

Interim Report April – June 2024

(SEK million)	Apr – Jun 2024	Apr – Jun 2023	Apr - Mar 2024
Net sales	82.8	56.2	264.2
Sales growth %	47	22	2
Gross profit	37.0	26.2	115.0
Gross margin %	45	47	44
Operating profit (EBIT)	15.2	7.9	32.6
Operating margin (EBIT) %	18	14	12
Profit for the period	10.4	6.8	22.7

Sales and operating profit growth, new products added to the pipeline

April – June 2024

- Consolidated sales during the first quarter, April to June amounted to SEK 82.8 (56.2) million, an increase of 47%.
- Gross profit amounted to SEK 37.0 (26.2) million for the quarter, an increase of 41%.
- EBIT amounted to SEK 15.2 (7.9) million, an increase of 92%. The operating margin was 18% (14%).
- EBITDA margin was 19% (18%).
- Costs related to preparations for uplisting to NASDAQ main list in the quarter of SEK 1.0 (0,2) million. Furthermore, extraordinary shipping costs linked to the situation in the Red Sea amounted to SEK 1.1 (0) million.
- Earnings per share before dilution were SEK 0:36 (0:23) for the quarter. Earnings per share after dilution were 0:36 (0:23).
- Cash flow from operating activities amounted to SEK -19.8 (12.0) million for the quarter.
- Cash and cash equivalents were SEK 13.4 (24.8) million at the end of the quarter.



CEO's comments

During the quarter, EQL delivered a sales growth of 47% and an operating profit (EBIT) growth of 92%. The increase was driven by product launches carried out during the previous financial year, four new launches during the quarter, and the sale of previously unavailable antibiotics. The operating result was negatively affected by costs totaling 2.1 MSEK due to uplisting costs and increased freight costs. For the full year 2024/25, we expect a growth rate of around 40%.

Financial Overview for the First Quarter

During the first quarter of 2024/25, sales rose to 82.8 MSEK, an increase of 47% from 56.2 MSEK the previous year. Operating profit (EBIT) increased by 92% to 15.2 MSEK compared to 7.9 MSEK the previous year, with an EBITDA margin of 19%. The operating margin was negatively affected by approximately 2.1 MSEK due to listing costs on NASDAQ and increased freight costs following disruptions in the Red Sea.

Financial Objectives and Projections for the Fiscal Year

For the full year 2024/25, we project a sales growth of around 40%. Achieving this would align with our long-term sales goals outlined in our five-year plan. Our target is to reach an EBITDA margin of at least 25% at the end of the period. This means, that the EBITDA shall exceed 25% at least in the last quarter of 2024/25. We will also

communicate our financial goals for the next five-year period during the year, which will reflect continuous growth and ambition.

Product Launches and Market Dynamics

During the quarter, four new pharmacy products were launched in the Nordic market, increasing the portfolio from 36 to 40 launched products.

Our strategic key product Mellozzan was launched during the quarter in Germany and Austria and was shortly after the quarter's end also approved in Switzerland. Preparations for the launch in Switzerland and the United Kingdom are ongoing, and launches can occur towards the end of 2024/25.

For Memprex, our second strategic key product, regulatory procedures are ongoing in Germany and France. These markets will form a base for future product expansion to more countries.

During the quarter, four new niche generics were added to our pipeline, which remains at 31 as four products were launched.

Other

From December 2023, our transport routes have been affected by ongoing conflicts in the Middle East, causing our transport partners to navigate via the longer route around the Cape of Good Hope. This extends lead times by

2-3 weeks and increases costs, negatively affecting our gross margins.

During the quarter, we received the news that EQL was approved for trading on NASDAQ Stockholm, and shortly after the quarter's end, on July 4th, our stock was listed for trading. The listing on the main list is another important milestone in our company's development as it provides a clear quality mark to suppliers, customers, and investors. It also simplifies for us, as a NASDAQ-listed company, to operate in the Swedish and international capital markets.



AS
Axel Schörling
VD & Koncernchef

Significant events

During the quarter

April 22nd, 2024 – Mellozzan® (melatonin) launched in Germany and Austria

EQL's key product Mellozzan® has been launched in Germany and Austria, where it is provided to patients by EQL's license partner Medice Arzneimittel Pütter GmbH & Co. KG. In addition to Germany and Austria, Medice also has ongoing work with registrations in Finland and Switzerland and launch in the UK. In 2023, Medice launched Mellozzan® in Denmark and Norway.

In parallel with the launch, work is ongoing to get Mellozzan® reimbursed in Germany, Austria and the UK. Until that happens, patients will have to pay for the medicine out of pocket which will limit sales initially. This is completely normal for launches in these countries and was planned for by EQL and Medice. EQL sees no reason why Mellozzan® will not become reimbursed in the new markets in the same way as the product has already been in the Scandinavian countries.

