

Interim Report April – September 2023

(SEK million)	Jul - Sep 2023	Jul - Sep 2022	Apr - Sep 2023	Apr - Sep 2022	Apr - Mar 2023
Net sales	59.6	73.3	115.8	119.4	259.9
Sales growth %	-19	40	-3	34	-37
Gross profit	23.9	28.6	50.1	52.3	115.9
Gross margin %	40	39	43	44	45
Operating profit (EBIT)	6.6	11.9	14.5	19.8	41.3
Operating margin (EBIT) %	11	16	13	17	16
Profit for the period	4.7	7.5	11.5	14.9	30.8

Growth despite large impact from the global antibiotics shortage, several important MA approvals and expansion of pipeline

July – September 2023

- Consolidated sales during the second quarter, July to September amounted to SEK 59.6 (73.3) million. Adjusted for non-recurring sales the revenue amounted to 59.6 (51.2) MSEK, an increase of 16%.
- Gross profit amounted to SEK 23.9 (28.6) million for the quarter, a decrease of 16%.
- EBIT amounted to SEK 6.6 (11.9) million, a decrease of 45%. The operating margin was 11% (16%).
- EBITDA margin was 14%.
- Earnings per share before dilution were SEK 0:16 (0:26) for the quarter. Earnings per share after dilution were 0:16 (0:25).
- Cash flow from operating activities amounted to SEK -4.0 (-18.3) million for the quarter.
- Cash and cash equivalents were SEK 20.8 (28.3) million at the end of the quarter.

April – September 2023

- Consolidated sales during the period April-September amounted to SEK 115.8 (119.4) million. Adjusted for non-recurring sales the revenue amounted to 115.8 (94.2) MSEK, an increase of 23%.
- Gross profit for the same period amounted to SEK 50.1 (52.3) million, a decrease of 4%.
- EBIT for April-September amounted to SEK 14.5 (19.8) million.
- EBITDA margin was 16%.
- Earnings per share were SEK 0:40 (0:51) for the period. Earnings per share after dilution were 0:39 (0:50).
- Cash flow from operating activities amounted to SEK -23.6 (-12.9) million during April-September.
- Cash and cash equivalents were SEK 20.8 (28.3) million at the end of September.



CEO's comments

In the second quarter of the financial year 2023/24, EQL delivers growth despite the large negative impact of the global antibiotics shortage. In addition, there was no significant sales of Covid-19 tests in the quarter. Towards the end of the year, our important antibiotics are again available for sale. The quarter is also characterized by good news linked to approvals of Mellozzan in new markets, several launches and expansion of the pipeline. The growth outlook of 30% for the full year remains fixed.

Second quarter in summary

The second quarter's total sales in 2023/24 (no sales of Covid-19 tests in Q2), amounted to SEK 59.6 (51.2) million, an increase of 16%. Operating profit (EBIT) amounted to SEK 6.6 (11.9) million. The operating margin was 11% (16%). The EBITDA margin was 14%. Margins are negatively affected in the quarter by the antibiotic shortage. In addition, the profit in the comparison quarter, Q2 2022/23 benefited from Covid-19 test sales, which is not the case in Q2 2023/24.

Financial goals and full-year forecast

Our long-term financial goals are fixed. So is the sales forecast for the full year 2023/24, where we see a growth of around 30%. Due to of the antibiotics shortage, the first half of the year's sales are behind plan. We assess our chances of catching up in the second half of the year as

good.

Strategic focus of EQL

- Launch the pipeline products as fast as possible
- Maximize the utility of our assets by launching products in more countries, by ourselves or through partnerships
- Continuously identify and sign new niche generics to be launched in the Nordics and elsewhere to secure long-term growth
- Outlicense and market our strategic key assets Mellozzan and Memprex
- Be cost-efficient in everything we do
- Continue to curiously explore new business models and potential revenue streams (e.g. as was done with the personal protective equipment (PPE) and the covid tests)

Products and market

Mellozzan, one of our two strategic key products, has been approved for sale in Germany and Austria. These are important milestones, on the journey to build significant sales in these markets. During the quarter, Mellozzan was also launched in Norway and Denmark. We currently do not see as much potential in these markets as we see in several Central and Southern European markets.

