

Interim Report April – December 2022

(SEK million)	Oct - Dec 2022	Oct - Dec 2021	Apr – Dec 2022	Apr – Dec 2021	Apr – Mar 2022
Net sales	80,2	117,6	199,6	206,7	409,8
Sales growth %	-32	297	-3	35	129
Gross margin %	44	28	44	31	23
Operating profit (EBIT)	15,5	18,0	35,3	27,0	38,9
Operating margin (EBIT) %	19	15	18	13	9
Profit for the period	11,9	17,2	26,8	25,0	31,6

A very strong quarter with a significant sales growth and a stable profit

October - December

- Consolidated sales during the third quarter, October to December amounted to SEK 80.2 (117.16) million. Adjusted for non-recurring sales the revenue amounted to 56.1 (33.1) MSEK, an increase of 69%.
- Gross profit amounted to SEK 35.5 (32.5) million for the quarter, an increase of 9%.
- EBIT amounted to SEK 15.5 (18.0) million, a decrease of 14%. The operating margin was 19% (15%).
- Earnings per share were SEK 0:41 (0:59) for the quarter.
- Cash flow from operating activities amounted to SEK -2.1 (12.4) million for the quarter.
- Cash and cash equivalents were SEK 26.2 (20.5) million at the end of the quarter.

April - December

- Consolidated sales during the period April-December amounted to SEK 199.6 (206.7) million. Adjusted for non-recurring sales the revenue amounted to 150.3 (99.2) MSEK, an increase of 51%.
- Gross profit for the same period amounted to SEK 87.8 (64.2) million, an increase of 36.8%.
- EBIT for April-December amounted to SEK 35.3 (27.0) million.
- Earnings per share were SEK 0:92 (0:86) for the period.
- Cash flow from operating activities amounted to SEK -15.0 (-6.1) million during April-December.
- Cash and cash equivalents were SEK 26.2 (20.5) million at the end of December.



CEO's comments

A warm welcome to our Q3 report! It's been another busy quarter for us at EQL Pharma with strong growth in our drug sales, new approvals and a lot of Covid self-test sales. The comparison quarter Q3 2021/22 as a whole is difficult to match because people were more likely to test themselves a year ago. We update the growth forecast for the current full year from north of 30% to closer to 40%.

Third quarter in summary

The third quarter's total sales in 2022/23 amounted to SEK 80.2 (117.6) million. Adjusted for non-recurring sales, sales amounted to SEK 56.1 (33.1) million, an increase of almost 70%. Operating profit (EBIT) amounted to SEK 15.5 (18.0) million, a decrease of 14%. The operating margin was 19% (15%), the positive trend continues. During the quarter, development projects where the outlook has deteriorated have been written down in the balance sheet. We have also taken some height for the uncertainty in the sale of self-tests by writing down a proportion of the current stock.

Financial goals and full-year forecast

Our long-term financial goals remain fixed. However, we adjust the outlook for the current year from a sales growth north of 30 percent to a growth close to 40%, i.e. on par with our long-term plan.

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 asset Mellozzan
- 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

Our first distribution product Abiraterone Qilu against disseminated prostate cancer has been launched in Norway and Sweden during the quarter. During the quarter, we have also launched the medicine Ondansetron EQL Pharma against nausea from, among other things, radiotherapy and chemotherapy in both Sweden and Denmark. The market is approx. SEK 15 million annually with three to six active competitors. Sales of self-tests for Covid-19 have continued in the third quarter mainly as a result of the peak of infection in December. EQL is and will remain well positioned if the

demand for tests continues.

In the quarter, the drugs Copneg, Levosimendan and Tigecyclin EQL Pharma have been approved for sale in a number of countries. Furthermore, the distribution products Ampitar and Penicryl Polfa as well as Meropenem and Sugammadex Qilu have been approved. Above medicines are hospital products.

In November, EQL was named "Gasell company Skåne" by Dagens Industri ("gasell" meaning ~ exceptionally fast growing) and among 99 Gasell companies in southern Sweden, we placed 6th.



Axel Schörling
CEO & President

Significant events

During the quarter

EQL Pharma launches a one-step “Lollipop” antigen self-test for Covid-19 in the Nordics – All in one – one device, one step

EQL Pharma has today started to sell the brand new Alltest Covid-19 antigen self-test of the one-step Lollipop model, i.e. a test that, like a lollipop, is held in the mouth for two minutes.

