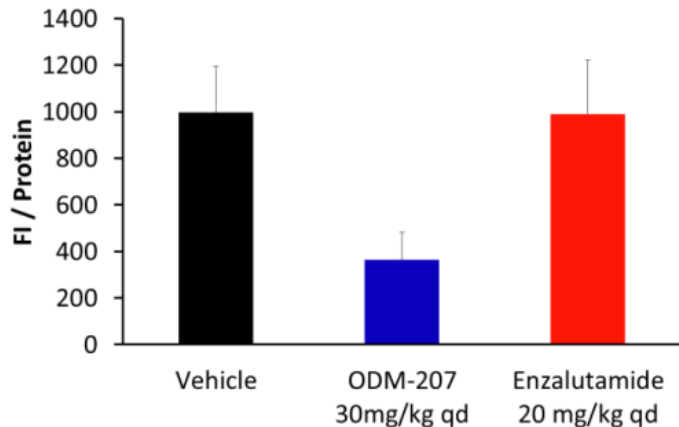


From poster Björkman et al., presented in EORTC-NCI-AACR in 11-12/2016

Effect of ODM-207 on tumour weights



ODM-207 inhibits Myc in *in vivo* efficacy study



ODM-207 - current status

ODM-207 (BET protein inhibitor)

Cancer

I

BETIDES phase I/II trial ongoing

- The trial is investigating
 - PK, safety and tolerability, and antitumour activity of ODM-207 in subjects with advanced solid tumours

[ClinicalTrials.gov identifier: NCT03035591](https://clinicaltrials.gov/ct2/show/study/NCT03035591)

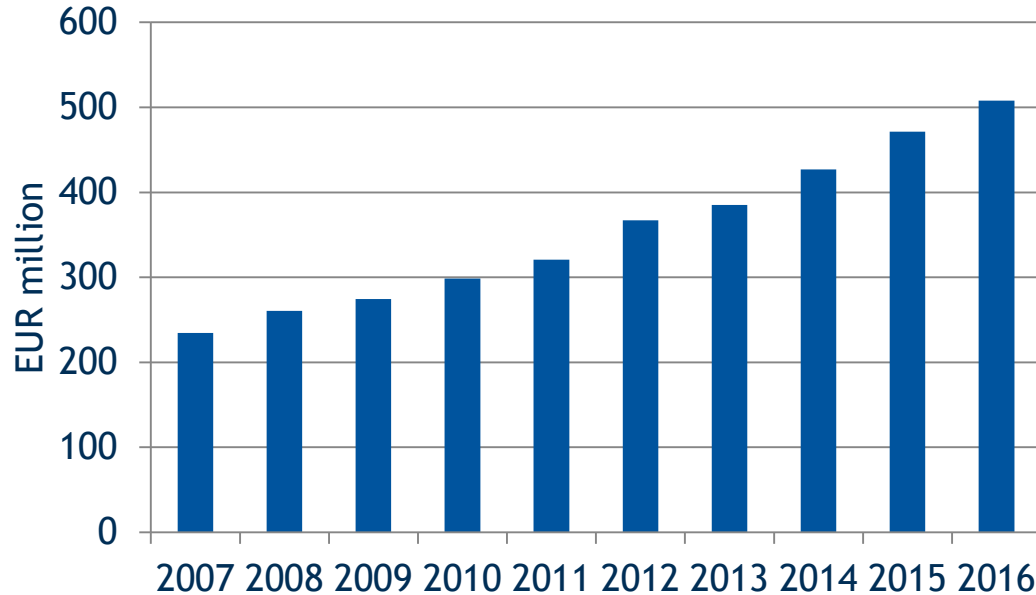


Specialty Products - strong offering of generic prescription drugs, biosimilars and self-care

Liisa Hurme
Senior Vice President, Specialty Products
Chairman of the Board, Fermion Oy



Specialty Products division has generated steady sales growth



SpP Key figures from 2016

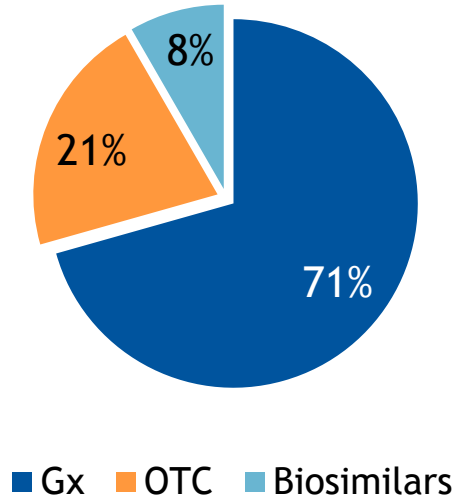
~2 300 MAs

~3 400 SKUs

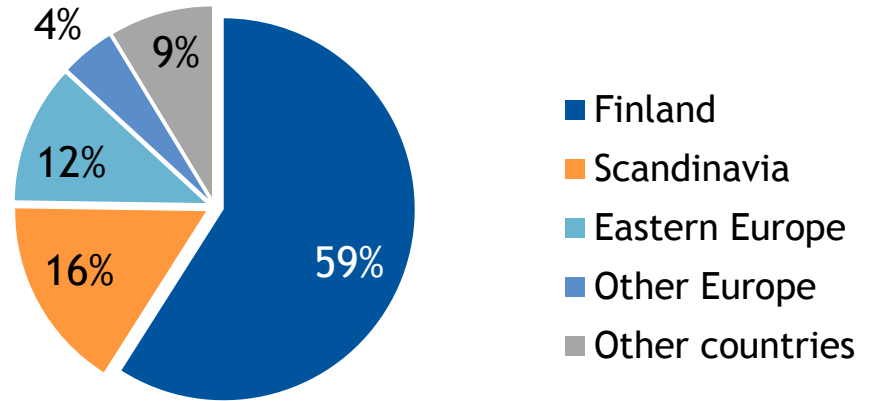
Net sales EUR 508 million

Generic Prescription Drugs and Nordics in Focus

Breakdown of SpP net sales by Business Units 2016



Breakdown of SpP (Gx & OTC) net sales by geographic area 2016

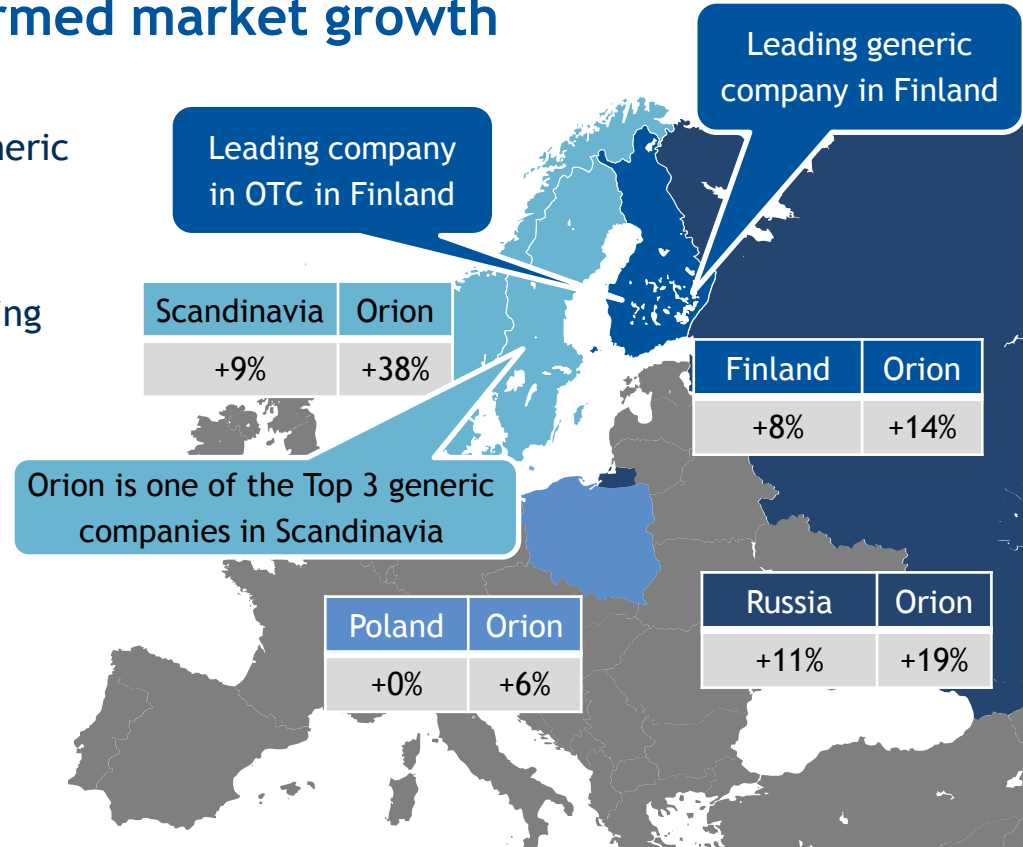




Generic Prescription Drugs

SpP Gx business has outperformed market growth

- Nordic region is Orion's home base for generic products
- In Finland, Orion continues to be the leading generics player with 42% market share
- Orion is growing faster than the market in Nordics, Poland and Russia
- Orion holds a significant market share in neurology and psychiatry in Poland



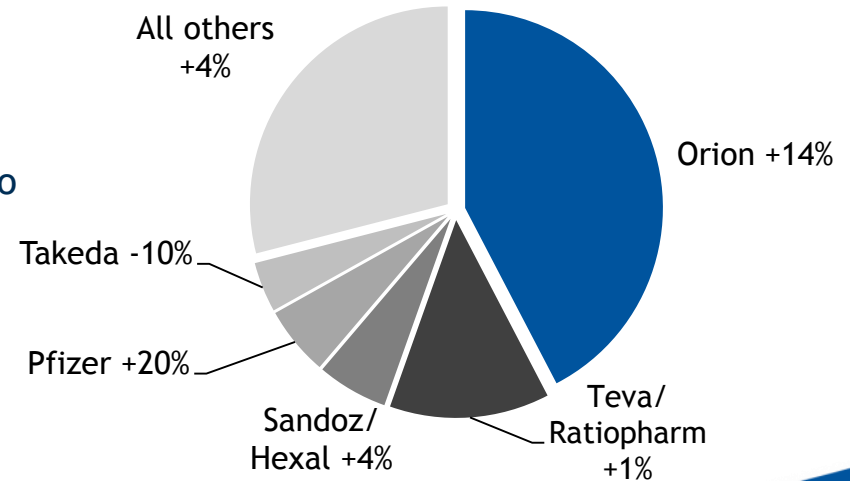
Source: QuintilesIMS - MIDAS, Gx and biosimilar sales growth 2016 vs. 2015 in EUR, except Russia in RUB

Recent changes in Finland will have an effect on market value

Recent Changes in the Finnish Pharmaceutical Market

- Price band decreased from EUR 1.5 to EUR 0.5
- Inclusion of the parallel imported (PI) products into the reference pricing category
- Estimated Gx market market growth in Finland 4.3% between 2017-2021 (BMI, Q1-2017)

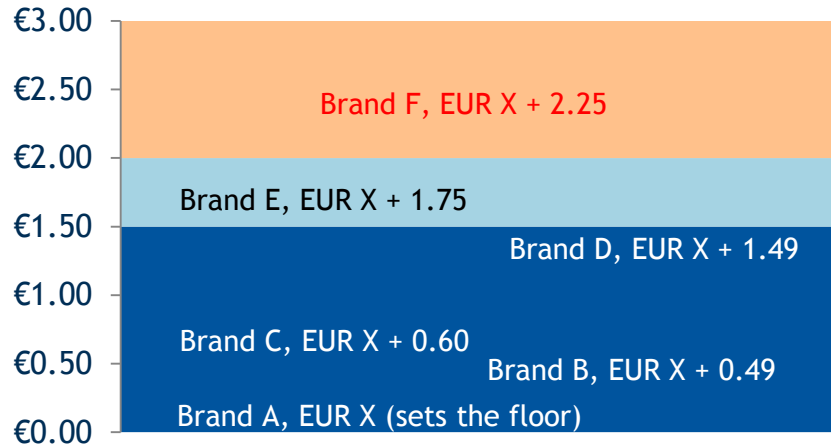
Orion's position in Finland is strong
Finland generics & biosimilars market in 2016



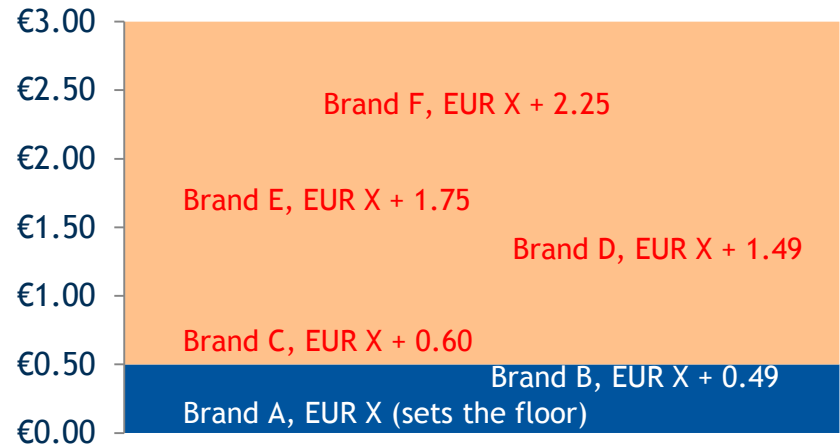
Source: QuintilesIMS-MIDAS, Gx and biosimilar sales growth 2016 vs 2015 in EUR

Change in Finnish reimbursement system for generic prescription drugs

Price corridor prior 2017



Price corridor 1.1.2017 →



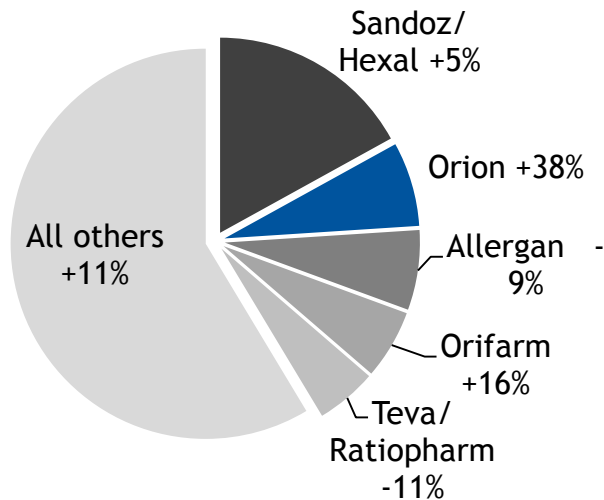
- Reimbursed category I*
- Reimbursed category II**
- Not reimbursed

*) Price/package <EUR 40.0
 **) Price/package ≥EUR 40.0

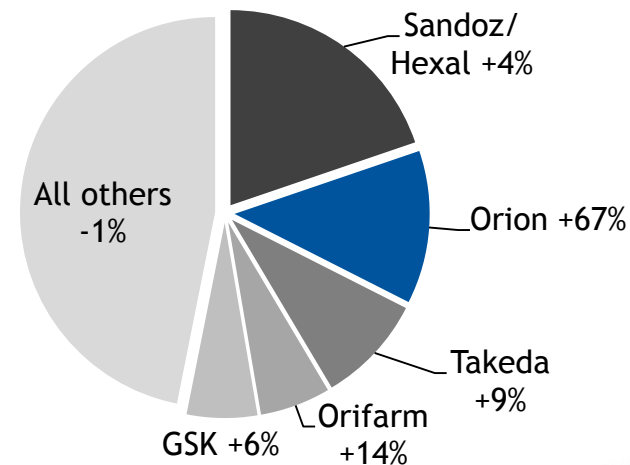
- Reimbursed
- Not reimbursed

Orion is one of the fastest growing Gx companies in Scandinavia

Scandinavia generics & biosimilars market
in 2016 was + 9 % from 2015



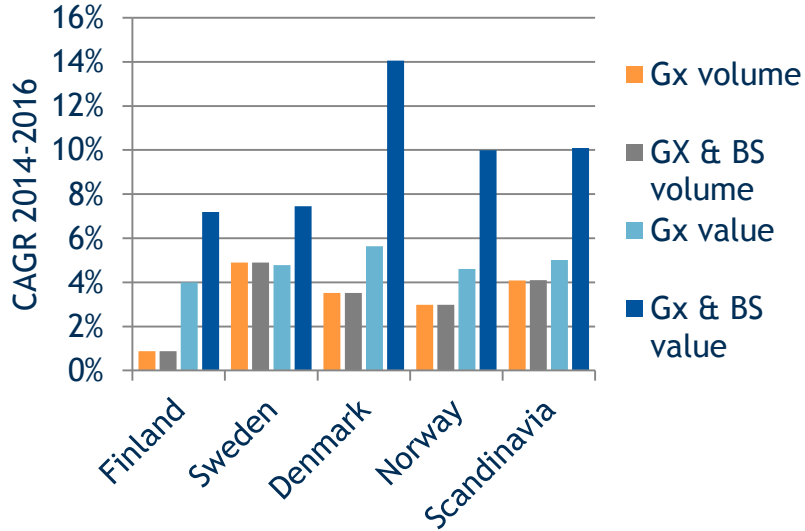
Denmark generics & biosimilars market
in 2016 was + 8% from 2015



