

## Year-end Report

### April 2021 – March 2022

(SEK million)	Jan – Mar 2022	Jan – Mar 2021	April – Mar 2022	April – Mar 2021
Net sales	203,03	25,80	409,75	179,14
Sales growth %	687	38	129	149
Gross margin %	16	30	23	28
EBIT	11,87	-5,86	38,84	11,52
Profit for the period	6,51	-6,24	31,55	10,37

## Good growth during the last quarter and for our financial year as a whole

### January - March

- Consolidated sales during the fourth quarter, January to March amounted to SEK 203.03 (25.8) million. Adjusted for non-recurring sales the revenue amounted to 36.1 (25.8) MSEK, an increase of 40.0%.
- Gross profit amounted to SEK 31.6 (7.7) million for the quarter, an increase of 310.4%.
- EBIT amounted to SEK 29.9 million before revaluation of inventories, and to SEK 11.9 (-5.9) million after revaluation inventory, mainly regarding Covid tests.
- Earnings per share were SEK 0:22 (-0:21) for the quarter.
- Cash flow from operating activities amounted to SEK 20.7 (12.6) million for the quarter.
- Cash and cash equivalents were SEK 41.2 (26.6) million at the end of the quarter.

### April - March

- Consolidated sales during the period April to March amounted to SEK 409.75 (179.14) million. Adjusted for non-recurring sales the revenue amounted to 135.4 (95.8) MSEK, an increase of 41.2%.
- Gross profit for the same period amounted to SEK 95.7 (51.0) million, an increase of 87.7%.
- EBIT for April - March amounted to SEK 38.8 (11.5) million.
- Earnings per share were SEK 1:09 (0:36) for the period.
- Cash flow from operating activities amounted to SEK 14.6 (16.3) million during April - March.
- Cash and cash equivalents were SEK 41.2 (26.6) million at the end of March.



## CEO's comments

### Fourth quarter in summary

The fourth quarter of 2021/22 landed with a topline of SEK 202 million, which is an increase from the third quarter of 2021/22 of over 70%. Adjusted for non-recurring sales, sales amounted to SEK 36.1 (25.8) million, an increase of 40.0%. The result, before revaluation of inventories, was SEK 29.9 million and after revaluation of inventories, regarding Covid tests, SEK 11.9 (-5.9) million, compared with SEK 18.0 million for the third quarter in 2021/22. The revaluation of our stock for Covid19 tests has been made based on a number of uncertainty factors for the future sales potential such as (i) the size and timing of future Covid-19 waves, (ii) the tendency of people to test in the future given that the authorities in Sweden no longer test systematically, and (iii) any changes in the SARS-CoV-2 virus that may make the tests we have in stock less sensitive and

the development of new tests necessary. Sales of Covid tests are currently at a very low level. The tests currently on stock still have a durability of at least a year from today.

### Products and market

During the quarter, EQL Pharma received market authorisation in Denmark and Norway for its melatonin tablets for children with ADHD. These will be sold under the Mellozzan brand in Denmark and Mallozen brand in Norway. We have also made our first out licensing deal for Mellozzan, namely to one of Europe's leading companies in medicines for children with ADHD. The deal is worth approximately SEK 5 million in upfront payment and in regulatory milestones. However, the great potential lies in future royalties on sales, where the total markets comprise about 200 million people. The first market introductions will

be in Denmark and Norway, where sales permits now exist. We continue to negotiate with additional licensees in Europe and outside Europe and hope to close a few more license deals during the year.

### Ukraine

During the quarter, EQL Pharma, as the first Swedish pharmaceutical company, donated products to Ukraine in the form of 2,500 bottles of Hevicain (Bupivacain). The drug is used in acute pain relief and in surgery.

### Other

During the quarter, the organization has grown with, among other positions, an internal QP candidate, something we have previously handled externally.



A handwritten signature in blue ink, consisting of a stylized 'C' followed by a loop and a horizontal line.

Christer Fåhraeus  
VD

# Significant events

## During the quarter

EQL Pharma AB preliminarily announces very strong outcome for the third quarter and reports continued strongly increasing order intake. The preliminary summary for the third quarter (period October - December 2021) shows that net sales amounted to approximately SEK 117 million (SEK 29.61 million) and that EBIT amounted to approximately SEK 18 million (SEK 2.35 million). The increase in sales is explained by a very strong demand for the Company's self-tests for Covid-19, which account for approximately 70 percent of net sales during the quarter. Most of the self-tests have been sold during the last weeks of December.

