

Interim Report April – December 2024

(SEK million)	Oct – Dec 2024	Oct – Dec 2023	Apr – Dec 2024	Apr – Dec 2023	Apr - Mar 2024
Net sales	92.2	70.2	260.3	186.0	264.2
Sales growth %	31	-12	40	-7	2
Gross profit	37.7	33.5	109.4	83.6	115.0
Gross margin %	41	48	42	45	44
Operating profit (EBIT)	14.8	9.8	44.4	24.2	32.6
Operating margin (EBIT) %	16	14	17	13	12
Profit for the period	10.1	6.5	30.0	18.0	22.7

Sales and operating profit growth, significant product acquisition signed

October – December 2024

- Consolidated sales during the third quarter, October to December amounted to SEK 92.2 (70.2) million, an increase of 31%.
- Gross profit amounted to SEK 37.7 (33.5) million, an increase of 13%.
- Operating profit (EBIT) amounted to SEK 14.8 (9.8) million, an increase of 52%. The operating margin was 16% (14%).
- EBITDA margin was 19% (18%).
- Earnings per share before dilution were SEK 0:35 (0:22) for the quarter. Earnings per share after dilution were SEK 0:34 (0:22).
- Cash flow from operating activities amounted to SEK 7.6 (2.5) million.
- Cash and cash equivalents were SEK 15.6 (10.4) million at the end of the quarter.

April – December 2024

- Consolidated sales during the period April to December amounted to SEK 260.3 (186.0) million, an increase with 40%.
- Gross profit amounted to SEK 109.4 (83.6) million, an increase of 42%.
- Operating profit (EBIT) amounted to SEK 44.4 (24.2) million, an increase with 83%. The operating margin was 17% (13%).
- EBITDA margin was 19% (17%).
- Earnings per share were SEK 1:03 (0:62). Earnings per share after dilution were SEK 1:00 (0:60).
- Cash flow from operating activities amounted to SEK -10.7 (-8.5) million.
- Cash and cash equivalents were SEK 15.6 (10.4) million at the end of the period.



CEO's comments

The third quarter 2024/25 was eventful for EQL Pharma. The first acquisition of significant character was signed, sales grew by 31%, and operating profit by 52%. After the end of the quarter, financing for the acquisition has been secured, and closing of the deal was performed on 31st January. The ambitions for the coming four year period are being refined and will be presented on Friday, March 7, at EQL's first ever capital markets day. Sales growth for the full year 2024/25 is forecasted to be around 40%.

Financial Overview for the third Quarter

During the quarter, sales rose to 92.2 MSEK, an increase of 31% from 70.2 MSEK the previous year. Operating profit (EBIT) increased by 52% to 14.8 MSEK compared to 9.8 MSEK the previous year, with an EBITDA margin of 19%. The operating margin was negatively affected by continued transport disruptions in the Red Sea, which pressured the gross margin to 41% (48%).

There was no significant sale of Covid-19 tests during the quarter, this means that the entire growth was driven by increased pharmaceutical sales.

Liquid assets amounted to 15.6 (10.4) MSEK at the end of the quarter. In addition, there is an unused working capital credit of 10.5 (9.6) MSEK.

Financial Objectives and Projections for the Fiscal Year

For the full year 2024/25, we project sales growth of around 40%. Achieving this would be in line with our long-term sales goals as stated in our five-year plan. In addition to the sales target, our goal is to achieve an EBITDA margin of at least 25% during the last quarter of 2024/25.

Product Launches and Market Dynamics

An asset acquisition consisting of four niche originals was signed during the quarter. The products are Buronil, Folimet, Hydromed, and Marplan. These are typical EQL products with stable sales that have been on the market for a long time. The portfolio is expected to add approximately 51 MSEK in sales and 28 MSEK in EBITDA, with a gross margin of 71%, on annual basis. The acquisition also provides access to new markets and the opportunity for certain optimizations by consolidating manufacturing and launch in new markets. After the end of the quarter, financing was secured via a bond, which was heavily oversubscribed. The bond interest rate, which was 3M STIBOR + 4.0%, combined with the great interest in the bond, is seen as a vote of confidence in investors' view of EQL's business model and development opportunities.