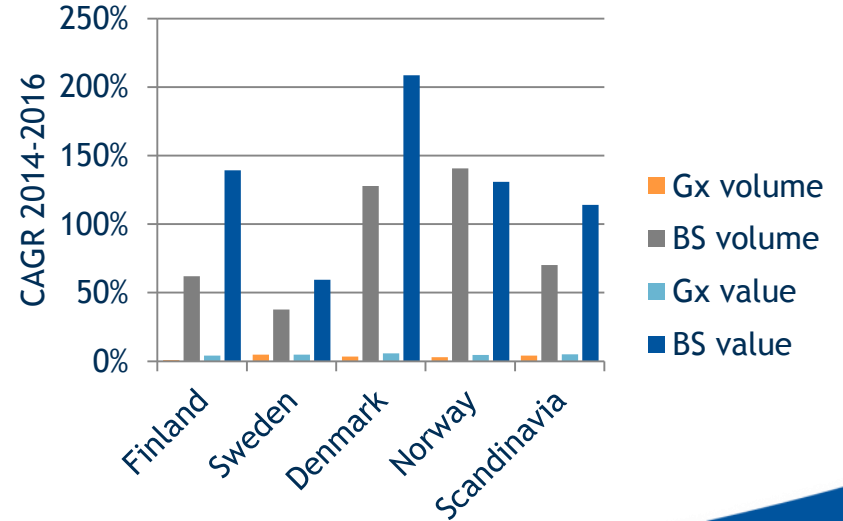
Source: QuintilesIMS-MIDAS, Gx and biosimilar sales growth 2016 vs 2015 in EUR

Biosimilars are driving the market growth

Market volume and value growth by market type



Market volume and value growth by market type



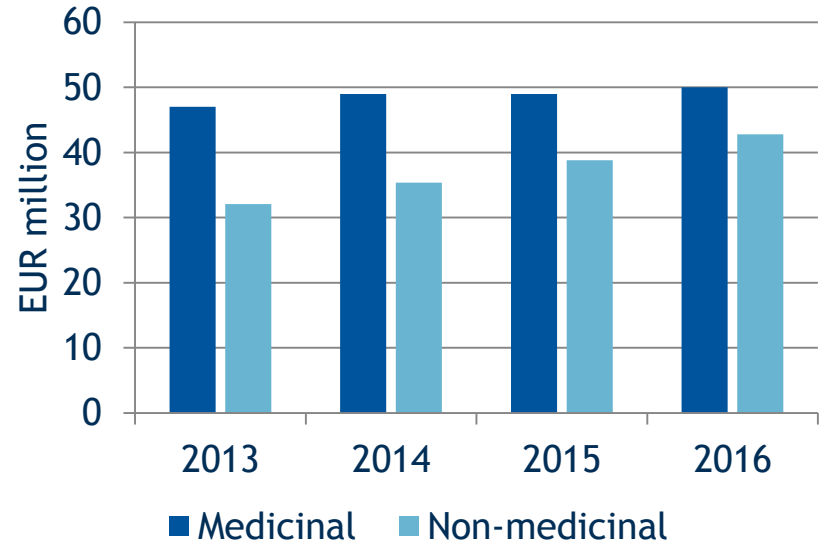
Source: QuintilesIMS-MIDAS, Gx and biosimilar sales 2014-2016



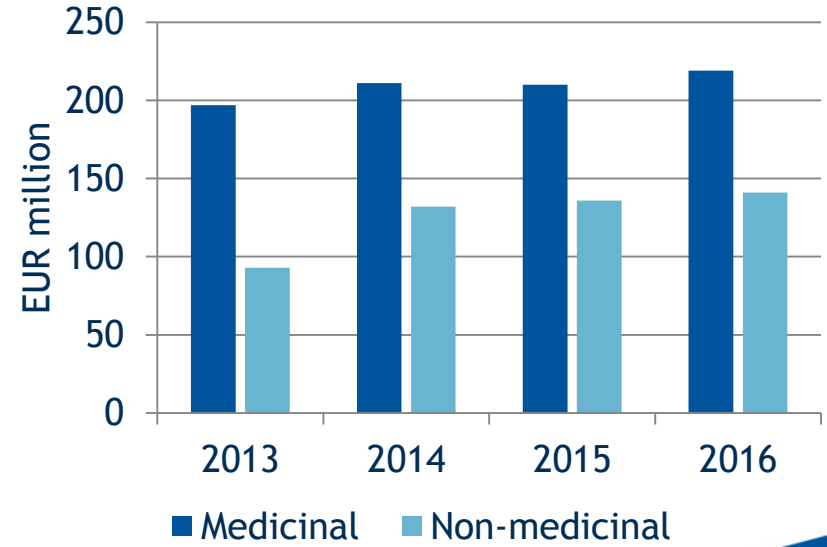
Self Care Business

The non-medicinal market is growing as people are more health conscious

Orion OTC market sales in Finland



Total OTC market sales in Finland



Source: QuintilesIMS-InformX, 2017

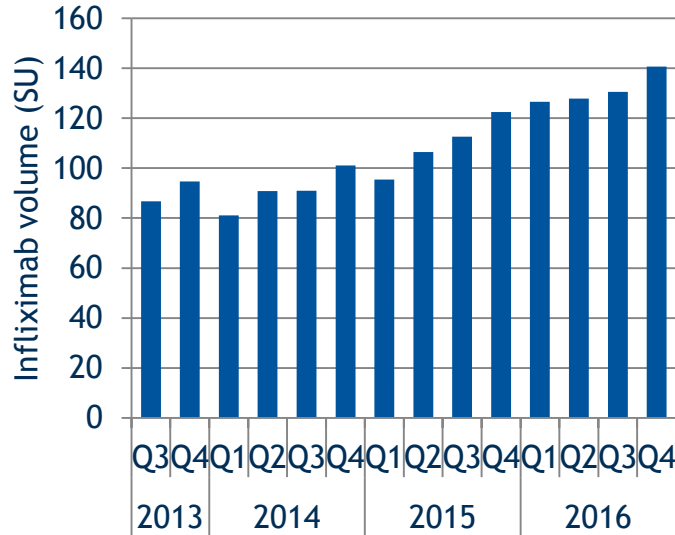




Biosimilar Business

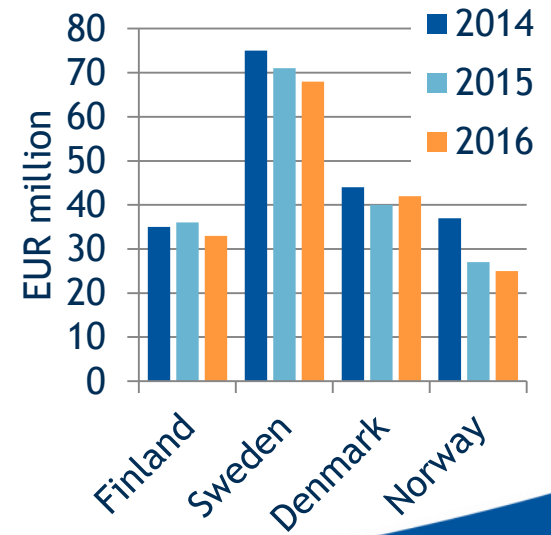
Infliximab use has expanded in Nordics with biosimilar entries

Infliximab volume development in the Nordics



Infliximab volume	Volume growth % 2016 vs. 2015
Finland	22%
Sweden	9%
Denmark	32%
Norway	23%
Scandinavia	20%
Nordics	20%

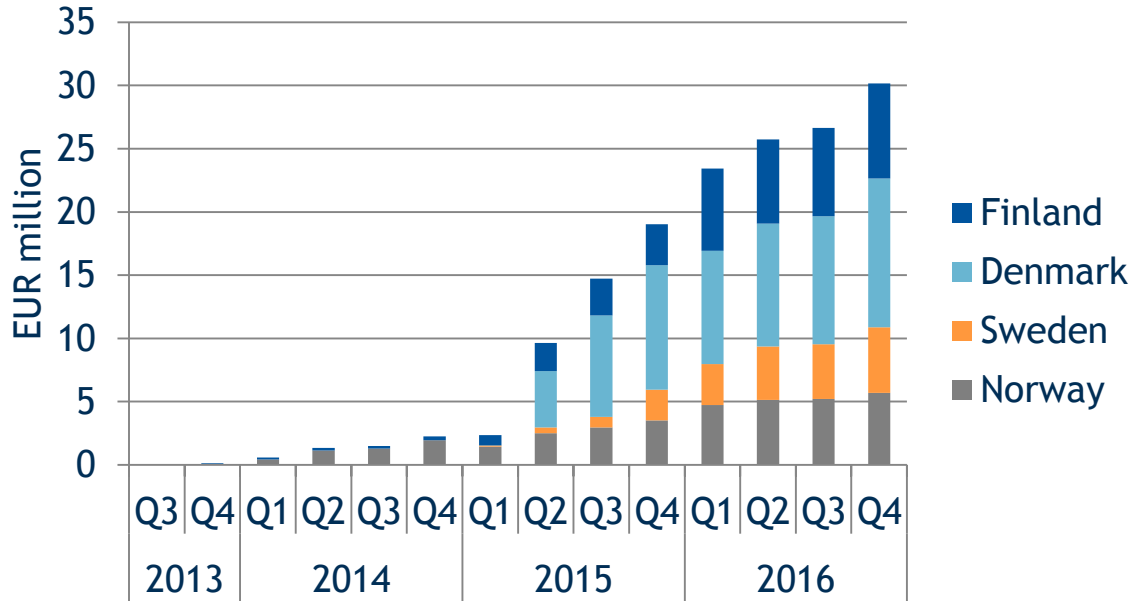
Total market value has not increased



Source: QuintilesIMS-MIDAS, 2017

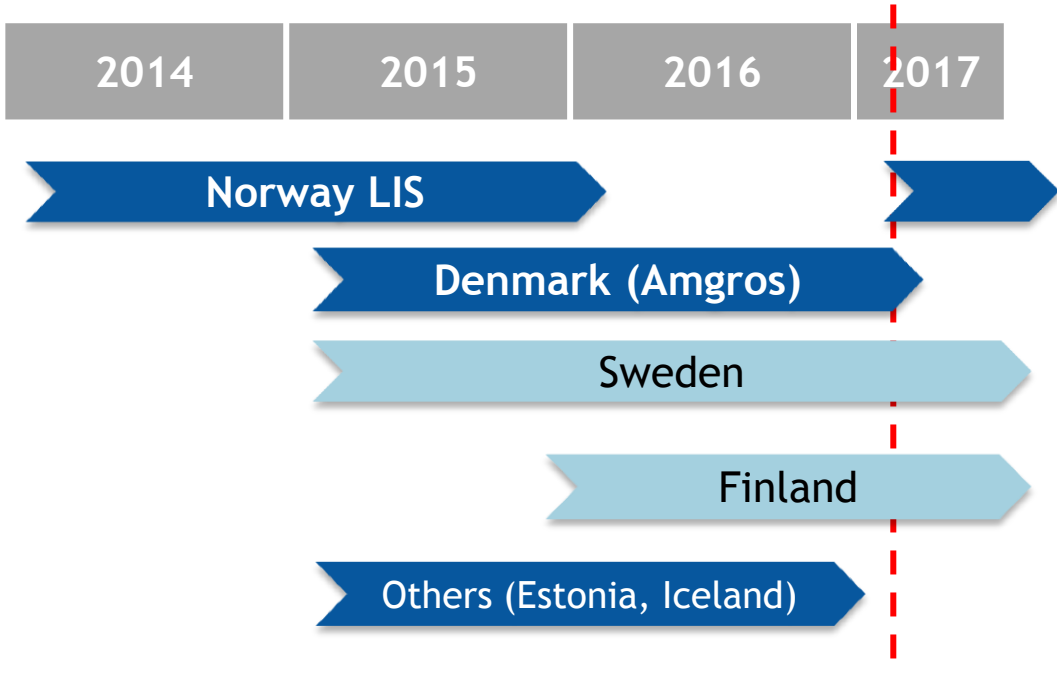
Biosimilar infliximab volume growth in Nordics 2016 vs. 2015 was 114%

Biosimilar infliximab value growth in Nordics

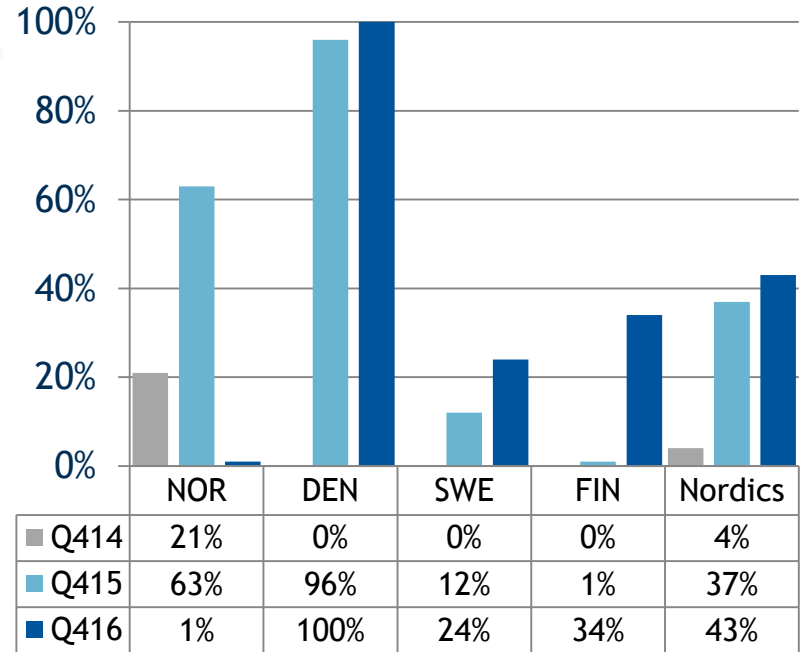


Biosimilar infliximab	Volume growth % 2016 vs. 2015
Finland	233%
Sweden	374%
Denmark	88%
Norway	70%
Scandinavia	98%
Nordics	114%

Remsima commercialisation timelines and market shares



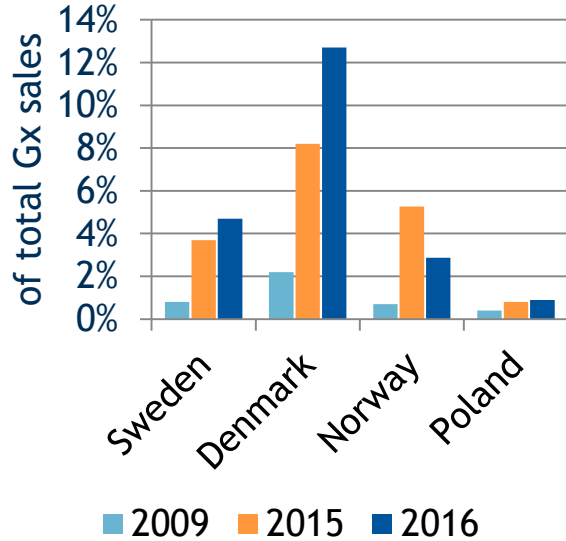
Remsima MS% development of infliximab value