May 27th, 2024 – EQL Pharma's CEO increases his holding in the company

EQL Pharma's CEO, Axel Schörling, has increased his stake in the company. During the period 22-24 May, Axel Schörling has bought 53,903 shares in the Company at a volume-weighted average price of SEK 47.05, a transaction totalling SEK 2,536,010. The trades were made on Spotlight Stock Market. After the purchases, Schörling owns a total of 311,016 shares, which corresponds to 1.1% of the shares in the Company. This makes him EQL's 3rd largest physical owner and the 9th largest, institutions included.

During the quarter, cont.

June 12th, 2024 – EQL Pharma AB has been approved for listing on Nasdaq Stockholm

Nasdaq Stockholm's listing committee has announced that it considers that EQL Pharma AB ("EQL Pharma" or the "Company") meets the applicable listing requirements and that they will approve the application for admission to trading of the Company's shares on Nasdaq Stockholm Main Market subject to customary conditions being met, including the approval and registration of a prospectus by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) and the fulfilment of the distribution requirement for the Company's shares. The first day of trading on Nasdaq Stockholm is expected to be Thursday 4 July 2024 and the last day of trading on Spotlight Stock Market is expected to be Wednesday 3 July 2024.

June 28th, 2024 – EQL Pharma AB publishes prospectus for list change to Nasdaq Stockholm

The prospectus that has been prepared in connection with the list change has today been approved and registered by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) and is now available on EQL Pharma's website, www.eqlpharma.com, and will be available on the Swedish Financial Supervisory Authority's website, www.fi.se.

Significant events

After the quarter

July 4th, 2024 – Trading in EQL Pharma's shares on Nasdaq Stockholm commences

On 4 July 2024, the trading in the Company's share on Nasdaq Stockholm commences. EQL Pharma's share will be traded in the Small Cap segment and will retain both its ticker (EQL) and ISIN code (SE0005497732). In connection with the list change, there will be no offering or issue of new shares and shareholders of EQL Pharma will not need to take any actions.

July 5th, 2024 – Mellozzan® (melatonin) has gained marketing approval in Switzerland

EQL's key product Mellozzan® has now gained marketing approval by the Health Authorities in Switzerland, where it is to be provided to patients by EQL's license partner Medice Arzneimittel Pütter GmbH & Co. KG. Launch of Mellozzan in Switzerland is planned for the financial year 2024/25, subject to reimbursement approvals and manufacturing capabilities. In addition to Switzerland the licensee also has ongoing work for registrations and subsequent launches in Finland and the UK. In 2023, Medice launched Mellozzan® in Denmark and Norway and this year it was launched in Germany and Austria.

After the quarter, cont.

July 16th, 2024 – Notice of annual general meeting in EQL Pharma AB

The shareholders of EQL Pharma AB, Reg. No. 556713-3425, are hereby invited to the annual general meeting to be held on Monday 19 August 2024 at 16.00 at the company's premises at Stortorget 1 in Lund.

Product development

Pipeline

EQL Pharma's reporting of the pipeline takes place at a general level and does not include, with the exception of launch phase products, the names of individual products or the products' current or expected market potential. Our goal is to provide better guidance to shareholders without disclosing information to competitors and without our pipeline being interpreted as a financial prospect. The information is updated in connection with the quarterly reports.

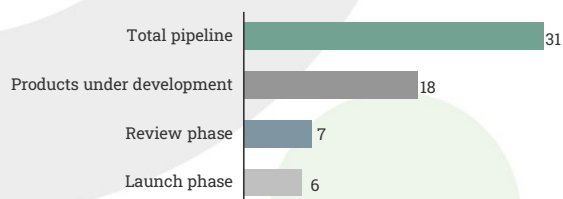


Figure 1. Total pipeline of products and how many products are in Review phase and Launch phase respectively.

Products in different phases

Development phase is used here as a general term. In this term all products we actually develop together with partners in, for example, India or the EU are included. But in addition to these products, the term also includes all products on which we have signed licensing or distribution

agreements for one or more geographical markets, although we do not develop the product ourselves.

When a product is fully developed, the application is submitted to the Medicines Agency in the markets where we intend to sell the product. The Agency's then initiate an audit, which generally takes about one year from application to approval. We call this step Review phase. At the end of the quarter, we had seven products in the review phase.

After approval, when we know that the product is approved, we can place orders for manufacturing and delivery. In parallel with this, we apply for government reimbursement and tenders to the extent that they are available. We call this step the launch phase and usually it takes about six to twelve months from approval until the first package is delivered to pharmacies.

Products in the Launch phase

At the end of the quarter, we have six products in the launch phase. Five of these are hospital products whose launches are dependent on outcomes in public tenders. The sixth, Testonur (testosterone) which is classified as a retail product, has an expected launch in the fourth quarter.

During all stages from the development phase to the launch phase, situations can arise that risk delaying a

launch or even making it impossible. Both ourselves and our carefully selected partners do everything we can to prevent these situations from occurring, but there are always risk factors beyond our control. This means that launches can take place both earlier and later than indicated. The chart below is intended to provide a best guess at any given time.

