

# Year-End Report

## April 2024 – March 2025

EQL PHARMA

(SEK million)	Jan – Mar 2025	Jan – Mar 2024	Apr 2024 – Mar 2025	Apr 2023 – Mar 2024
Net sales	113.3	78.1	373.5	264.2
Sales growth %	45	30	41	2
Gross profit	46.5	31.5	156.0	115.0
Gross margin %	41	40	42	44
EBITDA	28.0	10.8	78.3	42.2
EBITDA-margin, %	25	14	21	16
Pro-forma adjusted EBITDA*	N/A	N/A	104.3	42.2
Pro-forma adjusted EBITDA-margin*, %	N/A	N/A	25	16
Operating profit (EBIT)	23.0	8.4	67.4	32.6
Operating margin (EBIT) %	20	11	18	12
Profit for the period	13.1	4.7	43.1	22.7

Sales and operating profit growth, significant product acquisition completed, 11 new products, first deal outside Europe and graduation year passed

### Januari – March 2025

- Consolidated sales during the fourth quarter, January to March amounted to SEK 113.3 (78.1) million, an increase of 45%.
- Gross profit amounted to SEK 46.5 (31.5) million, an increase of 48%.
- Operating profit (EBIT) amounted to SEK 23.0 (8.4) million, an increase of 174%. The operating margin was 20% (11%).
- EBITDA amounted to SEK 28.0 (10.8) million and EBITDA margin was 25% (14%).
- Earnings per share before dilution were SEK 0:45 (0:16) for the quarter. Earnings per share after dilution were SEK 0:44 (0:16).
- Cash flow from operating activities amounted to SEK -13.9 (-2.9) million.
- Cash and cash equivalents were SEK 82.4 (20.5) million at the end of the quarter.

### April 2024 – March 2025

- Consolidated sales during the period April to March amounted to SEK 373.5 (264.2) million, an increase with 41%.
- Gross profit amounted to SEK 156.0 (115.0) million, an increase of 36%.
- Operating profit (EBIT) amounted to SEK 67.4 (32.6) million, an increase with 107%. The operating margin was 18% (12%).
- EBITDA amounted to SEK 78.3 (42.2) million and EBITDA margin was 21% (16%).
- Earnings per share were SEK 1:48 (0:78). Earnings per share after dilution were SEK 1:44 (0:76).
- Cash flow from operating activities amounted to SEK -24.7 (-11.4) million.
- Cash and cash equivalents were SEK 82.4 (20.5) million at the end of the period.



\*Pro-forma adjusted EBITDA based on the product portfolio acquired by Medilink having been part of EQL Pharma for the twelve-month period ended March 31, 2025, and with assumptions regarding operating costs presented in connection with the signing of the asset transfer agreement on December 10, 2024.

# CEO's comments

**The fourth quarter of 2024/25 was successful for EQL Pharma. The first acquisition of a more significant nature was completed, sales grew by 45% and operating profit by 174%. We thus met the goals of our ambitious five-year plan. During the quarter, a record number of 11 new products were added to the pipeline. In addition, the first major non-European deal was closed in the form of a distribution agreement with Pharmalink for Mellozzan in the Gulf countries. The ambitions for the coming four-year period were presented at EQL's first Capital Markets Day in March. Sales growth for the full year 2025/26 is forecast to be around 30%.**

## Financial Overview for the fourth quarter

During the quarter, sales rose to SEK 113.3 million, an increase of 45% from SEK 78.1 million in the previous year. Operating profit (EBIT) increased by 174% to SEK 23.0 million compared to SEK 8.4 million in the previous year, with an EBITDA margin of 25%. Continued transport disruptions in the Red Sea pushed the gross margin to 41% (40%).

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

Liquid funds amounted to SEK 82.4 million (20.5) at the end of the quarter. In addition, there is an unutilised working capital credit facility of SEK 26.6 (10.0) million.

CAPEX was SEK 209.3 million during the quarter, which of course is primarily due to the completion of the Medilink acquisition. In general, a higher CAPEX is expected in 2025/26

than before as a result of the pipeline growing, which is also the reason why the cash position is relatively large.

Leverage amounted to 3.5x EBITDA.

## Financial targets and forecasts for the current financial year

As sales grew by 45% and the EBITDA margin amounted to 25%, EQL has passed the "graduation year" and thus the targets set out in our five-year plan 2020/21 – 2024/25. This means that EQL has delivered on its, relatively speaking, very aggressive five-year targets for the second period in a row.

During the quarter, a new five-year plan was presented (with four full years). 2024/25 – 2028/29, the goal is to grow by an average of 30%; stabilizing the EBITDA margin initially at 25%; then over 25%. Our peak leverage shall be a maximum of 4.0x EBITDA, with a target to strive for 2.5x. Sales growth for the coming full year 2025/26 is forecast to around 30%.

## Product launches and market dynamics

During the quarter, six new products were launched. The portfolio thus grows from 40 to 46 launched products. Four of the products come from the Medilink acquisition, which was completed on January 31. The remaining two products, Testonur and Amotaks, are retail products with the main market in Sweden and Denmark.

For our key strategic product Mellozzan, a distribution agreement was signed with Pharmalink for the Gulf Cooperation Council (GCC) region during the quarter. Pharmalink will distribute Mellozzan in the Region but EQL will be the holder of the marketing authorization. In addition,

the rights for France were transferred from HAC to Medice, in order to simplify and harmonize the construction of the brand in Europe.

During the quarter, 11 new niche generics were added to our pipeline, which thus grows to 44. The reason we were able to add a relatively large number of products during the quarter is that we completed a major tender containing a portfolio of development products.