The test is CE marked and sensitive to all known variants of the Covid-19 virus, including Omicron BA.5 which is now the most common variant in Europe.

The launch of the Lollipop test is seen as a generation shift in EQL Pharma self-diagnostics product line and EQL is the exclusive supplier of the Alltest device in Sweden, Denmark, Finland, Norway, Germany and Ireland. The test is available in leading pharmacies.

Bulletin from the extraordinary general meeting in EQL Pharma AB on 26 October 2022

The meeting resolved in accordance with the proposal from the board of directors to implement a long-term incentive program for the company’s Chief Operating Officer, based on issue of warrants.

In case all warrants issued in connection with the warrants program are exercised for subscription of new shares, a total of 70,000 new shares will be issued, which corresponds to a dilution of approximately 0.24 per cent of the company’s share capital and votes after full dilution, calculated on the number of shares that will be added upon full utilization of all warrants issued under the warrants program.

During the quarter, cont.

EQL Pharma launch a combined Covid-19 and influenza A/B antigen self-test

EQL Pharma has, as an exclusive supplier, launched a brand new combined Covid-19 and influenza (A+B) antigen self-test from Alltest.

The self-test has 96,99% sensitivity to Covid-19, 95,77% sensitivity to influenza type A and 94,12% sensitivity to the less common influenza type B.

The test is CE marked and sensitive to all known variants of the Covid-19 virus, including Omicron BA.5 which is now the most common variant in Europe.

After the quarter

No significant events after the quarter.

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 originals 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, Abiraterone Qilu was launched in Sweden and Norway, as well as Ondansetron EQL Pharma in Sweden and Denmark. Abiraterone is a tendered inpatient product for the treatment of prostate cancer in Norway, where we won the national tender for 2023-2024. In Sweden, it is an outpatient product just like Ondansetron, both of which are sold in the so-called Periodens Vara system. We also sell the latter in Denmark in the similar Takst system. We expect that these two products together generate annual sales of approx. SEK 15-17m.

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 2022/2023 and onwards, we will expand our geographical presence in Europe. Depending on the market, this is done through a direct or indirect sales model.

Segment

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

Segments (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 segments from previous employers.

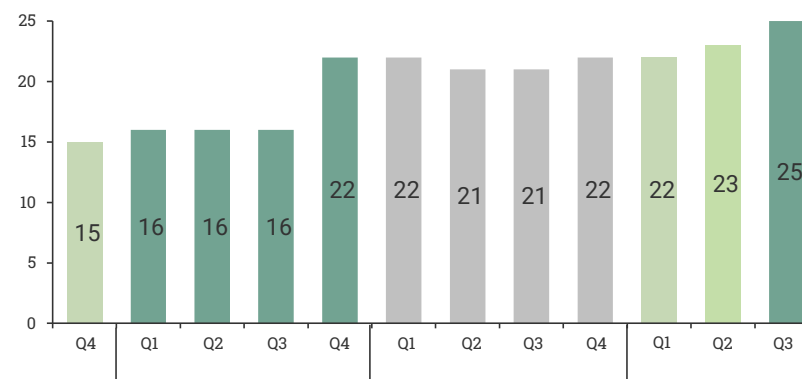


Figure 1. The company's product portfolio, i.e. marketed products, per quarter from fiscal year 2019/20 through the reporting period for the current fiscal year. The Y axis is the number of products marketed.

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.

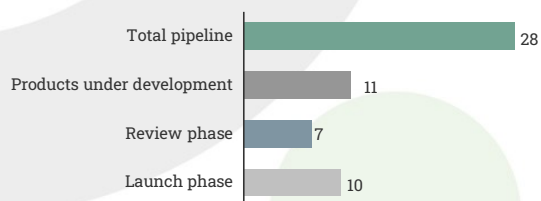


Figure 2. Total pipeline of products and how many products are in Review phase and Launch phase respectively.

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 7 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 nine months from approval until the first package is delivered to pharmacies.

Products in the Launch phase

We currently have ten products in the launch phase. Glyronul (glycopyrronium bromide) injection solution is expected to launch in Q4 2022/23. Ampitar (ampicillin) powder for solution for infusion and Copneg (glycopyrronium/neostigmine) solution for infusion will be launched in Q1 2023/24. Palonosetron Qilu solution for injection, Caloket (ketorolac) solution for injection, Tigecyclin EQL Pharma powder for solution for infusion, 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 solution for injection are expected to launch in late 2023/24 or beginning of 2024/25 depending on the outcome of upcoming public tenders.