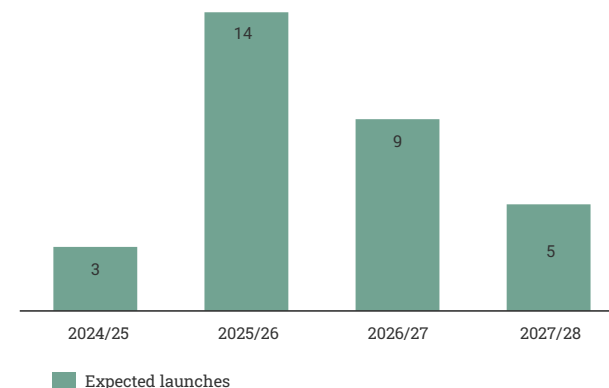


Figure 2. The company's product launches for the current fiscal year and expected product launches up to and including fiscal year 2027/28.

Market

EQL Pharma has an aggressive growth strategy driven by the launch of new products combined with expansion into new markets. Our products are often generic to originals that have been around for a very long time.

This means that the markets we enter are generally mature, but also that there are few, if any, generic competitors to our products and that it is unlikely that many new ones will be added.

Marketed products

The definition of "product" is a unique substance and / or formulation. So PenV tablets and oral suspension count as two products, not one. A product can be launched in several countries at the same time with different pack sizes but is still only counted as one product.

During the quarter, four products were launched. Propranolol EQL Pharma, Nitrofurantoin EQL Pharma, Allopurinol EQL Pharma and Amitriptyline EQL Pharma. All were launched in Denmark and are classified as retail products which are covered by the Danish health insurance system.

Geographic markets

Today, we operate directly under our own brand in Sweden, Denmark, Norway and Finland.

In the rest of Europe our products are sold indirectly through partners.

During 2024/25 and onwards, we will expand our geographical presence in Europe. Depending on the market, this is done through a direct or indirect sales model. Indirect sales of Mellozzan (melatonin tablets) started in Germany and Austria during the quarter.

Business areas

We currently develop and sell only prescription drugs, and tests, in our core business. In that category there are several interesting business areas. So far, we have mostly invested in (a) the field of interchangeable generics in outpatient care (Retail). The intention is to broaden the portfolio to include more (b) injection products for inpatient care (Hospital), (c) unique products/formulations for above all outpatient care (Brands) and d) tests to identify Covid and/or influenza infections (Tests).

Outpatient generics are mainly sold via various exchange systems such as the Swedish "Periodens Vara" system. The injection products are generally sold via public tendering. The unique products achieve sales only through prescription specifically of our product and the tests are sold direct to consumer with pharmacies as the primary sales channel.

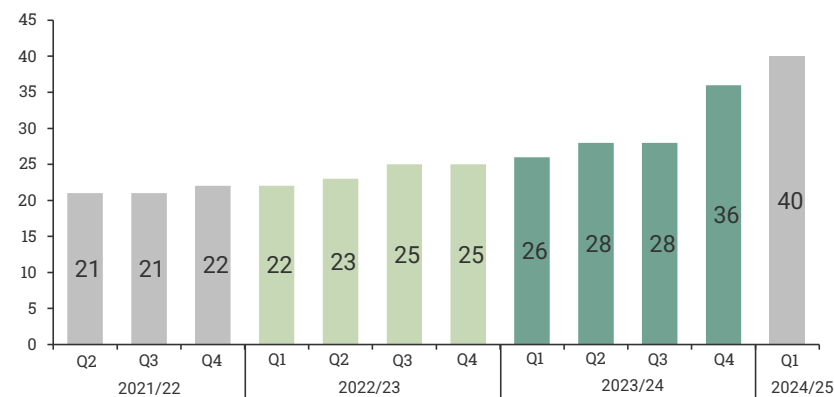


Figure 3. The company's product portfolio, i.e. marketed products, per quarter from fiscal year 2021/22 through the reporting period for the current fiscal year. The Y axis is the number of products marketed.

Market

Retail

We have launched four products in Denmark during the quarter.

- Propranolol EQL Pharma is a so-called beta blocker which is primarily used in the heart/vasculature treatments, but also as a treatment for migraines, involuntary tremors, among others.
- Nitrofurantoin EQL Pharma is an antibiotic used to treat acute urinary tract infections caused by bacteria.
- Allopurinol EQL Pharma is a so-called enzyme inhibitor and is a cornerstone in the treatment of gout.
- Amitriptyline EQL Pharma belongs to the group of tricyclic antidepressants and is mainly used in the treatment of depression, but also for the treatment of nerve-related pain and migraine.

Hospital

During the quarter, EQL won tenders in Denmark and Iceland and received extended contracts for products in several Swedish regions as well as in Denmark.

Brands

During the first quarter, our partner Medice launched Mellozzan (melatonin tablets) in Germany and Austria. The reception from healthcare and patients has been good.