Other

With a new President in the USA and cautious signals that the situation in the Middle East is de-escalating, we hope

that the de facto blockade of the Suez Canal will end in 2025. We are closely monitoring developments, and when the situation is deemed safe, our transporters will start using the Suez Canal again. This would, in turn, lead to lower transport costs and thus strengthened gross margins, with a certain time lag, as a large part of the current inventory has been transported at a higher cost. Furthermore, we will present our new strategic plan at a capital markets day on March 7. This will be the first time EQL Pharma calls for a capital markets day. The idea is to communicate the new financial goals and explain how these will be achieved, as well as the opportunities and risks we see. We will also go through our operations in a more detail than we can do in the usual quarterly presentations. We hope that as many as possible will participate, either on-site, at Carnegie in Stockholm, or via live video link.



Axel Schörling
President & CEO



Significant events

During the quarter

November 15th, 2024 – EQL Pharma's CBDO increases his holding in the company

EQL Pharma's Chief Business Development Officer (CBDO), Carl Lindgren, increases his shareholding in the company. On November 14th, Carl Lindgren has bought 10,000 shares in the Company at an average price of SEK 60.00, a transaction totalling SEK 600,000. The trades were made outside the Stock Market and the shares were bought from the major owner Fårö Capital AB, related to Christer Fåhraeus who is Chairman of the board of EQL Pharma. After the purchases, Lindgren owns a total of 60,000 shares and 100,000 warrants in EQL Pharma.

December 10th, 2024 – EQL Pharma AB (publ) signs an asset purchase agreement in respect of the acquisition of a portfolio with original pharmaceuticals

EQL Pharma AB (publ) today announces that it has, through its wholly owned subsidiary EQL Pharma Int AB, signed a binding asset purchase agreement of DKK 120 million (corresponding to approximately SEK 185* million), to acquire a product portfolio. The product portfolio consists of Buronil (melperone), Folimet (folic acid/B-vitamin), Hydromed (hydrochlorothiazide) and Marplan (isocarboxazid) (the "Product Portfolio") from Medilink A/S, a Danish family-owned pharmaceutical company (the "Acquisition"). Pursuant to the Asset Purchase Agreement, the completion of the Acquisition is subject to (i) a financing condition and (ii) FDI approval by the Danish Business Authority pursuant to the regulations on Screening of Foreign Direct Investments.

The Product Portfolio consists of well-established products, limiting the need for additional promotional activities and complements EQL's portfolio of niche generics. The products have a stable financial development and are expected to be accretive to EQL's sales and margins, in addition to increasing the Company's geographical presence.

During the quarter, cont.

As of 31 October 2024, the Product Portfolio generates annual revenues of approximately SEK 51* million and gross profit of SEK 36* million, corresponding to a gross margin of 71% annually. If the Product Portfolio had been part of EQL during the twelve-month period that ended on 30 September 2024, EQL assesses that the combined turnover and adjusted EBITDA would have amounted to approximately SEK 367 million and SEK 92 million, respectively.

* Calculated based on an exchange rate of 1 SEK = 0.65 DKK as of 9 December 2024.

Significant events

After the quarter

January 13th, 2025 – EQL Pharma AB (publ) contemplates to issue senior secured bonds and publishes preliminary figures as of 31 December 2024

As announced on 10 December 2024, EQL Pharma AB (publ) has signed an asset purchase agreement in respect of the acquisition of a portfolio with original pharmaceuticals. Completion of the Acquisition is subject to, among other things, a financing condition.

EQL has mandated ABG Sundal Collier AB as sole bookrunner to arrange fixed income investor meetings from and including 14 January 2025 to investigate the possibility to issue senior secured floating rate bonds with an expected issue amount of SEK 350 million under a total framework amount of SEK 700 million. A capital market transaction may follow, subject to prevailing market conditions.

In connection with the fixed income meetings, EQL has also published a company presentation which includes information regarding the Acquisition and preliminary figures for the Company's third financial quarter (ending on 31 December 2024).

Advokatfirman Vinge acts as legal advisor.

January 17th, 2025 – EQL Pharma AB successfully issues senior secured bonds

EQL Pharma AB (publ) (the "Company" or "EQL") has successfully issued senior secured bonds of SEK 350m under a framework of up to SEK 700m and a tenor of three years (the "Bonds"). The Bonds have a floating interest of 3M STIBOR plus 400 basis points per annum.

EQL intends to list the Bonds on the corporate bonds list of Nasdaq Stockholm within 12 months and Nasdaq Transfer Market within 60 days, with the ambition to have the Bonds admitted to trading within 30 days. The net proceeds from the issuance will be used to finance the acquisition of a portfolio with original pharmaceuticals, repayment of existing financial indebtedness and for general corporate purposes.

After the quarter, cont.

