

## Year-end Report April 2023 – March 2024

### Good growth and record amount of launches

(SEK million)	Jan – Mar 2024	Jan – Mar 2023	Apr - Mar 2024	Apr – Mar 2023
Net sales	78.1	60.3	264.2	259.9
Sales growth %	30	-70	2	-37
Gross profit	31.5	28.1	115.0	115.9
Gross margin %	40	47	44	45
Operating profit (EBIT)	8.4	6.1	32.6	41.3
Operating margin (EBIT) %	11	10	12	16
Profit for the period	4.7	4.1	22.7	30.9

#### January – March 2024

- Consolidated sales during the fourth quarter, January to March amounted to SEK 78.1 (60.3) million, an increase of 30%. Adjusted for non-recurring sales in the comparative quarter Q4 2022/23, the revenue amounted to 78.1 (53.5) MSEK, an increase of 46%.
- Gross profit amounted to SEK 31.5 (28.1) million for the quarter, an increase of 11%.
- EBIT amounted to SEK 8.4 (6.1) million, an increase of 38%. The operating margin was 11% (10%).
- EBITDA margin was 14%.
- Costs related to preparations for uplisting to NASDAQ main list in the quarter of SEK 2.2 million. Furthermore, extraordinary shipping costs linked to the situation in the Red Sea amounted to SEK 1.6 million. Adjusted for these, the operating profit (EBIT) amounted to SEK 12.2 million and the operating margin to 16%.
- EBITDA margin adjusted for extraordinary costs was 19%.
- Earnings per share before dilution were SEK 0:16 (0:14) for the quarter. Earnings per share after dilution were 0:16 (0:14).
- Cash flow from operating activities amounted to SEK -2.9 (27.3) million for the quarter.
- Cash and cash equivalents were SEK 20.5 (44.4) million at the end of the quarter.

#### April – March 2024

- Consolidated sales during the period April – March amounted to SEK 264.2 (259.9) million, an increase with 2%. Adjusted for non-recurring sales in the comparison period April – March 2022/23, the revenue amounted to 264.2 (203.8) MSEK, an increase of 30%. There was sales of Covid-19 tests during 2023/24, but significantly lower than 2022/23
- Gross profit for the same period amounted to SEK 115.0 (115.9) million,
- EBIT for April – March amounted to SEK 32.6 (41.3) million.
- EBITDA margin was 16%.
- Costs related to preparations for uplisting to NASDAQ main list amounted to SEK 5.2 million in the period April – March. Furthermore, extraordinary shipping costs linked to the situation in the Red Sea amounted to SEK 1.6 million. Adjusted for these, the operating profit (EBIT) amounted to SEK 39.4 million and the operating margin to 15%.
- EBITDA margin adjusted for extraordinary costs was 19%.
- Earnings per share were SEK 0:78 (1:06) for the period. Earnings per share after dilution were 0:76 (1:04).
- Cash flow from operating activities amounted to SEK -11.4 (27.6) million during April-March.
- Cash and cash equivalents were SEK 20.5 (44.4) million at the end of March.



# CEO's comments

**EQL achieved sustained growth and profitability in the fourth quarter. Sales escalated by 46%, adjusted for non-recurring sales in the comparison quarter. The growth was driven by the launch of several new products and the replenishment of previously unavailable antibiotics. While the operating profit was adversely affected by expenses totaling 3.8 MSEK due to NASDAQ uplisting costs and increased shipping costs due to disruptions in the Red Sea, the adjusted EBITDA margin reached 19%. Throughout fiscal year 2023/24, EQL consistently expanded, fulfilling the growth projection of approximately 30%, adjusted for non-recurring sales in the comparison period. Looking ahead to the fiscal year 2024/25, we anticipate a growth rate of around 40%, with a target EBITDA margin of more than 25%.**

## Detailed Fourth Quarter Financials

In the fourth quarter of 2023/24, sales surged to 78.1 MSEK, up 46% from 53.5 MSEK in the previous year, adjusted for non-recurring sales in the comparison quarter. The operating profit (EBIT) increased by 38% to 8.4 MSEK, compared to 6.1 MSEK in the past year, with an EBITDA margin of 14%. After adjusting for 2.2 MSEK in costs related to NASDAQ and 1.6 MSEK for heightened shipping fees, the adjusted operating profit (EBIT) was 12.2 MSEK, resulting in an EBITDA margin of 19%.

## Financial Objectives and Projections for the Upcoming Fiscal Year

For the full year 2024/25, we project a sales growth of around 40%. Achieving this would align with our long-term sales objectives as outlined in our five-year financial plan. We aim to reach an EBITDA margin of at least 25% in 2024/25. We will also articulate our financial goals for the next five years during this period, aiming to sustain growth and elevate our market ambitions.