## Other

The situation for our carriers in the Red Sea has not changed since the last quarter.

EQL has no exposure to the US or direct impact from American potential tariffs. On the contrary, new trade agreements between Asia and Europe, as a result of American tariffs, could benefit EQL. Sales of our medicines are also non-cyclical, which means that we stand steady, even in a more uncertain global environment.

The work of the last few quarters has been characterized by delivering the previous five-year plan. We are now entering a phase where great focus is on ensuring that EQL can deliver on the new plan in the long term. This means concretely adding more new products and territories, working actively with the cost base and ensuring progress in our various development projects and launches.

  
**Axel Schörling**  
President & CEO



# Significant events

## During the quarter

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

As announced on 10 December 2024, EQL Pharma AB (publ) has signed an asset purchase agreement in respect of the acquisition of a portfolio with original pharmaceuticals.

Completion of the Acquisition is subject to, among other things, a financing condition.

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

Advokatfirman Vinge acts as legal advisor.

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

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

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

## During the quarter, cont.

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

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

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

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

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

**February 24th, 2025** – Nomination committee for the 2025 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 2025 Annual General Meeting, the Nomination Committee consists of Christer Fåhraeus (appointed by Fårö Capital AB), Rajiv I Modi (appointed by Cadila Pharmaceuticals Ltd.), and Erik Hallengren (appointed by SEB Fonder).

# Significant events

## During the quarter, cont

### March 7th, 2025 – New financial targets for the period 2024/25 – 2028/29

EQL concludes the 5-year plan for 2020/21 – 2024/25. Thus, the Company on 7 March presented new financial targets for the period 2024/25 – 2028/29.

- Our target is to increase sales at an annual growth rate of 30% (CAGR), starting with the full year 2024/25 and ending the full year 2028/29.
  - Growth will mainly be organic
  - In connection with any acquisitions, the primary sources of funding will be existing cash alongside potential new debt
  - Target to reduce net leverage (net debt/pro-forma adjusted EBITDA) to below 2.5x. Temporary deviations above this level may occur in connection with strategic investments or acquisitions, but we do not intend to exceed 4.0x
- The EBITDA margin target for the period is 25%
  - Towards the end of the period, the target is to stabilize the EBITDA margin above 25%
  - The margin may temporarily be slightly lower than 25% in the middle of the period as a consequence of the margin profile for certain planned launches
  - Under the five-year plan, revenue growth will be prioritized over higher EBITDA margin to maximize long-term shareholder value taking into consideration a maintained healthy margin

## During the quarter, cont.

### March 11th, 2025 – EQL Pharma signs a distribution agreement with a large distributor in the GCC countries for Mellozzan (melatonin)

EQL has entered into an exclusive distribution agreement with Pharmalink for its product Mellozzan (melatonin) for the GCC (Gulf Cooperation Council) region comprising of United Arab Emirates, Saudi Arabia, Kuwait, Qatar, Oman and Bahrain.

EQL will be the Marketing Authorization Holder for Mellozzan in the GCC territory, making this deal a significant step in establishing EQL's presence outside the European Union. For the commercial supply, a transfer price will be applied that generates market-wise margins for EQL.

For the exclusive rights to sell and distribute both the Mellozzan tablets and oral solution in the GCC territories Pharmalink will pay EQL a six-figure EUR fee divided into four milestone payments.

## After the quarter

No significant events after the quarter.

# Product development

## Pipeline

EQL Pharma's reporting of the pipeline takes place at a general level and does not include, with the exception of launch phase products, the names of individual products or the products current or expected market potential. Our goal is to provide better guidance to shareholders without disclosing information to competitors and without our pipeline being interpreted as a financial prospect. The information is updated in connection with the quarterly reports.

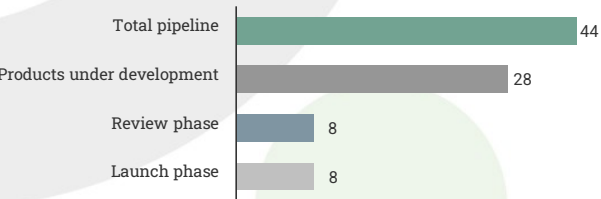


Figure 1. Total pipeline of products and how many products are in Review phase and Launch phase respectively.

## Products in different phases

Development phase is used here as a general term. In this term all products we actually develop together with partners in, for example, India or the EU are included. But in addition to these products, the term also includes all products on which we have signed licensing or distribution

agreements for one or more geographical markets, although we do not develop the product ourselves.

When a product is fully developed, the application is submitted to the Medicines Agency in the markets where we intend to sell the product. The Agency's then initiate an audit, which generally takes about one year from application to approval. We call this step Review phase. At the end of the quarter, we had eight products in the review phase.

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

## Products in the Launch phase

At the end of the quarter, we had eight products in the launch phase. Four of these are hospital products whose launches depend on the outcome of public tenders. The other four are classified as outpatient products.

During all stages from the development phase to the launch phase, situations can arise that risk delaying a launch or even making it impossible. Both ourselves and

our carefully selected partners do everything we can to prevent these situations from occurring, but there are always risk factors beyond our control. This means that launches can take place both earlier and later than indicated. The chart below is intended to provide a best guess at any given time.