January 29th, 2025 – EQL Pharma invites to Capital Markets Day, March 7, 2025

EQL Pharma AB (publ) is pleased to invite investors and other interested parties to a Capital Markets Day (CMD) on Friday, March 7, 2025.

During the day EQL Pharma's CEO Axel Schörling, Chief Commercial Officer Alexander Brising and Chief Business Development Officer Carl Lindgren will give an updated investor presentation. The presentations will be held in English.

January 31st, 2025 – EQL Pharma AB completes the asset purchase of a product portfolio from Medilink A/S

EQL Pharma AB (publ) has completed the previously announced acquisition of a product portfolio from Medilink A/S, through its wholly owned subsidiary EQL Pharma Int AB. All conditions for the completion of the transaction have been satisfied.

As per previous press release the acquisition price amounts to DKK 120 million (corresponding to approximately SEK 185* million). The Product portfolio consists of Buronil (melperone), Folimet (folic acid/B-vitamin), Hydromed (hydrochlorothiazide) and Marplan (isocarboxazid).

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.

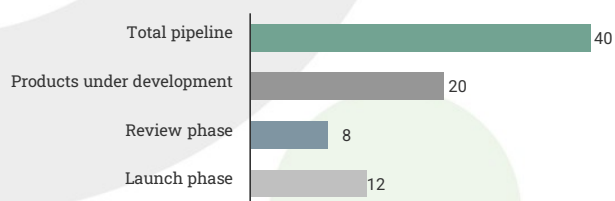


Figure 1. Total pipeline of products and how many products are in Review phase and Launch phase respectively.

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 eight products in the review phase.

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 had twelve products in the launch phase. Four of these are hospital products whose launches depend on the outcome of public tenders. The other eight are classified as outpatient products, four of which were acquired during the quarter from MediLink A/S (see significant events).

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.

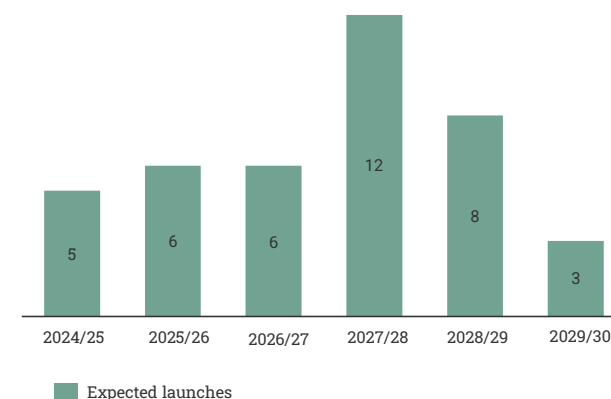


Figure 2. The company's product launches for the current fiscal year and expected product launches up to and including fiscal year 2029/30.

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 launch.

No new products have been launched in this quarter.

Geographic markets

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

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

In 2024/25 and beyond, we will expand our geographical presence worldwide. Depending on the market, this will be done through a direct or indirect sales model. During the quarter, the following indirect launches have taken place: Mellozzan oral solution has started to be sold in Germany.

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.

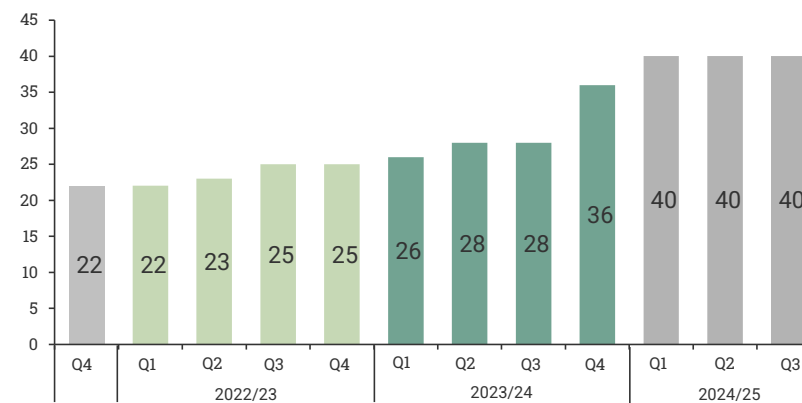


Figure 3. The company's product portfolio, i.e. marketed products, per quarter from fiscal year 2021/22 through the reporting period for the current fiscal year. The Y axis is the number of products marketed.

Market

Retail

During the quarter, EQL acquired four products from Danish MediLink A/S. Two of these can be classified as retail products, i.e. they are sold primarily through various substitution systems at pharmacies.