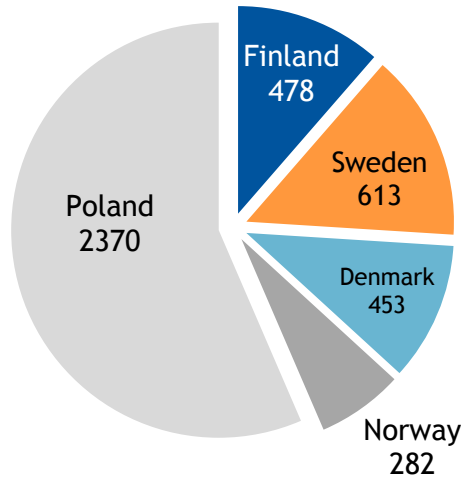
Source: QuintilesIMS-MIDAS, 2017

Positive outlook in all markets with challenges in Finland

Market share development of Orion Gx



Gx market size in 2016 (MEUR)



Gx Market	Growth 2017-2021
Finland	+4.3%
Sweden	+3.4%
Poland	+6.3%
Russia	+8.7%

Source: BMI, Q12017, in local currency

Source: QuintilesIMS-MIDAS, 2017, includes Gx and biosimilars

Specialty Products continue with three businesses



Generic Prescription Drugs: Ensure constant renewal and competitiveness of the portfolio in key markets



OTC Products: Keep the market share in Finland and grasp the non-medicinal market trend with new products and product lines



Biosimilars: Establish a solid existence in Nordics

Focus on current Geographic Territory with Expansion to selected countries when feasible

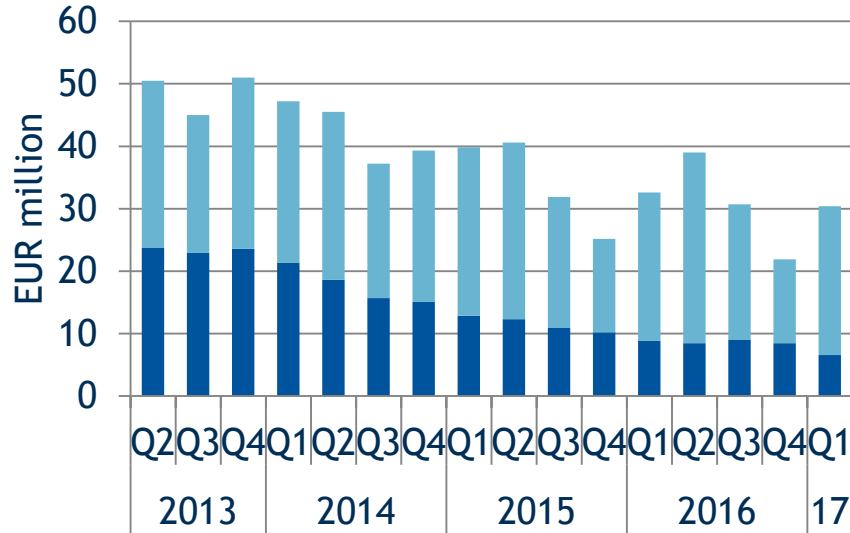


100

Proprietary Products

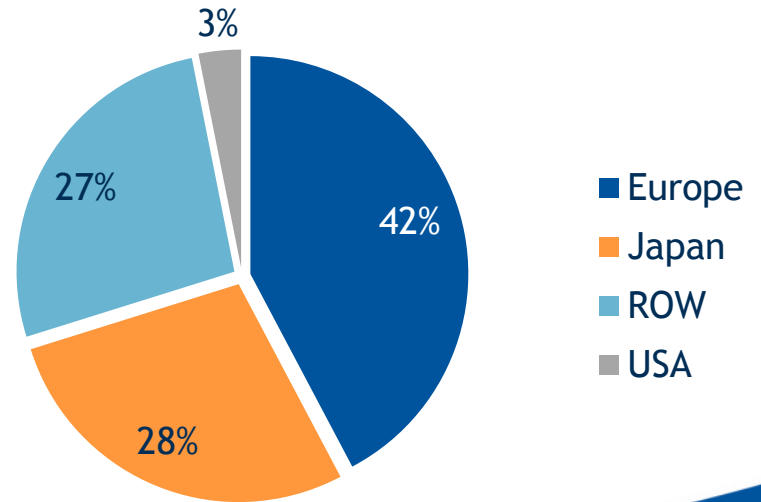
Markku Huhta-Koivisto
SVP, Proprietary Products

Parkinson's drugs



■ Orion sales ■ Deliveries to Novartis

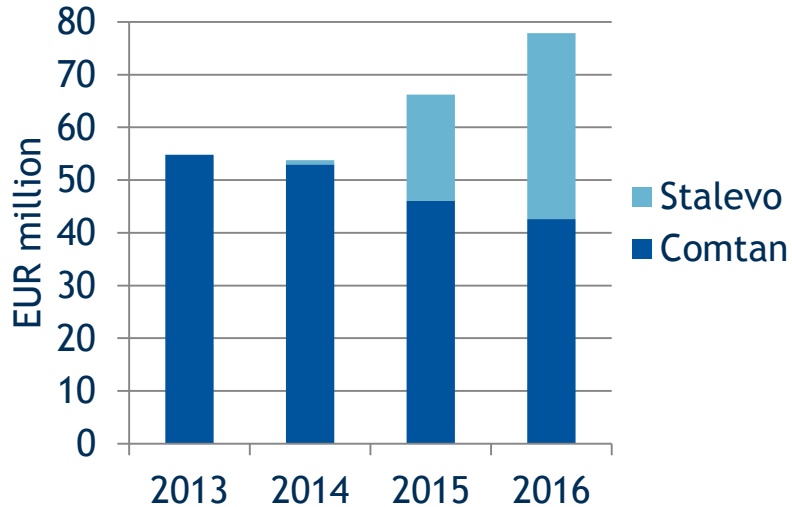
Sales of Orion's branded Parkinson drugs by market area MAT12/2016*



*Source: IMS Health sales statistics MAT12/2016

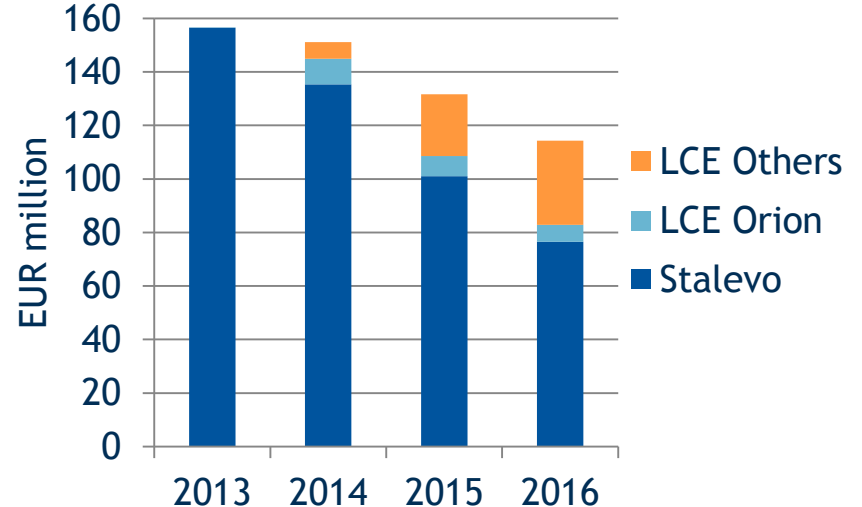
Parkinson's drugs in key areas

Entacapone sales in Japan



Source: QuintilesIMS

LCE* product sales in EU5

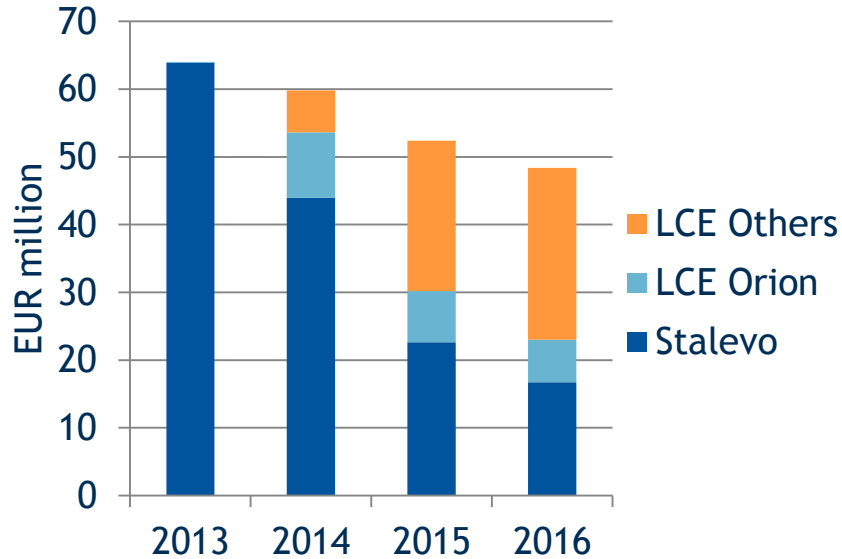


Source: QuintilesIMS

*) LCE = levodopa/carbidopa/entacapone

Parkinson's drugs in key areas, different dynamics

LCE* product sales in Germany

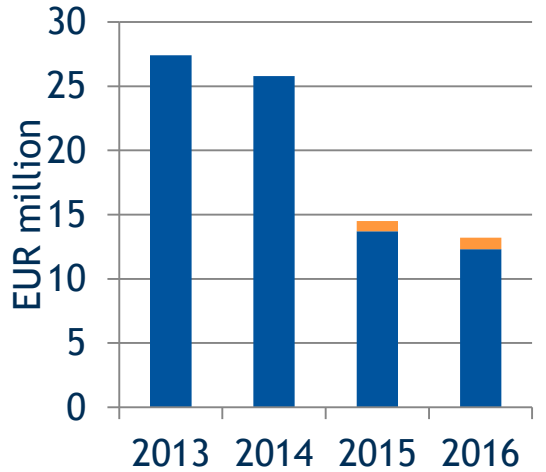


Source: QuintilesIMS

*) LCE = levodopa/carbidopa/entacapone

Parkinson's drugs in key areas, different dynamics

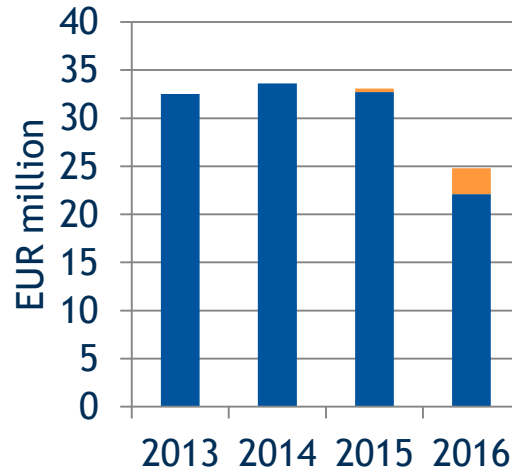
LCE* product sales in Spain



■ Stalevo ■ LCE Orion ■ LCE Others

Source: QuintilesIMS

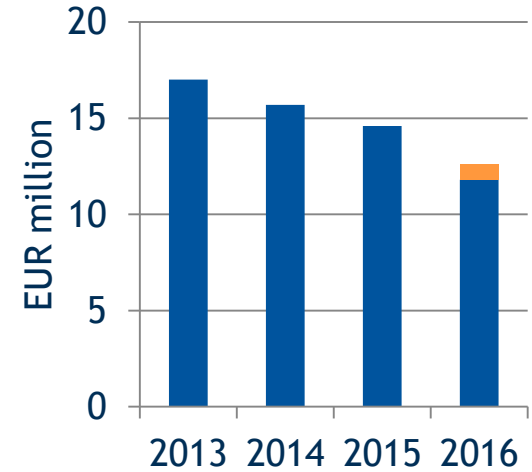
LCE* product sales in France



■ Stalevo ■ LCE Orion ■ LCE others

Source: QuintilesIMS

LCE* product sales in Italy



■ Stalevo ■ LCE Orion ■ LCE others

Source: QuintilesIMS

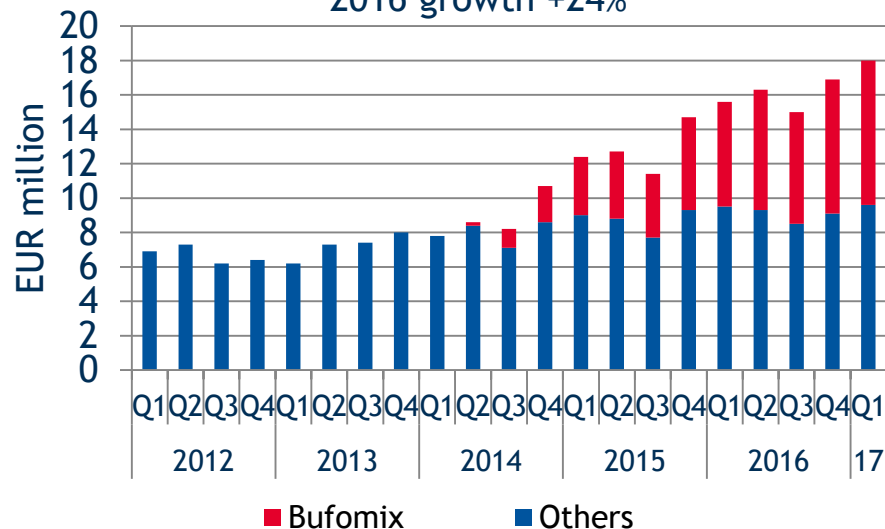
*) LCE = levodopa/carbidopa/entacapone

Easyhaler update



Bufomix
 Available strengths:
 80/4.5 & 160/4.5 µg/inhal
 320/4.5 µg/inhal
 Co-marketing deal with Menarini
 Marketing deal with Hikma in
 Middle East North-Africa region
 MA in 27 countries
 Orion is launching in Germany and
 will be launching in UK and in
 France 2017

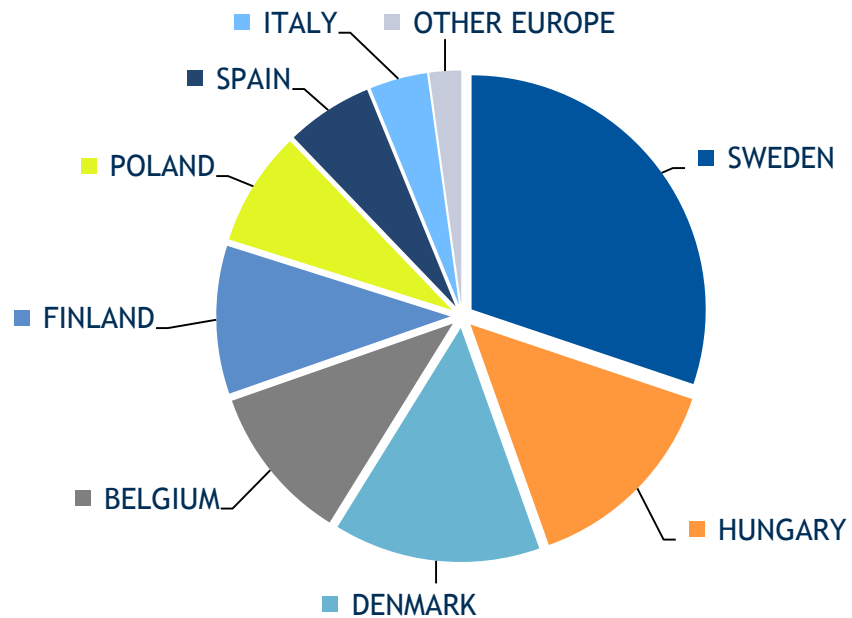
Easyhaler net sales,
2016 growth +24%



Easyhaler salmeterol-fluticasone combination product filed
 Evaluation for new products going on
 Discussions for several new markets are on going