For our other strategic key product, Memprex, work is underway to submit applications in Germany and France, where we have already established collaborations. We also have ongoing discussions with potential partners for other

markets.

During the quarter, we launched two new hospital products, Glyronul and Copneg, after being awarded tenders in Sweden and Denmark. Our portfolio thus grows from 26 to 28 products.

Three new niche generics for the Nordics have been added to our pipeline, which thus grows from 36 to 37 products (two products were launched in the quarter). We are working intensively to identify new products for our pipeline and will regularly update on progress.

Other

There is a shortage of penicillin in Europe as a result of the war in Ukraine. EQL was impacted negatively by this in Q1 and the negative impact continues into Q2. We estimate that our important antibiotics will be back in stock towards the end of the year. At the same time, we can to some extent compensate the lower penicillin sales by selling more of other products where competitors have problems with stocks.



A handwritten signature in blue ink, appearing to be 'AS', located to the right of the portrait.

Axel Schörling
CEO & President

Significant events

During the quarter

August 15th, 2023 – Mellozzan® (melatonin) is launched in Denmark and Norway by EQL Pharma's license partner Medice Arzneimittel Pütter GmbH & Co. KG

As the first countries outside of Sweden, EQL's key product Mellozzan® has been launched in Denmark and Norway by EQL's licensee Medice. The countries are the first in a series of seven where Medice contributes its market knowledge and network to quickly reach out with Mellozzan® to patients. In addition to Denmark and Norway, the licensee also has ongoing work for registrations and subsequent launches in Medice's home market Germany, as well as the UK, Austria, Finland and Switzerland.

August 17th, 2023 - Bulletin from the annual general meeting in EQL Pharma AB on 17 August 2023

On 17 August 2023, the annual general meeting was held in EQL Pharma AB. The annual general meeting resolved to adopt the income statement and balance sheet as well as the consolidated income statement and the consolidated balance sheet. The annual general meeting also resolved to distribute the company's result in accordance with the proposal from the board of directors in the annual report meaning that no dividends are paid for the financial year 2022/2023 and that the available funds are carried forward. The annual general meeting resolved in accordance with the proposal from the board of directors to implement a long-term incentive program for the company's CBDO and COO based on issue of warrants.

The annual general meeting resolved in accordance with the proposal from the board of directors to implement a long-term incentive program for the company's CBDO and COO based on issue of warrants.

In case all warrants issued in connection with the incentive program are exercised for subscription of new shares, a total of 150,000 new shares will be issued, which corresponds to a dilution of approximately 0.51 per cent of the company's share capital and votes.

After the quarter

October 6th, 2023 – Mellozzan® (melatonin) have gained marketing approval in Germany and Austria

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

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.

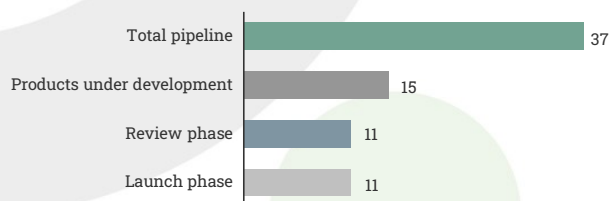


Figure 2. Total pipeline of products and how many products are in Review phase and Launch phase respectively.

Products in the Development phase

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 11 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

We currently have 11 products in the launch phase. Mellozzan (melatonin) oral solution, Tigecyclin EQL Pharma powder for solution for infusion, Piperacillin/Tazobactam Qilu powder for solution for infusion, Caloket (ketorolac) solution for injection, Penicryl (benzylpenicillin) powder for solution for infusion, Meropenem Qilu powder for solution for infusion, Levosimendan EQL Pharma concentrate for solution for infusion and Sugammadex Qilu injection solution is expected to launch in Q4 2023/24. Dexmedetomidine EQL Pharma concentrate for infusion

solution, Cefazolin Qilu powder for injection and Palonosetron Qilu injection are expected to be launched in 2024/25 depending on the outcome of upcoming public tenders.

