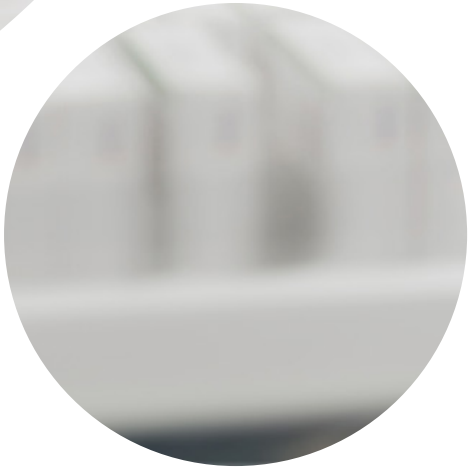
EQL PHARMA



Annual Report 2022/2023

EQL Pharma AB | Corporate ID No 556713-3425

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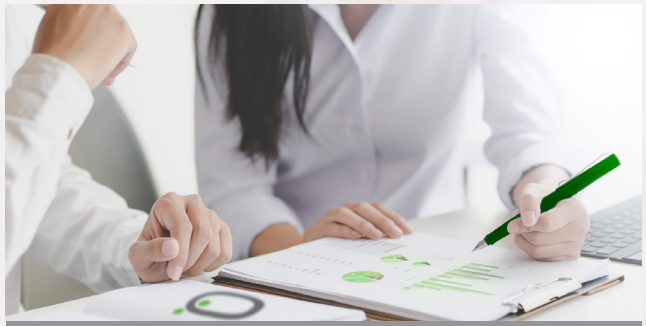

Introduction

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Brief Introduction to EQL Pharma

EQL Pharma specialises in identifying, developing, and selling generics, i.e. medicines that are medically equivalent to originator medicines.

The focus is currently on niche outpatient and inpatient generics with little or no competition apart from the originator medicines. Since 2016, this focus area has been complemented by parallel imports of medicines and medical devices and consumables for healthcare since 2020/2021.

KEY FACTS

Founded: 2006
Founders: Christer Fåhraeus och Karin Wehlin
Headquarters: Lund
Number of employees: 18
Listing venue: Spotlight Stock Market
Number of shares: 29,063,610

The Period 2022/2023 in Brief

May 5 2022
Glycopyrronium EQL Pharma is approved by the Danish Medicines Agency.

August 18 2022
Axel Schörling took over as CEO while Christer Fåhraeus moved to a role as Chairman of the Board. Martin Kristoffersson was appointed as the new COO.

September 12 2022
EQL Pharma is awarded "Best logistics provider within Self-care" by Apotek Hjärtat.

October 24 2022
EQL Pharma launches a one-step "lollipop" antigen self-test for Covid-19 in the Nordics.

October 28 022
EQL Pharma launches a combined Covid-19 and Influenza A/B antigen self-test.

November 9 2022
EQL Pharma out-license Mellozzan to a leading European pharmaceutical company for two major Southern European geographies.

November 22 2022
EQL Pharma named a Gazelle company in Skåne by Dagens Industri.

March 13 2023
EQL Pharma recruits Carl Lindgren as Chief Business Development Officer. At the same time, Alexander Brising becomes Chief Commercial Officer.

Key Figures 2022/2023

Net sales (MSEK)	Sales growth (%)	Sales growth (%) *Adjusted for non-recurring sales*	Operating income (MSEK)	Net income (MSEK)	Earnings per share (SEK)
259.9	**-37**	**51**	**41.3**	**30.9**	**1.06**
(2021/2022: 409.8)	*(2021/2022: 129)*	*(2021/2022: 41)*	*(2021/2022: 38.9)*	*(2021/2022: 31.6)*	*(2021/2022: 1.09)*
		For additional information, see Note K5			

Financial Calendar

2023 **16** August — Interim report Q1

2023 **17** August — Annual General Meeting

2023 **17** November — Interim report Q2

2024 **13** February — Interim report Q3

2024 **14** May — Year-end report Q4

History and Significant Events

2006

EQL Pharma is founded by Christer Fåhraeus and Karin Wehlin in 2006 on the basis that generics prices fell slowly in the Nordic market after a patent for an originator product expired.

In 2008 the Company launches its first product, Venlafaxine EQL Pharma in Sweden.

Metformin is launched in 2009. In the same year the first product is launched in Finland, Anastrozole, and the Company announces a profit for the first time. Several generics players start to provide Anastrozole and the price falls considerably faster. In a strategic change the Company therefore chooses to refocus the strategy on so-called niche generics.

In 2010 EQL Pharma releases its first product in Denmark and several new development projects begin.

2010

The first of EQL Pharma's own developed products are sent to the regulatory authority in 2011 to be granted marketing authorisation.

In 2013 the company launches its first niche generics, Doxycycline and Phenoxymethylpenicillin, in Sweden.

The Company is listed on AktieTorget (now Spotlight Stock Market) in connection with a new share issue in 2013.

Hydroxine is launched in 2014, a year when EQL Pharma's basic portfolio includes 15 products. The strategic change continues in that certain products are phased out as a result of increased competition and poor profitability.

In 2015 Cadila Pharmaceuticals Ltd invests SEK 32.5 million in EQL Pharma and thereby becomes an important strategic international partner and an extensive collaboration for the development of new niche generics begins.

2015

In 2016 the position of Business Development Director is established, an important step signalling the start of robust expansion of EQL Pharma's portfolio of development products.

EQL Pharma includes parallel import of medicines in its offering in Sweden.

In late 2017 a three-year collaboration agreement is signed with a leading generics company regarding the medicine Potassium Chloride for sales in Denmark, Norway and Finland.

Metronidazole and Hevicain (bupivacaine) are launched in 2020.

Work on expansion in Europe outside the Nordic countries is initiated in 2020.

The Covid-19 pandemic results in EQL Pharma temporarily including medtech products and consumables for healthcare in its offering in Sweden.

Sales of Methenamine Hippurate begin in the UK with a local partner in 2019. It is the first product developed by EQL Pharma to be sold outside the Nordic countries. Paracetamol, Magnesium-Hydroxide, Clindamycin and Pregabalin are launched the same year.

2020

In 2022, EQL began a comprehensive effort to out-license the brands Mellozzan (melatonin) and Memprex (methenamine hippurate) in Europe.

Today, EQL Pharma is a profitable company with 25 marketed generics, excluding parallel imported medicines, and a pipeline of 32 upcoming generics.

In 2022, EQL launched cholecalciferol, abiraterone Qilu and Ondansetron.

Mellozzan (melatonin), Folic Acid and Fenoximethylpenicillin oral solution are launched in 2021. In the same year EQL purchase licences for Prednisolone, Codeine, Methadone, Morphine and Furosemide in Denmark.

EQL's progress is driven by the addition of new products, approvals, and launches.

Comments from the CEO

The financial year 2022/23 marked another year of good growth in our core business. This included sales of Covid-19 tests, albeit less than last year. Group sales, adjusted for non-recurring sales (Covid-19 tests), amounted to SEK 204 (135) million, an increase of 51 per cent. Including non-recurring sales, sales amounted to SEK 260 (410) million, a decrease of 37 per cent. This is due to lower sales of Covid-19 tests.