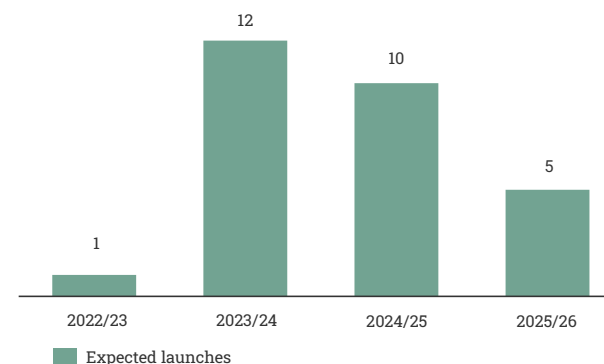


Figure 3. The company's product launches for the current fiscal year and expected product launches up to and including fiscal year 2025/26.

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.



Financial information

Sales and operating profit

Sales development

For the third quarter of 2022/23 our sales amounted to 56.1 (33.1) MSEK, adjusted for non-recurring sales. This corresponds to a sales growth of 69%. The outlook for the full year 2022/23 is a sales growth of close to 40%. This is an update from the outlook we gave after Q2 which pointed to sales growth just north of 30%.

Quarterly net sales and Rolling 12 months (R12)*

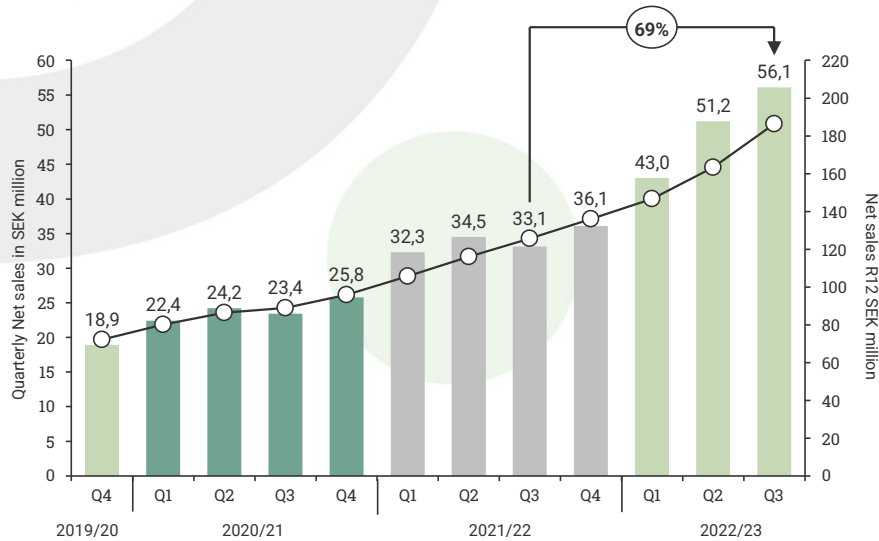


Figure 4. Net sales trend fiscal year 2019/20 through reporting period for the current fiscal year. Left Y-axis quarterly turnover in SEK million. Right Y-axis rolling 12-months sales expressed in SEK million.

* Excluding one-time items

Profit performance

Operating profit (EBIT) amounted to SEK 15.5 million (18.0) million, a decrease of 14%. The decrease was driven by less Covid-19 test sales. The operating margin (EBIT) amounted to 19% (15%). Personnel cost and other external costs have increased compared to the same quarter last year due the larger scope of the operations in the quarter. The operating profit was positively impacted by the sales of Covid-19 tests.