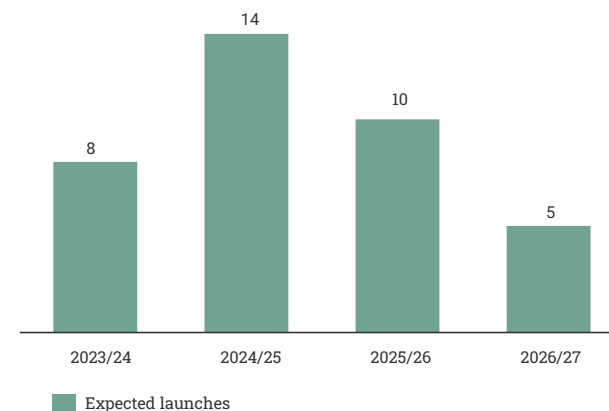


Figure 3. The company's product launches for the current fiscal year and expected product launches up to and including fiscal year 2026/27.

At all stages from the development phase to the launch phase, situations can arise that risk delaying a launch or even making it impossible. Both we at EQL and our well-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 table above aims to provide a best guess at a given time.

Market

EQL Pharma has an aggressive growth strategy driven by the launch of new products in combination with expansion into new markets. Our products are mainly generics to originator drugs that have been marketed in Sweden and the Nordic countries for a very long time.

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

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, we launched Glyronul (glycopyrronium bromide) injection solution 0.2mg/ml and Copneg (glycopyrronium/neostigmine), injection solution 0.5mg+2.5mg/ml in Sweden and Denmark after winning a total of three tenders. Glyronul is mostly used to reduce salivation before surgery in the mouth and throat. Copneg has its use after operations to reverse the muscle relaxing effects of other drugs.

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 2023/2024 and onwards, we will expand our geographical presence in Europe. Depending on the market, this is done through a direct or indirect sales model.

Business area

Today, we only develop and sell prescription drugs in our core business. In that category, there are a few interesting business areas. So far, we have mostly invested in (a) the substitutable generics area in outpatient care (Retail). The intention is to broaden the portfolio to include more (b) injection products for inpatient care (Hospital) and (c) unique products / formulations for outpatient care (Brands). The injection products are generally sold through public tenders, while the unique products achieve sales only through specific prescription of our product.

Business area (b) and (c) are new to the company. But they are not new to the company's staff, who have many years of experience in these particular market areas from previous employers.

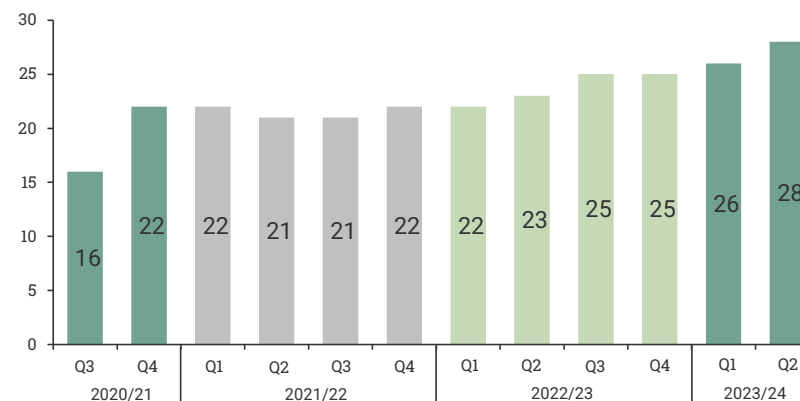


Figure 1. The company's product portfolio, i.e. marketed products, per quarter from fiscal year 2020/21 through the reporting period for the current fiscal year. The Y axis is the number of products marketed.