We have thus successfully completed the second year of our four-year plan (containing five measuring points) that will end in 2024/25, where the goal is to have an average growth of forty per cent per year. Growth does not include non-recurring sales, but only sales of products, mainly pharmaceuticals, which have a sustainable potential. Our profitability target for 2024/25 is an EBITDA of at least twenty-five per cent of net sales in the core area. The two most important components of our growth will be geographic expansion for our products paired with an increased number of new products. We are currently slightly ahead of the plan regarding sales growth as in the previous year, 2021/22, which was the first year of the four-year plan. We delivered growth of 41%, and growth in 2022/23 was 51%.

New Business for Mellozzan

During the year, we further out-licensed our strategic key product Mellozzan (melatonin with paediatric indication) to several leading pharmaceutical companies for children with ADHD. The new deals are worth around nine million in upfront payments and regulatory milestones. However, the big potential is in future royalties on sales. Currently, we have 12 markets in different phases of onboarding partners and 89 markets where our partner Adalvo is evaluating the potential for us. Our royalties are in the order of twenty per cent on all sales in Europe and between five and fifteen per cent depending on the country and arrangement outside Europe. By comparison, sales in Sweden, with a population of ten million, are more than SEK 200 million annually for the paediatric indication of melatonin. In the Swedish market, the original dominates, but we see the potential to become the leading brand for the European markets. The key is to find the best partners in child psychiatry in each market in Europe, which I believe we have continued to do. The first market launches outside Sweden will be in Denmark and Norway, where marketing authorisations are already in place. In addition, our partners have submitted marketing authorisation applications in a few markets and are preparing for submission in others.

Launch of Memprex

A further milestone in 2022/23 was the completion of the first out-licences for Memprex, our new brand name for our methenamine hippurate-based medicine. Memprex is indicated for the prophylaxis of recurrent urinary tract infections and is already available in Sweden, Norway, and the UK as a generic drug (so-called INN/generic name). The reason is that we saw an opportu-

nity to launch a new brand in more countries was that during the summer of 2022, clinical evidence was presented showing that methenamine hippurate is as good as antibiotics as prophylaxis for recurrent urinary tract infection and also reduces the risk of multi-resistant bacteria in the patient. So far, in 2023/24, two licensing deals have been presented for France and Germany worth three million in upfront payments and regulatory milestones. However, as with Mellozzan, the great potential lies in future sales. For Memprex, a fixed sales price is applied between EQL and our partners, which will generate a healthy market margin for EQL. The total existing market for methenamine hippurate is approximately SEK 100 million in Sweden, Norway and the UK. In addition to France and Germany, we have ongoing discussions for a number of other markets. The goal is to establish Memprex as the leading brand in several European markets.

Eleven New Products Approved

In 2022/23, EQL has had eleven new products approved, launched four products, and added four niche generics to our pipeline. The addition of new products, approvals and launches is the engine that drives EQL forward, and we have implemented several improvements during the year so that in the future, we will be able to identify even more new drugs to our pipeline and quickly and efficiently drive them to launch. Furthermore, in 2022/23 we have worked on the launch of our hospital portfolio, mainly by participating in public procurements and planning for future procurements. The hospital portfolio will become an increasingly significant part of EQL's sales over the next two to three years.

Sales of home Covid tests in 2022/23 were SEK 56 (275) million. This is thus a sharp reduction compared to the previous year. Sales of Covid tests in general are driven by new virus variants and people's willingness to be tested, which has been lower than in previous phases of the pandemic. It is difficult for us to assess the future potential for test sales, but we are and will remain well positioned if new waves of infection occur. The Covid test portfolio has been updated in the autumn of 2022 and now includes a new so-called "lollipop test" with basically as high reliability as a nasal test.

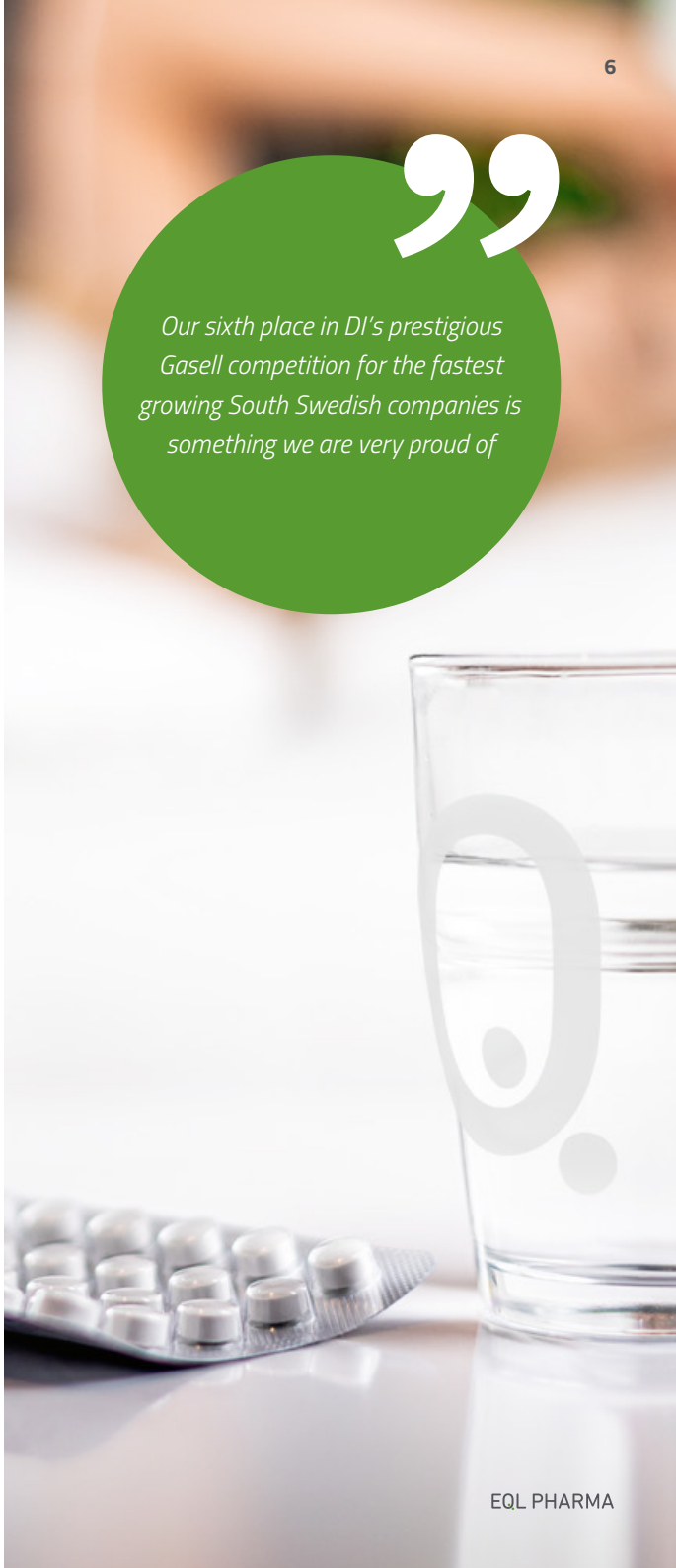
An Eventful Year

If we summarise the financial year 2022/23, it has been an eventful year - we have continued to out-license our strategic key product Mellozzan and started onboarding several partners. We have also added a new strategic key product in the form of Memprex, where we have entered into partnerships for France and Germany. In addition, we have seen very good sales growth in our pharmaceutical portfolio, received several important approvals and launched new products, all key components for EQL's future growth. We were also very proud of our sixth place in Dagens Industri's prestigious Gazelle competition for the fastest growing companies in southern Sweden.