EQL Pharma donates 2500 bottles of Hevicain (bupivacaine) to Ukraine  
EQL Pharma donates 2500 bottles of Hevicain (Bupivacain) to Ukraine via "Medical Procurement for Ukraine" <https://medzakupivli.com/en/pro-mzu-eng/pro-nas-eng>

EQL Pharma's melatonin tablets approved in Denmark and Norway  
EQL Pharma has received market approval for its melatonin tablets 0.5mg, 1mg, 2mg, 3mg, 4mg, 5mg in Denmark and Norway. The brand will, just like in Sweden, be "Mellozzan" in Denmark, but will be sold in Norway under the brand "Mallozen".  
The Norwegian market currently has two registered competitors, one of which with only the jet lag indication, and sales of approximately 56mNOK with an annual growth of approximately 40%. The Danish market has three registered competitors, two of which have only the jet lag indication. Sales in Denmark are about 33mDKK with an annual growth of about 55%.

EQL Pharma out-license Mellozzan to a leading European Company in ADHD  
EQL Pharma has entered into an exclusive out-licensing agreement with a leading European Company in ADHD for EQL's proprietary product Mellozzan (melatonin) for Germany, the United Kingdom, Austria, Switzerland, Finland, Denmark and Norway. The agreement applies to tablets in six different strengths as well as an oral solution, where the latter is newly developed and ready to be sent to authorities for registration.

## During the quarter, cont.

The agreement includes close to 500,000 EUR in down payment and regulatory milestones. The royalty on sales is well into the double-digit domain. The launch of Mellozzan will take place over a period of one to three years from today's date, mainly governed by differences in processing times at different countries' authorities for registration and reimbursement. EQL Pharma has advanced negotiations regarding Mellozzan with other companies for additional countries in and outside of Europe.

## After the quarter

EQL Pharma get Glycopyrronium EQL Pharma approved  
EQL Pharma has received the approval of Glycopyrronium EQL Pharma solution for injection 0.2mg/ml from the Danish Medicines Agency and approvals in Sweden, Norway and Finland are expected shortly. Glycopyrronium EQL Pharma will be EQL's third approved inpatient care product and will be sold through public tendering in all four Nordic countries. The market is growing and worth approximately SEK 30 million annually with three active competitors. The launch is dependent on the result of tenders for procurements but can take place at the earliest in the fourth quarter (January-March) of EQL's financial year.

EQL Pharma out-license Mellozzan to a leading French Company in ADHD  
EQL Pharma has entered into an exclusive out-licensing agreement with French company H.A.C. Pharma for EQL's proprietary product Mellozzan (melatonin) for France. The agreement is in practice without a set time limit and applies to tablets in six different strengths as well as an oral solution, where the latter is newly developed and ready to be sent to authorities for registration. The agreement includes 200,000 EUR in down payment and regulatory milestones and the royalty on sales is well into the double-digit domain. The launch of Mellozzan in France will take place as soon as possible, mainly governed by processing times at French authorities for registration and reimbursement.

# 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, Phenoxyethylpenicillin EQL oral suspension was launched.

## 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.

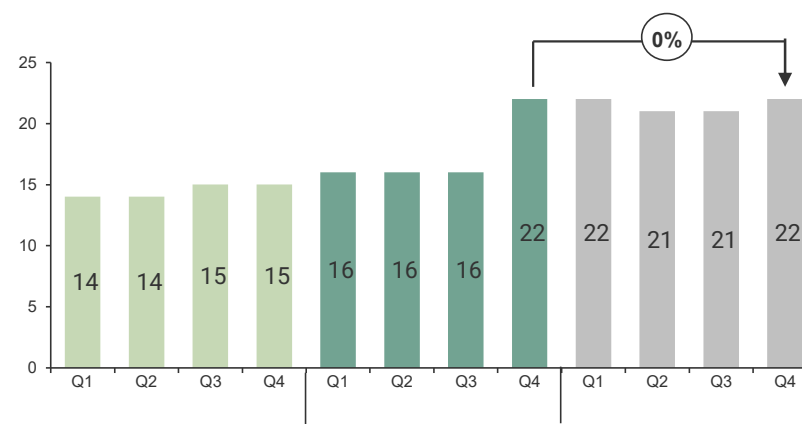


Figure 1. The company's product portfolio, i.e. marketed products, per quarter from fiscal year 2017/18 through the reporting period for the current fiscal year. The Y axis is the number of products marketed.