## Product Launches and Market Dynamics

This quarter saw the introduction of eight new products, primarily catalyzed by successful procurement bids in Finland, Sweden, and Denmark that came into effect. Additionally, the Mellozzan Oral Solution was launched, marking significant progress in our Branded product range. Major milestones were reached for our strategic products: Mellozzan, approval in the UK with a target to launch in the next fiscal year, and Memprex, for which submissions have been made in France— thus procedures are ongoing in France as well as Germany – two markets that will form a base for the future expansion of this product.

## Other

From December, our shipping routes were affected by ongoing conflicts in the Red Sea, prompting our transport partners to navigate via the lengthier Cape of Good Hope route, extending lead times by 2-3 weeks and escalating

costs, which in turn impacted our margins for this quarter. The past year posed numerous challenges, including antibiotic shortages, heightened shipping costs, NASDAQ uplisting fees, and dwindling Covid-19 test sales. Despite these hurdles, EQL closed the year with 30% growth, adjusted for non-recurring sales in the comparison period, and an adjusted EBITDA margin of 19%. As we move into 2024/25, our focus will remain on driving growth and enhancing our operational efficiency to improve profit margins.



**Axel Schörling**  
VD & Koncernchef



# Significant events

## During the quarter

### **February 16th, 2024** – Nomination committee for the 2024 Annual General Meeting

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

Prior to the 2024 Annual General Meeting, the Nomination Committee consists of Christer Fåhræus (appointed by Fårö Capital AB), Rajiv I Modi (appointed by Cadila Pharmaceuticals Ltd.), and Erik Hallengren (appointed by SEB Fonder).

### **March 14th, 2024** – Mellozzan® (melatonin) have gained marketing approval in the UK

EQL's key product Mellozzan® has gained marketing approval by the Health Authorities in the UK, where it is to be provided to patients by EQL's license partner Medice Arzneimittel Pütter GmbH & Co. KG. Launch of Mellozzan in the UK is planned for the financial year 2024/25, subject to reimbursement approvals and manufacturing capabilities. In addition to the UK the licensee also has ongoing work for registrations and subsequent launches in Finland and Switzerland. In 2023, Medice launched Mellozzan® in Denmark and Norway and launch preparations are nearing completion in Germany and Austria.

In addition to the countries covered by Medice, other partners for Mellozzan® are in various stages of registration in France, Italy, the Netherlands, Turkey and Kazakhstan. Furthermore, EQL has entered into a global license agreement covering about a hundred countries with Adalvo for Mellozzan®.

## After the quarter

### **April 22nd, 2024** – Mellozzan® (melatonin) launched in Germany and Austria

EQL's key product Mellozzan® has been launched in Germany and Austria, where it is provided to patients by EQL's license partner Medice Arzneimittel Pütter GmbH & Co. KG. In addition to Germany and Austria, Medice also has ongoing work with registrations in Finland and Switzerland and launch in the UK. In 2023, Medice launched Mellozzan® in Denmark and Norway.

In parallel with the launch, work is ongoing to get Mellozzan® reimbursed in Germany, Austria and the UK. Until that happens, patients will have to pay for the medicine out of pocket which will limit sales initially. This is completely normal for launches in these countries and was planned for by EQL and Medice. EQL sees no reason why Mellozzan® will not become reimbursed in the new markets in the same way as the product has already been in the Scandinavian countries.

# 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.

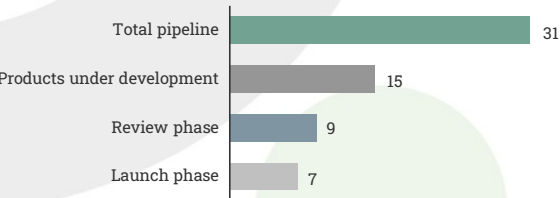


Figure 1. Total pipeline of products and how many products are in Review phase and Launch phase respectively.

## 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 nine 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

At the end of the quarter, we have seven products in the launch phase. Four of these are expected to be launched in Q1 2024/25. The remaining three are dependent on the ability to bid on, and win, public tenders to determine the launch date, so a measure of uncertainty around the exact launch date is inevitable.

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.