After the end of the quarter, Medice Mellozzan was approved in Switzerland and, just like in the UK, preparations for launch are now in full swing.

Tests

In the quarter, there was a smaller wave of Covid infections in all Nordic countries, which we noticed with a certain increase in sales compared to the previous quarter.

Golden Oldies

We at EQL have a preference (strategy) for generics to older drugs where competition is limited and the establishment in healthcare is deeply rooted.

So, when were the originators of our new niche generics launched?

Propranolol



Nitrofurantoin



Amitriptylin



Allopurinol



Answer: Propranolol 1965, Nitrofurantoin 1958, Amitriptylin 1963 and Allopurinol 1967.



Financial information

Sales and operating profit

Sales development

In the first quarter of the financial year 2024/2025, our net sales amounted to SEK 82.8 (56.2) million, which corresponds to a growth of 47%.

Quarterly net sales and Rolling 12 months (R12)*

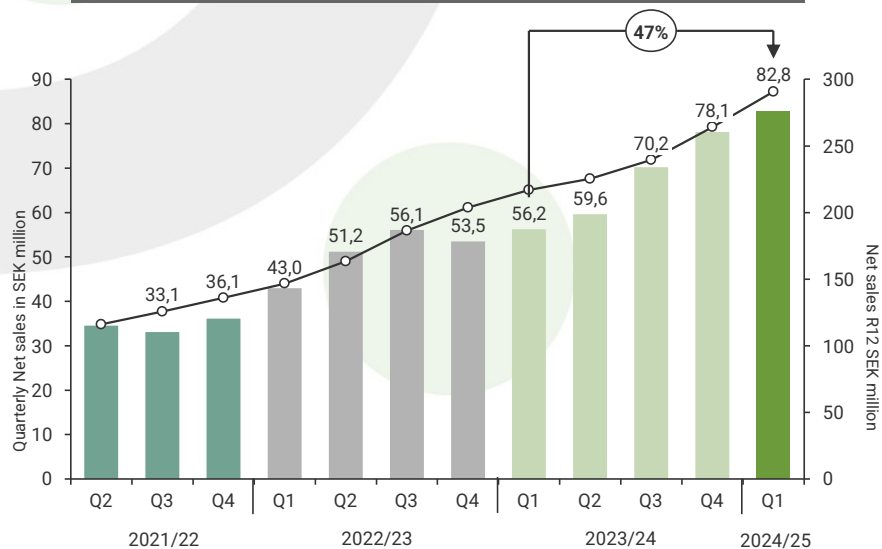


Figure 4. Net sales trend fiscal year 2020/21 through reporting period for the current fiscal year. Left Y-axis quarterly turnover in SEK million. Right Y-axis rolling 12-months sales expressed in SEK million.

* Excluding non-recurring sales

Profit performance

Operating profit for the first quarter amounted to SEK 15.2 (7.9) million. The operating margin (EBIT) was 18% (14%). All business areas contributed positively to the result. Cost increases linked to increased staff strength as well as one-off costs linked to the stock market change and extra shipping costs have a negative impact on the result in the quarter.

Quarterly operating profit (EBIT) and EBIT Rolling 12 months (R12)

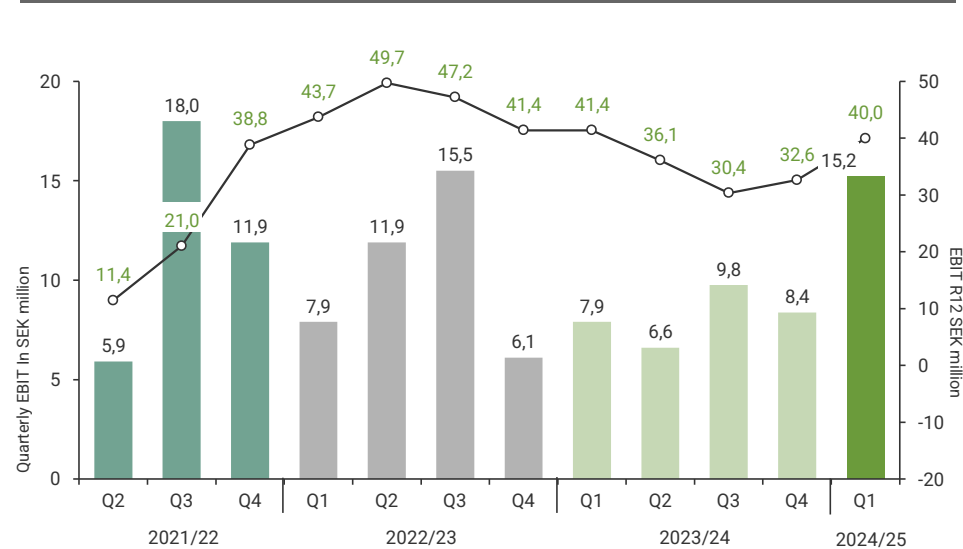


Figure 5. Operating profit trend (EBIT) for fiscal year 2020/21 through the reporting period for the current fiscal year, the bars are EBIT and the line is rolling 12-month EBIT. The left Y-axis EBIT per quarter expressed in SEK million and the right Y-axis is rolling 12-month EBIT expressed in SEK million.