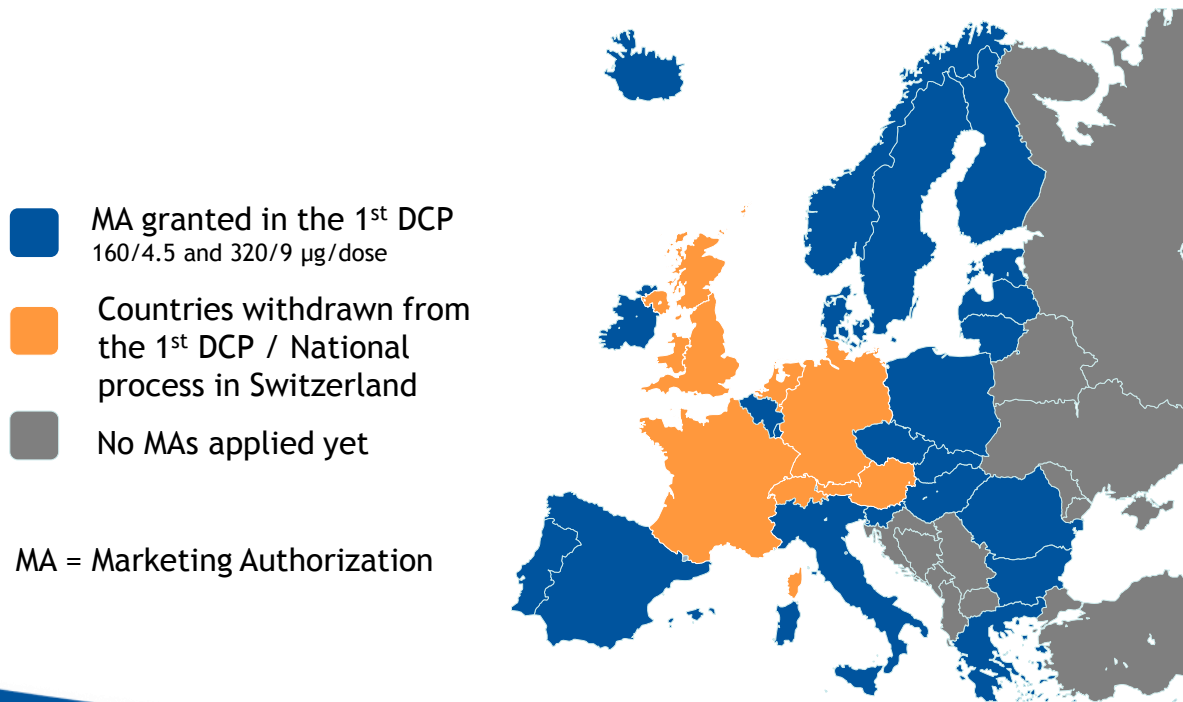
Bufomix Easyhaler

Total sales in 2016: EUR 26.5 million (+72%)



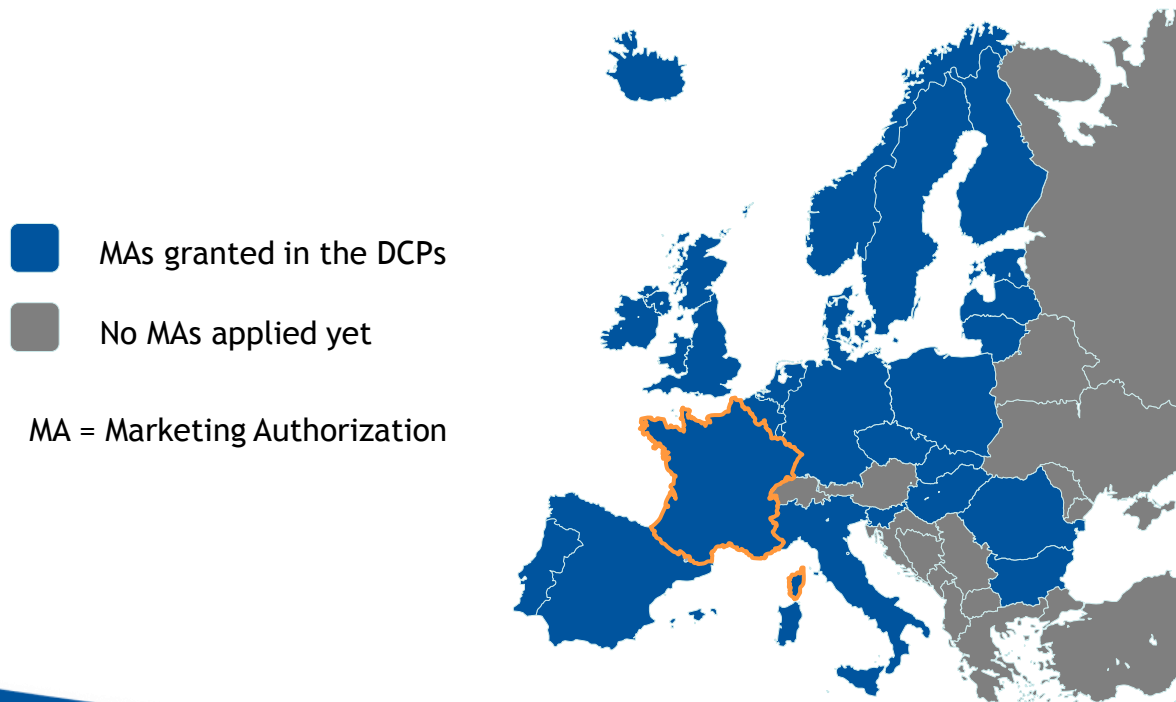
Budesonide-formoterol Easyhaler

Outcome of the 1st wave DCPs / National registrations



Budesonide-formoterol Easyhaler


Outcome of the 2nd wave DCPs / National registrations

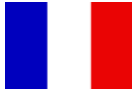


80/4,5 µg/dose: 23 1st wave countries,
1st MAs Q2/2016,
1st launches Q2-Q3/2016

- DK, SE, FI, CZ, IE launched

 Netherlands: MA granted
02/2016, launched 05/2016

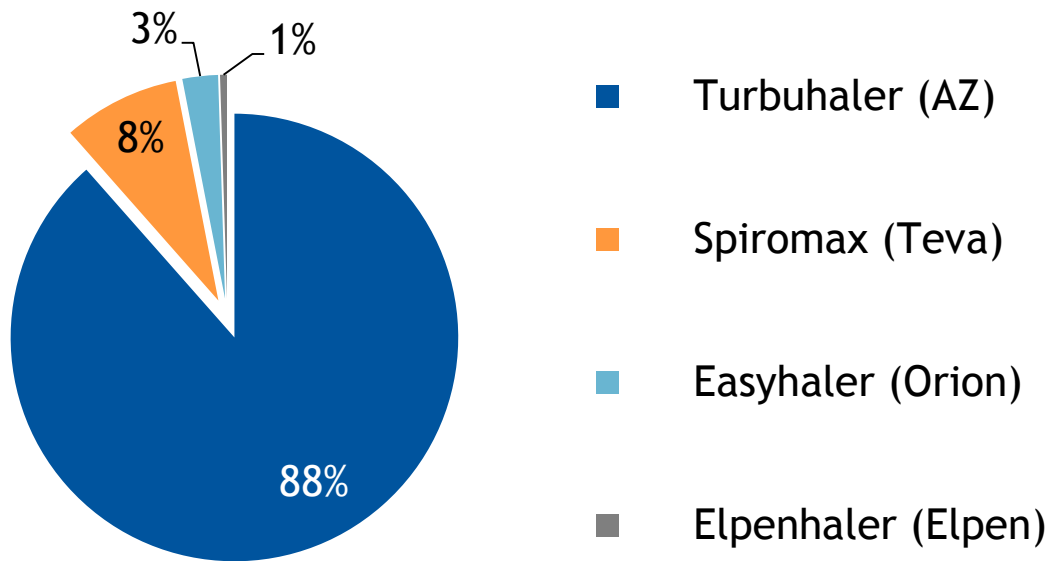
 Germany: MA granted 11/2016
Launch phase on going

 France: DCP ended
successfully 12/2016,
national MA pending

 UK: MA Granted 01/2017,
Launch 2017

Budesonide/formoterol combination sales in Europe by inhaler device

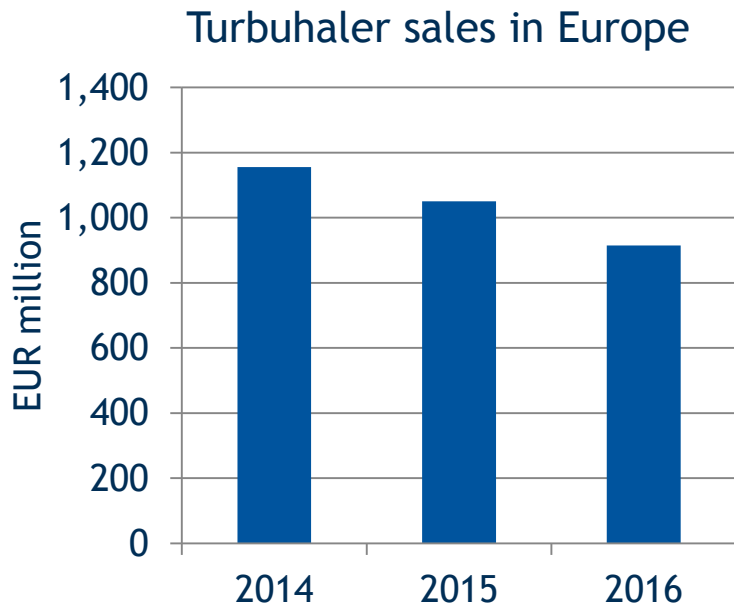
Total market in 2016: EUR 1.03 billion (-7%)



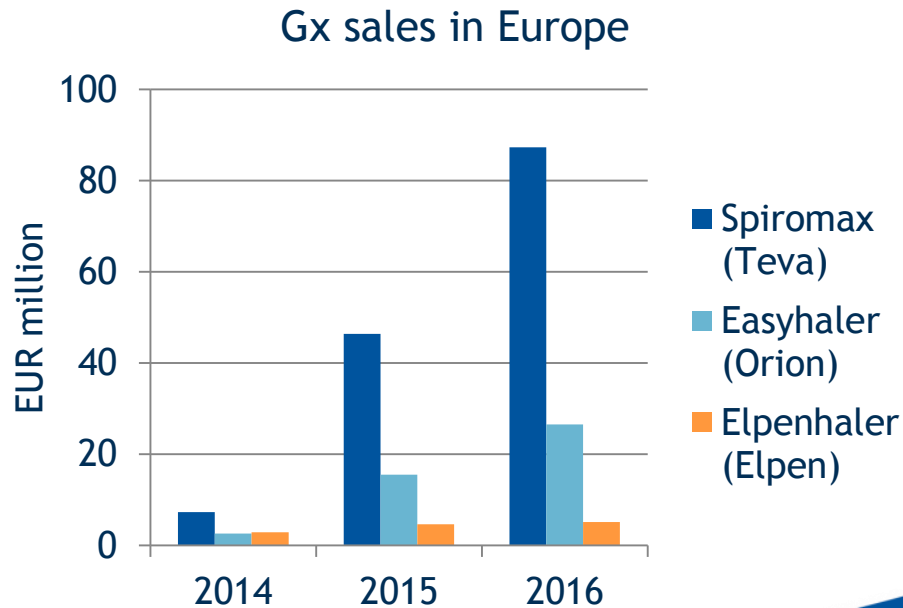
Source: QuintilesIMS

Budesonide/formoterol dry powder inhaler sales in Europe

Total Gx sales in 2016: EUR 119 million



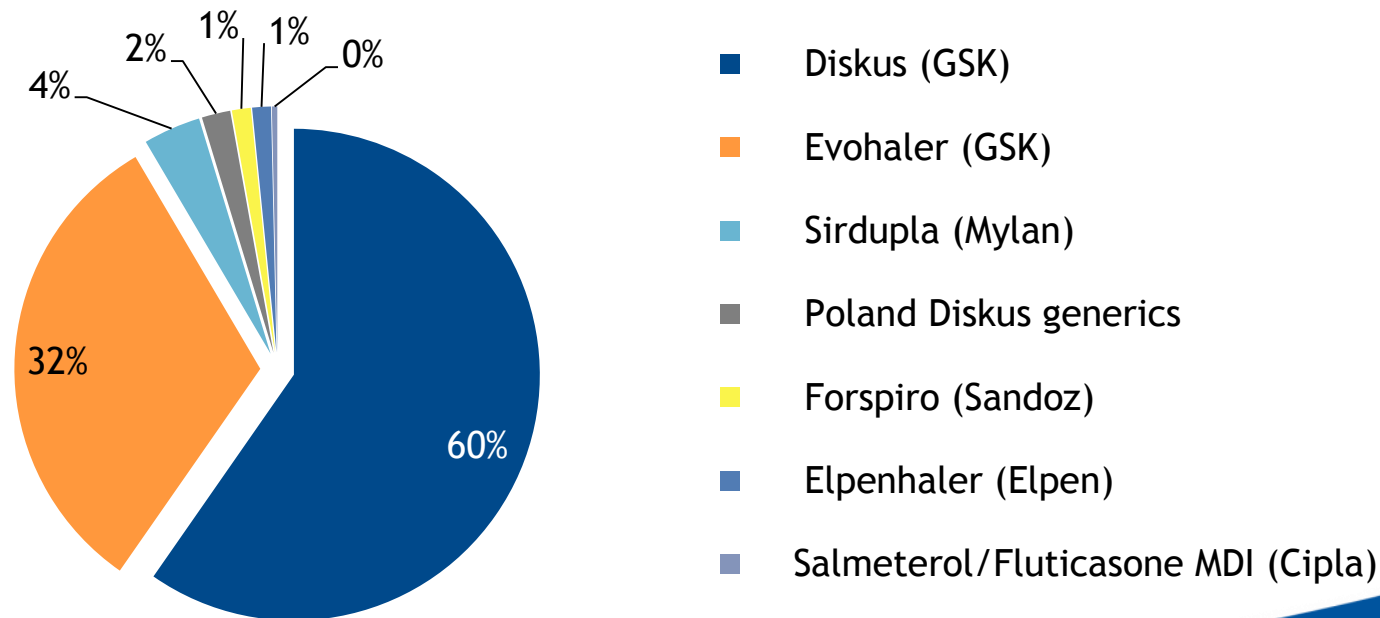
Source: QuintilesIMS



Source: QuintilesIMS

Salmeterol/fluticasone combination sales in Europe by inhaler device

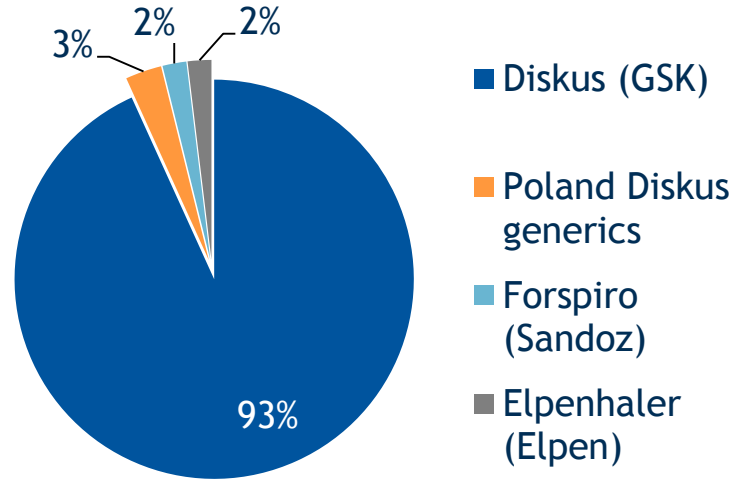
Total market in 2016: EUR 1.3 billion mnf (-20%)



Source: QuintilesIMS

Salmeterol/fluticasone combination sales in Europe

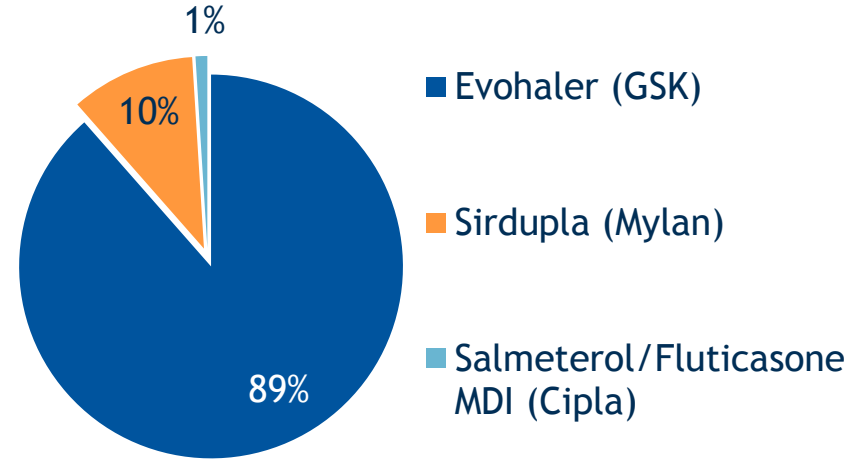
DPI total market in 2016: 838 m€ (-19%)