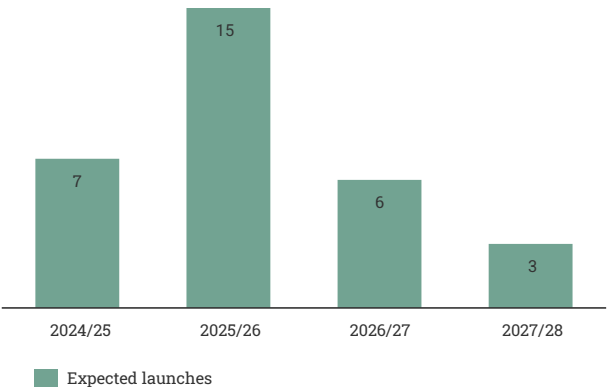


Figure 2. The company's product launches for the current fiscal year and expected product launches up to and including fiscal year 2027/28.

# 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.

During the quarter, eight products were launched. Piperacillin/Tazobactam Qilu, Meropenem Qilu, Sugammadex Qilu, Tigecyclin EQL Pharma, Levosimendan EQL Pharma, Caloket (ketorolac), Penicryl (benzylpenicillin) and Mellozzan (melatonin) oral solution. All but Mellozzan are injectable drugs that are primarily sold to hospitals via public procurement.

## Geographic markets

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

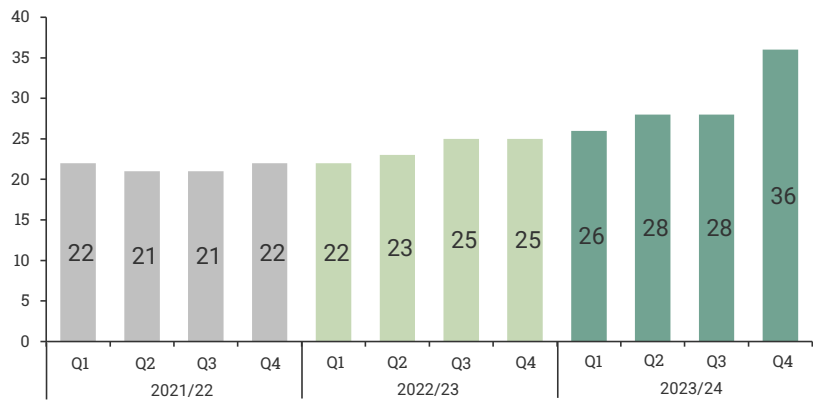
In the rest of Europe our products are sold indirectly through partners.

During 2024/25 and onwards, we will expand our geographical presence in Europe. Depending on the market, this is done through a direct or indirect sales model.

## Business areas

We currently develop and sell only prescription drugs 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 now also 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

We have not launched any new products in the Retail business area during the quarter. However, we have expanded our range in Norway with Kaliumklorid EQL Pharma, which was previously only sold in Sweden and Denmark.

## Hospital

During the quarter, EQL launched seven products in the Hospital business area:

- Piperacillin/Tazobactam Qilu (Finland 3 regions, Sweden 1 region)
- Meropenem Qilu (FI 3)
- Sugammadex Qilu (DK, always national)
- Tigecycline EQL Pharma (FI 2, SE 1, DK)
- Levosimendan EQL Pharma (FI 1, SE 1)
- Caloket/ketorolac (FI 3, SE 2)
- Penicryl/benzylpenicillin (FI 1)

The length of the agreement varies between 1-3 years, with a 1-2 year possibility of extension.

## Brands

During the fourth quarter, we launched Mellozzan oral

solution in Sweden. An important expansion of our Mellozzan range, which was previously available as tablets. More importantly, Mellozzan was launched in Germany and Austria by our partner Medice after the end of the quarter. Medice has also had Mellozzan approved in the UK, where preparations for launch are now in full swing.

## Tests

In the quarter, sales of tests have been at a low level as Covid-19 did not have any major outbreaks with accompanying testing. We are ready to meet demand when new outbreaks occur.