- **Folimet**[®] – Contains folic acid for the treatment of anemia caused by folic acid deficiency and for pregnant women in low doses to prevent malformations, so-called neural tube defects, in fetuses.
- **Hydromed**[®] – Contains hydrochlorothiazide, which is a so-called diuretic used to treat edema and high blood pressure.

Hospital

During the quarter, EQL won tenders in Sweden and Finland and received extended contracts for products in Denmark and several Swedish regions.

Brands

Two of the products acquired from MediLink A/S can be classified as brands as they are sold exclusively via prescription by a doctor.

- **Buronil**[®] – Contains malperone which is used to treat anxiety and worry in mainly elderly patients.
- **Marplan**[®] – Contains isocarboxazid and is a so-called MAO inhibitor which is used for the treatment of moderate to severe depression.

Tests

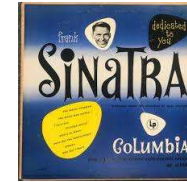
There has been no Covid epidemic during the quarter and sales of tests have therefore been moderate.

More “Olden Goldies”? Yes, please!

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

So, when were the originators of our new acquisitions launched?

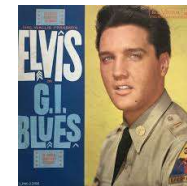
Folimet



Hydromed



Marplan



Buronil



Fact: Folimet 1950, Hydromed 1959, Marplan 1960 and Buronil 1972



Financial information

Sales and operating profit

Sales development

In the third quarter of the financial year 2024/2025, our net sales amounted to SEK 92.2 (70.2) million, which corresponds to a growth of 31%.

Quarterly net sales and Rolling 12 months (R12)*

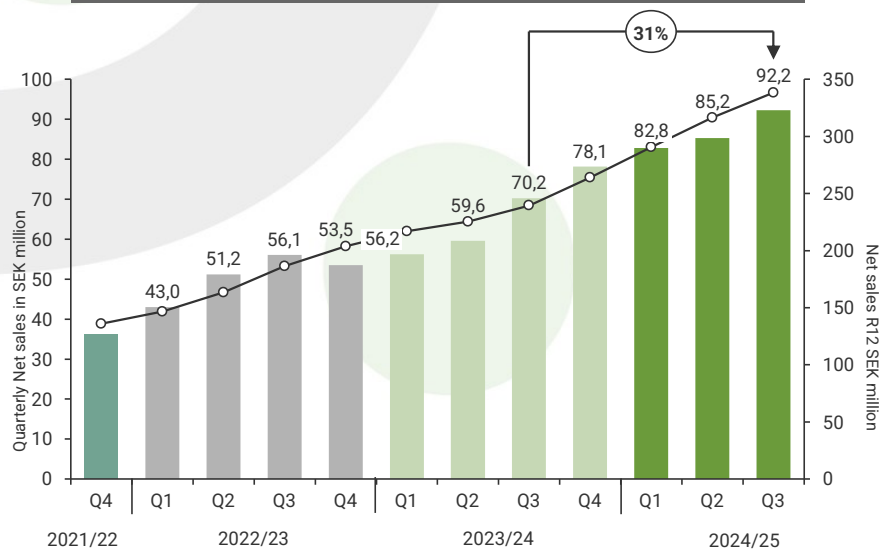


Figure 4. Net sales trend fiscal year 2020/21 through reporting period for the current fiscal year. Left Y-axis quarterly turnover in SEK million. Right Y-axis rolling 12-months sales expressed in SEK million.

* Excluding non-recurring sales until 2023/24

Profit performance

Operating profit for the third quarter amounted to SEK 14.8 (9.8) million. The operating margin (EBIT) was 16% (14%). All business areas contributed positively to the result.