Market

Retail

The quarter has unfortunately been characterized by delayed deliveries within, above all, our antibiotics and vitamin products, which hit our sales performance hard. The reason for these delays lies in global shortages of certain substances driven by the war in Ukraine. Historically speaking, we have often benefited from short-term shortages as we were better able than our competitors to parry them. Unfortunately, the current shortage situation has not been short-lived and therefore we have also been affected. We foresee a strong recovery in the next quarter and are reviewing our routines to better be able to handle future similar situations, for example caused by the development of events in the Middle East.

Hospital

Glyronul (glycopyrronium bromide) and Copneg (Glycopyrronium/Neostigmine) were launched in Sweden and Denmark during the quarter. As the segment is driven by multi-year public tenders, it is a form of cyclical sales rhythm where the vast majority of tenders come into effect during January - April. During the quarter, we submitted tenders in all four Nordic countries, and during the next quarter most of the results for next year's tenders are expected to be published.

Brands

We currently have two products in this business area.

Mellozzan® (melatonin), indicated for the treatment of insomnia in children with ADHD, is today sold in Sweden by ourselves, but we have also licensed the right to the product to several companies in Europe that specialize in ADHD medication. During the quarter, our partner Medice launched Mellozzan in Denmark and Norway. After the quarter, Mellozzan has also been approved in Germany and Austria, where launch preparations are now in full swing.

Memprex® (methenamine hippurate), indicated for the prophylactic treatment of recurrent urinary tract infections, is our other key product in the Brands segment. It is an exciting area of therapy, where there is a great need for alternatives to antibiotics due to the dangers of spreading multi-resistant bacteria. During the quarter, preparations for the application for approval in Germany and France were in full swing at our two partners Majorelle and Dr. Pfleger, both specialized in women's health medicines.



Top: Mellozzan logo in Sweden

Bottom: Mellozzan logo in Germany



Financial information

Sales and operating profit

Sales development

In the first quarter of the fiscal year 2023/2024, our net sales amounted to SEK 59.6 (51.2) million, which corresponds to a growth of 16%. The outlook for the full year 2023/24 sales growth is around 30 percent.. No sales of a one-off nature occurred in the quarter.

Quarterly net sales and Rolling 12 months (R12)*

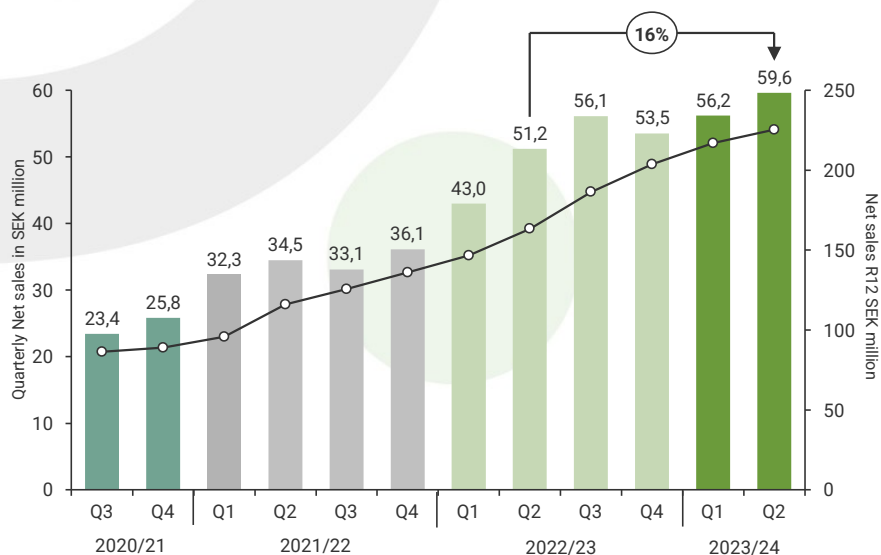


Figure 4. Net sales trend fiscal year 2020/21 through reporting period for the current fiscal year. Left Y-axis quarterly turnover in SEK million. Right Y-axis rolling 12-months sales expressed in SEK million.

