

Interim Report April – June 2023

(SEK million)	Apr - Jun 2023	Apr - Jun 2022	Apr 2022 – Mar 2023
Net sales	56.2	46.1	259.9
Sales growth %	22	24	-37
Gross profit	26.2	23.7	115.9
Gross margin %	47	51	45
Operating profit (EBIT)	7.9	7.9	41.3
Operating margin (EBIT) %	14	17	16
Profit for the period	6.8	7.4	30.8

Solid operating profit without Covid-19 tests, a continued growing pipeline and a new strategic key product

April – June 2023

- Consolidated sales during the first quarter, April to June amounted to SEK 56.2 (46.1) million. Adjusted for non-recurring sales the revenue amounted to 56.2 (43.0) MSEK, a decrease of 31%.
- Gross profit amounted to SEK 26.2 (23.7) million for the quarter, a decrease of 11%.
- EBIT amounted to SEK 7.9 (7.9) million, a decrease of 0,1%. The operating margin was 14% (17%).
- EBITDA margin was 18% - this margin is from now on reported separately as it is our new target figure for operational profitability in the long-term plan 2020/21-2024/25.
- Earnings per share were SEK 0:23 (0:25) for the quarter.
- Cash flow from operating activities amounted to SEK -12.0 (12.8) million for the quarter.
- Cash and cash equivalents were SEK 24.8 (46.6) million at the end of the quarter.



CEO's comments

The first quarter, which kicks off the 2023/24 financial year, was an important quarter for EQL Pharma in several ways. Sales were in line with our expectations, however there were no sales of Covid-19 tests. This means that the entire operating profit, which amounted to SEK 7.9 (7.9) million, was generated by the core business. This shows that our core business is solid. Furthermore, we have entered into several potent collaborations, added products to the pipeline and launched one product. We also introduced Memprex, our latest strategic key product.

First quarter in summary

The first quarter's total sales in 2023/24 (no Covid-19 test sales in Q1), amounted to SEK 56.2 (43.0) million, an increase of 31%. Operating profit (EBIT) amounted to SEK 7.9 (7.9) million. The operating margin was 14% (17%). EBITDA margin was 18%.

Cash flow from operating activities during the quarter was negative SEK -12.0 (12.8) million. This is due to inventory build-up in connection with launches and strategic investments in existing products.

Financial goals and full-year forecast

Our long-term financial goals are fixed. So is the sales forecast for the full year 2023/24, where we see a growth of around 30%.

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 assets Mellozzan and Memprex
- 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

During the quarter, we presented Memprex, our new strategic key product, through cooperation agreements signed for Germany and France. Discussions are ongoing for several other markets. In the same way as for Mellozzan, the idea is to establish Memprex as a brand with the help of local partners. These possess the expertise required to build and maintain a significant market share over a long period of time.

Two new cooperation agreements for Mellozzan have been signed with (1) Adalvo, covering 89 countries outside Europe and the USA and (2) a large Turkish company covering Turkey and Kazakhstan. Currently, over 100 markets are addressed globally for Mellozzan, which is of

course both exciting and demanding for our team.

Five new niche generics for the Nordics have been added to our pipeline, which thus grows from 32 to 36 products (one product was launched in the quarter). We are working intensively to identify new products for our pipeline and will regularly update on progress.

Ampitar was launched during the quarter in one Swedish Region and more launches of the product are expected.

Sales of self-tests for Covid-19 have been non-existent during the quarter as a result of a low spread of infection. EQL is and will remain well positioned if demand for testing turns around.

Other

There is a shortage of penicillin in Europe as a result of the war in Ukraine. EQL has long been able to parry challenges in goods delivery, but is now also beginning to notice the effects. We estimate that our important antibiotics will be back in stock towards the end of autumn. At the same time, we can to some extent compensate the lower penicillin sales by selling more of other products where competitors have problems with stocks.



Axel Schörling
CEO & President

Significant events

During the quarter

April 20th, 2023 - EQL Pharma AB announces a recommended cash offer of SEK 7.60 per share to the shareholders of Sensidose Aktiebolag

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

May 9th, 2023 - 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.

The agreement includes a so-called tech transfer to produce Mellozzan locally to provide an easier and earlier access to patients. The agreement also includes a small license fee and a single-digit royalty on all sales.