Finland's tender regions



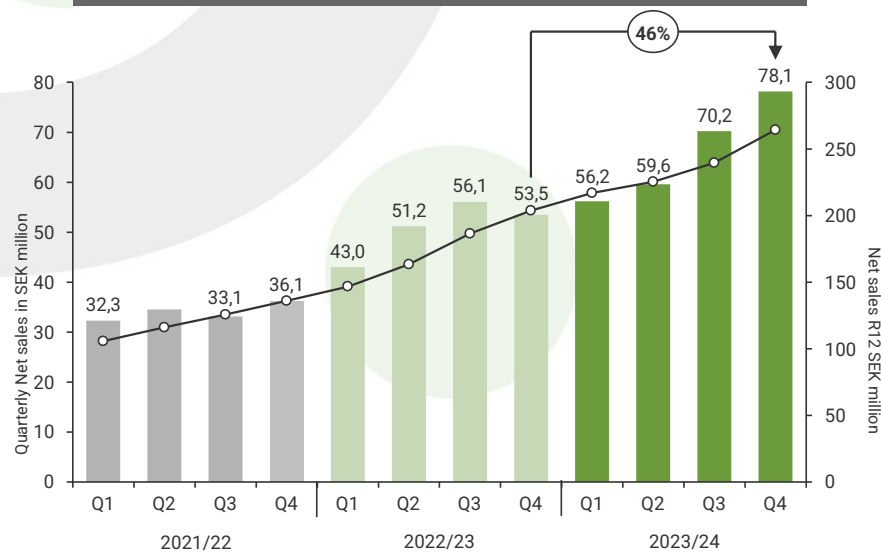
# Financial information

# Sales and operating profit

## Sales development

In the fourth quarter of the financial year 2024/2025, our net sales amounted to SEK 78.1 (60.3) million, which corresponds to a growth of 30%. Adjusted for non-recurring sales in the comparative quarter Q4 2022/23, the revenue amounted to 78.1 (53.5) MSEK, an increase of 46%.

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



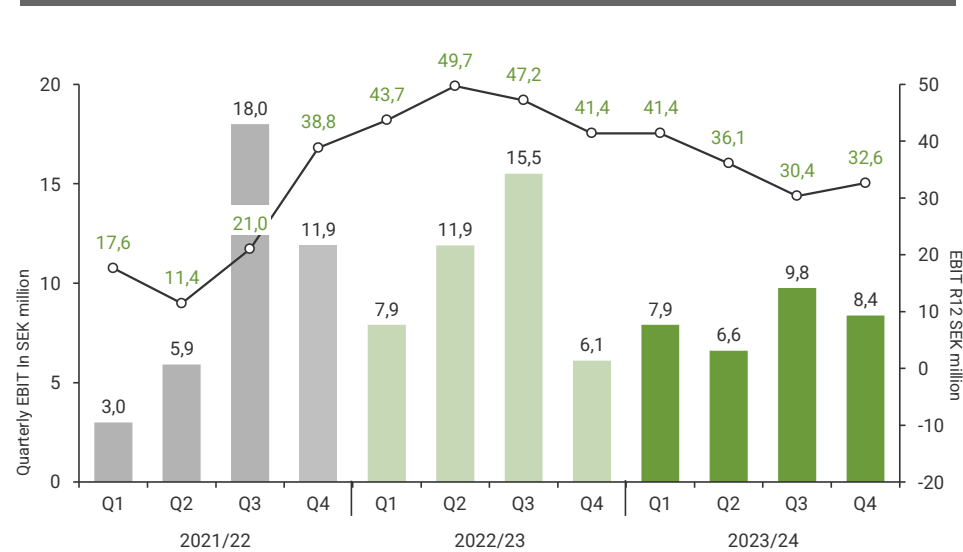
**Figure 4.** Net sales trend fiscal year 2020/21 through reporting period for the current fiscal year. Left Y-axis quarterly turnover in SEK million. Right Y-axis rolling 12-months sales expressed in SEK million.

\* Excluding non-recurring sales

## Profit performance

Operating profit for the fourth quarter amounted to SEK 8.4 (6.1) million. The operating margin (EBIT) was 11% (10%). All business areas contributed positively to the result. Cost increases linked to increased staff strength as well as one-off costs linked to a future stock market change and extra shipping costs have a significant negative impact on the result in the quarter.

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 11 percent to SEK 31.5 (28.1) million during the last quarter, which corresponds to a gross margin of 40 percent (47).

For the twelve-month period, gross profit was almost unchanged at SEK 115.0 (115.9) million, which corresponds to a gross margin of 44 percent (45).

The gross margin was affected by shipping costs, the product mix, depreciation of capitalized development expenses, inventory adjustments and currency effects. The lower gross margin during the fourth quarter can be explained by the product mix in sales and increased shipping costs.

## Cash flow

Positive cash flow from operations before changes in working capital of SEK 8.2 (7.5) million for the quarter. For the period April to March, the corresponding cash flow is SEK 31.5 (55.4) million.

Change in working capital during the quarter amounted to SEK -11.4 (19.8) million. The change can primarily be explained by an increased capital tie-up in accounts receivables. Change in working capital during the period April to March amounted to SEK -43.0 (-27.8) million. The change

in working capital can primarily be explained by an increased capital tie-up in inventory.

The total cash flow from current operations amounted to SEK -2.9 (27.3) million for the quarter and for the period April to March SEK -11.4 (27.6) million.

