

## Year-end Report April 2022 – March 2023

(SEK million)	Jan - Mar 2023	Jan - Mar 2022	Apr 2022 – Mar 2023	Apr 2021 – Mar 2022
Net sales	60.3	203.0	259.9	409.8
Sales growth %	-70	687	-37	129
Gross profit	28.1	31.6	115.9	95.7
Gross margin %	47	16	45	23
Operating profit (EBIT)	6.1	11.9	41.3	38.9
Operating margin (EBIT) %	10	6	16	9
Profit for the period	4,0	6,5	30,8	31,6

### Significant sales growth, increasing profit margin and a growing pipeline

#### January – March 2023

- Consolidated sales during the fourth quarter, January to March amounted to SEK 60.3 (203.0) million. Adjusted for non-recurring sales the revenue amounted to 53.5 (36.1) MSEK, an increase of 48%.
- Gross profit amounted to SEK 28.1 (31.6) million for the quarter, an increase of 11%.
- EBIT amounted to SEK 6.1 (11.9) million, a decrease of 49%. The operating margin was 10% (6%).
- Earnings per share were SEK 0:14 (0:22) for the quarter.
- Cash flow from operating activities amounted to SEK 18.2 (20.7) million for the quarter.
- Cash and cash equivalents were SEK 44.4 (41.2) million at the end of the quarter.

#### April 2022 – March 2023

- Consolidated sales during the period April-March amounted to SEK 259.9 (409.8) million. Adjusted for non-recurring sales the revenue amounted to 206.8 (135.4) MSEK, an increase of 51%.
- Gross profit for the same period amounted to SEK 115.9 (95.7) million, an increase of 21%.
- EBIT for April-March amounted to SEK 41.3 (38.9) million, an increase of 6%. The operating margin was 16% (9%).
- Earnings per share were SEK 1:06 (1:09) for the period.
- Cash flow from operating activities amounted to SEK 3.2 (14.6) million during April-March.
- Cash and cash equivalents were SEK 44.4 (41.2) million at the end of the financial year.



# CEO's comments

**The fourth quarter, which concludes the financial year 2022/23, was an exciting quarter for EQL Pharma. Sales were higher than expected, which means that we grew our sales adjusted for non-recurring items by as much as 51% compared to the financial year 2021/22. The operating margin for the quarter was slightly lower than expected, mainly driven by the product mix, but for the year as a whole both operating profit and operating margin grew in a very positive way. Our sales forecast for the coming financial year, 2023/24, is a growth of around 30%.**

## Fourth quarter in summary

The fourth quarter's total sales in 2022/23 amounted to SEK 60.3 (203.0) million. Adjusted for non-recurring sales, sales amounted to SEK 53.5 (36.1) million, an increase of 48%. Operating profit (EBIT) amounted to SEK 6.1 (11.9) million. The operating margin was 10% (6%). Both operating profit and margin were slightly lower than in the previous quarters of 2022/23, which is due to a slightly less favorable product mix and higher operating expenses. The latter is primarily linked to the ongoing strategic initiatives but also contains certain one-off components.

## Financial goals and full-year forecast

Our long-term financial goals are in principle fixed, but we

adjust the profitability goal from an EBIT margin of 25% to an EBITDA margin of 25%. We believe that EBITDA is a better measure of our operational profitability and more aligned to reflect profitability contributions from potential future acquisitions.

The sales forecast for the coming financial year 2023/24 is a growth of around 30%. We note that in 2022/23 we grew more than the 40% we aim to grow on average from 2020/21 through 2024/25.

## 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

On the business development side, four new niche generics for the Nordics have been added to our pipeline, which thus grows from 28 to 32 products. We are working intensively to identify new products for our pipeline and will regularly update on progress.

Sales of self-tests for Covid-19 have been significantly lower in the fourth quarter than in the third. EQL is and will remain well positioned if demand for testing picks up.