Cash flow, investments and financing

Gross profit

Gross profit increased by 41 percent to SEK 37.0 (26.2) million during the quarter, which corresponds to a gross margin of 45 percent (47).

The gross margin was affected by shipping costs, the product mix, depreciation of capitalized development expenses, inventory adjustments and currency effects.

Cash flow

Positive cash flow from operations before changes in working capital of SEK 14.1 (10.8) million for the quarter.

Change in working capital during the quarter amounted to SEK -33.8 (-22.8) million. The change can primarily be explained by an increased capital tie-up in inventory.

The total cash flow from current operations amounted to SEK -19.8 (-12.0) million for the quarter.

Investments

EQL Pharma continues to invest in new products. During the quarter, SEK 7.7 (7.5) million was invested in both ongoing and new projects.

Financing

Cash flow from financing operations totaled SEK 20.4 (-0.1) million during April to June.

Financial costs

The quarter's interest expenses attributable to loans amounted to SEK -2.1 (-0.9) million. In addition to interest costs for loans, financial costs are attributable to interest on leasing debt according to IFRS 16. Other financial income for the period amounted to SEK 0.0 (1.5) million.

Financial position

Cash and cash equivalents amounted to SEK 13.4 (24.8) million at the end of the quarter and unutilised working capital credit amounted to SEK 17.3 (20.0) million.

Pledged invoice and inventory limits amounted to SEK 140 (110) million.

Additional information

Parent company

EQL Pharma AB is the parent company of the EQL Pharma group. Net sales for the Parent Company during the first quarter amounted to SEK 82.8 (55.1) million. Operating profit amounted to SEK 15.5 (8.1) million for the quarter.

Personnel

The number of full-time employees in the group is 22 (18), out of whom 15 (12) are women, at the Swedish parent company.

In addition to the permanent staff, there are long-term consultants with expertise in GMP, pharmacovigilance, regulatory affairs, business development and wholesale operations tied to the group.

Risk factors

This financial report includes statements that are forward looking but actual future results may differ materially from those anticipated. In addition to the factors discussed, the earnings can be affected by delays and difficulties in the various phases of development, such as formulation, stability, preclinical and clinical trials, but also potentially competition, economic conditions, patent protection and the exchange rate and interest rate fluctuations, and political risks.

Several risk factors may have a negative impact on the operations of EQL Pharma. It is therefore important to consider the relevant risks alongside the Company's growth opportunities. The following text describes risk factors in no particular order and with no claim to be exhaustive. Delays in launching new products can mean deterioration in earnings for the company and it cannot be excluded that the EQL Pharma in the future may need to raise additional capital. An aggressive investment strategy from competition could pose risks in the form of slower sales and weaker profitability. Increased competition could lead to negative sales and earnings effects for the Company in the future.

External factors such as inflation, currency and interest rate fluctuations, supply and demand as well as booms and recessions may have an impact on operating costs, selling prices and equity valuations. EQL Pharma's future revenues and valuation of shares may be adversely affected by these factors, which are beyond the Company's control. A large part of the purchases is made in euro whose value can change significantly.

EQL Pharma will continue to develop new products in its field. Time and cost aspects of product development can be difficult to pre-determine with accuracy. This entails the risk that a

proposed product is more costly than planned or takes longer than planned.

Additional risks and uncertainties that are not currently known to EQL Pharma may be developed into important factors that affect the Company's operations, results and financial position.

For a more detailed list of risks, we refer to EQL's Annual Report 2023/24, pages 42-43 and 58-60.

Upcoming reports

Future reports for 2024/2025 will be published:

Current financial period:	
Annual General Meeting	2024-08-19
Interim Report July – September (Q2)	2024-11-06
Interim Report October – December (Q3)	2025-02-05
Interim Report January – March (Q4)	2025-05-08

Additional information

Accounting policies

EQL Pharma's consolidated accounts are prepared in accordance with International Financial Reporting Standards (IFRS). EQL Pharma's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. For the Group, the same accounting policies as those adopted for this report are described on pages 51-57 of the company's Annual Report for 2023/2024.

Reporting for the Parent follows the Swedish Annual Accounts Act and recommendation RFR 2 of the Swedish Financial Accounting Standards Council ('Reporting for Legal Entities').

Our financial goals

For the current four-year period, spanning from 2020/21 to 2024/25, we aim to grow by an average of 40 percent per year. The growth pertains to sales of a recurring nature. Furthermore, we aim for the EBITDA margin to be more than 25 percent at the end of the period. This means, that the EBITDA shall exceed 25% at least in the last quarter of 2024/25. For the upcoming fiscal year 2024/25, we expect a growth of around 40 percent. If achieved, this would mean that the average sales target over the four-year period is met.