During the year, we have recruited new colleagues in business development, licensing, logistics, quality and regulatory affairs, all with a focus on being able to deliver on our financial targets and to continue to grow strongly even after 2024/25 while maintaining high quality in everything we do. There have also been changes in the management team, where I have taken over as CEO from EQL's founder Christer Fåhraeus, who has assumed the role of Chairman of the Board. We have also chosen to create a new commercial function that Alexander Brising will head and to recruit Carl Lindgren as a new business development manager with a more explicit focus on European expansion and acquisitions.

Finally, I would like to thank our staff and partners for the great work they have done over the past year.

Axel Schörling
CEO of EQL Pharma AB (publ)



Objectives and Strategies

Strategies

EQL Pharma works based on an established strategy that includes both vision, mission, business concept, business model and goals for the company. The strategy is supported by all employees and guides the company in its daily work.

Under the business model, EQL Pharma will actively expand the product portfolio by developing or acquiring and in-licensing products to manufacture and sell new niche generics. Part of the business model is also to identify markets with little or no competition beyond the originator medicines and actively pursue these. The business model is central to achieving the objectives set.

EQL Pharma currently has 25 different marketed products in its portfolio and several in the development and launch phase. Several launches are expected in the coming years.

Vision

EQL shall be a driving force for medical accessibility by offering tested therapies to new European markets and thereby contribute to equal and optional care.

Mission

EQL shall reduce healthcare costs in Europe by identifying, developing and offering top-quality niche generics for the benefit of both patients and society.

EQL PHARMA

Business Concept

EQL Pharma's business concept is to identify, develop and sell generics, i.e. medicines that are medically equivalent to originator products whose patent protection has expired. By supplying high-quality medicines at a low cost, the Company contributes to significant cost-savings for patients and healthcare, and thereby to better health

Business Model

EQL Pharma works actively on investigations and evaluations followed by development, purchase or in-licensing of products for the manufacturing and selling of new niche generics, for which the Company identifies markets with little or no competition apart from the originator product. At present, EQL Pharma works only on prescription niche generics.

Objectives for EQL Pharma

The objectives below constitute forward-looking statements. These forward-looking statements constitute no guarantees for the Company's future financial or operational outcomes, and, as a consequence of several factors, EQL Pharma's actual financial results may deviate considerably from what is stated or implied by these forward-looking statements

Business Objectives

Be a **LEADING PLAYER** in niche generics in the Nordics and become a leading European generics company within five to ten years.

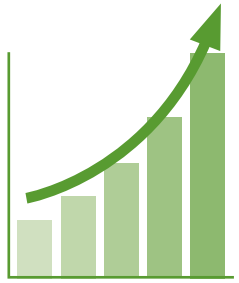
LONG TERM ASPIRATION to build higher brand recognition regarding generic preparations.

KEEP INVESTING in the development of the product portfolio.

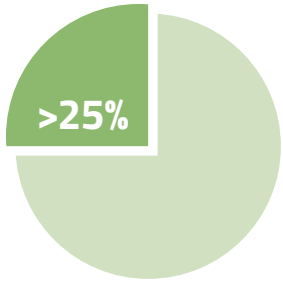
STRONG, SUSTAINABLE and **PROFITABLE GROWTH**.

Financial Targets for the Five-Year Period 2020/2021 - 2024/2025:

- to grow by at least 40 per cent per year on average, where growth is expected to spread unevenly over the period. In which the growth relates to recurring sales items.
- that the EBITDA margin should be above 25 percent by the end of the five-year period.



EQL Pharma should grow by at least 40 percent per year on average.



The EBITDA margin should be above 25 percent by the end of the five-year period.

Strategic Considerations

EQL Pharma's focus is on prescription niche generics. The Company develops and acquires or in-licences generics for prescription sales to pharmacies and hospitals in Europe. The Company does not limit itself to specific therapy areas, product groups or geographies in the long term.

Niche generics are defined by the Company as generics with little or no competition to the originator medicine. This competitive advantage is expected to last for the foreseeable future. The limited competition is because these medicines have a small turnover globally in monetary terms and in the number of tablets but a relatively larger turnover in one country or region. This situation means that larger generic companies have not shown much interest in these local/regional medicines.

For the above reasons, the barriers to entry for competitors in niche generics are higher than for regular generics. In addition, EQL Pharma's niche generics are mostly self-produced products. For a competitor to gain a position, they have to develop and manufacture the products themselves.

The Company's Core Competences and Strengths

In general, pharmaceutical companies in-license generic products from companies that have already developed them or newly develop the product together with a CRO/CDMO (Contract Research Organisation/Contract Development & Manufacturing Organisation). The approach of EQL Pharma differs from this working model.

EQL Pharma works actively with research and evaluation, followed by developing, purchasing, or in-licensing products for manufacture and sale. The Company identifies markets with little or no competition beyond the originator medicine or therapies with a new formulation targeting a specific therapeutic need or patient group to identify therapies and/or markets where the company sees strong potential for profitable growth.

In in-licensing, EQL Pharma identifies an available product somewhere in the world and acquires it as a licence to manufacture and sell. The niche generics the Company is interested in are often unavailable for purchase or licensing as fully developed products. The only alternative is to develop them oneself.

EQL's focus regarding development of generics:

- Effective development
- Professional marketing
- Operational excellence
- High quality standards

Predictable Demand and Price

The Company applies a retrospective approach, focusing on old patent expirations, and can therefore develop generics that have a stable and predictable demand and price. Many generic companies instead apply a forward-looking strategy in which they develop generics in relation to future patent expirations, something that gives rise to uncertainty and subjectivity about whether a patent or patent cluster will actually expire, as well as uncertainty about how many competitors are developing the same generic.
The challenge within niche generics is to find medicines where the originator product has been without patent protection for a long

Europe outside the Nordic region is expected to account for a significant part of the growth from 2023/24 onwards.

time, and where the Company deems there is little likelihood of competition, even after the approximately three to four years it takes for the Company to get approval for the medicine from the Medical Products Agency and launch the product.

A Reasonable Level of Risk

EQL Pharma develops or licenses niche generics based on their estimated return on invested capital. As a large number of projects have been identified, the generics selected are those deemed to provide the best return on invested capital while having a reasonable level of risk from competitive, regulatory and development perspectives. Costs incurred in development projects are capitalised continuously.

The Company has a strategy of continuing to invest in its product portfolio. This is capitalintensive, but sales revenues are expected to rise at the same or higher rate.