## Other

During the fourth quarter, we had the pleasure of being able to recruit and present Carl Lindgren as our new Chief Business Development Officer. In connection with that, our current Business Development Director Alexander Brising moves to the role of Chief Commercial Officer. These adjustments mark a further focus on growth and sales which is completely natural in the phase EQL is now in.



**Axel Schörling**  
CEO & President

# Significant events

## During the quarter

### Nomination committee for the 2023 Annual General Meeting

According to the resolution of the 2022 Annual General Meeting, the Nomination Committee shall be convened by the Chairman of the Board and consist of a representative of each of the three largest shareholders in terms of the number of votes at the end of December 2022.

At the end of December, the three largest shareholders were Cadila Pharmaceuticals Ltd. and Fårö Capital AB and Sten Irwe. All have agreed to participate in the nomination committee's work.

### EQL Pharma recruits Carl Lindgren as Chief Business Development Officer

EQL has recruited Carl Lindgren as Chief Business Development Officer (CBDO). Carl replaces Alexander Brising, who was responsible for Business Development and built the company's pipeline since 2016, but now changes position within EQL to Chief Commercial Officer (CCO) with responsibility for the company's sales and marketing.

### Flagging message

As of March 24, Fårö Capital AB has sold 300,000 shares in EQL Pharma, corresponding to approximately 1 percent of the votes and capital in EQL Pharma.

The transaction has taken place in a block entry outside the market at a price of SEK 37.5 per share in EQL Pharma. Before the transaction, Fårö Capital owned 8,727,348 shares, corresponding to approximately 30% of the votes and capital in EQL Pharma. After the transaction, Fårö Capital owns approximately 29 percent of the votes and capital in EQL Pharma.

The sale was prompted by the fact that a number of the major Swedish investment banks considered that the proportion of institutional ownership and the liquidity in the share needed to increase.

## After the quarter

### EQL Pharma AB announces a recommended cash offer of SEK 7.60 per share to the shareholders of Sensidose Aktiebolag

EQL Pharma AB ("EQL Pharma" or the "Bidder") announces a recommended public offer to the shareholders of Sensidose Aktiebolag ("Sensidose" or the "Company") to tender all their shares in Sensidose to EQL Pharma at a price of SEK 7.60 in cash per share (the "Offer"). The shares in Sensidose are listed on Spotlight Stock Market.

### EQL Pharma AB announces a revised unconditioned cash offer of SEK 8.40 per share to the shareholders of Sensidose Aktiebolag

The 20th of April 2023 EQL Pharma AB ("EQL Pharma" or the "Bidder") announced a recommended public offer to the shareholders of Sensidose Aktiebolag ("Sensidose" or the "Company") to tender all their shares in Sensidose to EQL Pharma at a price of SEK 7.60 in cash per share (the "Offer"). Due to the revised offer from Navamedic ASA, EQL Pharma has decided to increase the consideration to 8.40 per share (the "Revised Offer"). Furthermore, EQL Pharma has decided to make the offer unconditioned.

### Summary of the Revised Offer

- The shareholders of Sensidose are offered SEK 8.40 in cash per share in Sensidose. The total value of the Revised Offer, and thereby the value of Sensidose, based on the 11,958,651 outstanding shares in Sensidose, amounts to approximately SEK 100 million.
- The Revised Offer exceeds the offer of SEK 8 per share published by Navamedic ASA on 22 April 2023 by SEK 0.40 per share.

As of May 10<sup>th</sup>, Navamedic ASA has amended its Offer to SEK 8.50 per share in Sensidose AB.

# Significant events

## After the quarter, cont.

**Offer document regarding EQL Pharma's offer to the shareholders of Sensidose Aktiebolag published**

EQL Pharma AB (publ) ("EQL Pharma") announced on 20 April 2023 a public takeover offer to the shareholders of Sensidose Aktiebolag ("Sensidose") to transfer all shares in Sensidose for SEK 7.60 cash per share. The 24th of April EQL Pharma announced a revised offer, and unconditional, offer with a revised remuneration for the shares, SEK 8.40 (the "Offer"). The offer document is available on EQL Pharma's website ([www.eqlpharma.com](http://www.eqlpharma.com)) and Nordic Issuing's website ([www.nordic-issuing.se](http://www.nordic-issuing.se)). The acceptance period for the Offer begins tomorrow 25 April 2023 and ends on 16 May 2023 (subject to possible extension). Payment of consideration is expected to begin around 24 May 2023.