# 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.

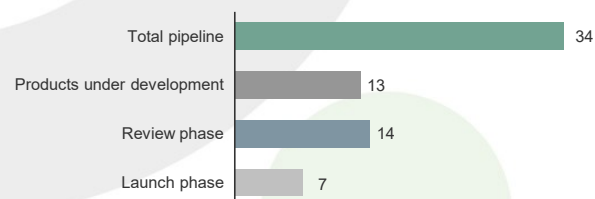


Figure 2. Total pipeline of products and how many products are in Review phase and Launch phase respectively.

## 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 14 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 seven products in the launch phase. Colecalciferol EQL Pharma tablets are expected to be launched in Q1 2022/23. Latanoprost EQL eye drops, Ondansetron EQL tablets and Loperamide EQL Pharma tablets are expected to be launched in Q2 2022/23. Palonosetron Qilu solution for injection and Ketorolac EQL Pharma solution for injection are expected to be launched in Q4 2022/23. The release date for Gefitinib Qilu tablets has not yet been determined.

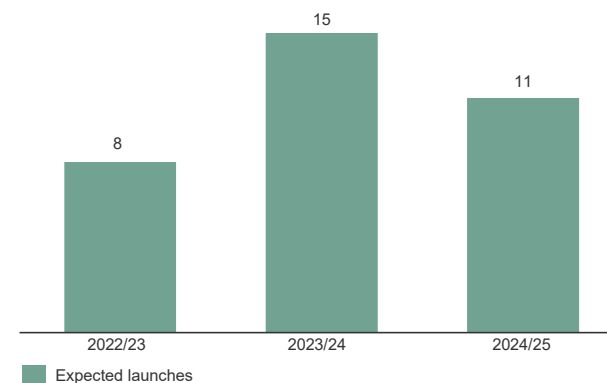


Figure 3. The company's product launches for the current fiscal year and expected product launches up to and including fiscal year 2024/25.

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. To offset these risks, we have chosen from this report to add a "buffer" in our launch estimate. This means that launches can take place both earlier and later than estimated in the table above, but the assessment is that it will generally give a more balanced picture.



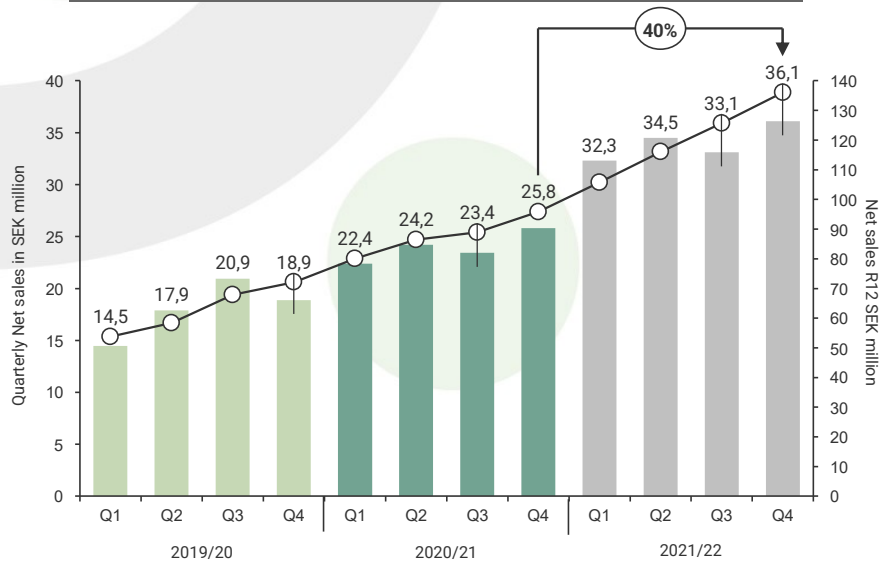
# Financial information

# Sales and operating profit

## Sales development

The fourth quarter of 2021/22 was yet another quarter with very good growth for EQL Pharma. Our total sales amounted to 36.1 (25.8) MSEK, adjusted for non-recurring sales. The sales growth of 40% was mainly driven by the launches that have been conducted in 2021/22. Sales were still positively impacted by the Corona pandemic.