Efficient Outsourcing

With an aim to have an efficient organisation and low costs, product development –encompassing clinical testing, research and extensive documentation – as well as production, warehousing and distribution are carried out through outsourcing to external parties in Lund and the rest of Europe and the world. The Company has decided not to invest in an extensive internal sales and marketing organisation. When goods are ordered, the products are delivered straight to distribution partners from contract manufacturers. This means that EQL Pharma does not need to stock products in its own warehouses, even though the
responsibility for stock remains with EQL Pharma until the customer has purchased the goods.

Growth Strategy Geographically and Through New Products

The geographic focus for sales has been the Nordic region. Several products in the Company's portfolio also have an existing market or potential in other European countries, forming an essential basis for EQL Pharma's expansion strategy for Europe covering 2021 and beyond. To enable expansion in Europe, the Company is investing internal and external resources to understand the characteristics of the markets. Based on this, it can then be selected which products to sell in which markets, and a marketing and sales strategy can be established.

In parallel with this, registrations are ongoing and being prepared in selected countries for the first wave of products with clear European potential. These investments are expected to have a significant impact on the income statement in the financial years 2023/2024 - 2025/2026.

EQL Pharma's main growth strategy has two main components, partly a geographical dimension, where new markets are added for already existing products on the European market, and partly a product dimension, where expansion is carried out via the Company's well-established Nordic approach for identification and development of niche generics in existing markets.

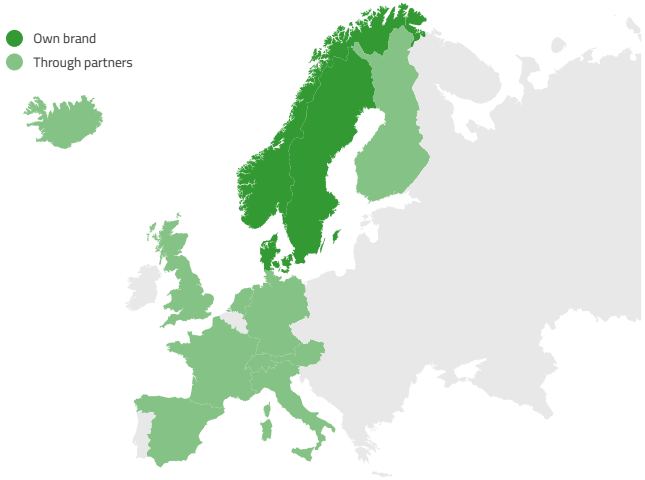
Like the Nordic countries, Europe has a number of countries with originator medicines that have little or no generic competition, even though the patents expired a long time ago.

The Company believes that Europe outside the Nordic region will account for a significant part of the growth from 2023/24 onwards.

Market Growth Strategy Towards Pharmacies

EQL Pharma sells niche generics to pharmacies in Sweden, Denmark, and Norway under its own brand and in Finland, Iceland, and the UK through partners. In 2022/23, agreements were also signed with partners for sales in France, Germany, Austria, the Netherlands, Italy, Spain, the UK, and Switzerland.

In markets where price is the decisive factor, the Company intends to build over time on direct sales under its own brand. In markets where factors other than price are crucial, EQL Pharma intends to build on indirect sales. This can be done by licensing products to partners with local knowledge and through ready-made sales organisations and established relationships at the doctor and pharmacy levels.



The pharmacy segment in the Nordic region applies a lowest-price principle that is now spreading in Europe outside the Nordic region (see further under "The cost-effective Nordic pricing model is spreading in Europe" in the section "Market overview"). The price systems in Germany, the Netherlands, and the UK, where the company launched its first product in 2019, are based on the lowest-price-principle. This creates opportunities for EQL to apply its niche strategy for generics in its expansion in Europe.

The market for pharmacies is considered by EQL to account for a continued significant part of the Company's growth during the period 2022/2023 - 2024/2025.

Growth in the Market Towards Hospitals

Since 2020, EQL Pharma also sells directly to hospitals. Many countries, such as Finland, have different procurement systems for hospital and pharmacy products, which may lead to a preference for direct sales in the hospital market and indirect sales in the pharmacy market. The growth strategy in the hospital market may therefore differ from the strategy in the pharmacy market.

Hospital markets in Europe are often fragmented. Procurement of medicines for hospitals can be carried out by individual hospitals,

via regional procurement groups or through umbrella organisations. How procurement takes place significantly influences the choice of sales strategy. For example, in some cases a considerable sales force is needed, while a very limited organisation may suffice in other cases.

EQL Pharma has sales to the hospital market under its own brand name in the Nordic countries. The Company has also agreed to act as an agent for three foreign generic companies to supply their products in the Nordic region, mainly in the hospital segment.

Pharmaceuticals sold through procurements to the healthcare sector are expected to increase significantly in importance for the Company during 2023/2024 – 2024/2025.

Pricing Strategy for Niche Generics

Since EQL Pharma sells generics in an open competitive market, price and logistics play a major role in achieving results.

EQL Pharma's goal is to achieve a reasonable share of the total annual sales with marginal price adjustments on its niche generics compared to the current price of the originator medicines. This can be done with the support of penetration-promoting systems such as public procurement and subsidy systems similar to the Swedish Periodens Vara (PV) system.

Although the hope is that EQL Pharma will become the sole competing generic manufacturer of the original medicines concerned, the Company assumes, for reasons of caution, in its calculations that at least one additional competitor will be established for the respective originator medicines. It is often judged that even a market with three to four suppliers of a substitutable product will allow all players to reach a market share with reasonable prices and margins.

An originator medicine always has a market advantage by being well established and a safe choice for the consumer. It is likely that some consumers will continue to purchase the original drug due to brand recognition and that there is only expected to be a small difference in price in EQL Pharma's favour during the periods when the Company has the most favourable price. The Company has also taken this into account in its sales calculations.

The Company is expected to see a significant increase in the importance of pharmaceuticals sold through procurement for healthcare during the period 2023/2024 – 2024/2025.

Products of the Period

Products of the period are the lowest-priced generic substitutes that pharmacies offer to their customers when substituting medicines.

Source: *The Dental and Pharmaceutical Benefits Agency, www.tlv.se*

Operations

Niche Generic Product Development and Production

EQL Pharma's process for developing generics is fast and cost-effective. The Company's focus is to select medicines that can be registered with a bioequivalence study, a so-called bio-waiver.

A bioequivalence study, or a bio-waiver, is a clinical study carried out on healthy volunteers to demonstrate the concentration of the active substance in the blood (plasma concentration). This concentration must be equivalent to that of the originator medicine, meaning that the product is medically equivalent and of the same quality as the originator medicine. This saves time and money and ensures that the preparations are equally safe and effective.

CRO and CMO for Product Development

EQL Pharma uses leading Contract Research Organisations (CROs) and major pharmaceutical companies in Europe, India and China in product development for clinical testing, research and extensive documentation. In connection with the start of the process, the new product's components are formulated and an agreement is entered into with a CRO or a pharmaceutical company, which during the preparation process is assisted by EQL Pharma in areas such as regulatory work and the compilation of documentation (dossier) for an application that will be submitted later in the process to the regulatory authority. After about two to three years the development and clinical studies are completed and the dossier is then submitted to the regulatory
authority. After that, it generally takes about one year before a final statement and possible approval are obtained, after which sales can commence.