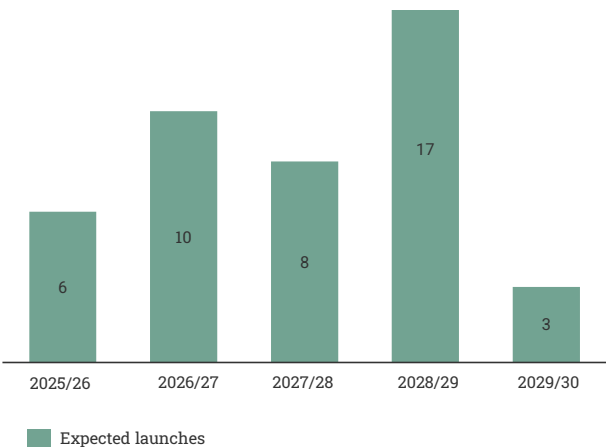


Figure 2. The company's product launches for the current fiscal year and expected product launches up to and including fiscal year 2029/30.

# Market

EQL Pharma has an aggressive growth strategy driven by the launch of new products combined with expansion into new markets. Our products are often generic to originals that have been around for a very long time.

This means that the markets we enter are generally mature, but also that there are few, if any, generic competitors to our products and that it is unlikely that many new ones will be added.

## Marketed products

The definition of "product" is a unique substance and / or formulation. So PenV tablets and oral suspension count as two products, not one. A product can be launched in several countries at the same time with different pack sizes but is still only counted as one product launch.

Six new products were launched in the quarter. Folimet (folic Acid), Hydromed (hydrochlorthiazide), Buronil (melperone), Marplan (isocarboxide), Testonur (testosteron) and Amotaks (amoxicillin).

## Geographic markets

We currently operate directly under our own brand in Sweden, Denmark, Norway and Finland. With the purchase of the Medilink product Buronil, we have also opened direct sales in Estonia, Latvia, Lithuania, the Czech Republic, Austria and Portugal during the quarter.

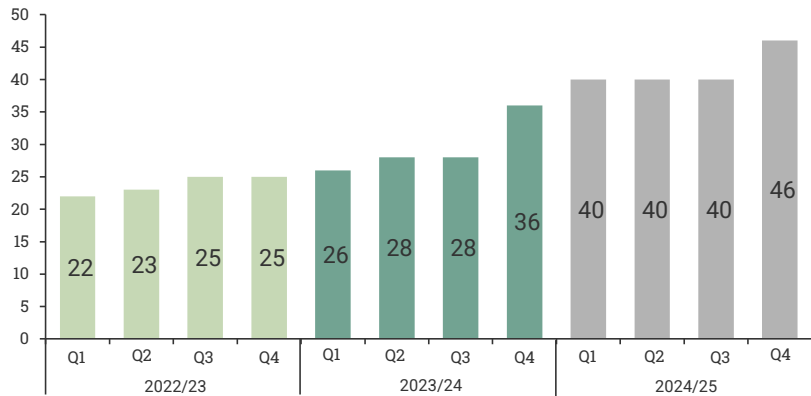
In the rest of the world our products are sold indirectly through partners.

In 2024/25 and beyond, we will expand our geographical presence worldwide. Depending on the market, this will be done through a direct or indirect sales model.

## Business areas

We currently develop and sell only prescription drugs, and tests, in our core business. In that category there are several interesting business areas. So far, we have mostly invested in (a) the field of interchangeable generics in outpatient care (Retail). The intention is to broaden the portfolio to include more (b) injection products for inpatient care (Hospital), (c) unique products/formulations for above all outpatient care (Brands) and (d) tests to identify Covid and/or influenza infections (Tests ).

Outpatient generics are mainly sold via various exchange systems such as the Swedish "Periodens Vara" system. The injection products are generally sold via public tendering. The unique products achieve sales only through prescription specifically of our product and the tests are sold direct to consumer with pharmacies as the primary sales channel.



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

# Market

## Retail

During the quarter, EQL launched six retail products. Four of these were acquired from the Danish Medilink A/S.

- **Folimet®** – Contains folic acid for the treatment of anemia caused by a lack of folic acid and for pregnant women in low doses to prevent malformations, so-called neural tube defects, in the fetus. Sold in Denmark.
- **Hydromed®** – Contains hydrochlorothiazide, which is a diuretic used to treat edema and high blood pressure. Sold in Denmark and Norway.
- **Buronil®** – Contains melperone, which is used to treat anxiety and worry, especially in elderly patients. Sold in Scandinavia, the Baltics, the Czech Republic, Portugal and Austria.
- **Marplan®** – Contains isocarboxazid and is a so-called MAO inhibitor used to treat moderate to severe depression. Sold in Denmark.
- **Testonur** – Contains the male sex hormone testosterone for the treatment of testosterone deficiency, so-called male hypogonadism. Sold in Denmark, Sweden and Finland.
- **Amotaks** – Contains the antibiotic amoxicillin and is used to treat common infections such as tonsillitis, ear infections, urinary tract infections, pneumonia, etc. Sold in Sweden.

## Hospital

During the quarter, EQL won procurements in Norway and Finland and began sales in new multi-year agreements in Denmark, Sweden, Norway and Finland.

## Brands

During the quarter, a distribution agreement for Mellozzan was signed with Pharmalink for the GCC region, which is a free trade area with approximately 60 million inhabitants consisting of Saudi Arabia, the United Arab Emirates, Qatar, Bahrain, Kuwait and Oman.

## Tests

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

## Facts about the Gulf Cooperation Council (GCC)

The GCC was formed in 1981 with the aim of increasing cooperation between the monarchies of the Arabian Peninsula.

In addition to free trade, the cooperation includes cooperation in security and a drive towards political unity and stability in the region. The goal is to eventually become an economic union with a common currency and to broaden cooperation to include research, defence, education, etc.