Quarterly net sales and Rolling 12 months (R12)\*



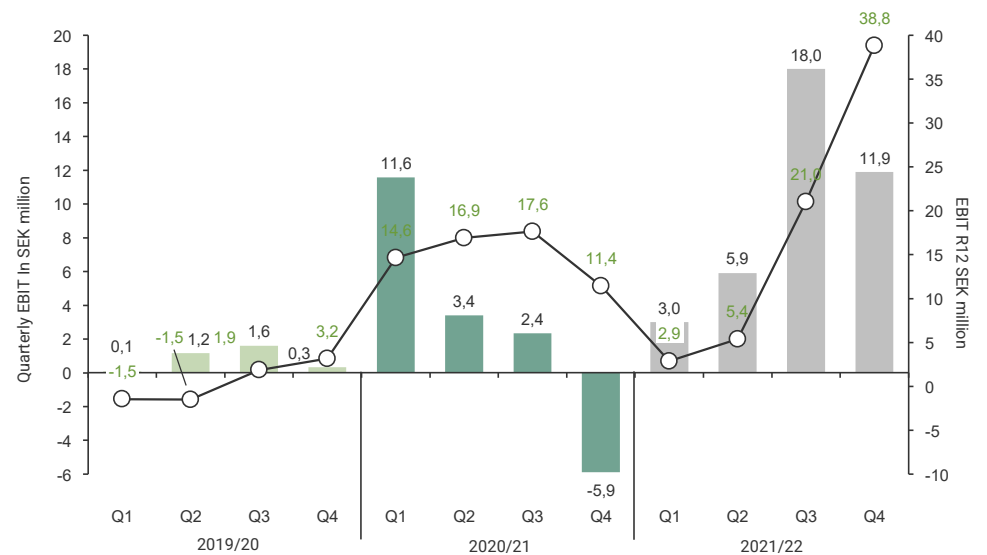
**Figure 4.** Net sales trend fiscal year 2019/20 through reporting period for the current fiscal year. Left Y-axis quarterly turnover in SEK million. Right Y-axis rolling 12-months sales expressed in SEK million.

\* Excluding extraordinary one-time items

## Profit performance

Operating profit amounted to SEK 29.9 million before revaluation of inventory, and to SEK 11.9 (-5.9) million after revaluation for inventories. 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 still positively impacted by the Corona pandemic.

Quarterly EBIT and EBIT Rolling 12 months (R12)



**Figure 5.** Operating profit trend (EBIT) for fiscal year 2018/19 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 fourth quarter amounted to SEK 202.5 (24.1) million and for the period April to March to SEK 406.0 (173.9) million. Operating profit amounted to SEK 11.9 (-6.0) million for the quarter and for the period April to March to SEK 38.5 (11.0) million.

## Personnel

The number of full-time employees in the group is 13 (10), out of whom 7 (7) 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 2022

Future reports for 2022/2023 will be published:

Current financial period:	
Quarterly Report (Q1)	2022-08-16
Annual General Meeting 2022, Lund	2022-08-17



## Additional information

### Accounting policies

This interim report (Q4-2022) is the Group's fourth financial report prepared in accordance with IFRS. All comparative figures for the period are recalculated in accordance with IFRS. The Group's accounting principles are found in Note 1 and the effects of translation to IFRS for the comparison period 2021 are presented in Note 5.

### Our financial goals

For the current four-year period, calculated from 2020/21 to 2024/25, we aim to grow by 40 percent on average per year. The growth refers to sales that are of a recurring nature and the starting figure for 2020/21 was SEK 95 million. Furthermore, our goal is for the EBIT margin to be more than 25 percent by the end of the period. For the financial year 2021/22, we landed at a growth of 41.4%. For the coming financial year, 2022/23, we expect growth of around 25%, ie below the average for the four-year period. Despite this, we see no reason to change our growth target, as the years to come will grow by more than 40% on average in our estimate.