On the production side, the Company uses Contract Manufacturing Organisations (CMOs).

Period from contract to launch: 3-4 years

Project Portfolio and Pipeline

EQL Pharma currently has 25 authorised and marketed generic medicines in its portfolio. Most of these are sold in several strengths and pack sizes. The Company's product portfolio, i.e. marketed products, at the end of the last three years, was as follows: 2022 – 25, 2021 – 22, 2020 – 22,

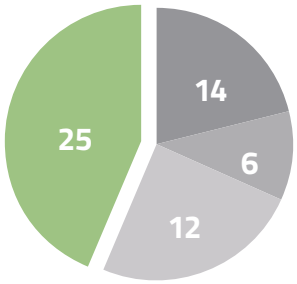
EQL Pharma's pipeline of new product development projects and in-licensing is under constant change and continued development. New products are therefore expected to be added on an ongoing basis. However, some products will be delayed or dropped altogether as the product evaluation process progresses.

The Company's current pipeline includes

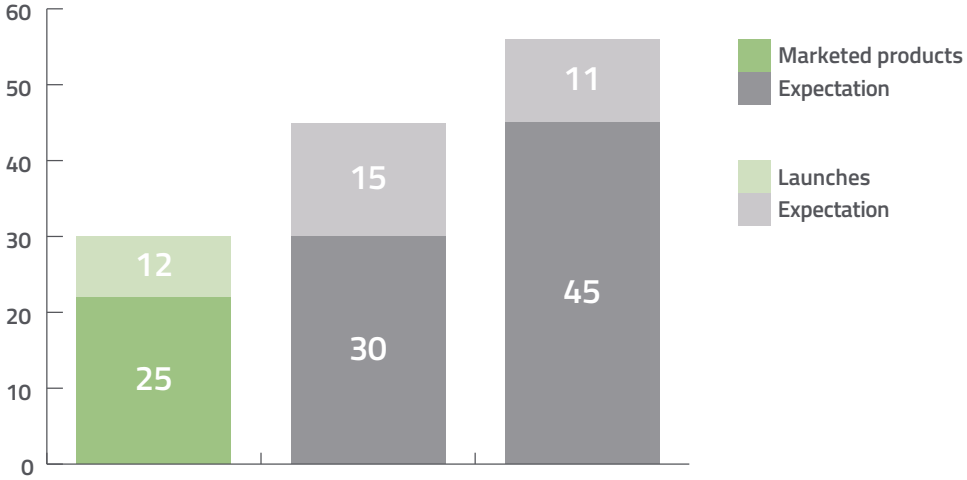
- 14 products in the development phase which are developed with partners or for which the Company has signed licence or distribution agreements for one or more markets without having developed the product itself.
- 6 products under review by pharmaceutical authorities,
- 12 products that are approved for launch and are in the launch phase, where the period from authorisation to the launch of the product on the market is typically 6 to 12 months. The launch phase includes orders for manufacturing and delivery, applying for subsidies and tendering for contracts if applicable.

Most of the Company's contracted products in the pipeline are expected to be launched during the current five-year period.

Pipeline	Products
Development phase	14
Review phase	6
Launch phase	12
Total	**32**
Marketed products	**25**
TOTAL	**57**



Development Portfolio



Important Permits and Certificates

In order to conduct the trade, import and export of medicines, EQL Pharma holds wholesale permits, production permits, narcotics permits and Good Manufacturing Practice (GMP) and Good Distribution Practice (GDP) certificates.

These permits have been obtained by the Company being able to demonstrate appropriate processes and procedures to the Swedish Medical Products Agency. A narcotics permit is a specific permit for conducting trade in narcotic preparations of a given classification, as the regulations are somewhat stricter than for non-narcotic preparations.

The permits are continuously maintained and renewed. The Medical Products Agency carries out regular inspections of EQL Pharma, which has an obligation to fulfil the Medical Products Agency's requirements in order not to risk the withdrawal of its permit or receive reprimands on how the operations are run. Ensuring a high standard and integrity in operations and thereby securing smooth lifecycle management of permits is in the Company's DNA and has the highest conceivable priority on its agenda.

As a part of ensuring high quality and integrity in operations, EQL Pharma in turn carries out its own regular inspections of manufacturers and suppliers. In this, all parts of their operations are reviewed in detail and the Company looks at everything from manufacturing processes to warehousing, environmental impact and local working conditions. In addition, the Company carries out an annual analysis of all its products from a manufacturing perspective in which information on all produced batches and the release of these to EU markets is reviewed in detail.

Regulatory Conditions for the Company's Partners

EQL Pharma's partners are mainly developers and manufacturers of medicines as well as logistics providers. As a pharmaceutical company active in Europe, EQL Pharma therefore has to comply with the EU GMP and GDP.

GMP stands for Good Manufacturing Practice and is a framework for how medicines are produced in safe and secure conditions and guarantees the content of the products. GDP stands for Good Distribution Practice and sets up guidelines for the safe distribution of medicines. It regulates, for example, temperature control and what types of goods are allowed to be transported together. Overall, EU GMP and GDP aim to guarantee the products' content and integrity throughout the value chain.

In addition to these regulations, the pharmaceutical industry has also had to comply with the Falsified Medicines Directive (FMD) since 2019. FMD is a regulation that aims to prevent falsified medicines from getting into the legal supply chain. This is achieved through each individual pack being allocated its own identity through a so-called 2D code, which is physically on the pack and also digital in a central EU database. When the pack is dispensed at the pharmacy, the pharmacist scans the code to check that the pack is in the database and thus legitimate.

Sales and Marketing Models for EQL Pharma

EQL Pharma's niche generics can be roughly divided up into three parts based on three sales and marketing models. These are Retail/Pharmacy, Hospital and Branded.