# Financial information

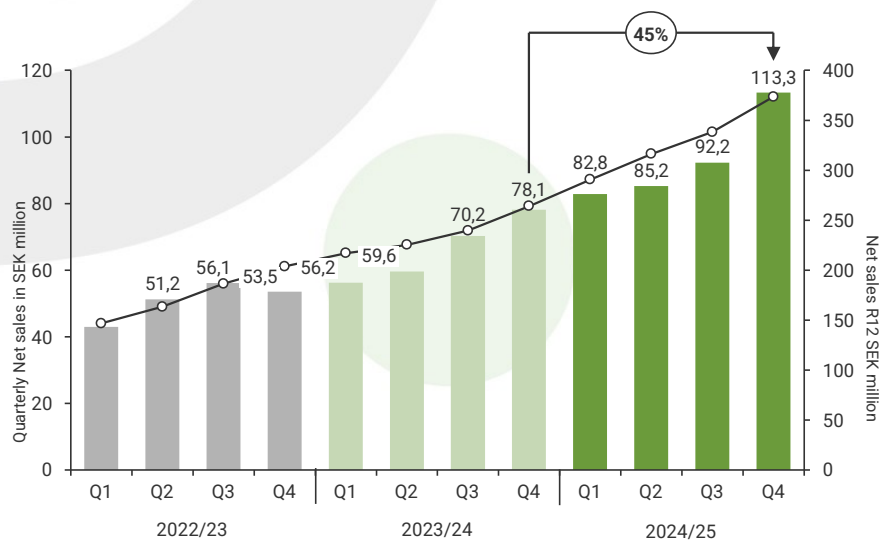


# Sales and operating profit

## Sales development

In the fourth quarter of the financial year 2024/2025, our net sales amounted to SEK 113.3 (78.1) million, which corresponds to a growth of 45%.

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



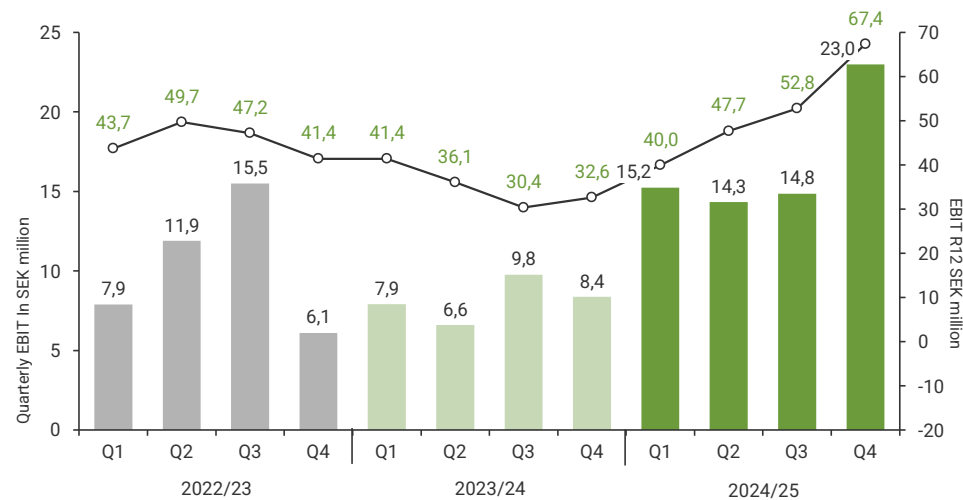
**Figure 4.** Net sales trend fiscal year 2022/23 through reporting period for the current fiscal year. Left Y-axis quarterly turnover in SEK million. Right Y-axis rolling 12-months sales expressed in SEK million.

\* Excluding non-recurring sales until 2023/24

## Profit performance

Operating profit for the fourth quarter amounted to SEK 23.0 (8.4) million. The operating margin (EBIT) was 20% (11%). All business areas contributed positively to the result.

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



**Figure 5.** Operating profit trend (EBIT) for fiscal year 2022/23 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 48 percent to SEK 46.5 (31.5) million during the last quarter, which corresponds to a gross margin of 41 percent (40).

For the period April to March, gross profit increased by 36% to SEK 156.0 (115.0) million, which corresponds to a gross margin of 42 percent (44).

The gross margin was affected by shipping costs, the product mix, depreciation of capitalized development expenses, inventory adjustments and currency effects.

## Cash flow

Positive cash flow from operations before changes in working capital of SEK 22.1 (8.2) million for the quarter. For the period April to March the corresponding cash flow was SEK 66.9 (31.5) million.

Change in working capital during the quarter amounted to SEK -36.1 (-11.1) million. Change in working capital for the period April to March amounted to SEK -91.5 (-43.0) million.

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

The total cash flow from current operations amounted to SEK -13.9 (-2.9) million for the quarter and for the period April to March SEK -24.7 (-11.4) million.

## Investments

EQL Pharma continues to invest in new products. During the quarter, SEK 209.3 (9.0) million was invested in both ongoing and new projects.

For the period April to March investments amounted to SEK 239.7 (65.3) million.

## Financing

Cash flow from financing operations totaled SEK 295.3 (22.1) million during the quarter and includes senior secured bonds of SEK 350 million and repayment of invoice financing credits. For the period April to March the corresponding amounted to SEK 322.4 (53.7) million.

## Financial costs

The quarter's interest expenses attributable to loans amounted to SEK -6.4 (-2.4) million. In addition to interest costs for loans, financial costs are attributable to interest on leasing debt according to IFRS 16.