May 17th, 2023 – EQL Pharma AB publishes the final outcome in public takeover offer. As a result of the shareholder dynamics and other circumstances the Board also announces its intention to sell its holdings.

On April 20, 2023, EQL Pharma AB published a recommended public takeover offer to the shareholders of Sensidose Aktiebolag to transfer all shares in Sensidose to EQL Pharma at SEK 7.60 in cash per share. On April 24, an unconditional revised offer of SEK 8.40 in cash per share was announced. On April 26, 2023, the revised offer was expanded to include warrants of series TO 1 for a consideration of SEK 0.50 in cash per TO 1. The acceptance period in the

During the quarter, cont.

Offer expired on May 16, 2023. EQL Pharma will not extend the acceptance period further and the Offer is therefore closed. At the end of the acceptance period, the Offer had been accepted by shareholders amounting to a total of 227 051 shares, corresponding to approximately 1.90 percent of the outstanding shares and 11 913 TO 1, corresponding to approximately 0.53 percent of the outstanding warrants, in Sensidose. In total, 1 579 972 shares and 560 956 TO 1 have been acquired. Due to the fact that the outcome has not met the desired expectations, the Board of Directors of EQL Pharma further announces that it intends to accept Navamedic's offer and sell all its shares and TO 1 in Sensidose.

The profit in the financial net for the quarter refers to the sale of Sensidose shares.

May 22nd, 2023 – EQL Pharma out-licenses Memprex (methenamine hippurate) to Laboratoires Majorelle for the French market

EQL has entered into an exclusive license agreement for the French market for EQL's product Memprex with Laboratoires Majorelle, a French leading company in women's health.

Memprex is a methenamine hippurate-based medicine indicated for the prophylaxis of recurrent urinary tract infection (UTI). Methenamine hippurate was launched by EQL in Sweden in 2019, in the UK (via partner) in 2020 and in Norway in 2021. EQL's ambition is to offer Methenamine, using our own brand Memprex, to all other interesting markets in Europe via out-licensing.

Significant events

During the quarter, cont.

May 24th, 2023 – EQL Pharma enters into a strategic licensing agreement with Adalvo for Mellozzan outside of Europe

EQL has entered into an exclusive license agreement for its product Mellozzan (melatonin) with Adalvo Ltd. for 89 countries outside Europe and the USA. Among the countries are large markets such as China, Brazil, Canada, Egypt and Japan. The agreement gives Adalvo exclusive rights to register, commercialise and distribute Mellozzan in these countries. If Adalvo decides to not pursue some countries the rights to Mellozzan for those specific countries shall be returned to EQL in a pre-defined reasonable timeframe.

May 31st, 2023 – EQL Pharma out-licenses Methenamine Hippurate to Dr. Pflieger Arzneimittel for the German market

EQL has entered into an exclusive license agreement for the German market for EQL's product Methenamine Hippurate with Dr. Pflieger Arzneimittel, a leading German company in urology and gynaecology. The agreement includes a typical license fee as an upfront payment and regulatory & reimbursement milestones, and a volume-dependent supply price generating a healthy, industrial margin for EQL. Dr. Pflieger expects to launch Methenamine Hippurate with an as of yet undisclosed EQL-registered brand within the next two years, depending on the authorities' timeline for registration and reimbursement.

After the quarter

August 15th, 2023 – Mellozzan® (melatonin) is launched in Denmark and Norway by EQL Pharma's license partner Medice Arzneimittel Pütter GmbH & Co. KG

As the first countries outside of Sweden, EQL's key product Mellozzan® has now been launched in Denmark and Norway by EQL's licensee Medice. The countries are the first in a series of seven where Medice contributes its market knowledge and network to quickly reach out with Mellozzan® to patients. In addition to Denmark and Norway, the licensee also has ongoing work for registrations and subsequent launches in Medice's home market Germany, as well as the UK, Austria, Finland and Switzerland.

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, we launched Ampitar (ampicillin), powder for injection/infusion solution 1g and 2g, for which EQL is the Nordic agent for the Polish company Polfa Tarchomin. Ampitar is an antibiotic that is used in hospitals to treat e.g. pneumonia. We currently sell Ampitar to a region in Sweden but have also won the tender for Finland's largest region during 2024-2025. Further tender decisions for Ampitar are expected in Q2.

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.