Information about the Offer is made available at [www.eqlpharma.com](http://www.eqlpharma.com).

**EQL Pharma extends the unconditional offer to include warrants series TO 1 and publishes a supplementary offer document regarding EQL Pharma's offer to the shareholders of Sensidose**

The board of EQL Pharma has decided to extend the Offer to include warrants of series TO 1 (the "Warrants") in Sensidose (the "Extended Offer"). The remuneration for the warrants is SEK 0.50.

## After the quarter, cont.

**EQL Pharma signs a license agreement with a large pharmaceutical company in Türkiye for Mellozzan (melatonin)**

EQL has entered into an exclusive license agreement with a large pharmaceutical company for its product Mellozzan (melatonin) for Türkiye and Kazakhstan. "EQL has previously signed license agreements with parties for a number of countries, but this is a milestone as it is our first agreement with the sale of one of our products outside the borders of Europe," says Axel Schörling, CEO at EQL Pharma.

The agreement includes a so-called tech transfer to produce Mellozzan in a factory in Türkiye, as local production is a requirement from the Turkish authorities. The agreement also includes a small license fee and a single-digit royalty on all sales.

# 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 no new products have been 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.

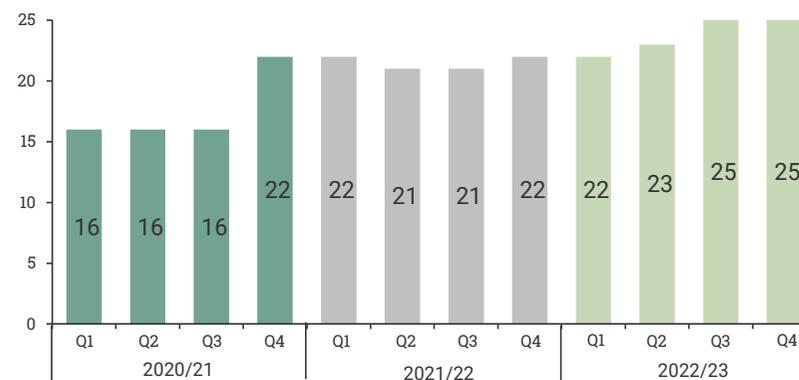
During 2023/2024 and onwards, we will expand our geographical presence in Europe. Depending on the market, this is done through a direct or indirect sales model.

## Segments

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.

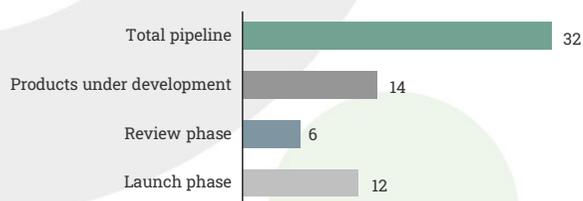


Figure 2. Total pipeline of products and how many products are in Review phase and Launch phase respectively.

## 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 6 products in the review phase.

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

## Products in the Launch phase

We currently have 12 products in the launch phase. Glyronul (glycopyrronium), Ampitar (ampicillin) powder for solution for infusion and Copneg (glycopyrronium/neostigmine) solution for infusion will be launched in Q1 2023/24. Mellozzan (melatonin) oral solution have an expected launch in Q4 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, Sugammadex Qilu solution for injection and Piperacillin/Tazobactam powder for solution for infusion are expected to launch in late 2023/24 or beginning of 2024/25 depending on the outcome of upcoming public tenders.