The auditors' review

This interim report has not been audited by the auditor.

Questions regarding year end report

For further information or questions, please contact:

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President & CEO
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EQL Pharma is listed on Nasdaq Stockholm, Small Cap list. The company is traded under the ticker symbol EQL and ISIN code SE0005497732.

Board of Directors EQL Pharma

Lund, August 8th, 2024.

Christer Fåhraeus,
Chairman

Anders Månsson,
Member

Per Ollermark,
Member

Linda Neckmar,
Member

Per Svangren,
Member

Rajiv I Modi,
Member

The Group

Consolidated profit and loss statement

All amounts in '000	Note	Apr – Jun 2024	Apr – Jun 2023	Apr 2023 – Mar 2024
Net sales	3	82 789	56 206	264 168
Cost of goods sold		-45 808	-30 016	-149 123
Gross profit		36 981	26 190	115 045
Gross margin		45%	47%	44%
Sales and marketing expenses		-12 826	-11 393	-48 976
Administration expenses		-6 436	-4 801	-21 826
R&D expenses		-3 201	-2 137	-12 090
Other operating income		715	72	463
Operating profit (EBIT)		15 232	7 930	32 615
Other financial items		0	1 527	1 721
Interest paid		-2 119	-860	-5 732
Result before tax		13 113	8 597	28 604
Tax		-2 701	-1 772	-5 899
Net profit for the period		10 412	6 825	22 705
Other comprehensive income:				
Translation difference in the group		-5	6	4
Sum of Components to be reclassified to net profit:		-5	6	4
Sum of other comprehensive income:		-5	6	4
Comprehensive result for the period		10 407	6 832	22 709

The Group

Per share data

Per share data	Apr – Jun 2024	Apr – Jun 2023	Apr 2023 – Mar 2024
Earnings per share, before dilution, SEK */	0.36	0.23	0.78
Earnings per share, after dilution, SEK */	0.36	0.23	0.76
Equity per share, SEK	6.47	5.56	6.12
Number of shares outstanding	29 063 610	29 063 610	29 063 610
Average number of shares outstanding, before dilution	29 063 610	29 063 610	29 063 610
Average number of shares outstanding, after dilution	29 063 610	29 625 610	29 795 610
Stock exchange rate, SEK	56.20	29.70	42.30
Dividend per share	-	-	-

* Based on the profit/loss for the period divided by the average number of shares in issue

Quarterly earnings trend

All amounts in '000	Apr – Jun 2024	Jan – Mar 2024	Oct – Dec 2023	Jul – Sep 2023	Apr 2023 – Mar 2024
Net sales	82 789	78 134	70 211	59 617	264 168
Sales growth	47%	30%	-12%	-19%	2%
Gross profit	36 981	31 452	33 499	23 905	115 045
Gross margin, %	45%	40%	48%	40%	44%
Operating profit (EBIT)	15 232	8 373	9 754	6 557	32 615
Operating margin, %	18%	11%	14%	11%	12%
Net profit for the period	10 412	4 693	6 507	4 680	22 705
Cash flow for the period	-7 097	10 054	-10 430	-3 954	-23 958

The Group

Consolidated balance sheet

All amounts in '000	Note	2024-06-30	2023-06-30	2024-03-31
Intangible assets		180 387	121 034	173 309
Tangible fixed assets	4	2 329	2 781	2 674
Financial assets		1	1	1
Inventory		137 284	88 805	105 627
Trade receivables		56 673	45 122	58 342
Other receivables		16 546	5 995	13 337
Cash and bank		13 371	24 798	20 468
Total assets		406 591	288 536	373 759
Equity		188 134	161 585	177 726
Deferred Tax liability		20 211	13 823	17 510
Long-term debt, interest-bearing		16 607	1 836	16 700
Short-term debt, interest-bearing		123 847	64 662	103 393
Short-term debt, non interest-bearing		11 235	8 776	8 605
Trade payables		46 557	37 854	49 825
Total equity and liabilities		406 591	288 536	373 759

Consolidated changes in equity

All amounts in '000	Apr – Jun 2024	Apr – Jun 2023	Apr 2023 – Mar 2024
Balance at beginning of period	177 726	154 753	154 753
Warrants	0	0	266
Profit for the period	10 412	6 825	22 705
Other comprehensive income	-4	6	1
Balance at end of period	188 134	161 585	177 726