* Excluding non-recurring sales

Profit performance

The operating profit for the second quarter amounted to SEK 6.6 million (11.9). The operating margin (EBIT) was 11% (16%). EQL had no Covid-19 test sales in the quarter. It is thus the core business that generates all operating profit. Personnel costs and other external costs have increased in relation to the comparison quarter as a result of the increase in the scope of the business.

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

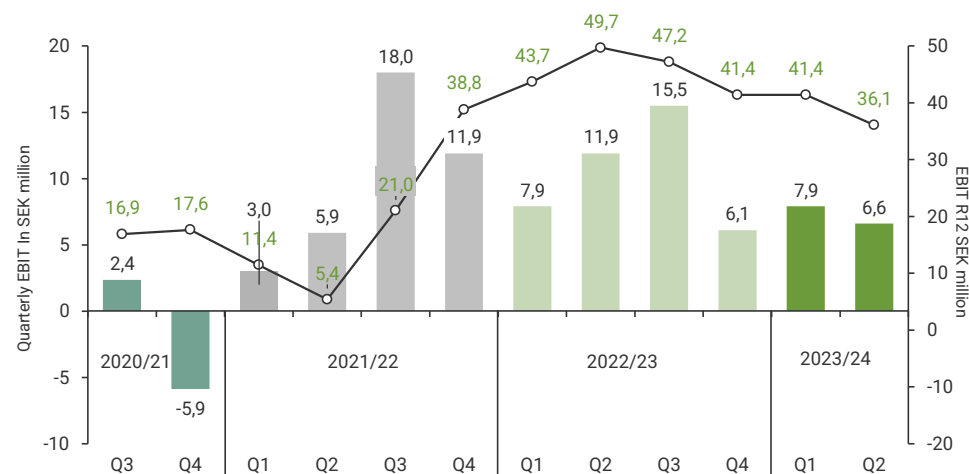


Figure 5. Operating profit trend (EBIT) for fiscal year 2020/21 through the reporting period for the current fiscal year, the bars are EBIT and the line is rolling 12-month EBIT. The left Y-axis EBIT per quarter expressed in SEK million and the right Y-axis is rolling 12-month EBIT expressed in SEK million.

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 57.4 (71.8) million. Operating profit amounted to SEK 5.3 (11.5) million for the period July to September.

Personnel

The number of full-time employees in the group is 18 (14), out of whom 12 (8) are women, at the Swedish parent company.

In addition to the permanent staff, there are long-term consultants with expertise in GMP, pharmacovigilance 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 2022/23, pages 30-31 and 46-48.

Upcoming reports

Future reports for 2023/2024 will be published:

Current financial period:	
Interim report October – December (Q3)	2024-02-13
Interim report January – March (Q4)	2024-05-14

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 39-46 of the company's Annual Report for 2022/2023.

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, calculated from 2020/21 up to and including 2024/25, we aim to grow by 40 percent on average per year. The growth refers to sales that are not of a non-recurring nature. Furthermore, we aim for the EBITDA margin to be more than 25 percent at the end of the period. This is a modification of the original target, which was based on EBIT, however the target % remains the same. For the coming fiscal year 2023/24, we expect a growth of around 30 percent. This is lower than the average growth rate of 40 percent that we aim for during the four-year period. The growth can distribute itself un-evenly across the years in the period. For example, during the fiscal year 2022/23, we grew by 50%.

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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Board of Directors EQL Pharma

Lund, November 17th, 2023.