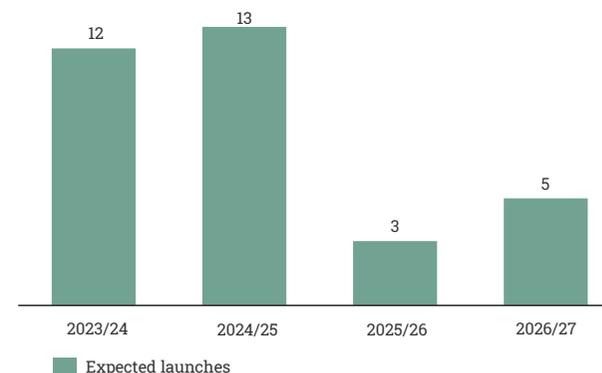


Figure 3. The company's product launches for the current fiscal year and expected product launches up to and including fiscal year 2026/27.

At all stages from the development phase to the launch phase, situations can arise that risk delaying a launch or even making it impossible. Both we at EQL and our well-selected partners do everything we can to prevent these situations from occurring, but there are always risk factors beyond our control. This means that launches can take place both earlier and later than indicated. The table above aims to provide a best guess at a given time.



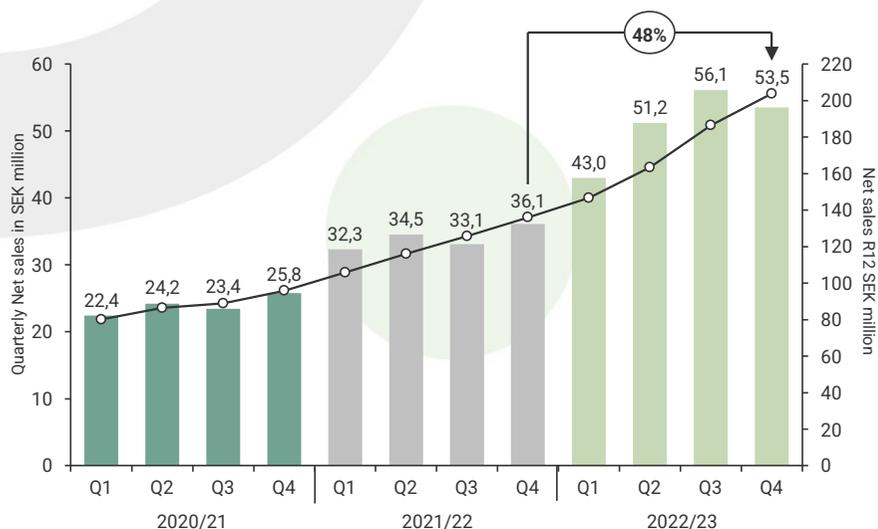
# Financial information

# Sales and operating profit

## Sales development

For the fourth quarter of 2022/23 our sales amounted to 53.5 (36.1) MSEK, adjusted for non-recurring sales. This corresponds to a sales growth of 48% which is more than the target in the long-term plan. The full-year sales outlook for 2023/24 is a sales growth of around 30%.

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 one-time items

## Profit performance

Operating profit (EBIT) amounted to SEK 6.1 million (11.9) million, a decrease of 49%. The decrease is driven by the product mix and operating expenses. The latter is slightly higher in the quarter due to intensive strategy work and certain one-off items. The operating margin (EBIT) was 10% (6%). Personnel costs and other external costs have increased in relation to the comparison quarter as a result of the increase in the scope of the business.

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



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

# Additional information

## Parent company

EQL Pharma AB is the parent company of the EQL Pharma group. Net sales for the Parent Company during the fourth quarter amounted to SEK 58.8 (202.5) million. Operating profit amounted to SEK 6.2 (11.9) million for the quarter and 41.1 (38.5) million for the period April to March.

## Personnel

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

Future reports for 2023/2024 will be published:

Current financial period:	
Interim report April-June (Q1)	2023-08-16
Annual General Meeting 2023, Lund	2023-08-17
Interim report July – September (Q2)	2023-11-17
Interim report October – December (Q3)	2024-02-13

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

## Proposed dividend

The Board proposes that no dividend be paid for 2022/23 financial year.