Source: QuintilesIMS

DPI = Dry Powder Inhaler

MDI total market in 2016: 471 m€ (-21%)

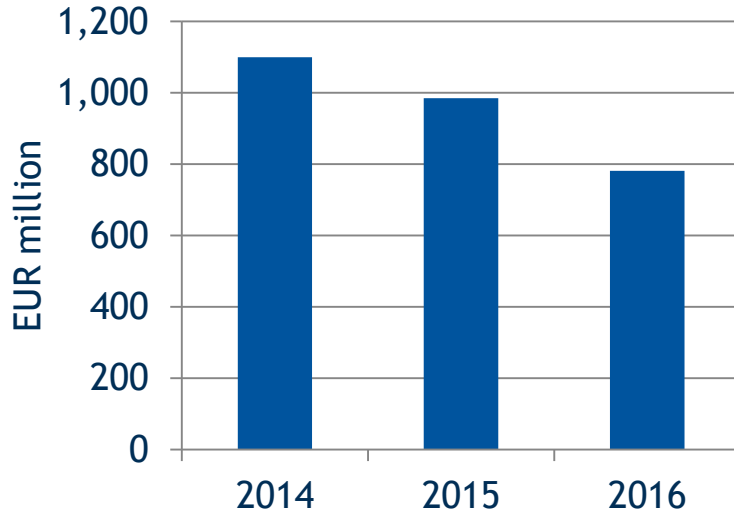


Source: QuintilesIMS

MDI = Metered Dose Inhaler

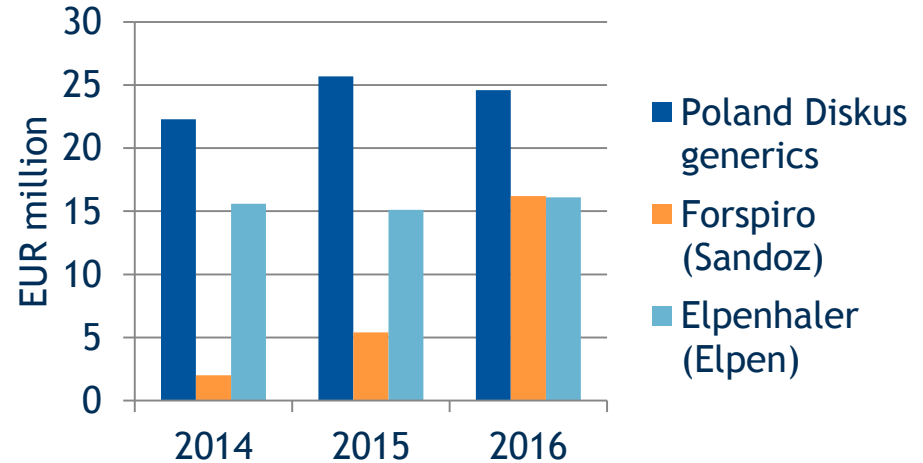
Salmeterol/fluticasone dry powder inhaler (DPI) sales in Europe

DPI Diskus sales in Europe



Source: QuintilesIMS

DPI Gx sales in Europe: total sales in 2016 EUR 57 million



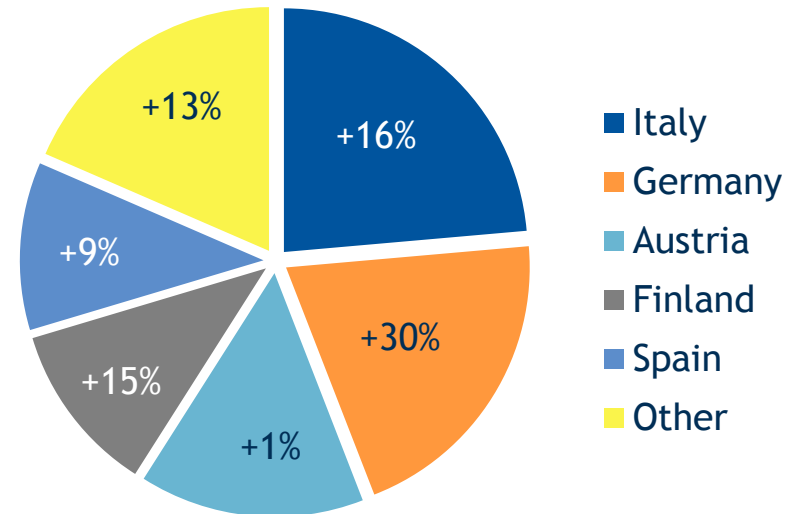
Source: QuintilesIMS

Simdax Update

Orion is in the pole position in critical care with significant Share of Voice within the medical society

- Partnership with key European societies including European Society of Cardiology (ESC) and European Society of Intensive Care Medicine (ESICM)
- Major sponsor of 7-9 international congresses annually
- Sponsor of international education programs of AHF (Acute Heart Failure) and PAD (Pain, Agitation and Delirium) management in intensive care
- Endorsing new clinical studies in the field in collaboration with key European hospitals

Sales in Europe 2016 EUR 45 million (+14.5%)



Sales outside Europe EUR 11 million

Source: QuintilesIMS

Simdax poses growth opportunities in all European markets and new partner territories



No new head-to-head competitors expected in any of the SIMDAX segments during the formulation patent validity period until September 2020

Major investment in marketing and sales with novel multichannel opportunities including digital education

New clinical study underway in cardiology to support repetitive use in AHF

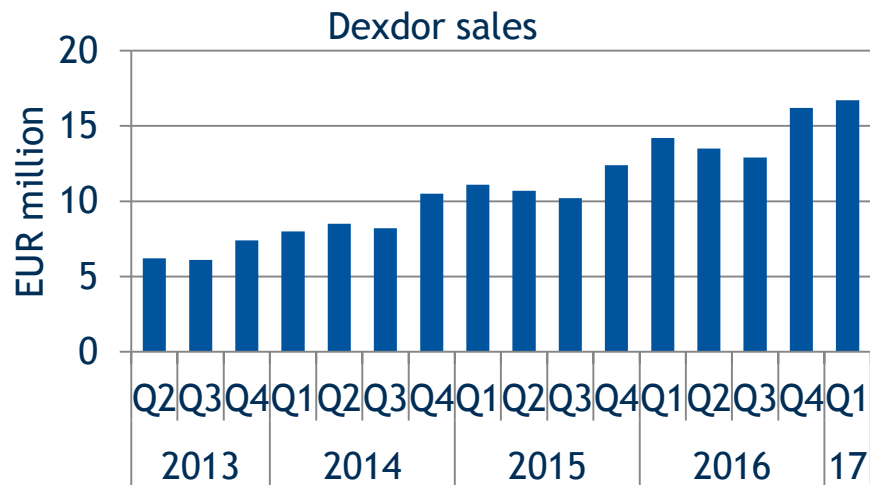
Significant growth captured in territories with recent SIMDAX introductions including France, Belgium, Denmark and Poland

New licensing agreements signed for China and Korea





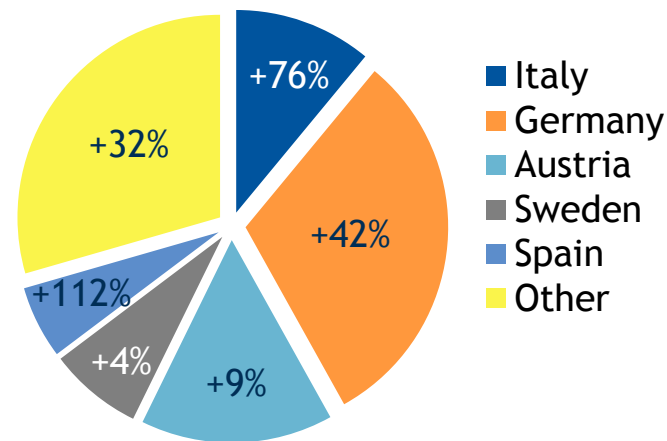
Dexdor Update



European Sedative Market 2016		
Propofol	EUR 342 million	-1%
Midazolam	EUR 69 million	-9%
Remifentanyl	EUR 64 million	-5%
Dexmedetomidine	EUR 48 million	+34%

Source: QuintilesIMS

Dexdor in-market sales in Europe 2016



Precedex sales 2016 EUR 222 million (+14%)

Source: QuintilesIMS

Dexdor getting well-established in intensive care unit (ICU)



- Orion is the major sponsor of European wide educational program ESICM-NEXT LIVES accommodating 100 doctors in key hospitals during 2017-2018
- Multiple international educational events and digital education provided for doctors and nurses about disease management in the ICU
- Endorsing new clinical studies in the field in collaboration with key European hospitals
- Orion has become aware that generic competition of Dexdor® has started due to the launch of generic version of the product by a competitor in the German market. Orion is continuing actions to defend its rights.



Partnership examples



Prostate cancer

Global partnership for the development & commercialisation of darolutamide

Darolutamide

- A potent and full AR antagonist - differentiated from other AR-targeted therapies
- Orion responsible for manufacturing
- Orion has the option to co-promote darolutamide in Europe and is eligible to receive substantial royalties on the product sales
- Two phase III programs ongoing
 - Metastatic HSPC
 - Non-metastatic CRPC



Symptoms of Alzheimer's disease

License agreement for the development and commercialisation of ORM-12741

ORM-12741

- Alpha-2c adrenoceptor antagonist
- Orion and Janssen will co-fund the development after on-going Phase IIa study
- Orion will be eligible to receive milestone payments upon successful completion of certain events, as well as royalties on future sales.
- Orion will have exclusive commercialization rights in Europe.



100

R&D pipeline review Part II

Christer Nordstedt

SVP, Research & Development



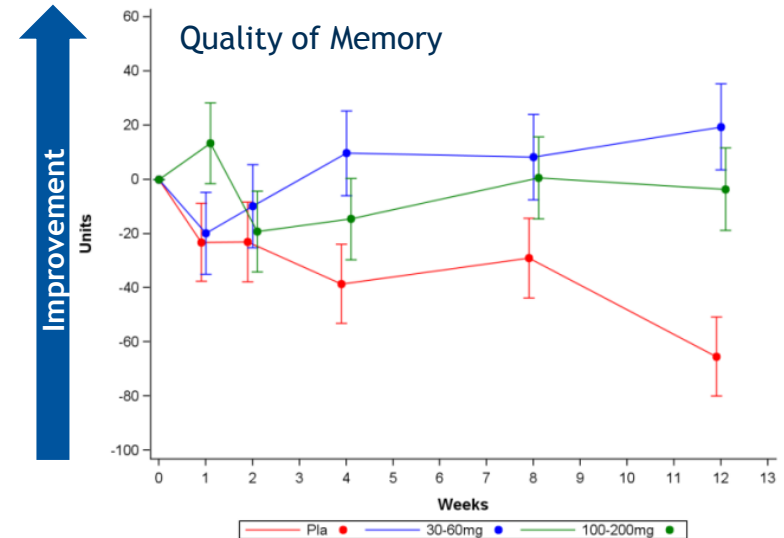
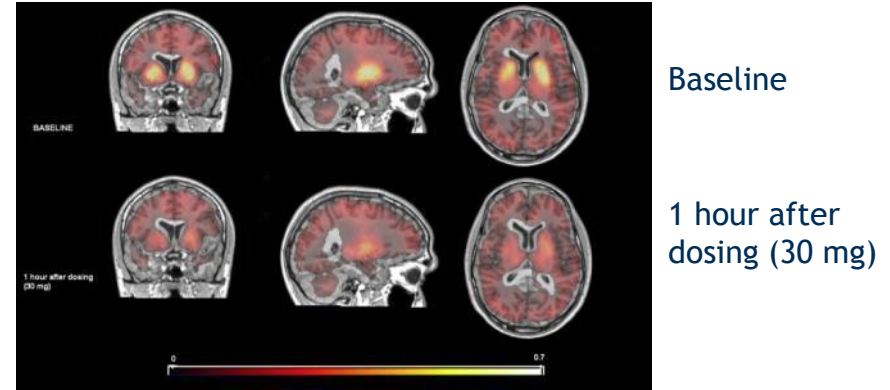
ORM-12741

Alpha-2C adrenoceptor antagonist for symptomatic treatment of Alzheimer's disease

In collaboration with Janssen

ORM-12741

- Highly potent and selective alpha-2C adrenoceptor antagonist
- Rodent models predict beneficial effects on cognition and neuropsychiatric symptoms (NPS)
- Phase 1 studies (healthy subjects)
 - Possible to administer orally
 - Well tolerated
 - Displacement of an alpha-2C PET tracer
- Phase 2a study in Alzheimer's disease patients
 - Positive signals of efficacy in
 - Episodic and working memory
 - Neuropsychiatric symptoms



Phase 2 study on efficacy of ORM-12741 in AD

ORM-12741 (alpha-2c adrenoceptor antagonist)

Alzheimer's disease

I

IIa

- New formulation improving pharmacokinetic (PK) properties of ORM-12741 is used in the ongoing Phase 2a study

Objectives

To evaluate efficacy of ORM-12741 on agitation & aggression and other neuropsychiatric symptoms

To evaluate efficacy of ORM-12741 on cognitive performance

To evaluate safety

Design and methodology

Randomised, double-blind, placebo-controlled, parallel-group, Phase 2 study

Patients with mild to moderately severe Alzheimer's disease

2 dose levels of ORM-12741 and placebo

Sample size

100/group = ~300

[ClinicalTrials.gov identifier: NCT02471196](https://clinicaltrials.gov/ct2/show/study/NCT02471196)



ODM-104

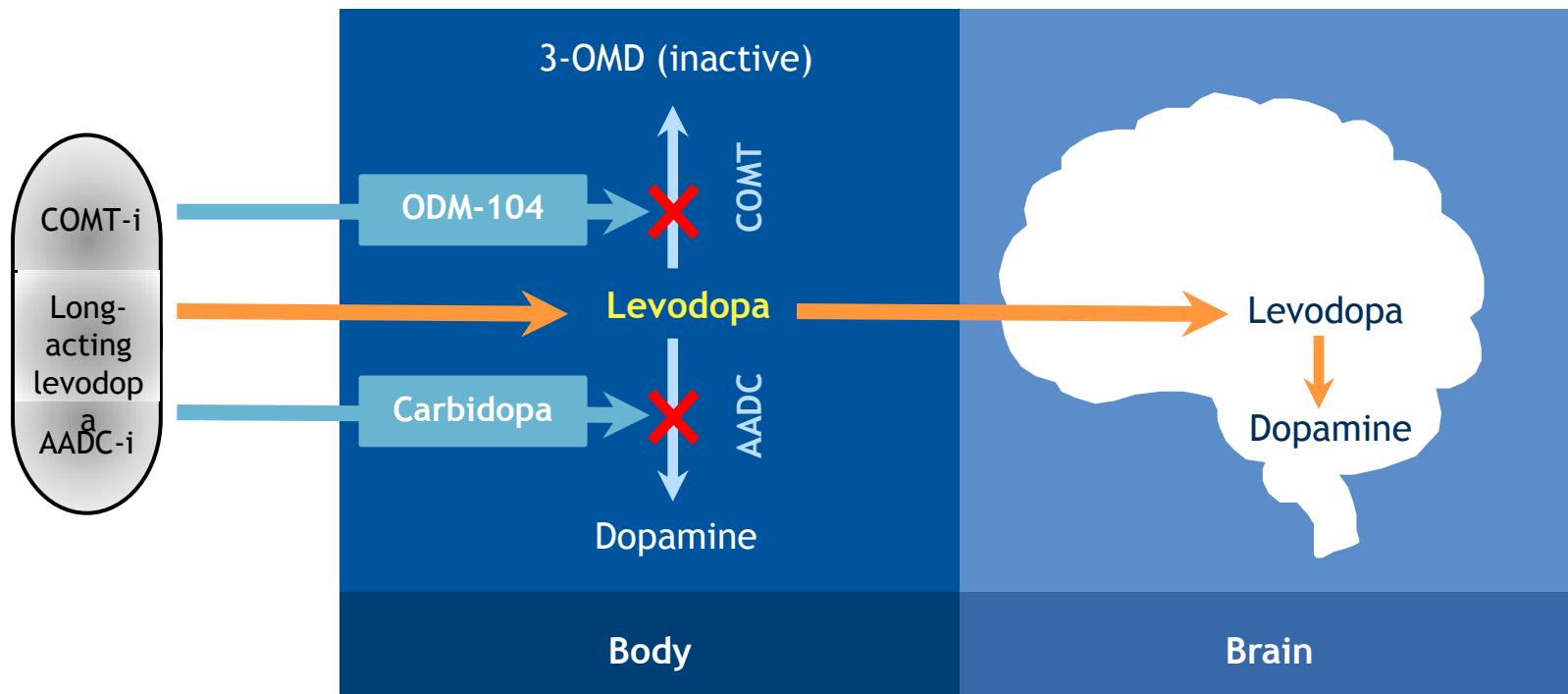
New COMT-Inhibitor for Parkinson's Disease