## Investments

EQL Pharma continues to invest in new products. During the quarter, SEK 9.0 (8.1) million was invested in both ongoing and new projects. Investments amounted to SEK 65.3 (20.1) million for the financial year April to March.

## Financing

Cash flow from financing operations totaled SEK 22.1 (-1.0) million during January to March and SEK 53.7 (-3.9) million during April to March.

## Finansiella kostnader

The fourth quarter's interest expenses attributable to loans amounted to SEK -2.4 (-0.8) million. In addition to interest costs for loans, financial costs are attributable to interest on leasing debt according to IFRS 16. For the twelve-month period, interest costs amounted to SEK -5.7 (-2.3) million. Other financial income for the period amounted to SEK 1.7 (0) million. The financial income is attributable to the sale of securities.

## Financial position as of 31/03/2024

Cash and cash equivalents amounted to SEK 20.5 (44.4) million at the end of the quarter.

As at March 31 2024 unutilised pledged invoice credit amounted to SEK 10.0 (20.0) million. Pledged invoice and inventory limits amounted to SEK 120 (80) 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 76.2 (58.8) million and SEK 258.2 (254.3) million for the period March to April. Operating profit amounted to SEK 7.7 (6.2) million for the quarter and SEK 30.8 (41.1) million for the period April to March.

## Personnel

The number of full-time employees in the group is 21 (18), out of whom 15 (12) 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 as well as booms and recessions may have an impact on operating costs, selling prices and equity valuations. EQL Pharma's future revenues and valuation of shares may be adversely affected by these factors, which are beyond the Company's control. A large part of the purchases is made in euro whose value can change significantly.

EQL Pharma will continue to develop new products in its field. Time and cost aspects of product development can be difficult to pre-determine with accuracy. This entails the risk that a

proposed product is more costly than planned or takes longer than planned.

Additional risks and uncertainties that are not currently known to EQL Pharma may be developed into important factors that affect the Company's operations, results and financial position. For a more detailed list of risks, we refer to EQL's Annual Report 2022/23, pages 30-31 and 46-48.

## Upcoming reports

Current financial period:	
Annual Report 2023/24	2024-06-28
Interim report April – June (Q1)	2024-08-08
Annual General Meeting	2024-08-19
Interim Report July – September (Q2)	2024-10-24
Interim Report October – December (Q3)	2025-01-31

## Additional information

### Accounting policies

EQL Pharma's consolidated accounts are prepared in accordance with International Financial Reporting Standards (IFRS). EQL Pharma's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. For the Group, the same accounting policies as those adopted for this report are described on pages 39-46 of the company's Annual Report for 2022/2023.

Reporting for the Parent follows the Swedish Annual Accounts Act and recommendation RFR 2 of the Swedish Financial Accounting Standards Council ('Reporting for Legal Entities').

### Our financial goals

For the current four-year period, 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. For the upcoming 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.

\*From in the financial year 2023/24, Covid-19 tests are classified as recurring sales because these tests were sold over 3 years. The company expects sales to continue.

### Proposed dividend

The Board proposes that no dividend be paid for 2023/24 financial year.

### The auditors' review

This interim report has been audited by the auditor.

### Questions regarding year end report

For further information or questions, please contact:

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+46 763 179 060

### Board of Directors EQL Pharma

Lund, May 14<sup>th</sup>, 2024.

Christer Fåhraeus,  
*Chairman*

Anders Månsson,  
*Member*

Per Ollermark,  
*Member*

Linda Neckmar,  
*Member*

Per Svangren,  
*Member*

Rajiv I Modi,  
*Member*

# Review Report

## *Introduction*

We have reviewed the interim report for EQL Pharma AB (publ) for the period April 1 2023 – March 31 2024. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## *Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