## 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 11<sup>th</sup>, 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	Jan – Mar 2023	Jan – Mar 2022	Apr 2022 – Mar 2023	Apr 2021 – Mar 2022
Net sales	60 333	203 026	259 913	409 753
Cost of goods sold	-32 237	-171 461	-144 063	-314 019
<b>Gross profit</b>	<b>28 096</b>	<b>31 565</b>	<b>115 850</b>	<b>95 734</b>
<b>Gross margin</b>	<b>47%</b>	<b>16%</b>	<b>45%</b>	<b>23%</b>
Sales and marketing expenses	-12 958	-12 500	-44 641	-37 275
Administration expenses	-4 103	-3 817	-15 145	-10 883
R&D expenses	-5 069	-3 440	-15 138	-9 131
Other operating income	88	60	413	395
<b>Operating profit (EBIT)</b>	<b>6 054</b>	<b>11 867</b>	<b>41 339</b>	<b>38 839</b>
Other interest income	1	0	1	0
Interest expenses and similar expenses	-845	-946	-2 372	-2 874
<b>Profit before tax</b>	<b>5 211</b>	<b>10 922</b>	<b>38 968</b>	<b>35 965</b>
Tax	-1 088	-4 417	-8 047	-4 417
<b>Net profit for the period</b>	<b>4 123</b>	<b>6 505</b>	<b>30 921</b>	<b>31 549</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	0	11	-1
<b>Sum of Components to be reclassified to net profit:</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>-1</b>
Sum of other comprehensive income:	0	0	11	-1
<b>Comprehensive result for the period</b>	<b>4 123</b>	<b>6 505</b>	<b>30 932</b>	<b>31 547</b>

# The Group

## Per share data

Per share data	Jan – Mar 2023	Jan – Mar 2022	Apr 2022 – Mar 2023
Earnings per share, before and after dilution, SEK */	0,14	1,06	1,09
Equity per share, SEK	5.32	5.18	3.42
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	37,4	37,4	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	Jan – Mar 2023	Oct – Dec 2022	Jul – Sep 2022	Apr – Jun 2022	Apr 2022 – Mar 2023
Net sales	60 333	80 191	73 291	46 098	259 913
Sales growth	-70%	-32%	40%	24%	-37%
Gross profit	28 096	35 471	28 579	23 703	115 850
Gross margin, %	47%	44%	39%	51%	45%
Operating profit (EBIT)	6 054	15 513	11 899	7 873	41 339
Operating margin, %	10%	19%	16%	17%	16%
Net profit	4 123	11 947	7 459	7 392	30 921
Cash flow	18 242	-2 137	-18 307	5 429	3 227

# The Group

## Consolidated balance sheet

All amounts in '000	Mar 2023	Mar 2022
Intangible assets	115 319	110 243
Tangible fixed assets	3 149	4 192
Financial assets	1	1
Deferred tax assets	0	0
Inventory	65 368	41 674
Trade receivables	51 701	34 098
Other receivables	5 734	6 480
Cash and bank	44 426	41 199
<b>Total assets</b>	<b>285 696</b>	<b>237 888</b>
Equity	154 753	123 626
Deferred Tax liability	12 051	4 120
Long-term debt, interest-bearing	2 128	10 437
Short-term debt, interest-bearing	64 489	60 263
Short-term debt, non interest-bearing	22 665	23 466
Trade payables	29 610	15 975
<b>Total equity and liabilities</b>	<b>285 696</b>	<b>237 888</b>

## Consolidated changes in equity

All amounts in '000	Apr 2022 – Mar 2023	Apr 2021 – Mar 2022
<b>Balance at beginning of period</b>	123 626	91 221
Warrants	193	857
Profit for the period	30 921	31 549
Other comprehensive income	11	0
<b>Balance at end of period</b>	<b>154 753</b>	<b>123 626</b>