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

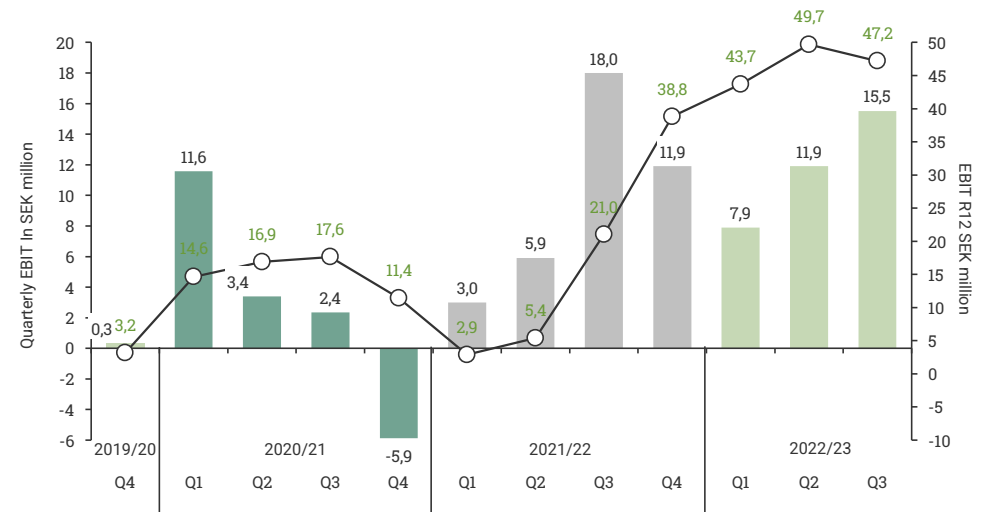


Figure 5. Operating profit trend (EBIT) for fiscal year 2019/20 through the reporting period for the current fiscal year, the bars are EBIT and the line is rolling 12-month EBIT. The left Y-axis EBIT per quarter expressed in SEK million and the right Y-axis is rolling 12-month EBIT expressed in SEK million.

Additional information

Parent company

EQL Pharma AB is the parent company of the EQL Pharma group. Net sales for the Parent Company during the third quarter amounted to SEK 78.6 (117.0) million. Operating profit amounted to SEK 15.6 (18.2) million for the quarter.

Personnel

The number of full-time employees in the group is 13 (10), out of whom 9 (6) 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

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 information memorandum of October 29, 2018, pages 4-7.

Legal disclaimer

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.

Upcoming reports

Future reports for 2022/2023 will be published:

Current financial period:	
Year-End Report April – March (Q4)	2023-05-11

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 34-41 of the company's Annual Report for 2021/2022.

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, from 2020/21 up to and including 2024/25, we aim to grow by 40 percent on average per year. The growth rate refers to sales that are of recurring nature. Furthermore, we aim for the EBIT margin to be more than 25 percent at the end of the period. For the current fiscal year 2022/23, we expect a growth of close to 40%. This is an update from the outlook in Q2 which was north of 30%.

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, February 14th, 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	Oct – Dec 2022	Oct – Dec 2021	Apr – Dec 2022	Apr – Dec 2021	Apr 2021 – Mar 2022
Net sales	80 191	117 610	199 580	206 726	409 753
Cost of goods sold	-44 719	-85 120	-111 826	-142 557	-314 019
Gross profit	35 471	32 490	87 754	64 169	95 734
Gross margin	44%	28%	44%	31%	23%
Sales and marketing expenses	-12 055	-10 627	-31 684	-24 775	-37 275
Administration expenses	-4 389	-2 486	-11 042	-7 066	-10 883
R&D expenses	-3 663	-1 513	-10 069	-5 691	-9 131
Other operating income	148	145	325	334	395
Operating profit (EBIT)	15 513	18 008	35 285	26 972	38 839
Other interest income	0	0	0	0	0
Interest expenses and similar expenses	-464	-814	-1 527	-1 928	-2 874
Profit before tax	15 048	17 195	33 758	25 044	35 965
Tax	-3 101	0	-6 959	0	-4 417
Net profit for the period	11 947	17 195	26 798	25 044	31 549
Other comprehensive income::					
Components not to be reclassified to net profit:					
<i>a) Translation difference</i>					
Translation difference in the group	0	0	-1	-1	-1
Sum of Components to be reclassified to net profit:	0	0	-1	-1	-1
Sum of other comprehensive income:	0	0	-1	-1	-1
Comprehensive result for the period	11 947	17 195	26 798	25 042	31 547

The Group

Per share data

Per share data	Apr – Dec 2022	Apr – Dec 2021	Apr 2021 – Mar 2022
Earnings per share, before and after dilution, SEK */	0,92	0,86	1,09
Equity per share, SEK	8,67	12,22	8,19
Number of shares outstanding	29 063 610	29 063 610	29 063 610
Average number of shares outstanding	29 063 610	29 063 610	29 063 610
Stock exchange rate, SEK	28,6	38,8	31
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	Oct – Dec 2022	Jul – Sep 2022	Apr – Jun 2022	Apr – Mar 2022
Net sales	80 191	73 291	46 098	409 753
Sales growth	-32%	40%	24%	129%
Gross profit	35 471	28 579	23 703	95 734
Gross margin, %	44%	39%	51%	23%
Operating profit (EBIT)	15 513	11 899	7 873	38 839
Operating margin, %	19%	16%	17%	9%
Net profit	11 947	7 459	7 392	31 549
Cash flow	-2 137	-18 307	5 429	14 620