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

For the period April to March, interest expenses attributable to loans amounted to SEK -13.0 (-5.7) million. Other financial income for the period amounted to SEK 0.0 (1.7) million.

## Financial position

Cash and cash equivalents amounted to SEK 82.4 (20.5) million at the end of the quarter and unutilised working capital credit amounted to SEK 26.6 (10.0) million.

Pledged invoice and inventory limits amounted to SEK 134 (140) million.

## Tax

Tax according to the applicable tax rate of 20.6% during the quarter amounted to SEK -3.4 (-1.3) million and for the period April to March to SEK -11.2 (-5.9) 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 113.2 (76.2) million and for the period April to March SEK 371.9 (258.2) million. Operating profit amounted to SEK 22.9 (7.7) million for the quarter and for the period April to March SEK 67.1 (30.8) million.

## Personnel

The number of full-time employees in the group is 21 (21), out of whom 12 (15) are women, at the Swedish parent company.

In addition to the permanent staff, there are long-term consultants with expertise in GMP, pharmacovigilance, regulatory affairs, business development and wholesale operations tied to the group.

## Risk factors

This financial report includes statements that are forward looking but actual future results may differ materially from those anticipated. In addition to the factors discussed, the earnings can be affected by delays and difficulties in the various phases of development, such as formulation, stability, preclinical and clinical trials, but also potentially competition, economic conditions, patent protection and the exchange rate

and interest rate fluctuations, and political risks. Several risk factors may have a negative impact on the operations of EQL Pharma. It is therefore important to consider the relevant risks alongside the Company's growth opportunities. The following text describes risk factors in no particular order and with no claim to be exhaustive. Delays in launching new products can mean deterioration in earnings for the company and it cannot be excluded that the EQL Pharma in the future may need to raise additional capital. An aggressive investment strategy from competition could pose risks in the form of slower sales and weaker profitability. Increased competition could lead to negative sales and earnings effects for the Company in the future.

External factors such as inflation, currency and interest rate fluctuations, supply and demand, booms and recessions as well as geopolitical such as the unrest in the Middle East may have an impact on operating costs, freight costs, selling prices and equity valuations. EQL Pharma's future revenues and valuation of shares may be adversely affected by these factors, which are beyond the Company's control. A large part of the purchases is made in euro whose value can change significantly.

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

proposed product is more costly than planned or takes longer than planned. Additional risks and uncertainties that are not currently known to EQL Pharma may be developed into important factors that affect the Company's operations, results and financial position.

For a more detailed list of risks, we refer to EQL's Annual Report 2023/24, pages 42-43 and 58-60.

## Upcoming reports

Future reports for 2024/2025 and 2025/26 will be published:

Current financial period:	
Annual Report 2024/25	2025-07-28
Interim Report April – June (Q1)	2025-08-08
Annual General Meeting	2025-08-21
Interim Report July – September (Q2)	2025-11-05
Interim Report October – December (Q3)	2026-02-03
Year-End Report April 2025 – March 2026 (Q4)	2026-05-08

# Additional information

## Accounting policies

EQL Pharma's consolidated accounts are prepared in accordance with International Financial Reporting Standards (IFRS). EQL Pharma's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. For the Group, the same accounting policies as those adopted for this report are described on pages 51-57 of the company's Annual Report for 2023/2024 with the addition of IFRS 13 where fair value has been calculated for all financial assets and liabilities and with additions for acquired products based on the assets' acquisition values and estimated useful lives of up to 20 years. The fair value of other financial assets, other receivables, trade receivables and other short-term receivables, cash and cash equivalents, trade payables and other liabilities and interest-bearing liabilities is estimated to be equal to its book value. The company has loans with variable interest rates and thus the fair value is deemed to be in line with the book value.

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

## Our financial goals

During the quarter, a new five-year plan was presented (with four full years). 2024/25 – 2028/29, the goal is to

grow by an average of 30%; stabilizing the EBITDA margin initially at 25%; then over 25%. Our peak leverage shall be a maximum of 4.0x EBITDA, with a target to strive for 2.5x. Sales growth for the coming full year 2025/26 is forecast to around 30%.

## Proposed dividend

The Board proposes that no dividend be paid for 2024/25 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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+46 763 179 060

EQL Pharma is listed on Nasdaq Stockholm, Small Cap list. The company is traded under the ticker symbol EQL and ISIN code SE0005497732.

## Board of Directors EQL Pharma

Lund, May 8<sup>th</sup>, 2025.