# The Group

## Cash flow

All amounts in '000	Jan - Mar 2023	Jan - Mar 2022	Apr 2022 - Mar 2023	Apr 2021 - Mar 2022
Result after taxes	5 211	10 919	38 968	35 965
Adjustment for items not included in cash flow	2 280	8 677	16 478	13 021
Taxes	0	0	0	-58
<b>Cash flow from operations before changes in working capital</b>	<b>7 491</b>	<b>19 596</b>	<b>55 446</b>	<b>48 928</b>
Changes in inventory	-10 431	76 940	-23 683	683
Changes in current receivables	23 626	54 562	-16 856	-11 691
Changes in current liabilities	6 629	-81 500	12 719	8 978
<b>Sum changes in working capital</b>	<b>19 823</b>	<b>50 002</b>	<b>-27 819</b>	<b>-2 030</b>
<b>Cash flow from operations</b>	<b>27 314</b>	<b>69 598</b>	<b>27 627</b>	<b>46 898</b>
Acquisitions of intangible non-current assets	-8 095	-2 544	-20 053	-21 463
Acquisitions of tangible non-current assets	-456	0	-456	-602
<b>Cash flow from investment activities</b>	<b>-8 551</b>	<b>-2 544</b>	<b>-20 510</b>	<b>-22 066</b>
Amortization of loans	-190	-46 006	-2 815	-10 495
Warrants program	0	0	193	857
Leasing debts	0	0	0	602
Amortization of leasing debts	-331	-309	-1 269	-1 177
<b>Cash flow from financing activities</b>	<b>-521</b>	<b>-46 316</b>	<b>-3 890</b>	<b>-10 213</b>
<b>Total cash flow during period</b>	<b>18 242</b>	<b>20 739</b>	<b>3 227</b>	<b>14 620</b>
Cash / cash equivalents at beginning of period	26 184	20 460	41 199	26 579
<b>Cash / cash equivalents at end of period</b>	<b>44 426</b>	<b>41 199</b>	<b>44 426</b>	<b>41 199</b>

# Parent company

## Profit and loss statement

All amounts in i '000	Jan - Mar 2023	Jan - Mar 2022	Apr 2022 - Mar 2023	Apr 2021 – Mar 2022
Net sales	58 808	202 491	254 333	406 049
Cost of goods sold	-31 033	-171 029	-140 157	-311 513
<b>Gross profit</b>	<b>27 775</b>	<b>31 462</b>	<b>114 176</b>	<b>94 536</b>
<b>Gross margin</b>	<b>47%</b>	<b>16%</b>	<b>45%</b>	<b>23%</b>
Sales and marketing expenses	-12 524	-12 331	-43 270	-36 602
Administration expenses	-4 063	-3 814	-15 046	-10 808
R&D expenses	-5 075	-3 446	-15 155	-9 057
Other operating income	88	-60	413	395
<b>Operating profit (EBIT)</b>	<b>6 201</b>	<b>11 931</b>	<b>41 119</b>	<b>38 464</b>
Other interest income	1	0	1	0
Interest expenses and similar expenses	-827	-923	-2 294	-2 779
<b>Profit before tax</b>	<b>5 375</b>	<b>11 009</b>	<b>38 826</b>	<b>35 685</b>
Appropriations	-38 350	-19 680	-38 350	-19 680
Tax	-114	0	-114	0
<b>Net profit for the period</b>	<b>-33 089</b>	<b>-8 671</b>	<b>362</b>	<b>16 005</b>