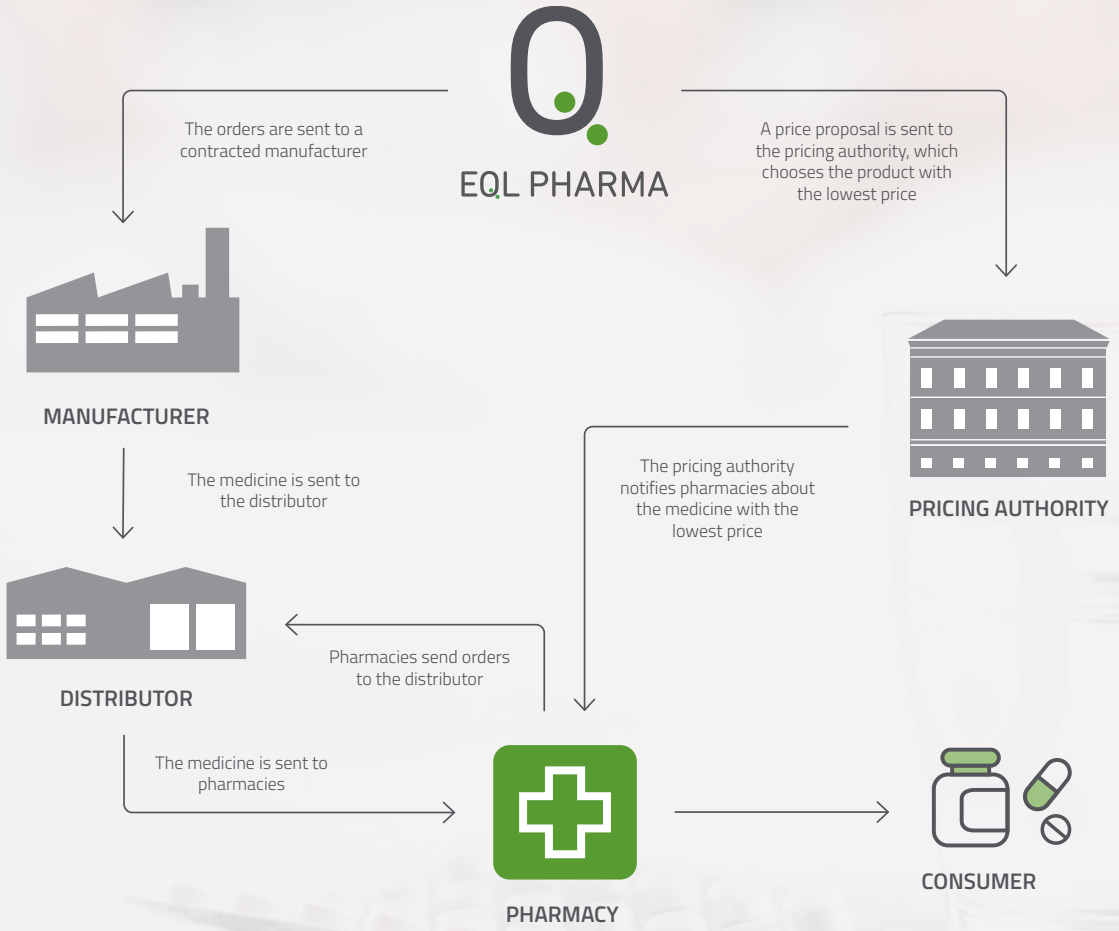
Retail/Pharmacy

Retail/Pharmacy products are sold through so-called exchange systems. In Sweden, Denmark, Finland and Norway, there are laws and regulations to keep medicine costs down for society.

In Sweden, for example, the Periodens Vara (PV) system is applied, and similar systems are used in the other Nordic countries to procure the rightly formulated active substance at the lowest possible price. Originator medicines usually remain on the market in Sweden, Denmark, Finland, and Norway even after generic competition has arisen, but a cheaper alternative is typically assigned to the patient unless there are exceptional circumstances. The assessment is that the non-Nordic European countries will move towards the Nordic lowest-price principle system.

In many cases, there are several different generic versions of the same originator medicine on the market. The procedure for deciding which generic will replace the original is that each company wishing to compete sends a price application for a fixed period to a pricing authority. It then selects the medicine with the lowest price and sends information on the selected product to pharmacies. This applies to Sweden, Denmark, and Finland. In Norway, the procedure is slightly different in that marketing and price applications are made directly to the pharmacy chains.

When EQL Pharma's products are selected, information is sent directly to the company's distribution partners, such as Orifola, Tamro, Tjellesen Max Jenne or Nomeco, who in turn ensure



that the products quickly reach all pharmacies.

Advantages in Retail are rapid market penetration and no requirement for sales or marketing resources. With the right price and available stock, products are sold automatically and without delay.

The disadvantage in Retail is that what is easily won is just as easily lost if a competitor can offer a lower price. This makes inventory planning and market knowledge key assets within EQL Pharma to properly balance opportunities and risks when prices change on a yearly, quarterly, monthly or weekly basis.

Hospital

Products in the Hospital sector are sold through the so-called bid depositary system. These are usually governed by a set of weighted criteria where the price is always the most important, although requirements such as environmental impact and user-friendliness for healthcare have become increasingly important. Hospitals are characterised by medicines that are only handled by healthcare professionals, such as injection or infusion products.

Procurement can cover anything from a single hospital to the needs of an entire country and can vary greatly in terms of duration, exclusivity and requirement specification. Navigating this range is a priority for EQL Pharma's Hospital initiative. Contracting authorities can be, for example, Region Västra Götaland, Amgros, Region TYKS or Sykehusinnkjöp. The Company uses Oriola, Tamro, Alliance Healthcare and Nomeco as distributors of hospital products.

In many European countries, it is possible to sell in-house to procurement units for individual or groups of hospitals, even for a company that, like EQL Pharma, has decided not to invest in an extensive sales and marketing organisation. However, the market for hospital medicines in the Nordic countries is governed by public procurement, with significant similarities between the countries. The public procurement process is non-negotiable and characterised by transparency and a clear structure, which is often lacking in negotiations with individual hospitals or groups of hospitals without a central public procurement process.

The advantages and disadvantages are similar to those for Retail, with the major difference being that procurements usually extend over one or more years.

Branded

Niche generics within Branded are actively marketed by EQL Pharma or by EQL appointed partners. Products in this segment usually have unique characteristics that distinguish them from other, similar, products, making substitution or procurement not possible or best suited for the product. The medicines are sold via direct prescription from prescribers, usually doctors but also some categories of nurses or dentists.

The advantage of the Branded segment is secure, more predictable sales and returns once the brand has been established and found its target audience of prescribers and patients. The disadvantage is that it usually takes time and resources to reach and establish itself with the target group of prescribers. Currently, the Branded segment consists of the company's key strategic products Mellozzan and Memprex.

Competitors

In EQL Pharma's current markets, there are generally around 20 active players with several of whom the Company has directly competing products. The most important of these are currently Viatris (formerly Mylan/Meda), Orifarm Generics, Evolan Pharma and AGB Pharma. As EQL Pharma launches more products, in new markets, the competitive landscape changes to include additional key competitors. Each product development is checked against the current competitive situation for that particular generic, and the strategy includes choosing products with no or low competition. In the run-up to the launch, the competitive situation is continuously evaluated.

Other Operations

In addition to development and in-licensing of niche generics, EQL Pharma is also established in parallel import of pharmaceuticals since 2016. The Company also has its own product line of medical devices and consumables.

EQL Pharma has established relationships with Chinese life science companies and a solid network of suppliers. In conjunction with the pandemic, the company began selling medical devices and consumables to Danish and Swedish healthcare professionals via procurement. EQL Pharma also developed covid tests and now has four tests on the market, the latest of which is a combined covid/flu test.

Parallel Import

EQL Pharma has been established in the parallel import of medicines in Sweden since 2016. The prices of prescription medicines vary considerably between the EU's member countries, which is why the Company imports approved prescription medicines from countries within the EU where prices are lower than in Sweden.

In a parallel import a company buys an approved prescription medicine in an EU country where it is sold at a lower price, for example in Portugal, and then imports and repackages it for sale at a higher price in another EU country, for example in Sweden. It concerns exactly the same medicine, produced in the same factory according to the same quality standard. The only thing that is different is the pack and patient information leaflet, which is adapted to the respective country, and this necessitates repackaging after the parallel import before the medicine can be sold.