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

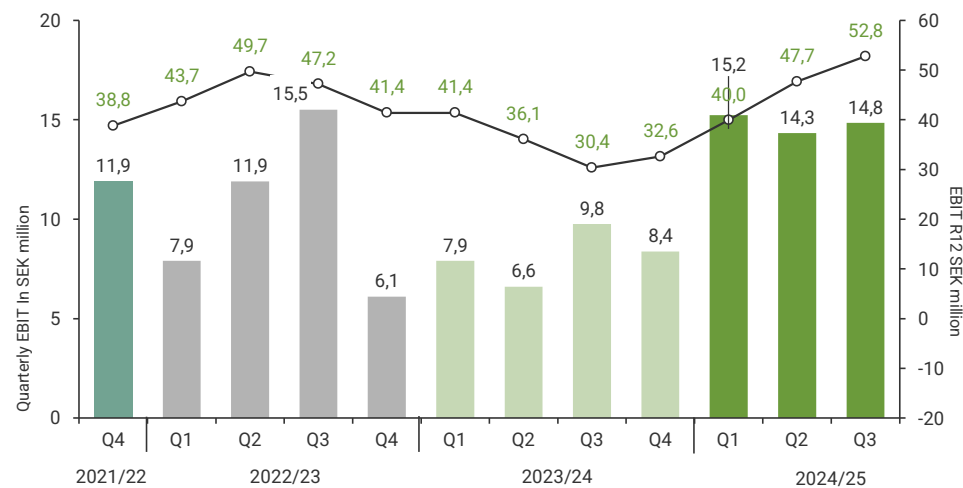


Figure 5. Operating profit trend (EBIT) for fiscal year 2020/21 through the reporting period for the current fiscal year, the bars are EBIT and the line is rolling 12-month EBIT. The left Y-axis EBIT per quarter expressed in SEK million and the right Y-axis is rolling 12-month EBIT expressed in SEK million.

Cash flow, investments and financing

Gross profit

Gross profit increased by 13 percent to SEK 37.7 (33.5) million during the quarter, which corresponds to a gross margin of 41 percent (48).

For the period April to December, gross profit increased by 31% to SEK 109.4 (83.5) million, which corresponds to a gross margin of 42 percent (45).

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 15.6 (10.5) million for the quarter. For the period April to December the corresponding cash flow was SEK 44.8 (23.4) million.

Change in working capital during the quarter amounted to SEK -7.9 (-8.0) million. Change in working capital for the period April to December amounted to SEK -55.5 (-31.9) 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 7.6 (2.5) million for the quarter and for the period April to December SEK -10.7 (-8.5) million.

Investments

EQL Pharma continues to invest in new products. During the quarter, SEK 11.8 (44.1) million was invested in both ongoing and new projects. For the period April to December investments amounted to SEK 30.4 (56.3) million.

Financing

Cash flow from financing operations totaled SEK 8.8 (31.8) million during the quarter and includes utilization of invoice financing credits. For the period April to December the corresponding amount amounted to SEK 37.1 (31.7) million.

Financial costs

The quarter's interest expenses attributable to loans amounted to SEK -2.2 (-1.5) 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 (0.0) million.

For the period April to December, interest expenses attributable to loans amounted to SEK -6.6 (-3.3) million.

Other financial income for the period amounted to SEK 0.0 (1.7) million.

Financial position

Cash and cash equivalents amounted to SEK 15.6 (10.4) million at the end of the quarter and unutilised working capital credit amounted to SEK 10.5 (9.6) million.

Pledged invoice and inventory limits amounted to SEK 150 (110) million.

Tax

Tax according to the applicable tax rate of 20.6% during the quarter amounted to SEK -2.6 (-1.7) million and for the period April to December to SEK -7.8 (-4.6) 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 second quarter amounted to SEK 90.6 (69.5) million and for the period April to December SEK 258.7 (182.0) million. Operating profit amounted to SEK 14.2 (9.7) million for the quarter and for the period April to December SEK 44.2 (23.1) million.

Personnel

The number of full-time employees in the group is 28 (19), out of whom 17 (13) 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, booms and recessions as well as geopolitical such as the unrest in the Middle East may have an impact on operating costs, freight 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:	
Interim Report January – March (Q4)	2025-05-08
Annual Report 2024/25	2025-07-28
Annual General Meeting	2025-08-21

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 with the addition of IFRS 13 where fair value has been calculated for all financial assets and liabilities. The fair value of other financial assets, other receivables, trade receivables and other short-term receivables, cash and cash equivalents, trade payables and other liabilities and interest-bearing liabilities is estimated to be equal to its book value. The company has loans with variable interest rates and thus the fair value is deemed to be in line with the book value.

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 current 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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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, February 5th, 2025.