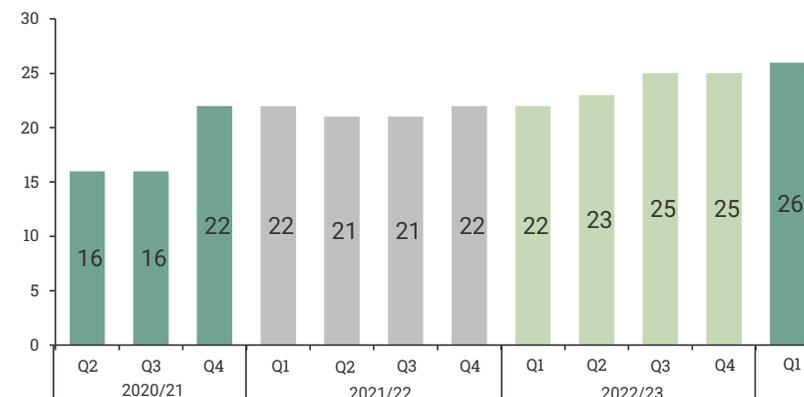


Figure 1. The company's product portfolio, i.e. marketed products, per quarter from fiscal year 2019/20 through the reporting period for the current fiscal year. The Y axis is the number of products marketed.

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.

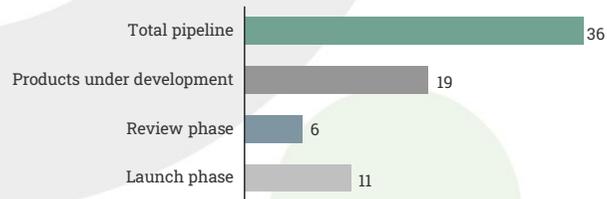


Figure 2. Total pipeline of products and how many products are in Review phase and Launch phase respectively.

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 11 products in the launch phase. Glyronul (glycopyrronium) injection solution and Copneg (glycopyrronium/neostigmine) infusion solution will be launched in Q2 2023/24. Mellozzan (melatonin) oral solution, Tigecyclin EQL Pharma powder for solution for infusion and Piperacillin/Tazobactam Qilu powder for solution for infusion are expected to be launched in Q4 2023/24. Palonosetron Qilu solution for injection, Caloket (ketorolac) solution for injection, Penicryl (benzylpenicillin) powder for solution for infusion, Meropenem Qilu powder for solution for infusion, Levosimendan EQL Pharma concentrate for solution for infusion and Sugammadex Qilu solution for injection are expected to launch in late

2023/24 or early 2024/25 depending on outcome in future public tenders.

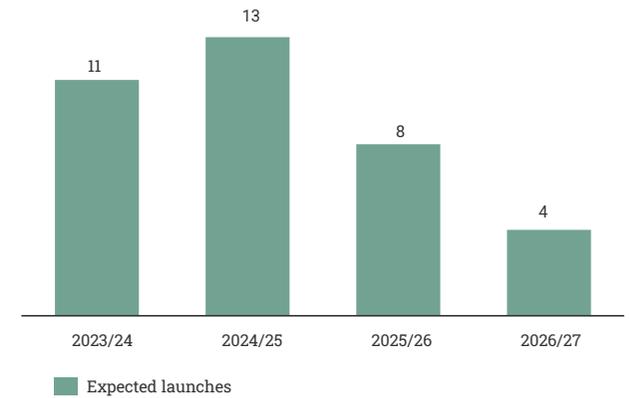


Figure 3. The company's product launches for the current fiscal year and expected product launches up to and including fiscal year 2026/27.

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

In the first quarter of the fiscal year 2023/2024, our net sales amounted to SEK 56.2 (43.0) million, which corresponds to a growth of 31%. This is in line with expectations for the full year 2023/24. No sales of a one-off nature occurred in the quarter.