The Group

Cash flow

All amounts in '000	Apr - Jun 2024	Apr - Jun 2023	Apr 2023 - Mar 2024
Operating profit (EBIT)	15 232	7 930	32 615
Interest paid	-2 119	667	-4 011
Adjustment for items not included in cash flow	958	2 158	2 921
Taxes	0	0	0
Cash flow from operations before changes in working capital	14 071	10 755	31 525
Changes in inventory	-31 662	-23 431	-40 259
Changes in current receivables	-1 539	6 318	-14 245
Changes in current liabilities	-637	-5 645	11 542
Sum changes in working capital	-33 838	-22 758	-42 962
Cash flow from operations	-19 767	-12 003	-11 437
Acquisitions of intangible non-current assets	-7 653	-7 505	-65 336
Acquisitions of tangible non-current assets	-37	0	-926
Cash flow from investment activities	-7 691	-7 505	-66 262
Amortization, raising of loans	20 722	213	53 970
Warrants program	0	0	266
Leasing debts	0	0	910
Amortization of leasing debts	-361	-332	-1 404
Cash flow from financing activities	20 361	-119	53 741
Total cash flow during period	-7 097	-19 628	-23 958
Cash / cash equivalents at beginning of period	20 468	44 426	44 426
Cash / cash equivalents at end of period	13 371	24 798	20 468

Parent company

Profit and loss statement

All amounts in i '000	Apr – Jun 2024	Apr – Jun 2023	Apr 2023 - Mar 2024
Net sales	82 790	55 121	258 167
Cost of goods sold	-45 670	-29 146	-145 846
Gross profit	37 120	25 976	112 321
Gross margin	45%	47%	44%
Sales and marketing expenses	-12 736	-11 099	-48 164
Administration expenses	-6 391	-4 735	-21 685
R&D expenses	-3 208	-2 142	-12 090
Other operating income	715	72	463
Operating profit (EBIT)	15 500	8 072	30 844
Other financial and interest income	0	1 527	1 721
Interest expenses and similar expenses	-2 108	-844	-5 669
Profit before tax	13 392	8 755	26 896
Appropriations	0	0	-24 950
Tax	-2 701	-1 772	-438
Net profit for the period	10 691	6 983	1 508

Parent company

Balance sheet

All amounts in '000	2024-06-30	2023-06-30	2024-03-31
Intangible assets	180 102	120 749	173 024
Tangible fixed assets	315	359	300
Financial assets	391	391	391
Inventory	136 667	87 884	105 627
Trade receivables	56 682	44 877	55 976
Other receivables	17 949	8 108	14 762
Cash and bank	11 981	22 874	20 203
Total assets	404 088	285 242	370 283
Equity	120 343	114 861	109 652
Long-term debt, interest-bearing	15 671	0	15 453
Short-term debt, interest-bearing	122 723	63 914	102 218
Short-term debt, non interest-bearing	13 941	10 359	8 203
Appropriations	85 000	58 500	85 000
Trade payables	46 411	37 607	49 758
Total equity and liabilities	404 088	285 242	370 283

Notes

Note 1 Accounting policies

The Group applies International Financial Reporting Standards (IFRS), as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Annual Accounts Act and the Nasdaq Stockholm Rule Book for Issuers. Disclosures in accordance with IAS 34 p. 16A appear not only in the financial statements and their accompanying notes but also in other parts of the interim report. The parent company applies the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2 Accounting for Legal Entities.

Note 2 Segment reporting

EQL Pharma's operations only comprise one operating segment; generics for prescription pharmacy sales and hospital sales, and therefore reference is made to the income statement and balance sheet regarding operating segment reporting.

Note 3 Allocation of sales

Net sales divided in geographical markets.

All amounts in '000	Apr – Jun 2024	Apr – Jun 2023
Sweden	31 329	25 584
Other Scandinavia	32 831	17 180
Other Europe	18 629	13 442
Total	82 789	56 206

All amounts in '000	Apr 2023 – Mar 2024
Sweden	145 284
Other Scandinavia	84 097
Other Europe	34 786
Total	264 168

Note 4 Tangible fixed assets

All amounts in '000	2024-06-30	2023-06-30	2024-03-31
Right of use assets			
Land and buildings	902	1 772	1 202
Inventories	1 112	652	1 171
Total right of use assets	2 014	2 423	2 374
Tangible fixed assets that are not right of use assets			
Land and buildings	0	0	0
Inventories	315	359	300
Total tangible fixed assets that are not right of use assets	315	359	300
Total tangible fixed assets	2 329	2 781	2 674

The tangible fixed assets amounted to SEK 2.3 million on the balance sheet date. The majority of the right of use assets consists of leases for office premises. For all leases for which the Group is lessee (which are not short-term leases or low value assets), the Group recognizes a right of use asset and a corresponding lease liability.

When valuating the right of use asset, the acquisition method is used, i.e the right of use asset is calculated at acquisition cost, adjusted for any revaluation of the lease liability less depreciation. The right of use asset is reported as a tangible fixed asset, while leasing liability is reported separately in the Group's statement of financial position as long-term debt, interest-bearing and short-term debt, interest-bearing.

Notes

Note 5 Transactions with related parties

The nature and extent of related party transactions are described in the group's annual report for 2023/24.