Christer Fåhraeus,
Chairman

Anders Månsson,
Member

Per Ollermark,
Member

Linda Neckmar,
Member

Per Svangren,
Member

Nikunj Shah,
Member

The Group

Consolidated profit and loss statement

All amounts in '000	Note	Oct – Dec 2024	Oct – Dec 2023	Apr – Dec 2024	Apr – Dec 2023	Apr 2023 – Mar 2024
Net sales	3	92 222	70 211	260 260	186 034	264 168
Cost of goods sold		-54 480	-36 712	-150 815	-102 441	-149 123
Gross profit		37 742	33 499	109 445	83 593	115 045
Gross margin		41%	48%	42%	45%	44%
Sales and marketing expenses		-15 481	-12 855	-42 368	-35 495	-48 976
Administration expenses		-4 905	-7 071	-14 896	-15 061	-21 826
R&D expenses		-2 673	-3 948	-8 824	-9 158	-12 090
Other operating income		160	130	1 040	363	463
Operating profit (EBIT)		14 844	9 754	44 397	24 241	32 615
Other financial items		2	0	3	1 721	1 721
Interest paid		-2 172	-1 559	-6 566	-3 305	-5 732
Result before tax		12 674	8 195	37 834	22 658	28 604
Tax		-2 614	-1 689	-7 799	-4 646	-5 899
Net profit for the period		10 061	6 507	30 035	18 012	22 705
Other comprehensive income:						
Translation difference in the group		2	-7	0	-4	4
Sum of Components to be reclassified to net profit:		2	-7	0	-4	4
Sum of other comprehensive income:		2	-7	0	-4	4
Comprehensive result for the period		10 063	6 500	30 035	18 008	22 709

The Group

Per share data

Per share data	Oct – Dec 2024	Oct – Dec 2023	Apr – Dec 2024	Apr – Dec 2023	Apr 2023 – Mar 2024
Earnings per share, before dilution, SEK */	0.35	0.22	1.03	0.62	0.78
Earnings per share, after dilution, SEK */	0.34	0.22	1.00	0.60	0.76
Equity per share, SEK	7.16	5.95	7.16	5.95	6.12
Number of shares outstanding	29 063 610	29 063 610	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	29 063 610	29 063 610
Average number of shares outstanding, after dilution	29 895 610	29 795 610	29 895 610	29 795 610	29 795 610
Stock exchange rate, SEK	81.00	33.40	81.00	33.40	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	Oct – Dec 2024	Jul – Sep 2024	Apr – Jun 2024	Jan – Mar 2024	Oct – Dec 2023
Net sales	92 222	85 248	82 789	78 134	70 211
Sales growth	31	43	47	30	-12
Gross profit	37 742	34 722	36 981	31 452	33 499
Gross margin, %	41	41	45	40	48
Operating profit (EBIT)	14 844	14 321	15 232	8 373	9 754
Operating margin, %	16	17	18	11	14
Net profit for the period	10 061	9 562	10 412	4 693	6 507
Cash flow for the period	3 727	-1 542	-7 097	10 054	-10 430

The Group

Consolidated balance sheet

All amounts in '000	Note	2024-12-31	2023-12-31	2024-03-31
Intangible assets		197 975	166 143	173 309
Tangible fixed assets	4	2 403	2 950	2 674
Financial assets		1	1	1
Inventory		164 492	95 525	105 627
Trade receivables		62 298	58 735	58 342
Other receivables		18 078	5 852	13 337
Cash and bank		15 556	10 413	20 468
Total assets		460 803	339 619	373 759
Equity		207 956	173 027	177 726
Deferred Tax liability		25 309	16 697	17 510
Long-term debt, interest-bearing		15 711	16 374	16 700
Short-term debt, interest-bearing		141 304	81 647	103 393
Short-term debt, non interest-bearing		13 593	8 207	8 605
Trade payables		56 930	43 667	49 825
Total equity and liabilities		460 803	339 619	373 759

Consolidated changes in equity

All amounts in '000	Apr – Dec 2024	Apr – Dec 2023	Apr 2023 – Mar 2024
Balance at beginning of period	177 726	154 753	154 753
Warrants	194	266	266
Profit for the period	30 035	18 012	22 705
Other comprehensive income	1	-3	1
Balance at end of period	207 955	173 027	177 726