As a result of competition the margins on parallel imports are limited. Profits on parallel imports are generally divided between the importer and the pharmacy chain that sells the parallel imported medicine, whereas the price for the consumer remains unchanged in relation to the original medicine. Certainly, increased competition via parallel imports also benefits medicine consumers, as parallel imports act as a check on prices for other competing medicines on the market.

Medical Devices and Consumables

In 2020, the Company added a product line in the wake of the Covid-19 pandemic comprising medical devices and consumables for healthcare with limited complexity, such as protective clothing and syringes, which are mainly purchased by regions, county councils, and municipalities via public procurement in Sweden and Denmark. EQL Pharma has for many years worked closely with leading Chinese life science companies and has employees who are Chinese citizens, which has enabled the acquisition of rights to medical protective equipment. The Company's solid network of suppliers forms an important base.

In 2021, the portfolio was expanded to include Covid-19 antigen self-tests, including the first test based on saliva rather than the more invasive nasal cavity test that had been the only one available until then. In autumn 2022, the product line was upgraded to include a lollipop test for Covid-19. The Company finds the future sales potential difficult to assess but is and remains well positioned in the event of new infection peaks.

Case: Mellozzan

Mellozzan is one of EQL Pharma's products in the Branded segment. Mellozzan is a medicine given to children with ADHD who have sleep disorders and where sleep hygiene measures are insufficient. It can also be given as a short-term treatment to adults with sleep disorders caused by jet lag.

Mellozzan contains melatonin which is the body's own sleep hormone produced by the pineal gland. Melatonin makes us sleepy. Many children with ADHD have problems reaching high enough levels of melatonin to fall asleep. Sleep problems then lead to fatigue and difficulty concentrating, which can cause problems at school. Children with ADHD can get a prescription for melatonin from, for example, a child and adolescent psychiatrist.

Launch of Mellozzan in Sweden

Mellozzan was launched by EQL Pharma in Sweden in 2021. There were already a few other manufacturers of melatonin preparations on the Swedish market, with one player in particular dominating the market. Using InVitro tests, EQL Pharma was able to show that Mellozzan has a fast dissolution rate, which means that it is more quickly released into the body. Other advantages were that Mellozzan was available in several strengths and at a cheaper price. These benefits were communicated at launch.

In Sweden, melatonin treatment for children with ADHD and sleep disorders has reached a total treatment volume of over 60 million tablets annually.

Launch in Other Markets

Several agreements are in place for Mellozzan for markets outside Sweden. In November 2022, EQL Pharma entered into an exclusive out-licensing agreement with a leading European pharmaceutical company for Mellozzan in two major Southern European markets. Southern Europe previously had no equivalent product on the market. The partner will pay a double-digit percentage of the sales price and a down payment to EQL Pharma.

In May 2023, EQL Pharma entered into a strategic licence agreement with Adalvo for 89 countries outside Europe and the US, including China, Brazil, Canada, Egypt, and Japan. The agreement gives Adalvo exclusive rights to register, commercialise, and distribute Mellozzan in these countries.

Licence agreements are also in place with pharmaceutical companies in Turkey for sales in Turkey and Kazakhstan, and since March 2022, agreements have been in place with a leading European company for the markets in Germany, France, UK, Netherlands, Austria, Switzerland, Finland, Denmark, and Norway.

Negotiations are Ongoing

EQL Pharma has several ongoing negotiations with additional potential licensees for Mellozzan in countries in Europe and beyond. The launch of Mellozzan will take place as soon as possible in more markets. The timing of the launch is mainly driven by differences in processing times of the authorities in different countries for the registration of medicines.

Staff

EQL Pharma endeavours to attract and retain staff with excellence in all areas relevant to the company. A high level of education, solid experience, and personal commitment characterise the company's staff today, creating stability despite strong growth.

EQL Pharma has a small but efficient organisation of 18 employees. All employees have high competence and are important key players. As such, they are the Company's single most important asset. The Company strives to be an attractive employer both to retain existing employees and to be able to make the right recruitments in the future.

Networks and Consultants

The Company's head office is strategically located in the centre of Lund, close to Medicon Village, where there is a lot of knowledge and networks in life science. Since EQL Pharma has a small organisation with few employees, the Company regularly needs to supplement with external expertise. This is done through consultancy services in areas such as GMP (Good Manufacturing Practise), pharmacovigilance (monitoring of potential side effects), marketing, legal and wholesale activities linked to the parent company.

Recruitments and Reorganisations During the Year

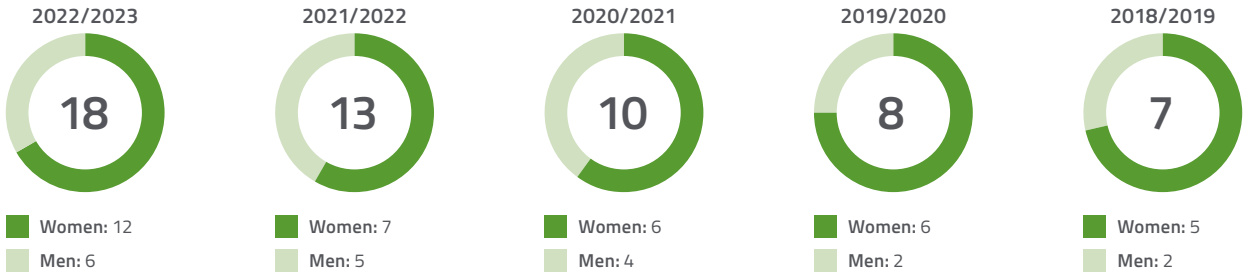
In August, Axel Schörling took over as CEO according to plan and the decision of the Annual General Meeting. At the same time, Martin Kristoffersson was appointed as the new COO (Chief Operating Officer). On 13 March, Carl Lindgren was recruited as Chief Business Development Officer and Alexander Brising, who previously held that position, became Chief Commercial Officer. These recruitments are in line with EQL Pharma's growth strategies for the coming years and part of a larger market penetration in markets in other countries.

Great Place to Work

Great Place to Work® certification is the only certification of good workplaces in Sweden. The certification is based on the Great Place to Work© Institute's global standard for what constitutes a good workplace and is proof that employees experience a very high level of trust, respect, fairness, pride, and camaraderie within the organisation.

EQL Pharma AB lives up to the high standards for what characterises a good workplace and after a thorough evaluation has been awarded the Great Place to Work certification.

Number of Staff



EQL Pharma, a great place to work

- Excellent salary level
- Open working environment
- Career development opportunities
- Skill transfer between staff
- Possibility for remote work (several employees are located abroad)

Interview with Martin Kristoffersson

What are your tasks?

I am COO (Chief Operating Officer) responsible for in- and out-licensing, supply chain, project management, product development, sourcing and legal. I have been at EQL Pharma for just over two years but in this role since summer 2022.

What does a typical working day look like for you?

There is a lot of email and many contacts with external partners, especially in Asia and Europe, both licence partners and suppliers. There are also a lot of contracts for me to read and negotiate.

What are you most satisfied with from the past year at EQL Pharma?