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	Jul – Sep 2023	Jul – Sep 2022	Apr – Sep 2023	Apr – Sep 2022	Apr 2022 – Mar 2023
Net sales	59 617	73 291	115 823	119 389	259 913
Cost of goods sold	-35 712	-44 712	-65 729	-67 106	-144 063
Gross profit	23 905	28 579	50 094	52 283	115 850
Gross margin	40%	39%	43%	44%	45%
Sales and marketing expenses	-11 246	-9 370	-22 639	-19 629	-44 641
Administration expenses	-3 189	-4 117	-7 991	-6 652	-15 145
R&D expenses	-3 073	-3 251	-5 210	-6 406	-15 138
Other operating income	160	58	232	176	413
Operating profit (EBIT)	6 557	11 899	14 487	19 772	41 339
Other financial items	249	0	1 776	0	1
Interest paid	-941	-582	-1 801	-1 063	-2 372
Resultat före skatt	5 865	11 317	14 462	18 709	38 968
Tax	-1 185	-3 858	-2 957	-3 858	-8 047
Net profit for the period	4 680	7 459	11 505	14 851	30 921
Other comprehensive income:					
Components not to be reclassified to net profit:					
<i>a) Translation difference</i>					
Translation difference in the group	-3	0	3	-1	11
Sum of Components to be reclassified to net profit:	-3	0	3	-1	11
Sum of other comprehensive income:	-3	0	3	-1	11
Comprehensive result for the period	4 677	7 459	11 508	14 851	30 932

The Group

Per share data

Per share data	Apr – Sep 2023	Apr – Sep 2022	Apr 2022 – Mar 2023
Earnings per share, before dilution, SEK */	0,40	0,51	1,06
Earnings per share, after dilution, SEK */	0,39	0,50	1,04
Equity per share, SEK	5,73	8,67	5,18
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	29 775 610	29 555 610	29 625 610
Stock exchange rate, SEK	26.6	28.6	37.4
Dividend per share	0	0	0

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

Quarterly earnings trend

All amounts in '000	Jul – Sep 2023	Apr – Jun 2023	Apr 2022 – Mar 2023
Net sales	59 617	56 206	259 913
Sales growth	-19%	-57%	-37%
Gross profit	23 905	26 190	115 850
Gross margin, %	40%	47%	45%
Operating profit (EBIT)	6 557	7 930	41 339
Operating margin, %	11%	14%	16%
Net profit for the period	4 680	6 825	30 921
Cash flow for the period	-3 954	-19 628	3 227

The Group

Consolidated balance sheet

All amounts in '000	2023-09-30	2022-09-30	2023-03-31
Intangible assets	123 925	112 298	115 319
Tangible fixed assets	2 754	3 490	3 149
Financial assets	1	1	1
Inventory	81 156	44 834	65 368
Trade receivables	43 838	60 032	51 701
Other receivables	4 580	2 887	5 734
Cash and bank	20 844	28 321	44 426
Total assets	277 098	251 863	285 696
Equity	166 527	138 485	154 753
Deferred Tax liability	15 008	-	12 051
Long-term debt, interest-bearing	1 779	10 670	2 128
Short-term debt, interest-bearing	64 413	64 566	64 489
Short-term debt, non interest-bearing	8 168	17 858	22 665
Trade payables	21 202	20 285	29 610
Total equity and liabilities	277 098	251 863	285 696

Consolidated changes in equity

All amounts in '000	Apr – Sep 2023	Apr – Sep 2022	Apr 2022 – Mar 2023
Balance at beginning of period	154 753	123 626	123 626
Warrants	266	0	193
Profit for the period	11 505	14 851	30 921
Other comprehensive income	3	7	11
Balance at end of period	166 527	138 485	154 753