# Parent company

## Balance sheet

All amounts in '000	Mar 2023	Mar 2022
Intangible assets	115 034	109 958
Tangible fixed assets	378	76
Financial assets	391	391
Inventory	64 266	40 238
Trade receivables	51 207	33 742
Other receivables	7 838	7 886
Cash and bank	42 667	40 448
<b>Total assets</b>	<b>281 781</b>	<b>232 739</b>
Equity	107 879	107 324
Long-term debt, interest-bearing	0	7 200
Short-term debt, interest-bearing	63 701	64 716
Short-term debt, non interest-bearing	22 497	18 082
Appropriations	58 500	20 000
Trade payables	29 204	15 417
<b>Total equity and liabilities</b>	<b>281 781</b>	<b>232 739</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 2023			Jan – Mar 2022		
	Pharmaceuticals	Non-recurring	Other	Pharmaceuticals	Non-recurring	Other
All amounts in '000						
Skandinavia	48 603	6 818	0	36 134	166 892	0
Other Europe	4 904	8	0	0	0	0
<b>Total</b>	<b>53 507</b>	<b>6 826</b>	<b>0</b>	<b>36 134</b>	<b>166 892</b>	<b>0</b>

	Apr 2022 – Mar 2023			Apr 2021 – Mar 2022		
	Pharmaceuticals	Non-recurring	Other	Pharmaceuticals	Non-recurring	Other
All amounts in '000						
Skandinavia	192 823	56 126	0	135 360	274 392	0
Other Europe	10 956	8	0	0	0	0
<b>Total</b>	<b>203 779</b>	<b>56 134</b>	<b>0</b>	<b>135 360</b>	<b>274 392</b>	<b>0</b>

## Note 4 Tangible fixed assets

All amounts in '000	Mar 2023	Mar 2022
<b>Right of use assets</b>		
Land and buildings	2 058	3 156
Inventories	713	960
<b>Total right of use assets</b>	<b>2 771</b>	<b>4 116</b>

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

Land and buildings	0	0
Inventories	378	76
<b>Total tangible fixed assets that are not right of use asstes</b>	<b>378</b>	<b>76</b>

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
<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 2023</b>	<b>Jan – Mar 2022</b>	<b>Apr 2022-Mar 2023</b>	<b>Apr 2022– Mar 2022</b>
A	Net sales current period, KSEK	60 333	203 026	259 913	409 753
B	Net sales last period, KSEK	203 026	25 805	409 753	179 141
<b>(A-B)/B</b>	Sales growth, %	-70%	687%	-37%	129%

<b>Gross profit / Gross margin</b>		<b>Jan – Mar 2023</b>	<b>Jan – Mar 2022</b>	<b>Apr 2022 -Mar 2023</b>	<b>Apr 2021– Mar 2022</b>
A	Net sales, KSEK	60 333	203 026	259 913	409 753
B	Cost of goods sold, KSEK	-32 237	-171 461	-144 063	-314 019
<b>A-B</b>	Gross profit, KSEK	28 096	31 565	115 850	95 734
<b>(A-B)/A</b>	Gross margin, %	47%	16%	45%	23%

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

<b>Operating profit (EBIT)/ Operating margin</b>		<b>Jan – Mar 2023</b>	<b>Jan – Mar 2022</b>	<b>Apr 2022 - Mar 2023</b>	<b>Apr 2021 – Mar 2022</b>
A	Net sales, KSEK	6 054	11 867	41 339	38 839
B	Operating profit (EBIT), KSEK	60 333	203 026	259 913	409 753
<b>A/B</b>	Operating margin (EBIT), %	10%	6%	16%	9%
<b>Shareholders' equity per share</b>		<b>Jan – Mar 2023</b>	<b>Jan – Mar 2022</b>	<b>Apr 2022 - Mar 2023</b>	<b>Apr 2021 – Mar 2022</b>
A	Profit/loss for the period, KSEK	4 123	6 505	30 921	31 549
B	Number of shares	152 691	120 373	139 190	107 424
<b>A/B</b>	Net earnings per share, %	3%	5%	22%	29%
<b>Equity-asset ratio</b>		<b>Jan – Mar 2023</b>	<b>Jan – Mar 2022</b>	<b>Apr 2022 - Mar 2023</b>	<b>Apr 2021 – Mar 2022</b>
A	Equity, KSEK	154 753	123 626	154 753	123 626
B	Balance sheet total, KSEK	285 696	237 888	285 696	237 888
<b>A/B</b>	Equity ratio, %	54%	52%	54%	52%