### 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, May 13<sup>th</sup>, 2022.

Anders Månsson,  
*Chairman*

Christer Fåhraeus,  
*CEO and 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	Jan – Mar 2022	Jan – Mar 2021	April – Mar 2022	April – March 2021
Net sales	203 026	25 805	409 753	179 141
Cost of goods sold	-171 461	-18 113	-314 019	-128 135
<b>Gross profit</b>	<b>31 565</b>	<b>7 692</b>	<b>95 734</b>	<b>51 006</b>
<b>Gross margin</b>	<b>16%</b>	<b>30%</b>	<b>23%</b>	<b>28%</b>
Sales and marketing expenses	-12 500	-6 250	-37 275	-19 312
Administration expenses	-3 817	-3 296	-10 883	-8 986
R&D expenses	-3 440	-4 110	-9 131	-11 700
Other operating income	60	102	395	514
<b>Operating profit</b>	<b>11 867</b>	<b>-5 864</b>	<b>38 839</b>	<b>11 522</b>
Other interest income	0	0	0	0
Interest expenses and similar expenses	-946	-319	-2 874	-1 100
<b>Profit before tax</b>	<b>10 922</b>	<b>-6 183</b>	<b>35 965</b>	<b>10 422</b>
Tax	-4 417	-55	-4 417	-55
<b>Net profit for the period</b>	<b>6 505</b>	<b>-6 238</b>	<b>31 549</b>	<b>10 367</b>
<b>Other comprehensive income::</b>				
<b>Components not to be reclassified to net profit:</b>				
<i>a) Translation difference</i>				
Translation difference in the group	0	1	-1	1
<b>Sum of Components to be reclassified to net profit:</b>	<b>0</b>	<b>1</b>	<b>-1</b>	<b>1</b>
Sum of other comprehensive income:	0	1	-1	1
<b>Comprehensive result for the period</b>	<b>6 505</b>	<b>-6 237</b>	<b>31 547</b>	<b>10 368</b>

# The Group

## Per share data

Per share data	April – March 2022	April – March 2021
Earnings per share, before and after dilution, SEK */	1,09	0,36
Equity per share, SEK	8,19	7,00
Number of shares outstanding	29 063 610	29 063 610
Average number of shares outstanding	29 063 610	29 063 610
Stock exchange rate, SEK	31	35,1
Dividend per share	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	Jan – Mar 2022	Jan – Mar 2021	April – Mar 2022	April – Mar 2021
Net sales	203 026	25 805	409 753	179 141
Sales growth	687%	38%	129%	149%
Gross profit	31 565	7 692	95 734	51 006
Gross margin, %	16%	30%	23%	28%
Operating profit	11 867	-5 864	38 839	11 522
Operating margin, %	6%	-23%	9%	6%
Net profit	6 505	-6 238	31 549	10 367
Cash flow	20 739	12 590	14 620	16 269

# The Group

## Consolidated balance sheet

All amounts in '000	March 2022	March 2021
Intangible assets	110 243	100 378
Tangible fixed assets	4 193	5 013
Deferred tax assets	0	296
Inventory	41 674	42 357
Trade receivables	34 098	21 824
Other receivables	6 480	7 064
Cash and bank	41 199	26 579
<b>Total assets</b>	<b>237 888</b>	<b>203 511</b>
Equity	123 626	91 221
Long-term debt, interest-bearing	14 557	11 493
Short-term debt, interest-bearing	948	5 866
Short-term debt, non interest-bearing	82 782	75 902
Trade payables	15 975	19 029
<b>Total equity and liabilities</b>	<b>237 888</b>	<b>203 511</b>

## Consolidated changes in equity

All amounts in '000	April – March 2022	April – March 2021
<b>Balance at beginning of period</b>	23 781	13 423
Warrants	857	0
Profit for the period	31 549	10 367
Other comprehensive income	0	-9
<b>Balance at end of period</b>	<b>56 186</b>	<b>23 781</b>