Quarterly net sales and Rolling 12 months (R12)*

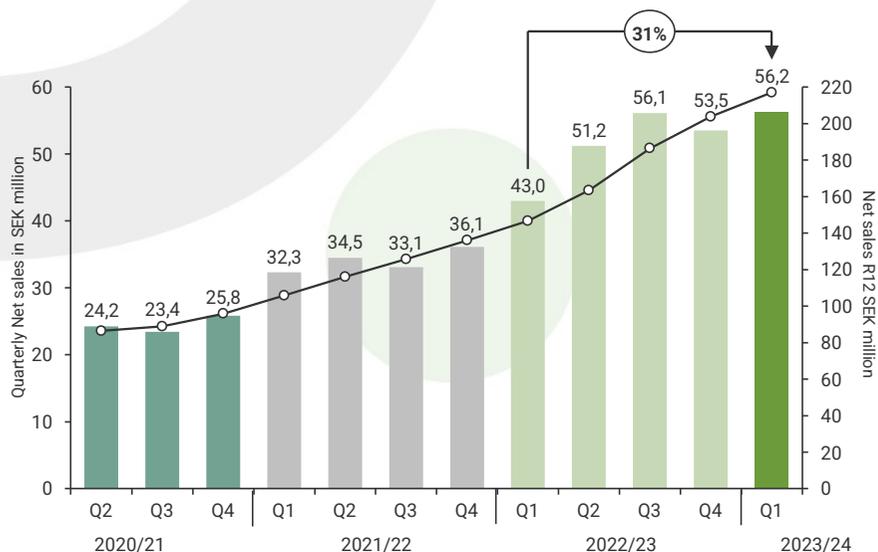


Figure 4. Net sales trend fiscal year 2020/21 through reporting period for the current fiscal year. Left Y-axis quarterly turnover in SEK million. Right Y-axis rolling 12-months sales expressed in SEK million.

* Excluding non-recurring sales

Profit performance

The operating profit for the first quarter amounted to SEK 7.9 million (7.9). The operating margin (EBIT) was 14% (17%). EQL had no Covid-19 test sales in the quarter. It is thus the core business that generates all operating profit. 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)

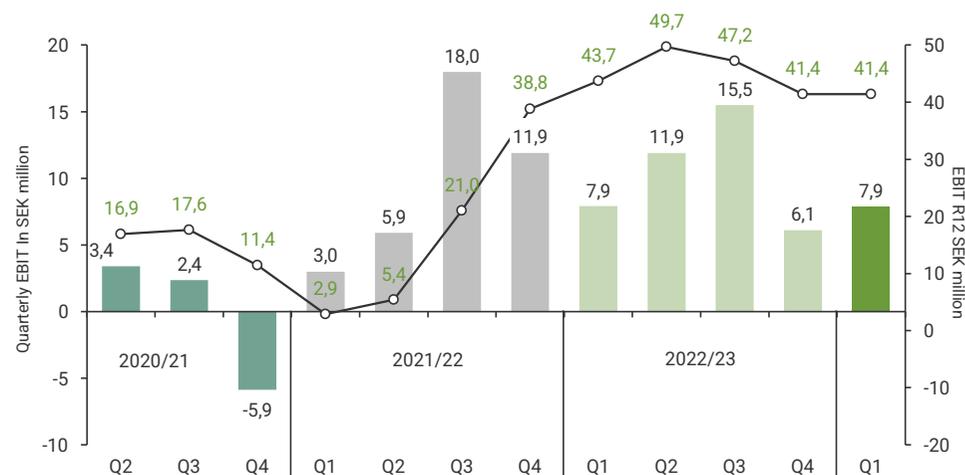


Figure 5. Operating profit trend (EBIT) for fiscal year 2020/21 through the reporting period for the current fiscal year, the bars are EBIT and the line is rolling 12-month EBIT. The left Y-axis EBIT per quarter expressed in SEK million and the right Y-axis is rolling 12-month EBIT expressed in SEK million.

Additional information

Parent company

EQL Pharma AB is the parent company of the EQL Pharma group. Net sales for the Parent Company during the first quarter amounted to SEK 55.1 (45.1) million. Operating profit amounted to SEK 8.1 (7.8) million for the period April to June.

Personnel

The number of full-time employees in the group is 18 (14), out of whom 12 (8) 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:	
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 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, 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. For example, during the fiscal year 2022/23, we grew by 50%.