## *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, in accordance with the IAS 34 and Annual Accounts Act.

Malmö May 14<sup>th</sup> 2024  
Deloitte AB

Maria Ekelund  
Authorized Public Accountant

# The Group

## Consolidated profit and loss statement

All amounts in '000	Note	Jan – Mar 2024	Jan – Mar 2023	Apr 2023 – Mar 2024	Apr 2022 – Mar 2023
Net sales	3	78 134	60 333	264 168	259 913
Cost of goods sold		-46 682	-32 237	-149 123	-144 063
<b>Gross profit</b>		<b>31 452</b>	<b>28 096</b>	<b>115 045</b>	<b>115 850</b>
<b>Gross margin</b>		<b>40%</b>	<b>47%</b>	<b>44%</b>	<b>45%</b>
Sales and marketing expenses		-13 482	-12 958	-48 976	-44 641
Administration expenses		-6 765	-4 103	-21 826	-15 145
R&D expenses		-2 932	-5 069	-12 090	-15 138
Other operating income		100	88	463	413
<b>Operating profit (EBIT)</b>		<b>8 373</b>	<b>6 054</b>	<b>32 615</b>	<b>41 339</b>
Other financial items		0	1	1 721	1
Interest paid		-2 427	-845	-5 732	-2 372
<b>Resultat före skatt</b>		<b>5 947</b>	<b>5 211</b>	<b>28 604</b>	<b>38 968</b>
Tax		-1 254	-1 088	-5 899	-8 047
<b>Net profit for the period</b>		<b>4 693</b>	<b>4 123</b>	<b>22 705</b>	<b>30 921</b>
<b>Other comprehensive income:</b>					
<b>Components not to be reclassified to net profit:</b>					
Translation difference in the group		1	0	4	11
<b>Sum of Components to be reclassified to net profit:</b>		<b>1</b>	<b>0</b>	<b>4</b>	<b>11</b>
Sum of other comprehensive income:		1	0	4	11
<b>Comprehensive result for the period</b>		<b>4 693</b>	<b>4 123</b>	<b>22 709</b>	<b>30 932</b>

# The Group

## Per share data

Per share data	Jan – Mar 2024	Jan – Mar 2023	Apr 2023 – Mar 2024	Apr 2022 – Mar 2023
Earnings per share, before dilution, SEK */	0,16	0,14	0,78	1,06
Earnings per share, after dilution, SEK */	0,16	0,14	0,76	1,04
Equity per share, SEK	6,12	5,32	6,12	5,18
Number of shares outstanding	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
Average number of shares outstanding, after dilution	29 795 610	29 625 610	29 795 610	29 625 610
Stock exchange rate, SEK	42,30	37,40	42,30	37,40
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	Jan – Mar 2024	Oct – dec 2023	Jul – Sep 2023	Apr – Jun 2023	Apr 2023 – ar 2024	Apr 2022 – Mar 2023
Net sales	78 134	70 211	59 617	56 206	264 168	259 913
Sales growth	30%	-12%	-19%	-57%	2%	-37%
Gross profit	31 452	33 499	23 905	26 190	115 045	115 850
Gross margin, %	40%	48%	40%	47%	44%	45%
Operating profit (EBIT)	8 373	9 754	6 557	7 930	32 615	41 339
Operating margin, %	11%	14%	11%	14%	12%	16%
Net profit for the period	4 693	6 507	4 680	6 825	22 705	30 921
Cash flow for the period	10 054	-10 430	-3 954	-19 628	-23 958	3 227

# The Group

## Consolidated balance sheet

All amounts in '000	Note	2024-03-31	2023-03-31
Intangible assets		173 309	115 319
Tangible fixed assets	4	2 674	3 149
Financial assets		1	1
Inventory		105 627	65 368
Trade receivables		58 342	51 701
Other receivables		13 337	5 734
Cash and bank		20 468	44 426
<b>Total assets</b>		<b>373 759</b>	<b>285 696</b>
Equity		177 726	154 753
Deferred Tax liability		17 510	12 051
Long-term debt, interest-bearing		16 700	2 128
Short-term debt, interest-bearing		103 393	64 489
Short-term debt, non interest-bearing		8 605	22 665
Trade payables		49 825	29 610
<b>Total equity and liabilities</b>		<b>373 759</b>	<b>285 696</b>

## Consolidated changes in equity

All amounts in '000	Apr 2023 – Mar 2024	Apr 2022 – Mar 2023
<b>Balance at beginning of period</b>	154 753	123 626
Warrants	266	193
Profit for the period	22 705	30 921
Other comprehensive income	1	11
<b>Balance at end of period</b>	<b>177 726</b>	<b>154 753</b>