The Group

Cash flow

All amounts in '000	Oct - Dec 2024	Oct – Dec 2023	Apr – Dec 2024	Apr - Dec 2023	Apr 2023 - Mar 2024
Operating profit (EBIT)	14 844	9 754	44 397	24 241	32 615
Interest paid	-2 170	-1 559	-6 563	-1 584	-4 011
Adjustment for items not included in cash flow	2 887	2 321	6 910	705	2 921
Taxes	0	0	0	0	0
Cash flow from operations before changes in working capital	15 561	10 517	44 744	23 363	31 525
Changes in inventory	-20 113	-14 376	-58 865	-30 161	-40 259
Changes in current receivables	-3 866	-16 169	-8 696	-7 153	-14 245
Changes in current liabilities	16 037	22 504	12 094	5 425	11 542
Sum changes in working capital	-7 942	-8 041	-55 467	-31 888	-42 962
Cash flow from operations	7 619	2 476	-10 723	-8 525	-11 437
Acquisitions of intangible non-current assets	-11 822	-44 148	-30 405	-56 334	-65 336
Acquisitions of tangible non-current assets	-862	-587	-899	-823	-926
Cash flow from investment activities	-12 684	-44 735	-31 305	-57 157	-66 262
Amortization, raising of loans	8 428	31 600	37 264	31 617	53 970
Warrants program	0	0	194	266	266
Leasing debts	734	587	734	823	910
Amortization of leasing debts	-369	-358	-1 076	-1 036	-1 404
Cash flow from financing activities	8 792	31 829	37 116	31 669	53 741
Total cash flow during period	3 727	-10 430	-4 912	-34 013	-23 958
Cash / cash equivalents at beginning of period	11 829	20 844	20 468	44 426	44 426
Cash / cash equivalents at end of period	15 556	10 413	15 556	10 413	20 468

Parent company

Profit and loss statement

All amounts in i '000	Oct – Dec 2024	Oct – Dec 2023	Apr – Dec 2024	Apr – Dec 2023	Apr 2023 - Mar 2024
Net sales	90 625	69 495	258 665	182 017	258 167
Cost of goods sold	-53 626	-36 286	-149 786	-100 367	-145 846
Gross profit	36 999	33 209	108 879	81 650	112 321
Gross margin	41%	48%	42%	45%	44%
Sales and marketing expenses	-15 399	-12 645	-42 117	-34 826	-48 164
Administration expenses	-4 878	-7 022	-14 805	-14 890	-21 685
R&D expenses	-2 679	-3 954	-8 842	-9 174	-12 090
Other operating income	160	130	1 040	363	463
Operating profit (EBIT)	14 203	9 718	44 154	23 121	30 844
Other financial and interest income	2	-55	3	1 721	1 721
Interest expenses and similar expenses	-2 158	-1 486	-6 533	-3 257	-5 669
Profit before tax	12 047	8 176	37 625	21 585	26 896
Appropriations	0	0	0	0	-24 950
Tax	-2 614	-1 689	-7 799	-4 646	-438
Net profit for the period	9 434	6 488	29 825	16 940	1 508

Parent company

Balance sheet

All amounts in '000	2024-12-31	2023-12-31	2024-03-31
Intangible assets	197 690	165 858	173 024
Tangible fixed assets	398	320	300
Financial assets	391	391	391
Inventory	164 440	94 697	105 627
Trade receivables	62 305	58 163	55 976
Other receivables	18 074	5 868	14 762
Cash and bank	14 697	9 643	20 203
Total assets	457 994	334 940	370 283
Equity	139 671	125 084	109 652
Long-term debt, interest-bearing	15 397	14 888	15 453
Short-term debt, interest-bearing	139 538	80 430	102 218
Short-term debt, non interest-bearing	21 461	12 797	8 203
Appropriations	85 000	58 500	85 000
Trade payables	56 927	43 240	49 758
Total equity and liabilities	457 994	334 940	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. Valuation according to IFRS 13 explains that fair value has been calculated for all financial assets and liabilities. The fair value of other financial assets, other receivables, trade receivables and other short-term receivables, cash and cash equivalents, trade payables and other liabilities and interest-bearing liabilities is estimated to be equal to its book value. The company has loans with variable interest rates and thus the fair value is deemed to be in line with the book value. 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	Oct – Dec 2024	Oct – Dec 2023
Sweden	44 365	48 863
Other Scandinavia	27 485	14 348
Other Europe	20 372	7 000
Total	92 222	70 211

All amounts in '000	Apr – Dec 2024	Apr – Dec 2023	Apr 2023 – Mar 2024
Sweden	120 218	103 811	145 284
Other Scandinavia	86 057	50 870	84 097
Other Europe	53 986	31 353	34 786
Total	260 260	186 034	264 168

Note 4 Tangible fixed assets

All amounts in '000	2024-12-31	2023-12-31	2024-03-31
Right of use assets			
Land and buildings	301	1 433	1 202
Inventories	1 705	1 196	1 171
Total right of use assets	2 005	2 630	2 374
Tangible fixed assets that are not right of use assets			
Land and buildings	0	0	0
Inventories	398	320	300
Total tangible fixed assets that are not right of use assets	398	320	300
Total tangible fixed assets	2 403	2 950	2 674

The tangible fixed assets amounted to SEK 2.4 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 54.7 (23.7) million during the period April to December 2024.