The Group

Consolidated balance sheet

All amounts in '000	Dec 2022	Dec 2021	March 2022
Intangible assets	109 059	116 020	110 243
Tangible fixed assets	3 138	4 547	4 192
Financial assets	1	1	1
Deferred tax assets	0	296	0
Inventory	54 936	118 612	41 674
Trade receivables	79 554	90 299	34 098
Other receivables	1 506	4 842	6 480
Cash and bank	26 184	20 460	41 199
Total assets	274 377	355 078	237 888
Equity	150 628	117 120	123 626
Long-term debt, interest-bearing	13 498	13 407	14 557
Short-term debt, interest-bearing	829	43 686	948
Short-term debt, non interest-bearing	85 189	122 352	82 782
Trade payables	24 234	58 513	15 975
Total equity and liabilities	274 377	355 078	237 888

Consolidated changes in equity

All amounts in '000	Apr – Dec 2022	Apr – Dec 2021	Apr 2021 – Mar 2022
Balance at beginning of period	56 186	23 780	23 781
Warrants	193	857	857
Profit for the period	26 798	25 044	31 549
Other comprehensive income	10	-2	0
Balance at end of period	83 188	49 679	56 186

The Group

Cash flow

All amounts in '000	Oct – Dec 2022	Oct – Dec 2021	Apr - Dec 2022	Apr – Dec 2021	Apr 2021– mar 2022
Result before taxes	11 947	17 195	26 798	25 044	31 549
Adjustment for items not included in cash flow	5 614	1 456	14 197	4 344	13 021
Taxes	3 101		6 959	-55	4 359
Cash flow from operations before changes in working capital	20 662	18 651	47 955	29 333	48 928
Changes in inventory	-10 102	-47 447	-13 262	-76 255	683
Changes in current receivables	-18 141	-40 449	-40 481	-66 253	-11 691
Changes in current liabilities	7 584	86 209	10 666	125 989	3 883
Sum changes in working capital	-20 659	-1 688	-43 077	-16 519	-7 125
Cash flow from operations	3	16 963	4 877	12 813	41 803
Acquisitions of intangible non-current assets	-2 023	-4 782	-11 959	-18 919	-21 463
Acquisitions of tangible non-current assets	0	0	0	-602	-602
Cash flow from investment activities	-2 023	-4 782	-11 959	-19 522	-22 066
Amortization of loans	0	0	-7 200	0	-5 400
Warrants program	193	540	193	857	857
Translation difference	3	0	10	-2	0
Leasing debts	0	0	0	602	602
Amortization of leasing debts	-314	-301	-938	-868	-1 177
Cash flow from financing activities	-118	239	-7 934	590	-5 118
Total cash flow during period	-2 137	12 420	-15 015	-6 119	14 620
Cash / cash equivalents at beginning of period	28 321	8 040	41 199	26 579	26 579
Cash / cash equivalents at end of period	26 184	20 460	26 184	20 460	41 199

Parent company

Profit and loss statement

All amounts in i '000	Oct – Dec 2022	Oct – Dec 2021	Apr – Dec 2022	Apr – Dec 2021	Apr – Mar 2022
Net sales	78 623	117 019	195 525	203 557	406 049
Cost of goods sold	-43 374	-84 538	-109 124	-140 484	-311 513
Gross profit	35 250	32 480	86 401	63 073	94 536
Gross margin	45%	28%	44%	31%	23%
Sales and marketing expenses	-11 736	-10 408	-30 746	-24 272	-36 602
Administration expenses	-4 372	-2 455	-10 983	-6 966	-10 777
R&D expenses	-3 662	-1 513	-10 080	-5 616	-9 057
Other operating income	148	145	325	334	395
Operating profit (EBIT)	15 628	18 249	34 917	26 553	38 496
Other interest income	0	0	0	0	0
Interest expenses and similar expenses	-446	-814	-1 467	-1 928	-2 874
Profit before tax	15 182	17 435	33 451	24 625	35 622
Appropriations	0	0	0	0	-19 680
Tax	0	0	0	0	0
Net profit for the period	15 182	17 435	33 451	24 625	15 942