Christer Fåhraeus,  
*Chairman*

Anders Månsson,  
*Member*

Per Ollermark,  
*Member*

Linda Neckmar,  
*Member*

Per Svangren,  
*Member*

Nikunj Shah,  
*Member*

# The Group

## Consolidated profit and loss statement

All amounts in '000	Note	Jan – Mar 2025	Jan – Mar 2024	Apr 2024 – Mar 2025	Apr 2023 – Mar 2024
Net sales	3	113 256	78 134	373 516	264 168
Cost of goods sold		-66 748	-46 682	-217 562	-149 123
<b>Gross profit</b>		<b>46 508</b>	<b>31 452</b>	<b>155 953</b>	<b>115 045</b>
<b>Gross margin</b>		<b>41%</b>	<b>40%</b>	<b>42%</b>	<b>44%</b>
Sales and marketing expenses		-16 395	-13 482	-58 763	-48 976
Administration expenses		-4 801	-6 765	-19 698	-21 826
R&D expenses		-2 439	-2 932	-11 263	-12 090
Other operating income		100	100	1 140	463
<b>Operating profit (EBIT)</b>		<b>22 973</b>	<b>8 373</b>	<b>67 370</b>	<b>32 615</b>
Other financial items		3	0	7	1 721
Interest paid		-6 456	-2 427	-13 022	-5 732
<b>Result before tax</b>		<b>16 520</b>	<b>5 947</b>	<b>54 354</b>	<b>28 604</b>
Tax		-3 432	-1 254	-11 232	-5 899
<b>Net profit for the period</b>		<b>13 088</b>	<b>4 693</b>	<b>43 123</b>	<b>22 705</b>
<b>Other comprehensive income:</b>					
Translation difference in the group		-10	1	-10	4
<b>Sum of Components to be reclassified to net profit:</b>		<b>-10</b>	<b>1</b>	<b>-10</b>	<b>4</b>
Sum of other comprehensive income:		-10	1	-10	4
<b>Comprehensive result for the period</b>		<b>13 078</b>	<b>4 693</b>	<b>43 113</b>	<b>22 709</b>

# The Group

## Per share data

Per share data	Jan – Mar 2025	Jan – Mar 2024	Apr 2024 – Mar 2025	Apr 2023 – Mar 2024
Earnings per share, before dilution, SEK */	0.45	0.16	1.48	0.78
Earnings per share, after dilution, SEK */	0.44	0.16	1.44	0.76
Equity per share, SEK	7.61	6.12	7.61	6.12
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	29 895 610	29 795 610	29 895 610	29 795 610
Stock exchange rate, SEK	71.00	42.30	71.00	42.30
Dividend per share	-	-	-	-

\* Based on the profit/loss for the period divided by the average number of shares in issue

## Quarterly earnings trend

All amounts in '000	Jan – Mar 2025	Oct – Dec 2024	Jul – Sep 2024	Apr – Jun 2024	Jan – Mar 2024
Net sales	113 256	92 222	85 248	82 789	78 134
Sales growth	45	31	43	47	30
Gross profit	46 508	37 742	34 722	36 981	31 452
Gross margin, %	41	41	41	45	40
Operating profit (EBIT)	22 973	14 844	14 321	15 232	8 373
Operating margin, %	20	16	17	18	11
Net profit for the period	13 088	10 061	9 562	10 412	4 693
Cash flow for the period	66 844	3 727	-1 542	-7 097	10 054

# The Group

## Consolidated balance sheet

All amounts in '000	Note	2025-03-31	2024-03-31
Intangible assets	4	402 246	173 309
Tangible fixed assets		6 324	2 674
Financial assets		1	1
Inventory		179 031	105 627
Trade receivables		125 682	58 342
Other receivables		13 139	13 337
Cash and bank		82 400	20 468
<b>Total assets</b>		<b>808 823</b>	<b>373 759</b>
Equity		221 034	177 726
Deferred Tax liability		25 338	17 510
Long-term debt, interest-bearing		341 818	16 700
Short-term debt, interest-bearing		109 739	103 393
Short-term debt, non interest-bearing		19 960	8 605
Trade payables		90 935	49 825
<b>Total equity and liabilities</b>		<b>808 823</b>	<b>373 759</b>

## Consolidated changes in equity

All amounts in '000	Apr 2024 – Mar 2025	Apr 2023 – Mar 2024
<b>Balance at beginning of period</b>	177 726	154 753
Warrants	194	266
Profit for the period	43 123	22 705
Other comprehensive income	-10	1
<b>Balance at end of period</b>	<b>221 033</b>	<b>177 726</b>

# The Group

## Cash flow

All amounts in '000	Jan – Mar 2025	Jan – Mar 2024	Apr 2024 – Mar 2025	Apr 2023 - Mar 2024
Operating profit (EBIT)	22 973	8 373	67 370	32 615
Interest paid	-6 452	-2 427	-13 015	-4 011
Adjustment for items not included in cash flow	5 607	2 215	12 517	2 921
Taxes	0	0	0	0
<b>Cash flow from operations before changes in working capital</b>	<b>22 127</b>	<b>8 162</b>	<b>66 871</b>	<b>31 525</b>
Changes in inventory	-14 548	-10 098	-73 413	-40 259
Changes in current receivables	-58 455	-7 093	-67 151	-14 245
Changes in current liabilities	36 947	6 117	49 041	11 542
<b>Sum changes in working capital</b>	<b>-36 056</b>	<b>-11 073</b>	<b>-91 523</b>	<b>-42 962</b>
<b>Cash flow from operations</b>	<b>-13 929</b>	<b>-2 912</b>	<b>-24 652</b>	<b>-11 437</b>
Acquisitions of intangible non-current assets	-209 310	-9 002	-239 715	-65 336
Acquisitions of tangible non-current assets	-5 228	-103	-6 127	-926
<b>Cash flow from investment activities</b>	<b>-214 538</b>	<b>-9 105</b>	<b>-245 843</b>	<b>-66 262</b>
Amortization, raising of loans	290 864	22 353	328 128	53 970
Warrants program	0	0	194	266
Leasing debts	1 593	87	2 326	910
Amortization of leasing debts	2 854	-368	1 778	-1 404
<b>Cash flow from financing activities</b>	<b>295 311</b>	<b>22 072</b>	<b>332 427</b>	<b>53 741</b>
<b>Total cash flow during period</b>	<b>66 844</b>	<b>10 054</b>	<b>61 932</b>	<b>-23 958</b>
Cash / cash equivalents at beginning of period	15 556	10 413	20 468	44 426
<b>Cash / cash equivalents at end of period</b>	<b>82 400</b>	<b>20 468</b>	<b>82 400</b>	<b>20 468</b>