Treatment of Parkinson's disease with levodopa

- Levodopa is the most effective medicine for treating Parkinson's disease (PD)
- As PD progresses, most people will eventually require the use of levodopa (85% of PD patients receive levodopa)
- However, like all medicines, levodopa is not perfect - short acting levodopa can lead to motor complications
- Longer acting levodopa with more stable plasma concentrations is an unmet need for PD treatment



Levodopa elimination can be reduced and treatment effect improved by inhibiting breakdown enzymes AADC and COMT



AADC = Aromatic amino acid decarboxylase COMT = Catechol-O-methyltransferase 3-OMD = 3-O-Methyldopa

New COMT-inhibitor ODM-104 for Parkinson's disease treatment

ODM-104 (more effective COMT inhibitor)

Parkinson's disease

I

II

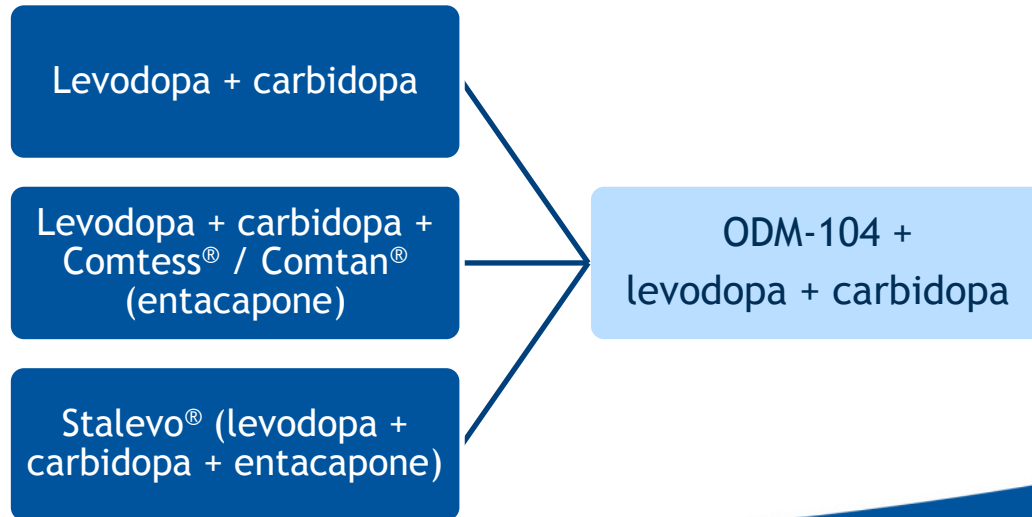
- In phase I, ODM-104 has been in well tolerated and superior to entacapone by improving COMT inhibition and levodopa pharmacokinetics in man
- Optimized carbidopa component further improves ODM-104 effect with double action on levodopa PK - levodopa exposure (AUC*) increased over 30% when compared to entacapone
- Phase II: ODM-104/optimized carbidopa/long-acting levodopa will be compared with Stalevo® (levodopa/carbidopa/entacapone combination) in PD patients with end-of-dose wearing-off symptoms
The Phase 2 study is ongoing

[ClinicalTrials.gov identifier: NCT02764125](https://clinicaltrials.gov/ct2/show/study/NCT02764125)

* Area Under the Curve

Target indication

- The target indication of ODM-104 is Parkinson's disease with end-of-dose motor fluctuations - the same as the currently approved indications of Comtess[®]/Comtan[®] and Stalevo[®]. Patients on levodopa/AADC inhibitor treatment with or without entacapone can be directly switched to the new combination product (ODM-104/optimized carbidopa/long-acting levodopa).





ODM-109

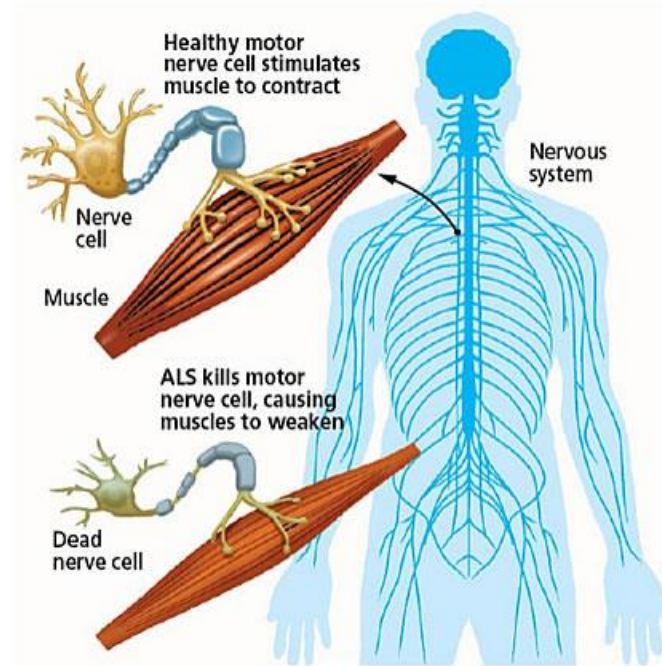
Oral levosimendan

Best symptomatic treatment for Amyotrophic Lateral Sclerosis (ALS)

Amyotrophic lateral sclerosis - ALS

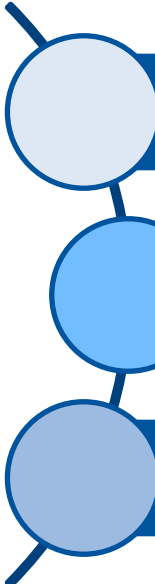
- Orphan disease with prevalence of ~1 patient/25 000
- Degeneration of motoneuron leads to skeletal muscle weakness including diaphragm
- Causes premature death (3 years median survival time from symptom onset)
- Decreases Quality of Life of both patient and caregiver
- No symptomatic treatments for muscle function available

A clear unmet need in ALS for a drug that improves diaphragm/skeletal muscle function and endurance



Picture from: ALS Foundation for life
<http://www.alsfoundation.org/learn/>

Data supporting development of ODM-109 for ALS



Levosimendan enhances force generation of diaphragm muscle fibers obtained from a rat model of heart failure and from COPD and non-COPD patients (ex vivo experiments)

Levosimendan improves human diaphragm function in healthy subjects *in vivo*

Levosimendan show a positive effect on skeletal muscle function (endurance) in Myasthenia Gravis rat model functionally mimicking ALS

By increasing skeletal muscle force and endurance, levosimendan has potential to improve respiratory function, muscle fatigue and QoL* in ALS patients

LEVALS phase II study - levosimendan in ALS patients

ODM-109 (oral levosimendan)

ALS

I

II

- The first phase II study aimed to demonstrate beneficial effects on respiratory function
- Double-blind, cross-over design with 3 treatment periods
- Cross-over part of the study is followed by an open-label part for 6 months - an opportunity to study long term effects
- The cross-over part of Phase II clinical trial with orally administered levosimendan (ODM-109) for treatment of patients with ALS has been completed
- Although the trial did not achieve its primary objective, the findings were, however, promising
- Based on the findings, we are planning to continue the development programme

Vision for the future



Orion: a company with the brain power and muscle of Big Pharma but with the agility of small biotech



Making Orion capable of delivering novel proprietary small molecule therapeutics and biologics



Through internal work and partnering activities build and maintain a balanced pipeline that can deliver clinically meaningful differentiation/patient benefit long-term



Increase Orion's visibility within the academic community and being capable of recruiting and retaining "the best and the brightest"



Being a preferred partner for Big Pharma, Biotech and Academia



Being a significant contributor to the global scientific community



ORIENTATION

100 ideas

Competition for
academic research
groups in Finland
2017

www.orion.fi/en/Orientation100


Building well-being. Together.



100

Financial Targets

Jari Karlson
CFO

Orion's strategy – Mission to build well-being

Ageing population	Advancements in science					
Cost burden in healthcare	Launching innovative and cost-effective pharmaceuticals and treatment methods for patients		Working together for our customers		Succeeding Together!	
Increased personal responsibility for health	Continuously improving our performance in sustainability	Growing faster than the market		Quality and safety	Productivity and flexibility	Strengthening our position in Europe
	Strong development of profitability is a target		Partnerships	Competitive product portfolio		Smart-to-Market
 Megatrends	 Strategic targets				 Top Supply Chain	 Future R&D
 Focus areas	 Strategic development projects					



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.

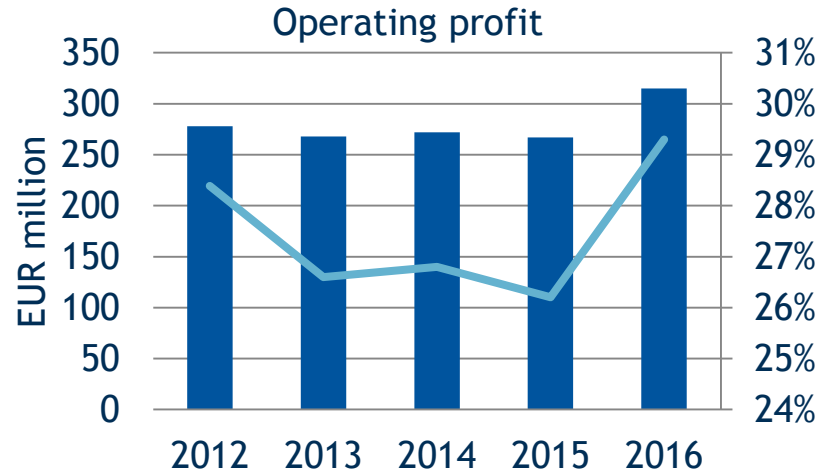
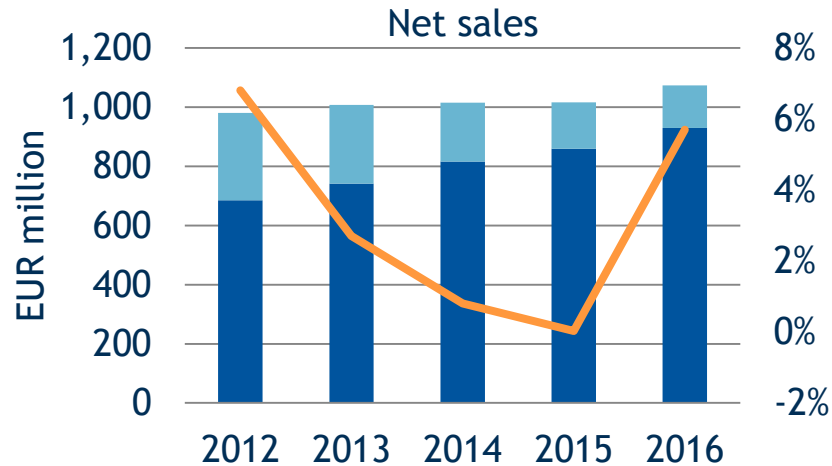


Distributing an annual dividend that in the next few years will be at least EUR 1.30 per share, and increasing the dividend in the long term.



Where are we now?

Steady development despite patent expiries

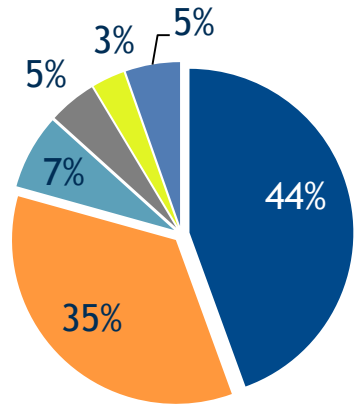


- Parkinson franchise + Precedex
- Other products
- Growth, %

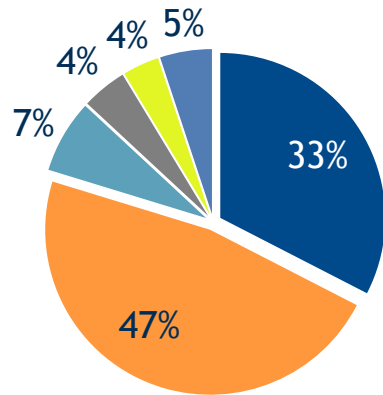
- Operating profit
- Operating profit margin

...and despite major change in product portfolio

Sales by business 2011

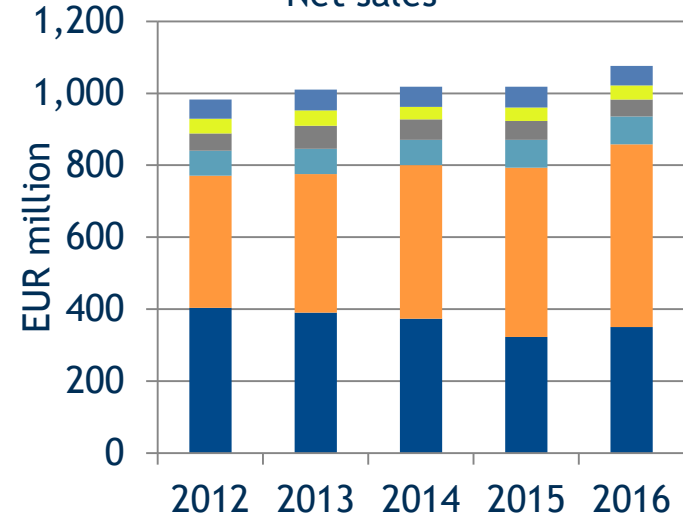


Sales by business 2016

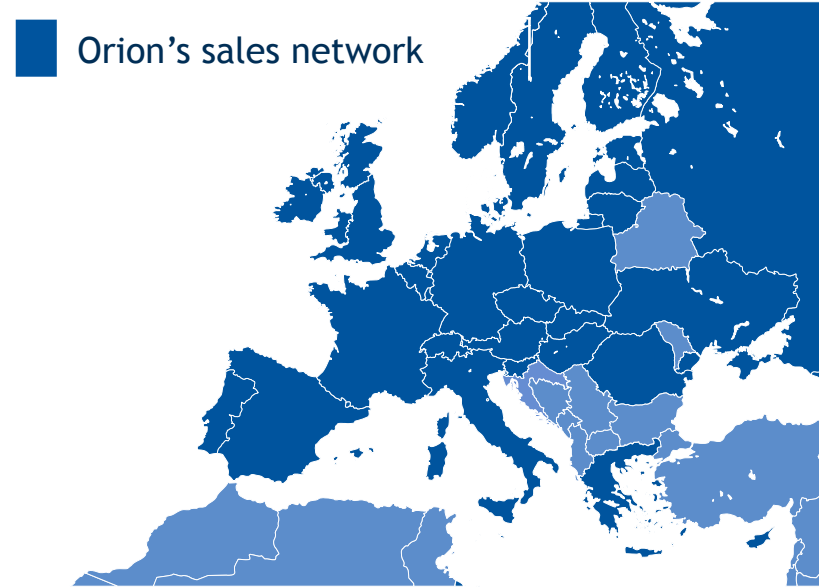
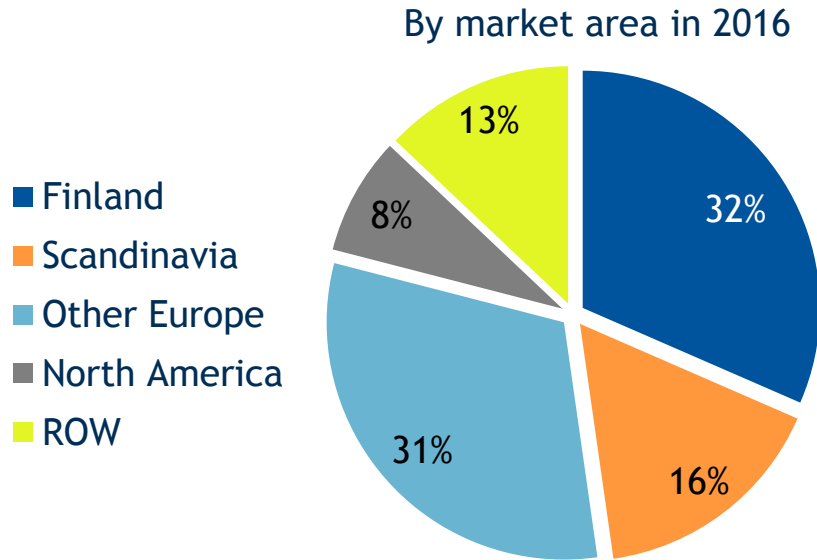