# The Group

## Cash flow

All amounts in '000	Jan – Mar 2022	Jan – Mar 2021	April – Mar 2022	April – March 2021
Result before taxes	6 505	-6 183	31 549	10 422
Adjustment for items not included in cash flow	8 677	367	13 021	18 407
Taxes	4 414	-55	4 359	-55
<b>Cash flow from operations before changes in working capital</b>	<b>19 596</b>	<b>-5 871</b>	<b>48 928</b>	<b>28 774</b>
Changes in inventory	76 938	11 346	683	-13 995
Changes in current receivables	54 562	-9 179	-11 691	-6 268
Changes in current liabilities	-122 106	39 806	3 883	51 536
<b>Sum changes in working capital</b>	<b>9 394</b>	<b>41 973</b>	<b>-7 125</b>	<b>31 273</b>
<b>Cash flow from operations</b>	<b>28 990</b>	<b>36 102</b>	<b>41 803</b>	<b>60 047</b>
Capitalization of development costs				
Acquisitions of intangible non-current assets	-2 544	-35 840	-21 463	-55 170
Acquisitions of tangible non-current assets	0	-14	-602	-406
<b>Cash flow from investment activities</b>	<b>-2 544</b>	<b>-35 853</b>	<b>-22 066</b>	<b>-55 577</b>
Acquired loans		12 600		12 600
Amortization of loans	-5 400		-5 400	
New share issue				
Warrants program	0		857	
Translation difference	2	2	0	-6
Leasing debts	0	14	602	280
Amortization of leasing debts	-309	-274	-1 177	-1 076
<b>Cash flow from financing activities</b>	<b>-5 707</b>	<b>12 341</b>	<b>-5 118</b>	<b>11 799</b>
<b>Total cash flow during period</b>	<b>20 739</b>	<b>12 590</b>	<b>14 620</b>	<b>16 269</b>
Cash / cash equivalents at beginning of period	20 460	13 990	26 579	10 310
Exchange rate in cash flow				
<b>Cash / cash equivalents at end of period</b>	<b>41 199</b>	<b>26 579</b>	<b>41 199</b>	<b>26 579</b>

# Parent company

## Profit and loss statement

All amounts in i '000	Jan – Mar 2022	Jan – Mar 2021	April – Mar 2022	April – Mar 2021
Net sales	202 491	24 112	406 049	173 944
Cost of goods sold	-171 029	-16 829	-311 513	-124 378
<b>Gross profit</b>	<b>31 462</b>	<b>7 282</b>	<b>94 536</b>	<b>49 567</b>
<b>Gross margin</b>	<b>16%</b>	<b>30%</b>	<b>23%</b>	<b>28%</b>
Sales and marketing expenses	-12 330	-5 961	-36 602	-18 577
Administration expenses	-3 810	-3 275	-10 777	-8 839
R&D expenses	-3 440	-4 098	-9 057	-11 633
Other operating income	60	102	395	514
<b>Operating profit</b>	<b>11 942</b>	<b>-5 950</b>	<b>38 496</b>	<b>11 031</b>
Other interest income	0	0	0	0
Interest expenses and similar expenses	-946	-319	-2 874	-1 100
<b>Profit before tax</b>	<b>10 997</b>	<b>-6 270</b>	<b>35 622</b>	<b>9 931</b>
Appropriations	-19 680	0	-19 680	0
Tax	0	0	0	0
<b>Net profit for the period</b>	<b>-8 683</b>	<b>-6 270</b>	<b>15 942</b>	<b>9 931</b>

# Parent company

## Balance sheet

All amounts in '000	March 2022	March 2021
Intangible assets	109 958	100 050
Tangible fixed assets	4 192	5 013
Financial assets	391	391
Inventory	40 238	40 771
Trade receivables	33 742	21 322
Other receivables	7 817	9 351
Cash and bank	40 448	25 220
<b>Total assets</b>	<b>236 787</b>	<b>202 117</b>
Equity	107 187	90 388
Long-term debt, interest-bearing	10 437	11 493
Short-term debt, interest-bearing	948	5 866
Short-term debt, non interest-bearing	82 657	75 644
Appropriations	20 000	0
Trade payables	15 558	18 726
<b>Total equity and liabilities</b>	<b>236 787</b>	<b>202 117</b>

# 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.

	Jan – Mar 2022			Jan – Mar 2021		
	Pharmaceuticals	Non-recurring	Other	Pharmaceuticals	Non-recurring	Other
All amounts in '000						
Skandinavia	36 134	166 892	0	25 805	0	0
Other Europe	0	0	0	0	0	0
<b>Total</b>	<b>36 134</b>	<b>166 892</b>	<b>0</b>	<b>25 805</b>	<b>0</b>	<b>0</b>

	April – Mar 2022			April – Mar 2021		
	Pharmaceuticals	Non-recurring	Other	Pharmaceuticals	Non-recurring	Other
All amounts in '000						
Skandinavia	135 360	274 392	0	95 841	83 300	0
Other Europe	0	0	0	0	0	0
<b>Total</b>	<b>135 360</b>	<b>274 392</b>	<b>0</b>	<b>95 841</b>	<b>83 300</b>	<b>0</b>