Note 6 Incentive Programmes

Options Scheme – During the period April to December 2024, the company has allocated 100 000 new warrants to the company's CEO.

The warrants have been issued to the fair market value of the warrants at the time of subscription, which was determined by Optionspartner as independent valuation institute in accordance with the Black & Scholes valuation formula. Subscription price per warrant amounted to SEK 1.94 and cash received amounted to SEK 194,000.

Subscription of shares by virtue of the warrants may be effected from and including 21 February 2028 to and including 6 March 2028.

Each warrant entitles the right to subscribe for one new share in the company at a subscription price per share corresponding to 200 per cent of the volume weighted average price according to Nasdaq Stockholm's official price list for shares in the company during the ten trading days that follows immediately after the publication of the company's interim report for April – June 2024.

In case all warrants issued in connection with the incentive program are exercised for subscription of new shares, a total of 100,000 new shares will be issued, which corresponds to a dilution of approximately 0.34 per cent of the company's share capital and votes.

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 832,000 new shares will be issued, which corresponds to a combined dilution of approximately 2.78 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

January 13th, 2025 – EQL Pharma AB (publ) contemplates to issue senior secured bonds and publishes preliminary figures as of 31 December 2024

January 17th, 2025 – EQL Pharma AB successfully issues senior secured bonds

January 29th, 2025 – EQL Pharma invites to Capital Markets Day, March 7, 2025

January 31st, 2025 – EQL Pharma AB completes the asset purchase of a product portfolio from Medilink A/S

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		Oct – Dec 2024	Oct – Dec 2023	Apr – Dec 2024	Apr – Dec 2023	Apr – Mar 2024
A	Net sales current period, KSEK	92 222	70 211	260 260	186 034	264 168
B	Net sales last period, KSEK	70 211	80 191	186 034	199 580	259 913
(A-B)/B	Sales growth, %	31%	-12%	40%	-7%	2%

Gross profit / Gross margin		Oct – Dec 2024	Oct – Dec 2023	Apr – Dec 2024	Apr – Dec 2023	Apr – Mar 2024
A	Net sales, KSEK	92 222	70 211	260 260	186 034	264 168
B	Cost of goods sold, KSEK	-54 480	-36 712	-150 815	-102 441	-149 123
A-B	Gross profit, KSEK	37 742	33 499	109 445	83 593	115 045
(A-B)/A	Gross margin, %	41%	48%	42%	45%	44%

Reconciliation tables KPIs, non-IFRS measures, cont.

Operating profit (EBIT)/ Operating margin		Oct – Dec 2024	Oct – Dec 2023	Apr – Dec 2024	Apr – Dec 2023	Apr – Mar 2024
A	Operating profit (EBIT), KSEK	14 844	9 754	44 397	24 241	32 615
B	Net sales, KSEK	92 222	70 211	260 260	186 034	264 168
A/B	Operating margin (EBIT), %	16%	14%	17%	13%	12%
EBITDA margin%		Oct – Dec 2024	Oct – Dec 2023	Apr – Dec 2024	Apr – Dec 2023	Apr – Mar 2024
A	Operating profit (EBIT) adjusted for write-downs and amortization , KSEK	17 347	12 691	50 593	31 365	42 157
B	Net sales, KSEK	92 222	70 211	260 260	186 034	264 168
A/B	EBITDA margin, %	19%	18%	19%	17%	16%
Shareholders' equity per share		Oct – Dec 2024	Oct – Dec 2023	Apr – Dec 2024	Apr – Dec 2023	Apr – Mar 2024
A	Profit/loss for the period, KSEK	10 061	6 507	30 035	18 012	22 705
B	Number of shares	202 924	169 777	192 841	163 890	166 240
A/B	Net earnings per share, %	5%	4%	16%	11%	14%
Equity-asset ratio		Oct – Dec 2024	Oct – Dec 2023	Apr – Dec 2024	Apr – Dec 2023	Apr – Mar 2024
A	Equity, KSEK	207 956	173 027	207 956	173 027	177 726
B	Balance sheet total, KSEK	460 803	339 619	460 803	339 619	373 759
A/B	Equity ratio, %	45%	51%	45%	51%	48%