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, August 16th, 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	Apr – Jun 2023	Apr – Jun 2022	Apr 2022 – Mar 2023
Net sales	56 206	46 098	259 913
Cost of goods sold	-30 016	-22 394	-144 063
Gross profit	26 190	23 703	115 850
Gross margin	47%	51%	45%
Sales and marketing expenses	-11 393	-10 258	-44 641
Administration expenses	-4 801	-2 535	-15 145
R&D expenses	-2 137	-3 155	-15 138
Other operating income	72	118	413
Operating profit (EBIT)	7 930	7 873	41 339
Other interest income	1 527	0	1
Interest expenses and similar expenses	-860	-481	-2 372
Profit before tax	8 597	7 392	38 968
Tax	-1 772	0	-8 047
Net profit for the period	6 825	7 392	30 921
Other comprehensive income::			
Components not to be reclassified to net profit:			
<i>a) Translation difference</i>			
Translation difference in the group	6	6	11
Sum of Components to be reclassified to net profit:	6	6	11
Sum of other comprehensive income:	6	6	11
Comprehensive result for the period	6 832	7 398	30 932

The Group

Per share data

Per share data	Apr – Jun 2023	Apr – Jun 2022	Apr 2022 – Mar 2023
Earnings per share, before dilution, SEK */	0,23	0,25	1,06
Earnings per share, after dilution, SEK */	0,23	0,25	1,04
Equity per share, SEK	5,32	5,18	5,18
Number of shares outstanding	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
Average number of shares outstanding, after dilution	29 525 610	29 555 610	29 625 610
Stock exchange rate, SEK	29,7	29,8	37,4
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	Apr – Jun 2023	Apr 2022 – Mar 2023
Net sales	56 206	259 913
Sales growth	-57%	-37%
Gross profit	26 190	115 850
Gross margin, %	47%	45%
Operating profit (EBIT)	7 930	41 339
Operating margin, %	14%	16%
Net profit for the period	6 825	30 921
Cash flow for the period	-19 628	3 227

The Group

Consolidated balance sheet

All amounts in '000	2023-06-30	2022-06-30	2023-03-31
Intangible assets	121 034	115 617	115 319
Tangible fixed assets	2 781	3 841	3 149
Financial assets	1	1	1
Inventory	88 805	42 654	65 368
Trade receivables	45 122	30 917	51 701
Other receivables	5 995	6 815	5 734
Cash and bank	24 798	46 628	44 426
Total assets	288 536	246 473	285 696
Equity	161 585	131 022	154 753
Deferred Tax liability	13 823	0	12 051
Long-term debt, interest-bearing	1 836	14 285	2 128
Short-term debt, interest-bearing	64 662	63 974	64 489
Short-term debt, non interest-bearing	8 776	20 073	22 665
Trade payables	37 854	17 118	29 610
Total equity and liabilities	288 536	246 473	285 696

Consolidated changes in equity

All amounts in '000	Apr – Jun 2023	Apr – Jun 2022	Apr 2022 – Mar 2023
Balance at beginning of period	154 753	123 626	123 626
Warrants	0	0	193
Profit for the period	6 825	7 392	30 921
Other comprehensive income	6	6	11
Balance at end of period	161 585	131 022	154 753

The Group

Cash flow

All amounts in '000	Apr - Jun 2023	Apr - Jun 2022	Apr 2022 - Mar 2023
Result after financial items	8 597	7 392	38 968
Adjustment for items not included in cash flow	2 158	2 042	16 478
Taxes	0	0	0
Cash flow from operations before changes in working capital	10 755	9 434	55 446
Changes in inventory	-23 431	-976	-23 683
Changes in current receivables	6 318	2 846	-16 856
Changes in current liabilities	-5 645	1 500	12 719
Sum changes in working capital	-22 758	3 370	-27 819
Cash flow from operations	-12 003	12 804	27 627
Acquisitions of intangible non-current assets	-7 505	-7 065	-20 053
Acquisitions of tangible non-current assets	0	0	-456
Cash flow from investment activities	-7 505	-7 065	-20 510
Amortization, raising of loans	213	0	-2 815
Warrants program	0	0	193
Leasing debts	0	0	0
Amortization of leasing debts	-332	-311	-1 269
Cash flow from financing activities	-119	-311	-3 890
Total cash flow during period	-19 628	5 429	3 227
Cash / cash equivalents at beginning of period	44 426	41 199	41 199
Cash / cash equivalents at end of period	24 798	46 628	44 426