The Group

Cash flow

All amounts in '000	Jul - Sep 2023	Jul - Sep 2022	Apr - Sep 2023	Apr - Sep 2022	Apr 2022 - Mar 2023
Result before financial items	6 542	11 879	14 456	19 732	38 968
Interest paid	-678	-562	6	-1 022	2 293
Adjustment for items not included in cash flow	2 052	6 542	-1 616	8 584	14 185
Taxes	0	0	0	0	0
Cash flow from operations before changes in working capital	7 916	17 859	12 846	27 293	55 446
Changes in inventory	7 645	-2 180	-15 785	-3 153	-23 683
Changes in current receivables	2 699	-25 187	9 016	-22 341	-16 856
Changes in current liabilities	-17 259	1 582	-17 079	3 082	12 719
Sum changes in working capital	-6 915	-25 782	-23 847	-22 412	-27 819
Cash flow from operations	1 002	-7 923	-11 001	4 881	27 627
Acquisitions of intangible non-current assets	-4 680	-2 871	-12 186	-9 936	-20 053
Acquisitions of tangible non-current assets	-236	0	-236	0	-456
Cash flow from investment activities	-4 916	-2 871	-12 422	-9 936	-20 510
Amortization, raising of loans	-196	-7 200	18	-7 200	-2 815
Warrants program	266	0	266	0	193
Leasing debts	236	0	236	0	0
Amortization of leasing debts	-346	-313	-678	-624	-1 269
Cash flow from financing activities	-40	-7 513	-159	-7 824	-3 890
Total cash flow during period	-3 954	-18 307	-23 582	-12 878	3 227
Cash / cash equivalents at beginning of period	24 798	46 628	44 426	41 199	41 199
Cash / cash equivalents at end of period	20 844	28 321	20 844	28 321	44 426

Parent company

Profit and loss statement

All amounts in i '000	Jul - Sep 2023	Jul - Sep 2022	Apr - Sep 2023	Apr - Sep 2022	Apr - Mar 2023
Net sales	57 400	71 821	112 522	116 902	254 333
Cost of goods sold	-34 935	-43 969	-64 081	-65 750	-140 157
Gross profit	22 465	27 853	48 441	51 151	114 176
Gross margin	39%	39%	43%	44%	45%
Sales and marketing expenses	-11 082	-9 056	-22 181	-19 010	-43 270
Administration expenses	-3 134	-4 098	-7 869	-6 611	-15 046
R&D expenses	-3 078	-3 257	-5 220	-6 418	-15 155
Other operating income	160	58	232	176	413
Operating profit (EBIT)	5 332	11 500	13 404	19 289	41 119
Other financial and interest income	249	0	1 776	0	1
Interest expenses and similar expenses	-926	-560	-1 771	-1 021	-2 294
Profit before tax	4 654	10 940	13 409	18 269	38 826
Appropriations	0		0		-38 350
Tax	-1 185	0	-2 957	0	-114
Net profit for the period	3 470	10 940	10 452	18 269	362

Parent company

Balance sheet

All amounts in '000	2023-09-30	2022-09-30	2023-03-31
Intangible assets	123 640	112 013	115 034
Tangible fixed assets	339	38	378
Financial assets	391	391	391
Inventory	81 013	43 787	64 266
Trade receivables	42 851	59 329	51 207
Other receivables	6 757	4 952	7 838
Cash and bank	17 821	26 372	42 667
Total assets	272 812	246 882	281 781
Equity	118 596	125 592	107 879
Long-term debt, interest-bearing	0	0	0
Short-term debt, interest-bearing	63 719	63 697	63 701
Short-term debt, non interest-bearing	10 986	17 618	22 497
Appropriations	58 500	20 000	58 500
Trade payables	21 011	19 974	29 204
Total equity and liabilities	272 812	246 882	281 781

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	Jul – Sep 2023			Jul – Sep 2022		
	Pharmaceuticals	Non-recurring	Other	Pharmaceuticals	Non-recurring	Other
Sweden	29 365			21 225	22 109	
Other Scandinavia	23 263			29 957		
Other Europé	6 989					
Total	59 617	0	0	51 182	22 109	0

All amounts in '000	Apr – Sep 2023			Apr – Sep 2022		
	Pharmaceuticals	Non-recurring	Other	Pharmaceuticals	Non-recurring	Other
Sweden	54 948			44 003	25 217	
Other Scandinavia	36 522			43 725		
Other Europe	24 354			6 443		
Total	115 823	0	0	94 172	25 217	0