# Parent company

## Profit and loss statement

All amounts in i '000	Jan – Mar 2025	Jan – Mar 2024	Apr 2024 – Mar 2025	Apr 2023 - Mar 2024
Net sales	113 245	76 151	371 910	258 167
Cost of goods sold	-66 696	-45 479	-216 481	-145 846
<b>Gross profit</b>	<b>46 549</b>	<b>30 671</b>	<b>155 428</b>	<b>112 321</b>
<b>Gross margin</b>	<b>41%</b>	<b>40%</b>	<b>42%</b>	<b>44%</b>
Sales and marketing expenses	-16 326	-13 338	-58 443	-48 164
Administration expenses	-4 989	-6 795	-19 794	-21 685
R&D expenses	-2 439	-2 916	-11 281	-12 090
Other operating income	100	100	1 140	463
<b>Operating profit (EBIT)</b>	<b>22 896</b>	<b>7 723</b>	<b>67 050</b>	<b>30 844</b>
Other financial and interest income	3	0	7	1 721
Interest expenses and similar expenses	-6 280	-2 413	-12 813	-5 669
<b>Profit before tax</b>	<b>16 619</b>	<b>5 310</b>	<b>54 243</b>	<b>26 896</b>
Appropriations	-38 000	-24 950	-38 000	-24 950
Tax	4 408	4 207	-3 392	-438
<b>Net profit for the period</b>	<b>-16 973</b>	<b>-15 432</b>	<b>12 852</b>	<b>1 508</b>

# Parent company

## Balance sheet

All amounts in '000	2025-03-31	2024-03-31
Intangible assets	210 344	173 024
Tangible fixed assets	622	300
Financial assets	391	391
Inventory	178 971	105 627
Trade receivables	125 677	55 976
Other receivables	204 310	14 762
Cash and bank	81 641	20 203
<b>Total assets</b>	<b>801 956</b>	<b>370 283</b>
Equity	122 698	109 652
Long-term debt, interest-bearing	338 387	15 453
Short-term debt, interest-bearing	111 524	102 218
Short-term debt, non interest-bearing	15 503	8 203
Appropriations	123 000	85 000
Trade payables	90 845	49 758
<b>Total equity and liabilities</b>	<b>801 956</b>	<b>370 283</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. Valuation according to IFRS 13 explains that fair value has been calculated for all financial assets and liabilities. The fair value of other financial assets, other receivables, trade receivables and other short-term receivables, cash and cash equivalents, trade payables and other liabilities and interest-bearing liabilities is estimated to be equal to its book value. The company has loans with variable interest rates and thus the fair value is deemed to be in line with the book value. The parent company applies the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2 Accounting for Legal Entities.

## Note 2 Segment reporting

EQL Pharma's operations only comprise one operating segment; generics for prescription pharmacy sales and hospital sales, and therefore reference is made to the income statement and balance sheet regarding operating segment reporting.

## Note 3 Allocation of sales

Net sales divided in geographical markets.

All amounts in '000	Jan – Mar 2025	Jan – Mar 2024
Sweden	44 614	41 473
Other Scandinavia	52 584	29 121
Other Europe	15 505	7 539
Outside Europe	553	-
<b>Total</b>	<b>113 256</b>	<b>78 134</b>

All amounts in '000	Apr 2024 – Mar 2025	Apr 2023 – Mar 2024
Sweden	164 832	145 284
Other Scandinavia	138 641	84 097
Other Europe	69 491	34 786
Outside Europe	553	-
<b>Total</b>	<b>373 516</b>	<b>264 168</b>

## Note 4 Intangible fixed assets

All amounts in '000	2025-03-31	2024-03-31
Opening accumulated cost	210 427	145 073
Investments for the period	239 715	65 822
Write-down for the period	-	-468
Closing accumulated cost	<b>450 142</b>	<b>210 427</b>
Opening accumulated depreciation	-37 118	-29 754
Depreciation for the period	-10 778	-7 364
Sales/disposals for the period	-	-
Closing accumulated depreciation	<b>-47 896</b>	<b>-37 118</b>
<b>Total intangible fixed assets</b>	<b>402 246</b>	<b>173 309</b>

The intangible fixed assets amounted to SEK 402.4 (173.3) million on the balance sheet date. The majority of the investments for the period consists of the acquisition of a product portfolio from Medilink A/S through its wholly owned subsidiary EQL Pharma Int AB.

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

Intangible assets are reported at the cost of acquisition minus accumulated depreciation and any write-downs. The useful life is reviewed at each accounting year-end.

For the recently acquired product portfolio from Medilink, the useful life has been estimated at 20 years and the products are depreciated on a straight-line basis at 5% per year.

# Notes

## Note 5 Transactions with related parties

The nature and extent of related party transactions are described in the group's annual report for 2023/24.

Transactions with related parties arise in the day-to-day operations and are based on commercial terms and market prices. In addition to customary transactions between group companies and remuneration to management and the board, the following transactions with related parties have taken place during the period: Transactions with Cadila Pharmaceuticals Ltd regarding goods purchases and development costs have taken place with SEK 66.6 (40.8) million during the period April 2024 to March 2025.

## Note 6 Incentive Programmes

**Options Scheme** – During the period April 2024 to March 2025, the company has allocated 100 000 new warrants to the company's CEO.