Transactions with related parties arise in the day-to-day operations and are based on commercial terms and market prices. In addition to customary transactions between group companies and remuneration to management and the board, the following transactions with related parties have taken place during the period: Transactions with Cadila Pharmaceuticals Ltd regarding goods purchases and development costs have taken place with SEK 14.4 (9.5) million during the period April – June 2024.

Note 6 Incentive Programmes

Options Scheme – During the period April – June 2024, the company has not allocated any new warrants.

There are previously outstanding incentive programs in the company in the form of four warrant programs through which a maximum of 732,000 new shares may be issued. If all warrants that have been issued and held by participants are fully utilized for the subscription of shares, a total of 732,000 new shares will be issued, which corresponds to a combined dilution of approximately 2.46 percent of the company's share capital and votes after full dilution.

The earnings conditions mean that the individuals annually for 3.5 years earn the right to the warrants and where it exists a requirement for employment during the respective period. As the warrants in the Warrants Programs will be issued to the participant at their fair market value, it is the company's assessment that no social costs will occur for the company as a result of the Warrants Programs.

Description of the full terms and conditions for incentive programs can be found on the company's website under Investor Relations.

Note 7 Events after accounting period

July 4th, 2024 – Trading in EQL Pharma's shares on Nasdaq Stockholm commences today

On 4 July 2024, the trading in the Company's share on Nasdaq Stockholm commences. EQL Pharma's share will be traded in the Small Cap segment and will retain both its ticker (EQL) and ISIN code (SE0005497732).

July 5th, 2024 – Mellozzan® (melatonin) has gained marketing approval in Switzerland

EQL's key product Mellozzan® has now gained marketing approval by the Health Authorities in Switzerland, where it is to be provided to patients by EQL's license partner Medice Arzneimittel Pütter GmbH & Co. KG.

Reconciliation tables KPIs, non-IFRS measures

The company presents certain financial measures in the interim report which are not defined according to IFRS. The company considers these measures to provide valuable supplementary information for investors and the company's management as they enable the assessment of relevant trends. EQL Pharma's definitions of these measures may differ from other companies' definitions of the same terms. These financial measures should therefore be seen as a supplement rather than as a replacement for measures defined according to IFRS. Definitions of measures which are not defined according to IFRS and which are not mentioned elsewhere in the interim report are presented below. Reconciliation of these measures is shown in the tables below.

Sales growth

		Apr – Jun 2024	Apr – Jun 2023	Apr - mar 2024
A	Net sales current period, KSEK	82 789	56 206	264 168
B	Net sales last period, KSEK	56 206	46 098	259 913
(A-B)/B	Sales growth, %	47%	22%	2%

Gross profit / Gross margin

		Apr – Jun 2024	Apr – Jun 2023	Apr - mar 2024
A	Net sales, KSEK	82 789	56 206	264 168
B	Cost of goods sold, KSEK	-45 808	-30 016	-149 123
A-B	Gross profit, KSEK	36 981	26 190	115 045
(A-B)/A	Gross margin, %	45%	47%	44%

Key performance indicators not defined according to IFRS

Key performance indicators	Definition
Sales growth	Net sales divided by net sales corresponding to the period last year.
Gross profit	Net sales less cost of goods sold.
Gross margin	Gross profit as a percentage of net sales.
Operating profit (EBIT).	Earnings before interest and tax
Operating margin (EBIT), %.	Operating profit (EBIT) as a percentage of net sales for the period.
EBITDA margin %	Operating profit (EBIT) adjusted for write-downs and amortization divided by net sales.
Shareholders' equity per share	Shareholders' equity attributable to Parent Company shareholders divided by the number of outstanding shares at the end of the period.
Equity/assets ratio	Shareholders' equity including non-controlling interests as a percentage of total assets.

Reconciliation tables KPIs, non-IFRS measures, cont.

Operating profit (EBIT)/ Operating margin		Apr – Jun 2024	Apr – Jun 2023	Apr - mar 2024
A	Operating profit (EBIT), KSEK	15 232	7 930	32 615
B	Net sales, KSEK	82 789	56 206	264 168
A/B	Operating margin (EBIT), %	18%	14%	12%
EBITDA margin%		Apr – Jun 2024	Apr – Jun 2023	Apr - mar 2024
A	Operating profit (EBIT) adjusted for write-downs and amortization , KSEK	15 860	10 308	42 157
B	Net sales, KSEK	82 789	56 206	264 168
A/B	EBITDA margin, %	19%	18%	16%
Shareholders' equity per share		Apr – Jun 2024	Apr – Jun 2023	Apr - mar 2024
A	Profit/loss for the period, KSEK	10 412	6 825	22 705
B	Number of shares	114 997	158 169	166 240
A/B	Net earnings per share, %	9%	4%	14%
Equity-asset ratio		Apr – Jun 2024	Apr – Jun 2023	Apr - mar 2024
A	Equity, KSEK	188 134	161 585	177 726
B	Balance sheet total, KSEK	406 591	288 536	373 759
A/B	Equity ratio, %	46%	56%	48%