# The Group

## Cash flow

All amounts in '000	Jan - Mar 2024	Jan - Mar 2023	Apr 2023 - Mar 2024	Apr 2022 - Mar 2023
Result before financial items	8 373	6 037	32 615	38 968
Interest paid	-2 427	-827	-4 011	2 293
Adjustment for items not included in cash flow	2 215	2 280	2 921	14 185
Taxes	0	0	0	0
<b>Cash flow from operations before changes in working capital</b>	<b>8 162</b>	<b>7 491</b>	<b>31 525</b>	<b>55 446</b>
Changes in inventory	-10 098	-10 431	-40 259	-23 683
Changes in current receivables	-7 093	23 626	-14 245	-16 856
Changes in current liabilities	6 117	6 629	11 542	12 719
<b>Sum changes in working capital</b>	<b>-11 073</b>	<b>19 823</b>	<b>-42 962</b>	<b>-27 819</b>
<b>Cash flow from operations</b>	<b>-2 912</b>	<b>27 314</b>	<b>-11 437</b>	<b>27 627</b>
Acquisitions of intangible non-current assets	-9 002	-8 095	-65 336	-20 053
Acquisitions of tangible non-current assets	-103	-456	-926	-456
<b>Cash flow from investment activities</b>	<b>-9 105</b>	<b>-8 551</b>	<b>-66 262</b>	<b>-20 510</b>
Amortization, raising of loans	22 353	-190	53 970	-2 815
Warrants program	0		266	193
Leasing debts	87	0	910	0
Amortization of leasing debts	-368	-331	-1 404	-1 269
<b>Cash flow from financing activities</b>	<b>22 072</b>	<b>-521</b>	<b>53 741</b>	<b>-3 890</b>
<b>Total cash flow during period</b>	<b>10 054</b>	<b>18 242</b>	<b>-23 958</b>	<b>3 227</b>
Cash / cash equivalents at beginning of period	10 413	26 184	44 426	41 199
<b>Cash / cash equivalents at end of period</b>	<b>20 468</b>	<b>44 426</b>	<b>20 468</b>	<b>44 426</b>



# Parent company

## Profit and loss statement

All amounts in i '000	Jan - Mar 2024	Jan - Mar 2023	Apr 2023 – Mar 2024	Apr - Mar 2023
Net sales	76 151	58 808	258 167	254 333
Cost of goods sold	-45 479	-31 033	-145 846	-140 157
<b>Gross profit</b>	<b>30 671</b>	<b>27 775</b>	<b>112 321</b>	<b>114 176</b>
<b>Gross margin</b>	<b>40%</b>	<b>47%</b>	<b>44%</b>	<b>45%</b>
Sales and marketing expenses	-13 338	-12 524	-48 164	-43 270
Administration expenses	-6 795	-4 063	-21 685	-15 046
R&D expenses	-2 916	-5 075	-12 090	-15 155
Other operating income	100	88	463	413
<b>Operating profit (EBIT)</b>	<b>7 723</b>	<b>6 201</b>	<b>30 844</b>	<b>41 119</b>
Other financial and interest income	0	1	1 721	1
Interest expenses and similar expenses	-2 413	-827	-5 669	-2 294
<b>Profit before tax</b>	<b>5 310</b>	<b>5 375</b>	<b>26 896</b>	<b>38 826</b>
Appropriations	-24 950	-38 350	-24 950	-38 350
Tax	4 207	-114	-438	-114
<b>Net profit for the period</b>	<b>-15 432</b>	<b>-33 089</b>	<b>1 508</b>	<b>362</b>

# Parent company

## Balance sheet

All amounts in '000	2024-03-31	2023-03-31
Intangible assets	173 024	115 034
Tangible fixed assets	300	378
Financial assets	391	391
Inventory	105 627	64 266
Trade receivables	55 976	51 207
Other receivables	14 762	7 838
Cash and bank	20 203	42 667
<b>Total assets</b>	<b>370 283</b>	<b>281 781</b>
Equity	109 652	107 879
Long-term debt, interest-bearing	15 453	0
Short-term debt, interest-bearing	102 218	63 701
Short-term debt, non interest-bearing	8 203	22 497
Appropriations	85 000	58 500
Trade payables	49 758	29 204
<b>Total equity and liabilities</b>	<b>370 283</b>	<b>281 781</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 divided in geographical markets.

	Jan – Mar 2024		Jan – Mar 2024	
	Pharmaceuticals	Other	Pharmaceuticals	Other
All amounts in '000				
Sweden	41 473		34 187	
Other Scandinavia	29 121		24 918	
Other Europé	7 539		1 229	
<b>Total</b>	<b>78 134</b>	<b>0</b>	<b>60 333</b>	<b>0</b>

	Apr 2023 – Mar 2024		Apr 2022 – Mar 2023	
	Pharmaceuticals	Other	Pharmaceuticals	Other
All amounts in '000				
Sweden	145 284		162 768	
Other Scandinavia	84 097		74 086	
Other Europe	34 786		23 060	
<b>Total</b>	<b>264 168</b>	<b>0</b>	<b>259 913</b>	<b>0</b>

## Note 4 Tangible fixed assets

All amounts in '000	2024-03-31	2023-03-31
<b>Right of use assets</b>		
Land and buildings	1 202	2 058
Inventories	1 171	713
<b>Total right of use assets</b>	<b>2 374</b>	<b>2 771</b>
<b>Tangible fixed assets that are not right of use assets</b>		
Land and buildings	0	0
Inventories	300	378
<b>Total tangible fixed assets that are not right of use assets</b>	<b>300</b>	<b>378</b>

The tangible fixed assets amounted to SEK 2.7 milion on the balance sheet date. The majority of the right of use assets consists of leases for office premises. For all leases for which the Group is lessee (which are not short-term leases or low value assets), the Group recognizes a right of use asset and a corresponding lease liability.