Parent company

Balance sheet

All amounts in '000	December 2022	December 2021	March 2022
Intangible assets	108 774	115 724	109 958
Tangible fixed assets	19	4 548	4 192
Financial assets	391	391	391
Inventory	54 124	117 590	40 238
Trade receivables	79 246	89 357	33 742
Other receivables	3 669	5 549	7 817
Cash and bank	23 417	20 249	40 448
Total assets	269 641	353 408	236 787
Equity	140 968	115 870	107 187
Long-term debt, interest-bearing	0	13 407	10 437
Short-term debt, interest-bearing	0	43 686	948
Short-term debt, non interest-bearing	85 004	122 084	82 657
Appropriations	20 000	0	20 000
Trade payables	23 669	58 361	15 558
Total equity and liabilities	269 641	353 408	236 787

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 dividend in geographical markets.

	Oct – Dec 2022			Oct – Dec 2021		
	Pharmaceuticals	Non-recurring	Other	Pharmaceuticals	Non-recurring	Other
All amounts in '000						
Skandinavia	50 048	24 091	0	33 110	84 500	0
Other Europe	6 052	0	0	0	0	0
Total	56 100	24 091	0	33 110	84 500	0

	Apr – Dec 2022			Apr – Dec 2021		
	Pharmaceuticals	Non-recurring	Other	Pharmaceuticals	Non-recurring	Other
All amounts in '000						
Skandinavia	138 957	49 308	0	99 226	107 500	0
Other Europe	11 314	0	0	0	0	0
Total	150 271	49 308	0	99 226	107 500	0

Note 4 Tangible fixed assets

All amounts in '000	2022-12-31	2021-12-31
Right of use assets		
Land and buildings	2 345	3 427
Inventories	775	1 022
Total right of use assets	3 120	4 449

Tangible fixed assets that are not right of use assets

Land and buildings	0	0
Inventories	19	99
Total tangible fixed assets that are not right of use assets	19	99

The tangible fixed assets amounted to SEK 3.1 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.

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.
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		Oct - Dec 2022	Oct - Dec 2021	Apr-Dec 2022	Apr-Dec 2021	Apr - Dec 2022
A	Net sales current period, KSEK	80 191	117 610	199 580	206 726	409 753
B	Net sales last period, KSEK	117 610	29 610	206 726	153 337	179 141
(A-B)/B	Sales growth, %	-32%	297%	-3%	35%	129%
Gross profit / Gross margin		Oct - Dec 2022	Oct - Dec 2021	Apr-Dec 2022	Apr-Dec 2021	Apr - Dec 2022
A	Net sales, KSEK	80 191	117 610	199 580	206 726	409 753
B	Cost of goods sold, KSEK	-44 719	-85 120	-111 826	-142 557	-314 019
A-B	Gross profit, KSEK	35 471	32 490	87 754	64 169	95 734
(A-B)/A	Gross margin, %	44%	28%	44%	31%	23%

Reconciliation tables KPIs, non-IFRS measures, cont.

Operating profit (EBIT)/ Operating margin		Oct - Dec 2022	Oct - Dec 2021	Apr-Dec 2022	Apr-Dec 2021	Apr - Dec 2022
A	Net sales, KSEK	15 513	18 008	35 285	26 972	38 839
B	Operating profit (EBIT), KSEK	80 191	117 610	199 580	206 726	409 753
A/B	Operating margin (EBIT), %	19%	15%	18%	13%	9%
Shareholders' equity per share		Oct - Dec 2022	Oct - Dec 2021	Apr-Dec 2022	Apr-Dec 2021	Apr - Dec 2022
A	Profit/loss for the period, KSEK	11 947	17 195	26 798	25 044	31 549
B	Number of shares	144 556	108 252	137 127	104 170	107 424
A/B	Net earnings per share, %	8%	16%	20%	24%	29%
Equity-asset ratio		Oct - Dec 2022	Oct - Dec 2021	Apr-Dec 2022	Apr-Dec 2021	Apr - Dec 2022
A	Equity, KSEK	150 628	117 120	150 628	117 120	123 626
B	Balance sheet total, KSEK	274 377	355 078	274 377	355 078	237 888
A/B	Equity ratio, %	55%	33%	55%	33%	52%