- Proprietary Products
- Specialty Products
- Animal Health
- Fermion
- Contract manufacturing & other
- Orion Diagnostica

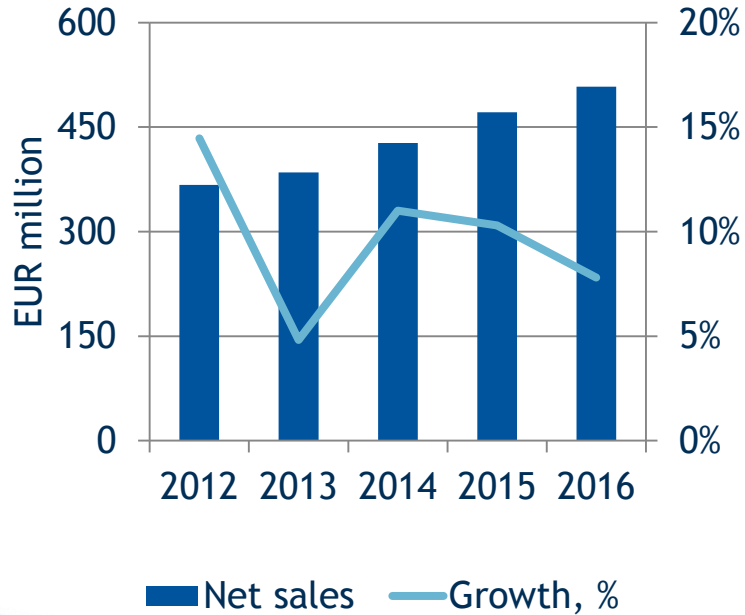
Net sales



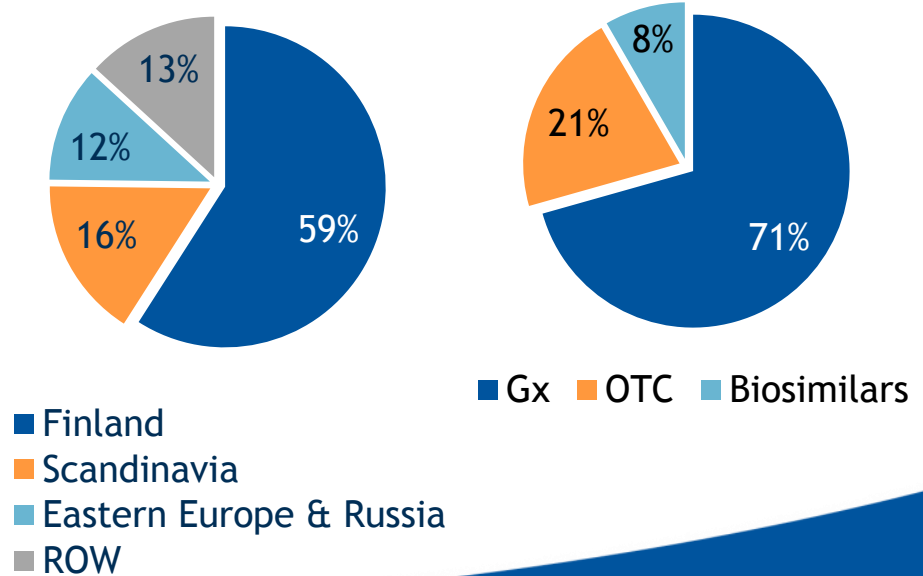
Sales in Finland continue to be important, but own sales network covers today most of Europe



Steady sales growth for Specialty Products



Sales in 2016



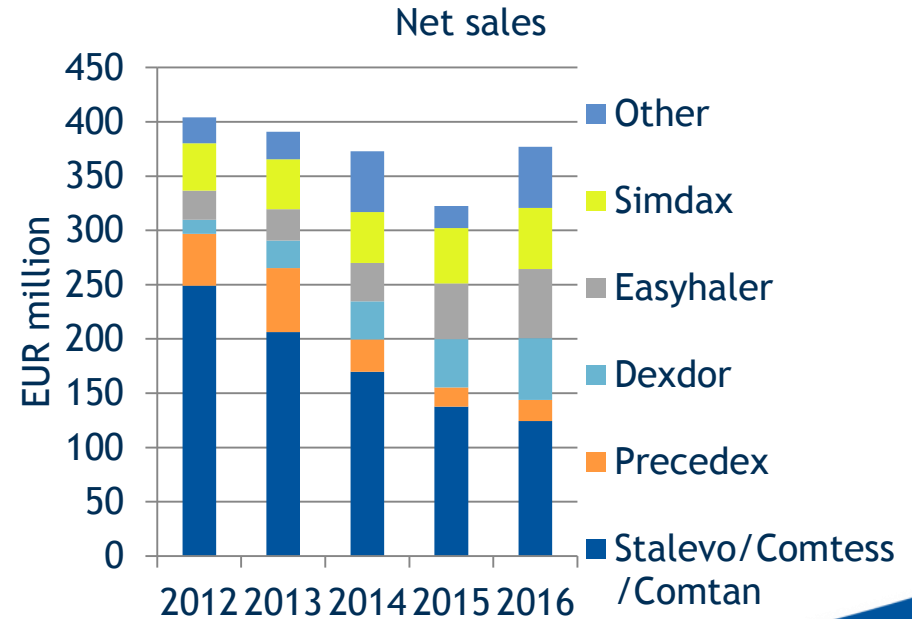
Proprietary Products

- portfolio is today more balanced

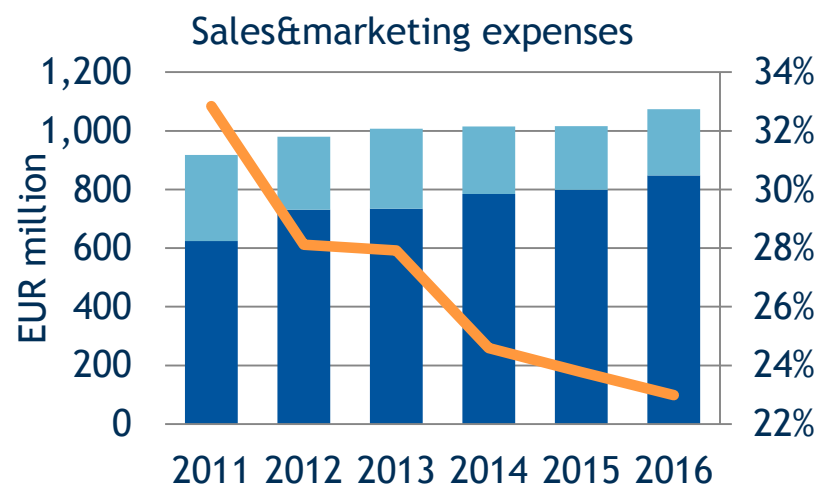
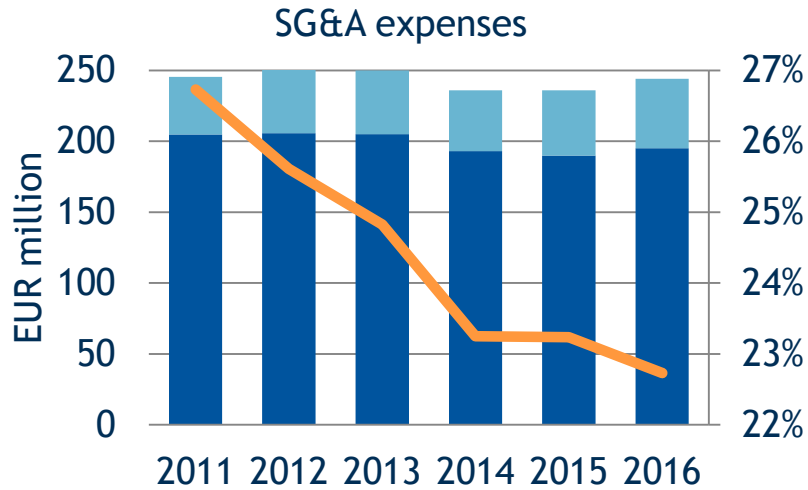
- Mainly Orion in-house developed prescription drugs with valid product protection
- Global sales and R&D partner networks

Key drivers for business

- ▲ Easyhaler, Dexdor, & Simdax
- ▲ Possible milestones from development pipeline projects
- ▲ New products from R&D pipeline
- ▼ Generic competition for Stalevo and Comtan/Comtess



SG&A expenses in good control



- Administration
- Sales&marketing
- SG&A as % of Net sales

- Net Sales outside Europe
- Net Sales in Europe
- S&M as % of sales in Europe

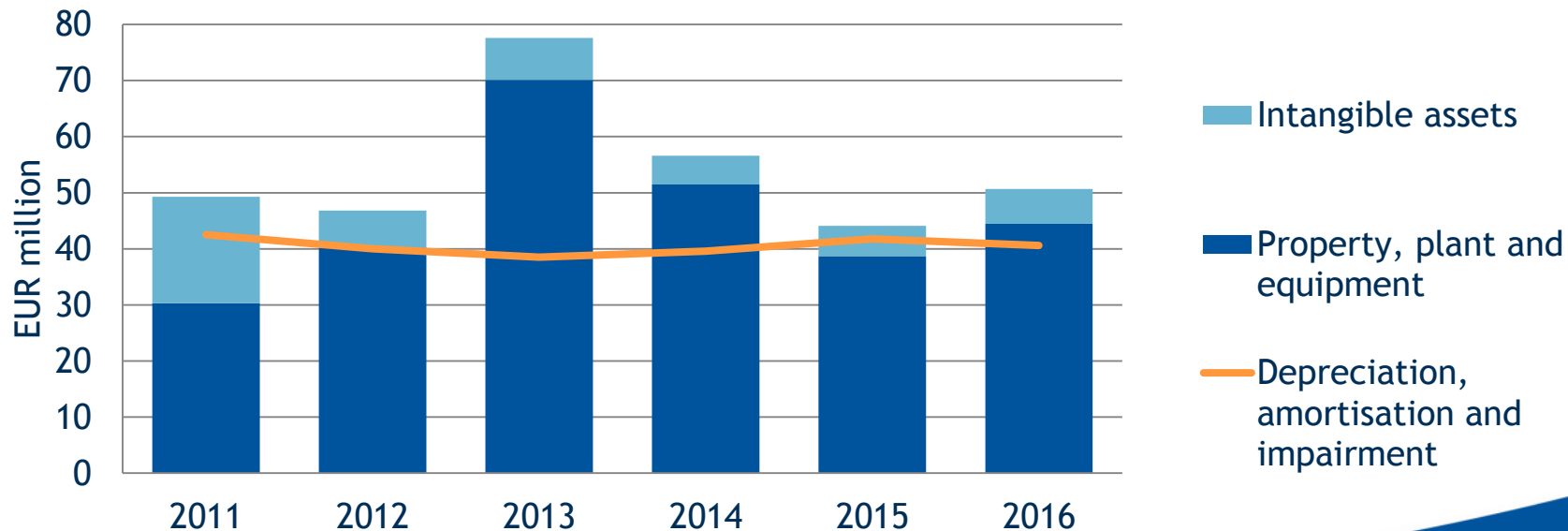
Financial position

EUR million	12/16	12/15	Change %	EUR million	12/16	12/15	Change %
Non-current assets	372	373	-0.5%	Equity total	641	595	+8%
Inventories	228	206	+11%	Interest-bearing non-current liabilities	150	178	-16%
Trade receivables	200	192	+4%	Non-current liabilities	191	219	-13%
Other receivables	32	31	+3%	Trade payables	106	99	+7%
Cash	232	245	-5%	Current liabilities	231	233	-1%
Current assets total	691	674	+3%	Liabilities total	422	452	-7%
Assets	1,063	1,047	+2%	Equity and liabilities	1,063	1,047	+2%