When valuating the right of use asset, the acquisition method is used, i.e the right of use asset is calculated at acquisition cost, adjusted for any revaluation of the lease liability less depreciation. The right of use asset is reported as a tangible fixed asset, while leasing liability is reported separately in the Group's statement of financial position as long-term debt, interest-bearing and short-term debt, interest-bearing.

# Notes

## Note 5 Transactions with related parties

The nature and extent of related party transactions are described in the group's annual report for 2022/23.

Transactions with related parties arise in the day-to-day operations and are based on commercial terms and market prices. In addition to customary transactions between group companies and remuneration to management and the board, the following transactions with related parties have taken place during the period: Transactions with Cadila Pharmaceuticals Ltd regarding goods purchases and development costs have taken place with SEK 40.8 (39.3) million during the period April 2023 – March 2024.

## Note 6 Incentive Programmes

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

There are previously outstanding incentive programs in the company in the form of three warrant programs through which a maximum of 582,000 new shares may be issued. If all warrants that have been issued and held by participants respectively issued Warrant Program 2023/2028 are fully utilized for the subscription of shares, a total of 732,000 new shares will be issued, which corresponds to a combined dilution of approximately 2.46 percent of the company's share capital and votes after full dilution.

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

**April 22nd, 2024 – Mellozzan® (melatonin) launched in Germany and Austria**  
EQL's key product Mellozzan® has been launched in Germany and Austria, where it is provided to patients by EQL's license partner Medice Arzneimittel Pütter GmbH & Co. KG.

# 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.

<b>Sales growth</b>		<b>Jan – Mar 2024</b>	<b>Jan – Mar 2023</b>	<b>Apr – Mar 2024</b>	<b>Apr – mar 2023</b>
A	Net sales current period, KSEK	78 134	60 333	264 168	259 913
B	Net sales last period, KSEK	60 333	203 026	259 913	409 753
<b>(A-B)/B</b>	Sales growth, %	30%	-70%	2%	-37%

<b>Gross profit / Gross margin</b>		<b>Jan – Mar 2024</b>	<b>Jan – Mar 2023</b>	<b>Apr – Mar 2024</b>	<b>Apr – Mar 2023</b>
A	Net sales, KSEK	78 134	60 333	264 168	259 913
B	Cost of goods sold, KSEK	-46 682	-32 237	-149 123	-144 063
<b>A-B</b>	Gross profit, KSEK	31 452	28 096	115 045	115 850
<b>(A-B)/A</b>	Gross margin, %	40%	47%	44%	45%

## Key performance indicators not defined according to IFRS

<b>Key performance indicators</b>	<b>Definition</b>
<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>EBITDA margin %</b>	Operating profit (EBIT) adjusted for write-downs and amortization divided by net sales.
<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.

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

Operating profit (EBIT)/ Operating margin		Jan – Mar 2024	Jan – Mar 2023	Apr – Mar 2024	Apr – Mar 2023
A	Operating profit (EBIT), KSEK	8 373	6 054	32 615	41 339
B	Net sales, KSEK	78 134	60 333	264 168	259 913
<b>A/B</b>	Operating margin (EBIT), %	11%	10%	12%	16%
EBITDA margin%		Jan – Mar 2024		Apr – Mar 2024	
A	Operating profit (EBIT) adjusted for write-downs and amortization , KSEK	10 793		42 157	
B	Net sales, KSEK	78 134		264 168	
<b>A/B</b>	EBITDA margin, %	14%		16%	
Shareholders' equity per share		Jan – Mar 2024	Jan – Mar 2023	Apr – Mar 2024	Apr – Mar 2023
A	Profit/loss for the period, KSEK	4 693	4 123	22 705	30 921
B	Number of shares	175 377	152 691	166 240	139 190
<b>A/B</b>	Net earnings per share, %	3%	3%	14%	22%
Equity-asset ratio		Jan – Mar 2024	Jan – Mar 2023	Apr – Mar 2024	Apr – Mar 2023
A	Equity, KSEK	177 726	154 753	177 726	154 753
B	Balance sheet total, KSEK	373 759	285 696	373 759	285 696
<b>A/B</b>	Equity ratio, %	48%	54%	48%	54%