Note 4 Tangible fixed assets

All amounts in '000	2023-09-30	2022-09-30
Right of use assets		
Land and buildings	1 720	2 616
Inventories	695	837
Total right of use assets	2 415	3 452

Tangible fixed assets that are not right of use assets

Land and buildings	0	0
Inventories	339	38
Total tangible fixed assets that are not right of use asstes	339	38

The tangible fixed assets amounted to SEK 2.8 milion 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 2022/23.

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 13,786 thousand during the period April - September.

Note 6 Incentive Programmes

Options Scheme – During the period April – September, the company has allocated a total of 150,000 warrants to other senior executives in the 2023/2028 subscription program. If all warrants are exercised for the subscription of shares, a total of 150,000 new shares will be issued, which corresponds to a dilution of approximately 0.51 percent of the company's share capital and votes after full dilution.

There are previously outstanding incentive programs in the company in the form of three warrant programs through which a maximum of 582,000 new shares may be issued. If all warrants that have been issued and held by participants respectively issued Warrant Program 2023/2028 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.

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

October 6th, 2023 – As the first countries outside of Scandinavia, EQL's key product Mellozzan® has gained marketing approval by the Health Authorities in Germany and Austria.

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.

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.

Sales growth		Jul – Sep 2023	Jul – Sep 2022	Apr – Sep 2023	Apr – Sep 2022	Apr – mar 2023
A	Net sales current period, KSEK	59 617	73 291	115 823	119 389	259 913
B	Net sales last period, KSEK	73 291	52 459	119 389	89 117	409 753
(A-B)/B	Sales growth, %	-19%	40%	-3%	34%	-37%
Gross profit / Gross margin		Jul – Sep 2023	Jul – Sep 2022	Apr – Sep 2023	Apr – Sep 2022	Apr – Mar 2023
A	Net sales, KSEK	59 617	73 291	115 823	119 389	259 913
B	Cost of goods sold, KSEK	-35 712	-44 712	-65 729	-67 106	-144 063
A-B	Gross profit, KSEK	23 905	28 579	50 094	52 283	115 850
(A-B)/A	Gross margin, %	40%	39%	43%	44%	45%

Reconciliation tables KPIs, non-IFRS measures, cont.

Operating profit (EBIT)/ Operating margin		Jul - Sep 2023	Jul - Sep 2022	Apr - Sep 2023	Apr - Sep 2022	Apr - Mar 2023
A	Operating profit (EBIT), KSEK	6 557	11 899	14 487	19 772	41 339
B	Net sales, KSEK	59 617	73 291	115 823	119 389	259 913
A/B	Operating margin (EBIT), %	11%	16%	13%	17%	16%

EBITDA margin%		Jul - Sep 2023	Apr - Sep 2023
A	Operating profit (EBIT) adjusted for write-downs and amortization , KSEK	8 366	18 366
B	Net sales, KSEK	59 617	115 823
A/B	EBITDA margin, %	14%	16%

Shareholders' equity per share		Jul - Sep 2023	Jul - Sep 2022	Apr - Sep 2023	Apr - Sep 2022	Apr - Mar 2023
A	Profit/loss for the period, KSEK	4 680	7 459	11 505	14 851	30 921
B	Number of shares	164 056	134 754	160 640	131 056	139 190
A/B	Net earnings per share, %	3%	6%	7%	20%	22%

Equity-asset ratio		Jul - Sep 2023	Jul - Sep 2022	Apr - Sep 2023	Apr - Sep 2022	Apr - Mar 2023
A	Equity, KSEK	166 527	138 485	166 527	138 485	154 753
B	Balance sheet total, KSEK	277 098	251 863	277 098	251 863	285 696
A/B	Equity ratio, %	60%	55%	60%	55%	54%