Good control of capital expenditure, but building for the future

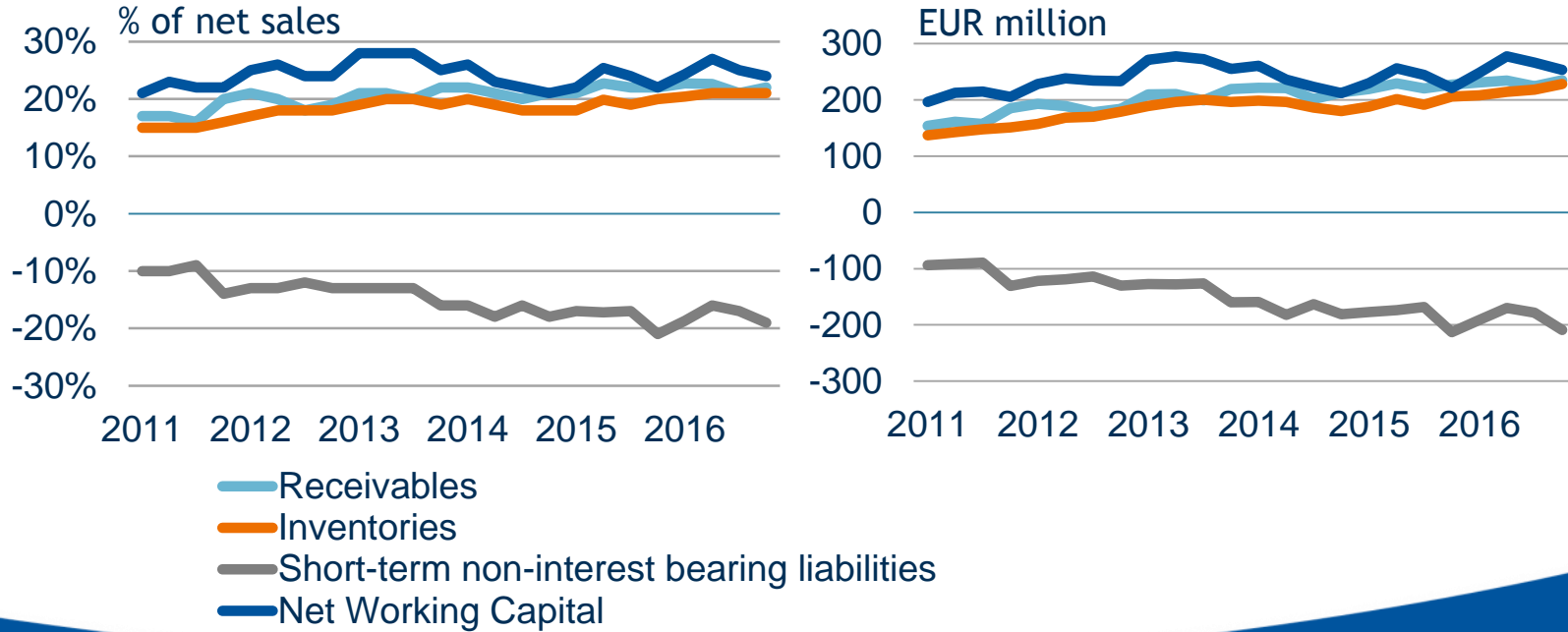
- Capex has exceeded depreciations

Orion Capex



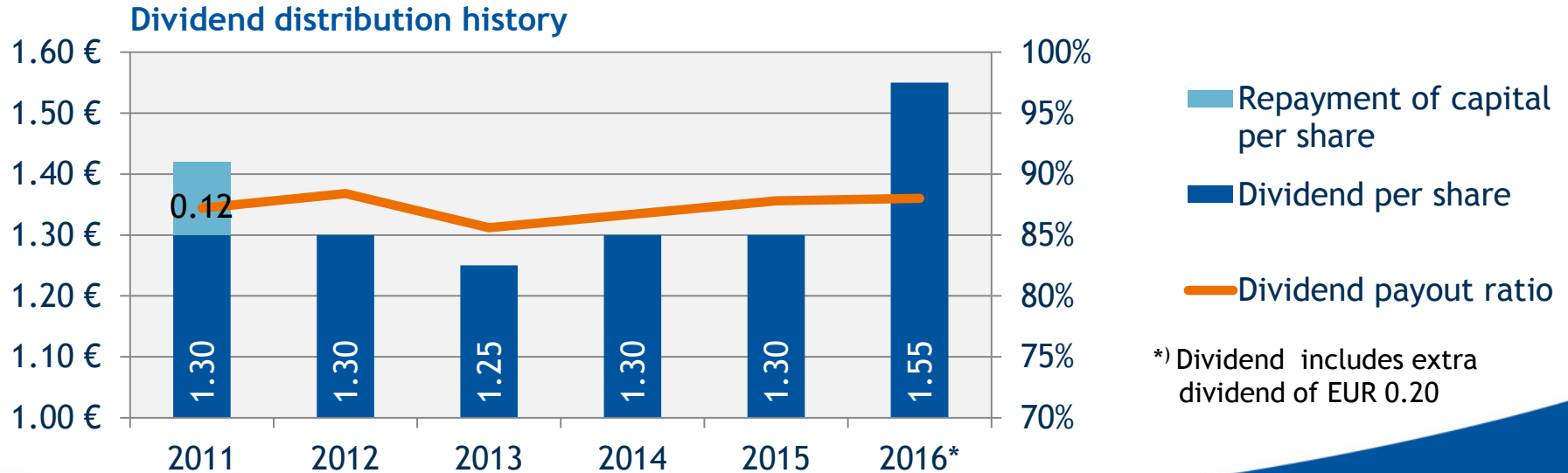
Management of Net working capital

- Challenge: Change in business portfolio towards generics



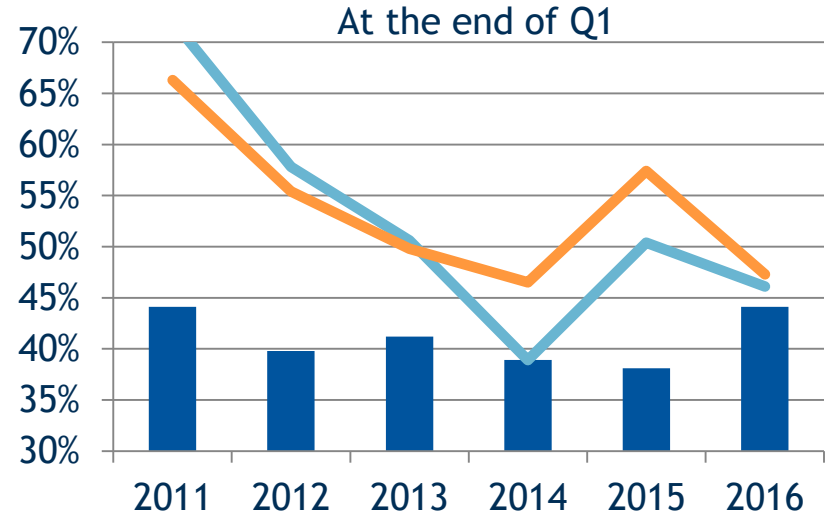
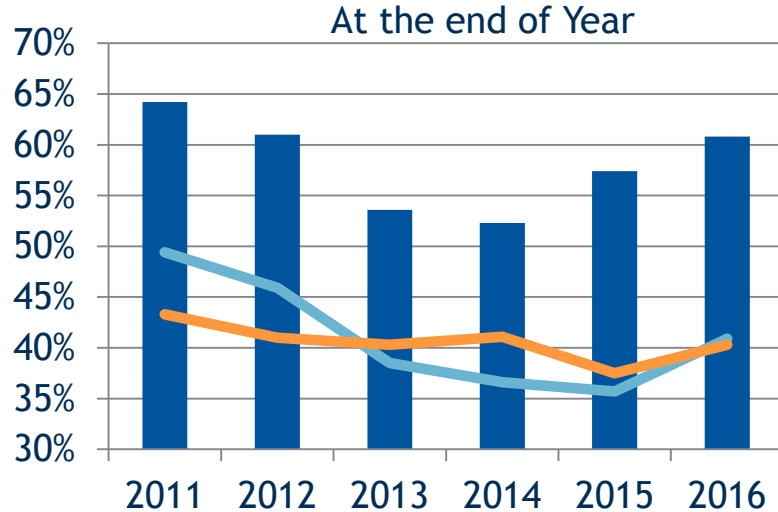
Dividend distribution

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.



Key ratios have been at very good level for years

- Dividends and seasonality in profitability however have impact

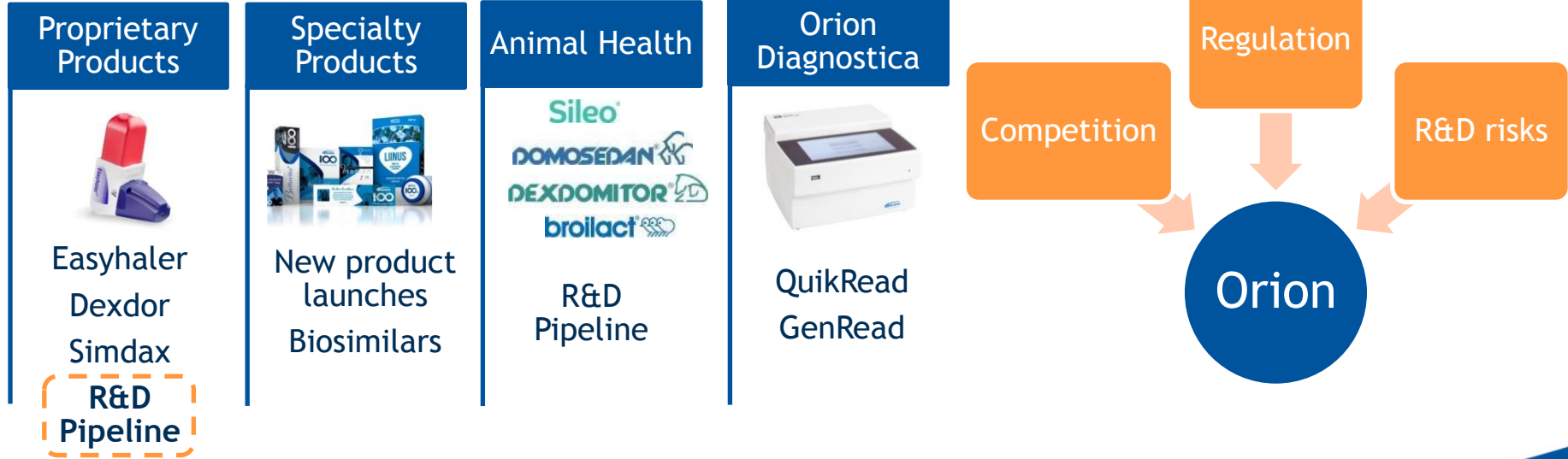


■ Equity ratio — ROCE-% — ROE-%



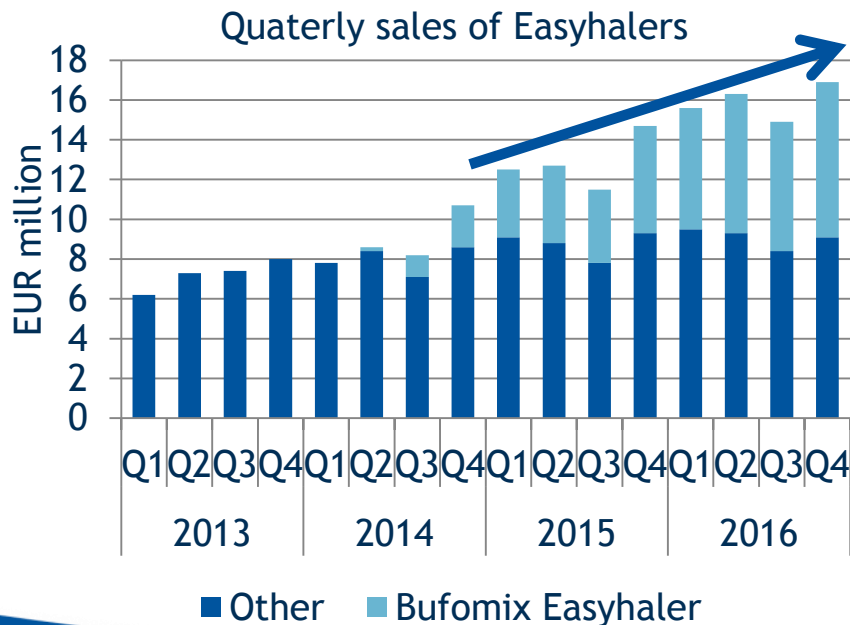
Key drivers for achieving financial targets

Opportunities and challenges

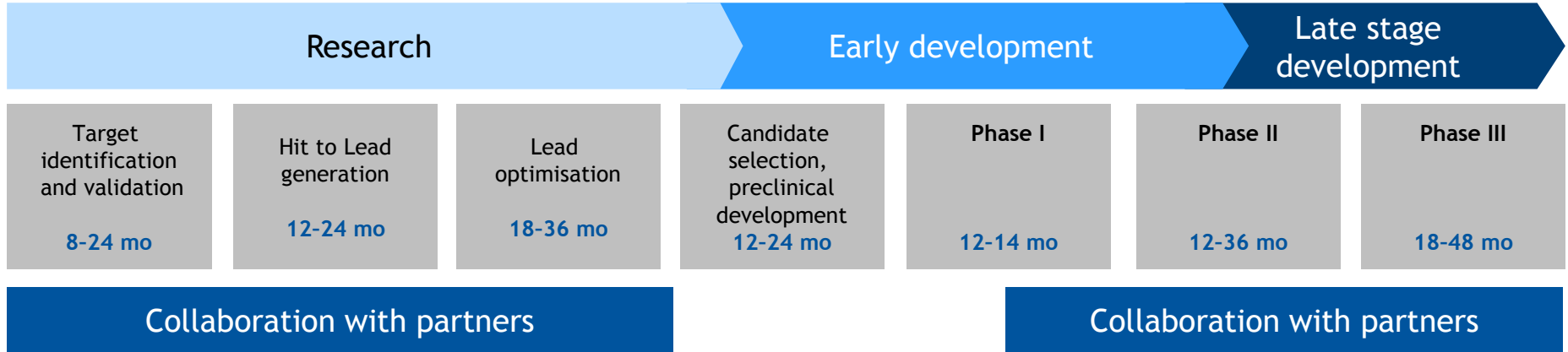


Current products/markets drive Mid term development

- e.g. continued growth of Easyhalers & market position in Finland



Long term growth opportunities via R&D collaboration



AsahiKASEI



Mid term growth drivers from pipeline

Project	Indication	PHASE			Registration
Easyhaler® salmeterol-fluticasone	Asthma, COPD	Bioequivalence study			Registration
Darolutamide (ODM-201) ¹⁾	Prostate cancer (nmCRPC)	I	II	III	
Darolutamide (ODM-201) ¹⁾	Prostate cancer (mHSPC)	I	II	III	
Levosimendan ²⁾	Low Cardiac Output Syndrome	I	II	III	

¹⁾ In collaboration with Bayer ²⁾ Partner: Tenax Therapeutics, Inc.



I	= Phase completed
III	= Phase ongoing
	= Status changed

More info about R&D projects at: <http://www.orion.fi/en/rd/orion-rd/pipeline/>

Longer term pipeline opportunities

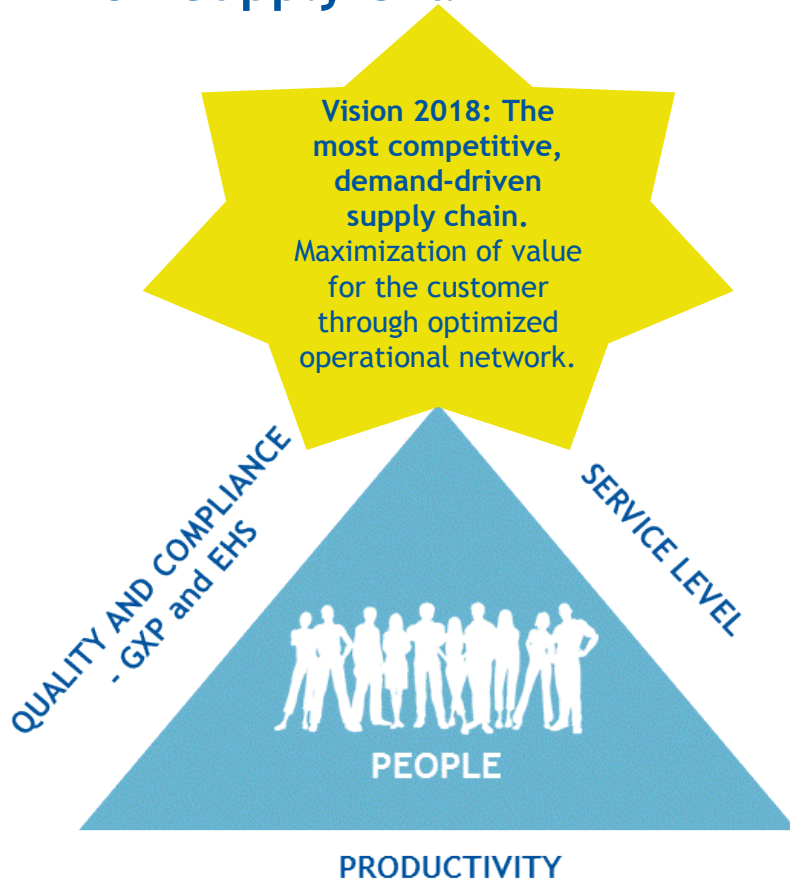
Project	Indication	PHASE			Registration
ODM-109 (oral levosimendan)	ALS	I	II		
ORM-12741 (alpha-2c adrenoceptor antagonist) ³⁾	Alzheimer's disease	I	IIa		
ODM-104 (more effective COMT inhibitor)	Parkinson's disease	I	II		
ODM-203 (targeted FGFR+VEGFR inhibitor)	Solid tumours	I	II		
ODM-207 (BET protein inhibitor)	Cancer	I			

³⁾ In collaboration with Janssen Pharmaceuticals

	= Phase completed
	= Phase ongoing

More info about R&D projects at: <http://www.orion.fi/en/rd/orion-rd/pipeline/>

TOP Supply Chain



Quality and Compliance

Robust compliance level with justified Orion approach
Culture: quality on the shop floor
Right first time execution
Eliminate redundant work
Zero work accidents

Service Level

Customer centric approach
From supply to demand driven
Optimise end to end processes
One joint Orion supply chain approach

Productivity

Lower costs to improve margins
Optimise procurement
Improve plant efficiency
Simplify operations
Increase organisational effectiveness
Optimise CAPEX

SG&A drivers

Continuous development of sales operations

- Competence development
- Active alignment of sales resources & processes and product portfolio
- Use of contract sales organizations
- Partnering
- Digitalization

Administration and support functions mostly centralized

- Information management, legal, etc. mostly in Finland
- Continuous process and system development
- Centralization allows use of scale and building of competencies

Capital expenditure & Net working capital

Large product portfolio and supplier network has made and will make management of net working capital challenging

- Number of SKU's has though been relatively stable over last years due to active management
- Supplier relationship management
- Accounts payable amount has increased due to longer payment terms

Timing of capital expenditure has been actively managed

- To allow sufficient resources for good project execution
- To manage cash flow
- No new major individual investment needs in mid term, but on going updating of current facilities and capabilities continue

Equity structure and Profit distribution

31 Dec 2016 (EUR million)	Orion Corporation	Orion Group
Share capital	92.2	92.2
Reserves	1.4	4.6
Retained earnings		
Orion Corporation	317.3	317.3
Subsidiaries		94.5
Consolidation and IFRS adjustments		140.9
Translation adjustments		-8.1
Non-controlling interests		0.0
Total equity	410.9	641.4

Of these 218 million was distributed in March 2017 → left EUR 0.71/share

IFRS and consolidation items not available for profit distribution

Summary

- Actions are driven by financial objectives

Increasing net sales

- Maximize value of current products
- R&D pipeline development
- Development of generic portfolio
- Focused sales operations
- Compliance, Service level and Cogs

EBIT > 25% of net sales

- Sales growth
- Management of cost structure
- Management of complexity
- Product portfolio
- Resource management

Equity ratio \geq 50%

- Good profitability
- Management of working capital
- Optimization and timing of capex

At least 1.30/share and growing dividends



Q&A