Parent company

Profit and loss statement

All amounts in i '000	Apr - Jun 2023	Apr - Jun 2022	Apr 2022 - Mar 2023
Net sales	55 121	45 080	254 333
Cost of goods sold	-29 146	-21 782	-140 157
Gross profit	25 976	23 299	114 176
Gross margin	47%	52%	45%
Sales and marketing expenses	-11 099	-9 954	-43 270
Administration expenses	-4 735	-2 513	-15 046
R&D expenses	-2 142	-3 161	-15 155
Other operating income	72	118	413
Operating profit (EBIT)	8 072	7 789	41 119
Other financial and interest income	1 527	0	1
Interest expenses and similar expenses	-844	-460	-2 294
Profit before tax	8 755	7 329	38 826
Appropriations	0	0	-38 350
Tax	-1 772	0	-114
Net profit for the period	6 983	7 329	362

Parent company

Balance sheet

All amounts in '000	2023-06-30	2022-06-30	2023-03-31
Intangible assets	120 749	115 332	115 034
Tangible fixed assets	359	57	378
Financial assets	391	391	391
Inventory	87 884	41 264	64 266
Trade receivables	44 877	30 267	51 207
Other receivables	8 108	8 301	7 838
Cash and bank	22 874	46 015	42 667
Total assets	285 242	241 627	281 781
Equity	114 861	114 653	107 879
Long-term debt, interest-bearing	0	7 200	0
Short-term debt, interest-bearing	63 914	68 017	63 701
Short-term debt, non interest-bearing	10 359	14 858	22 497
Appropriations	58 500	20 000	58 500
Trade payables	37 607	16 900	29 204
Total equity and liabilities	285 242	241 627	281 781

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.

All amounts in '000	Apr – Jun 2023			Apr – Jun 2022		
	Pharmaceuticals	Non-recurring	Other	Pharmaceuticals	Non-recurring	Other
Sweden	25 582			22 778	3 108	
Other Scandinavia	13 259			13 768		
Other Europé	17 365			6 443		
Total	56 206	0	0	42 990	3 108	0

All amounts in '000	Apr 2022 – Mar 2023			Apr 2021 – Mar 2022		
	Pharmaceuticals	Non-recurring	Other	Pharmaceuticals	Non-recurring	Other
Sweden	117 431	45 337		90 826	274 392	
Other Scandinavia	71 346	2 740		44 535		
Other Europe	15 002	8 058				
Total	203 779	56 135	0	135 361	274 392	0

Note 4 Tangible fixed assets

All amounts in '000	2023-06-30	2022-06-30
Right of use assets		
Land and buildings	1 772	2 886
Inventories	652	898
Total right of use assets	2 423	3 784

Tangible fixed assets that are not right of use assets

Land and buildings	0	0
Inventories	359	57
Total tangible fixed assets that are not right of use asstes	359	57

The tangible fixed assets amounted to SEK 2.8 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.

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.

Sales growth

		Apr – Jun 2023	Apr – Jun 2022	Apr 2022-Mar 2023
A	Net sales current period, KSEK	56 206	46 098	259 913
B	Net sales last period, KSEK	46 098	37 290	409 753
(A-B)/B	Sales growth, %	22%	24%	-37%

Gross profit / Gross margin

		Apr – Jun 2023	Apr – Jun 2022	Apr 2022 -Mar 2023
A	Net sales, KSEK	56 206	46 098	259 913
B	Cost of goods sold, KSEK	-30 016	-22 394	-144 063
A-B	Gross profit, KSEK	26 190	23 703	115 850
(A-B)/A	Gross margin, %	47%	51%	45%

Key performance indicators not defined according to IFRS

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

Reconciliation tables KPIs, non-IFRS measures, cont.

Operating profit (EBIT)/ Operating margin		Apr – Jun 2023	Apr – Jun 2022	Apr 2022 - Mar 2023
A	Net sales, KSEK	7 930	7 873	41 339
B	Operating profit (EBIT), KSEK	56 206	46 098	259 913
A/B	Operating margin (EBIT), %	14%	17%	16%
Shareholders' equity per share		Apr – Jun 2023	Apr – Jun 2022	Apr 2022 - Mar 2023
A	Profit/loss for the period, KSEK	6 825	7 392	30 921
B	Number of shares	158 169	127 324	139 190
A/B	Net earnings per share, %	4%	6%	22%
Equity-asset ratio		Apr – Jun 2023	Apr – Jun 2022	Apr 2022 - Mar 2023
A	Equity, KSEK	161 585	131 022	154 753
B	Balance sheet total, KSEK	288 536	246 473	285 696
A/B	Equity ratio, %	56%	53%	54%