## Note 4 Tangible fixed assets

All amounts in '000	2022-03-31	2021-03-31
<b>Right of use assets</b>		
Land and buildings	3 156	4 218
Inventories	960	581
<b>Total right of use assets</b>	<b>4 116</b>	<b>4 799</b>

## Tangible fixed assets that are not right of use assets

Land and buildings	0	0
Inventories	76	214
<b>Total tangible fixed assets that are not right of use asstes</b>	<b>76</b>	<b>214</b>

The tangible fixed assets amounted to SEK 4.2 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

## Not 5 Effects on transition to IFRS

The following are the effects on the Interim Report April 1, 2020 – March 31, 2021, as previously announced, according to previously applied principles K3. As of 1 April 2121, IFRS is applied in the preparation of consolidated accounts and RFR 2 in the preparation of the parent company's accounts. The effects regarding 2020-03-31 have been included as a reference.

All amounts in '000	Note	March 2022	March 2021	March 2020
<b>Equity in accordance with previously applied accounting principles</b>		123 763	91 295	80 918
Effects of accounting right of use assets	A	-137	-74	-55
<b>Total adjustments</b>		<b>-137</b>	<b>-74</b>	<b>-55</b>
<b>Total adjustments in Equity</b>		<b>-137</b>	<b>-74</b>	<b>-55</b>
<b>Equity in accordance with IFRS</b>		<b>123 626</b>	<b>91 221</b>	<b>80 863</b>

The main effects on the financial position are:

### A. Effects of accounting right of use assets

The Group holds leasing agreements for premises in which operations are conducted and two company cars. In previously published accounts, the leasing fees have been reported as another external cost. According to the current principle, a right of use asset is instead reported in the balance sheet with a corresponding liability to the leasing company. The asset is charged to the income statement with depreciation and the liability is charged to the income statement with interest expenses. In addition, the cash flow analysis is affected by higher cash flow from operating activities (positive effect) and lower cash flow from financing activities through amortization of liabilities attributable to right of use assets (negative effect)

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

<b>Sales growth</b>		<b>Jan – Mar 2022</b>	<b>Jan – Mar 2021</b>	<b>April – Mar 2022</b>	<b>April – Mar 2021</b>
A	Net sales current period, KSEK	203 026	25 805	409 753	179 141
B	Net sales last period, KSEK	25 805	18 763	179 141	72 083
<b>(A-B)/B</b>	Sales growth, %	687%	38%	129%	149%
<b>Gross profit / Gross margin</b>		<b>Jan – Mar 2022</b>	<b>Jan – Mar 2021</b>	<b>April – Mar 2022</b>	<b>April – Mar 2021</b>
A	Net sales, KSEK	203 026	25 805	409 753	179 141
B	Cost of goods sold, KSEK	-171 461	-18 113	-314 019	-128 135
<b>A-B</b>	Gross profit, KSEK	31 565	7 692	95 734	51 006
<b>(A-B)/A</b>	Gross margin, %	16%	30%	23%	28%

## Reconciliation tables KPIs, non-IFRS measures, cont.

<b>Operating profit / Operating margin</b>		<b>Jan – Mar 2022</b>	<b>Jan – Mar 2021</b>	<b>April – Mar 2022</b>	<b>April – Mar 2021</b>
A	Net sales, KSEK	11 867	-5 864	38 839	11 522
B	Operating profit, KSEK	203 026	25 805	409 753	179 141
<b>A/B</b>	Operating margin, %	6%	-23%	9%	6%
<b>Shareholders' equity per share</b>		<b>Jan – Mar 2022</b>	<b>Jan – Mar 2021</b>	<b>April – Mar 2022</b>	<b>April – Mar 2021</b>
A	Profit/loss for the period, KSEK	6 505	-6 238	31 549	10 367
B	Number of shares	120 373	94 339	107 424	85 653
<b>A/B</b>	Net earnings per share, %	5%	-7%	29%	12%
<b>Equity-asset ratio</b>		<b>Jan – Mar 2022</b>	<b>Jan – Mar 2021</b>	<b>April – Mar 2022</b>	<b>April – Mar 2021</b>
A	Equity, KSEK	123 626	91 221	123 626	91 221
B	Balance sheet total, KSEK	237 888	203 511	237 888	203 511
<b>A/B</b>	Equity ratio, %	52%	45%	52%	45%