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

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

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

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

There are previously outstanding incentive programs in the company in the form of four warrant programs through which a maximum of 732,000 new shares may be issued. If all warrants that have been issued and held by participants are fully utilized for the subscription of shares, a total of 832,000 new shares will be issued, which corresponds to a combined dilution of approximately 2.78 percent of the company's share capital and votes after full dilution.

The earnings conditions mean that the individuals annually for 3.5 years earn the right to the warrants and where it exists a requirement for employment during the respective period. As the warrants in the Warrants Programs will be issued to the participant at their fair market value, it is the company's assessment that no social costs will occur for the company as a result of the Warrants Programs.

Description of the full terms and conditions for incentive programs can be found on the company's website under Investor Relations.

## Note 7 Events after accounting period

No significant event after the end of the period.

# 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>EBITDA</b>	Operating profit (EBIT) before interest, taxes, depreciation and amortization.
<b>EBITDA margin %</b>	Operating profit (EBIT) adjusted for write-downs and amortization divided by net sales.
<b>Pro-forma adjusted EBITDA</b>	Pro-forma adjusted EBITDA as if acquired entities had been part of EQL Pharma during the last twelve-month period
<b>Net debt through pro-forma adjusted EBITDA</b>	Short-term and long-term liabilities to credit institutions, bond loans less cash and cash equivalents divided by pro forma adjusted EBITDA
<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 2025</b>	<b>Jan – Mar 2024</b>	<b>Apr – Mar 2025</b>	<b>Apr – Mar 2024</b>
A	Net sales current period, KSEK	113 256	78 134	373 516	264 168
B	Net sales last period, KSEK	78 134	60 333	264 168	259 913
<b>(A-B)/B</b>	Sales growth, %	45%	30%	41%	2%

<b>Gross profit / Gross margin</b>		<b>Jan – Mar 2025</b>	<b>Jan – Mar 2024</b>	<b>Apr – Mar 2025</b>	<b>Apr – Mar 2024</b>
A	Net sales, KSEK	113 256	78 134	373 516	264 168
B	Cost of goods sold, KSEK	-66 748	-46 682	-217 562	-149 123
<b>A-B</b>	Gross profit, KSEK	46 508	31 452	155 953	115 045
<b>(A-B)/A</b>	Gross margin, %	41%	40%	42%	44%

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

Operating profit (EBIT)/ Operating margin		Jan – Mar 2025	Jan – Mar 2024	Apr – Mar 2025	Apr – Mar 2024
A	Operating profit (EBIT), KSEK	22 973	8 373	67 370	32 615
B	Net sales, KSEK	113 256	78 134	373 516	264 168
<b>A/B</b>	Operating margin (EBIT), %	20%	11%	18%	12%
<b>EBITDA</b>		<b>Jan – Mar 2025</b>	<b>Jan – Mar 2024</b>	<b>Apr – Mar 2025</b>	<b>Apr – Mar 2024</b>
A	Operating profit (EBIT), KSEK	22 973	8 373	67 370	32 615
B	Write-downs and amortization, KSEK	5 075	2 420	10 882	9 543
<b>A+B</b>	EBITDA, KSEK	28 047	10 793	78 252	42 157
<b>EBITDA margin, %</b>		<b>Jan – Mar 2025</b>	<b>Jan – Mar 2024</b>	<b>Apr – Mar 2025</b>	<b>Apr – Mar 2024</b>
A	Operating profit (EBIT) adjusted for write-downs and amortization , KSEK	28 047	10 793	78 252	42 157
B	Net sales, KSEK	113 256	78 134	373 516	264 168
<b>A/B</b>	EBITDA margin, %	25%	14%	21%	16%
<b>Net debt through pro-forma adjusted EBITDA</b>		<b>Jan – Mar 2025</b>	<b>Jan – Mar 2024</b>	<b>Apr – Mar 2025</b>	<b>Apr – Mar 2024</b>
A	Pro-forma adjusted EBITDA, KSEK	N/A	N/A	104 304	42 157
B	Interest-bearing net debt, KSEK	N/A	N/A	369 157	99 625
<b>B/A</b>	Interest-bearing net debt through pro-forma adjusted EBITDA, times	N/A	N/A	3,5	2,4
<b>Pro-forma adjusted EBITDA margin, %</b>		<b>Jan – Mar 2025</b>	<b>Jan – Mar 2024</b>	<b>Apr – Mar 2025</b>	<b>Apr – Mar 2024</b>
A	Pro-forma adjusted EBITDA, KSEK	N/A	N/A	104 304	42 157
B	Pro-forma adjusted net sales, KSEK	N/A	N/A	415 683	264 168
<b>A/B</b>	Pro-forma adjusted EBITDA margin, %	N/A	N/A	25%	16%

\* Pro-forma adjusted EBITDA based on the product portfolio acquired by MediLink having been part of EQL Pharma for the twelve-month period ended March 31, 2025, and with assumptions regarding operating costs presented in connection with the signing of the asset transfer agreement on December 10, 2024.

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

Shareholders' equity per share		Jan – Mar 2025	Jan – Mar 2024	Apr – Mar 2025	Apr – Mar 2024
A	Profit/loss for the period, KSEK	13 088	4 693	43 123	22 705
B	Number of shares	214 495	175 377	199 380	166 240
<b>A/B</b>	Net earnings per share, %	6%	3%	22%	14%

Equity-asset ratio		Jan – Mar 2025	Jan – Mar 2024	Apr – Mar 2025	Apr – Mar 2024
A	Equity, KSEK	221 034	177 726	221 034	177 726
B	Balance sheet total, KSEK	808 823	373 759	808 823	373 759
<b>A/B</b>	Equity ratio, %	27%	48%	27%	48%