I'm rarely satisfied, but I'm happy that we've established a team ready for the future! With our team, we can both license in/out products and develop new ones. We have better conditions now than we did last year. The supply and logistics team has also been strengthened, so we are stronger on all fronts. We have also concluded agreements with a number of additional key partners for our Memprex and Mellozzan brands, and secured the expansion of the entire EQL in several markets.

What are the main challenges for EQL Pharma?

I would say that significant challenges right now are that after COVID-19, we have a supply situation and a market that is not functioning. I think many companies have that. This requires some work. Providing products in the system can be a challenge. The war in Ukraine is also having an impact, costs are rising, and some factories have had temporary closures due to energy shortages. This is a challenge when working with niche products. When a manufacturer restarts production, they often start with the big products, not niche ones.

What are you most looking forward to in your work?

It is fun to follow the development of the company! We are building like crazy, and more products are being added to our portfolio all the time. We constantly scan for new opportunities and have a list of candidates we are interested in. I look forward to learning how things are going and developing; what will be the next product, agreement, or market? It is exciting.

Shares

EQL Pharma's share has been listed on the Spotlight Stock Market since December 17 2013 and is traded under the ticker EQL.

Share Capital

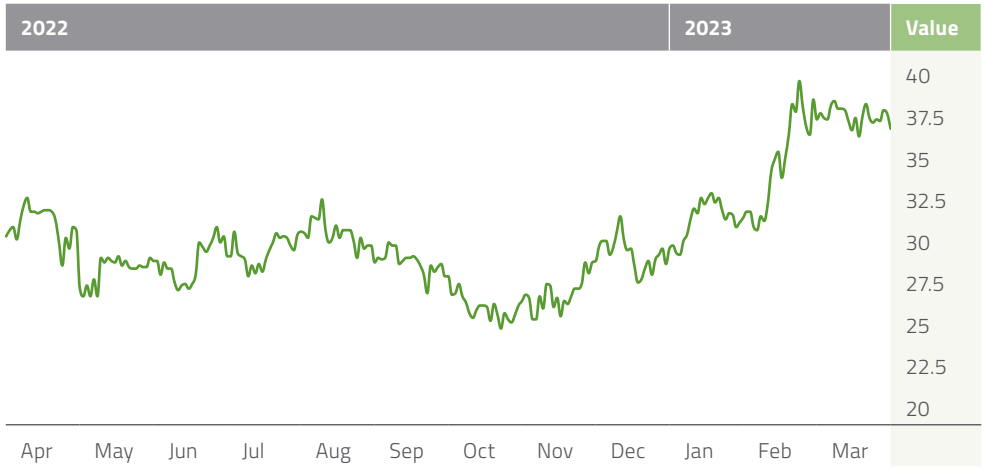
The Company's share capital is expressed in Swedish kronor (SEK) and is distributed among the shares issued by the company with a quota value also expressed in SEK. The share capital amounts to SEK 1.308 million and consists of 29,063,610 (29,063,610) shares, giving a quota value of SEK 0.05 per share.

Dividends

The Board does not intend to propose a dividend until the company generates favourable cash flows that cannot be better invested in the business. EQL Pharma has not paid a dividend since it was founded in 2006. No dividend is proposed for the past financial year.

Share Price

Current price information is available on the Spotlight Stock Market website www.spotlightstockmarket.com. The diagram in this section shows the price development for the share during the financial year 2022-2023.



Financial Calendar

2023 16 aug	Interim report 2024-Q1
2023 17 aug	Annual General Meeting 2023
2023 17 nov	Interim report 2024-Q2
2023 13 feb	Interim report 2024-Q3
2023 14 may	Year-end report 2024-Q4

Value Development

On the final day of trading in March 2023, the share was SEK 37.4 (SEK 31.0). The highest price paid for the share during the year was SEK 40.90 (February 23 2023).

KEY FACTS

Ticker: EQL
Listing venue: Spotlight Stock Market
Number of shareholders: 961
Number of shares: 29,063,610
Share capital: SEK 1.308 million

Shareholders

At the end of the financial year, EQL Pharma had 961 shareholders. At the beginning of the financial year, EQL Pharma had 964 shareholders. The main shareholders are shown in the table below.

Shareholders	Share
Cadila Pharmaceuticals Ltd	30.00
Christer Fåhraeus	29.00
Avanza Pension	3.29
SEB Fonder	2.19
Sten Irwe	1.54
Lars Fåhraeus	1.24
Carnegie Fonder	1.19
Emanuel Eriksson	1.10
Cliens Fonder	1.06
Martin Søkjer-Petersen	1.03

Executive Team and Auditor

Axel Schörling

CEO since 2022, Vice CEO since 2020 and COO since 2018

Born: 1986

Education: MSc Engineering Physics, Chalmers and MSc Financial Economics, Gothenburg School of Business,Economics and Law.

Other ongoing roles: Board member of GASPOROX AB.

Previous roles (past five years): Director of Perstorp's Business Controlling team and management consultant at BearingPoint.

Holdings in the Company: 257,113 shares and 400,000 call options.

Alexander Brising

Business Development Director since 2016, Chief Commercial Officer since 2022

Born: 1970

Education: MSc Business Administration and Management & Operations at Gothenburg School of Business, Economics and Law.

Other ongoing roles: Board member of the Association of Generic Pharmaceutical and Biosimilars in Sweden AB and Baabs AB.

Previous roles (past five years): Commercial Head Sweden at Sandoz Nordic Headquarters in Copenhagen.

Holdings in the Company: 256,543 shares.

Martin Kristofferson

Strategic Sourcing Director since 2021 and COO since 2022

Born: 1978

Education: MSc Business Administration, Linköpings University.

Other ongoing roles: –

Previous roles (past five years): Sourcing Director at Biogaia AB in Lund, CMO and Medical Devices Procurement at Leo Pharma in Copenhagen.

Holdings in the Company: 15,200 shares and 116,000 call options.

Anna Jönsson

CFO since 2021

Born: 1984

Education: IHM Business School.

Previous roles (past five years): –

Previous roles (past five years): Office manager in Lund at Resursgruppen Ekonomi & Revision AB.

Holdings in the Company: 13,729 shares.

Cornelia Lindström

Regulatory Affairs, Quality Assurance and PV Director since 2021

Born: 1986

Education: MSc Pharm, Certified Pharmacist, Uppsala University.

Other ongoing roles: –

Previous roles (past five years): Head of Regulatory Affairs and Pharmacovigilance at Bayer Animal Health in Copenhagen.

Holdings in the Company: 46,000 call options.

Auditor

The Company's auditor is Deloitte AB, newly elected at the 2022 AGM for the period up to the end of the 2023.

Maria Ekelund (born 1970) has been the Company's chief auditor since the financial year 2022/2023. Maria Ekelund is an authorised public accountant and a member of FAR (the professional organisation for authorised public accountants).

Deloitte's office address is Hjälmaregatan 3, 201 23 Malmö.

The Board of Directors

Christer Fåhraeus

Founder, Board member since 2006 and Chairman since 2022

Born: 1965

Education: BA, MSc Biotechnology (UCSD), PhD hc.

Övriga pågående uppdrag: Chairman of Bionamic AB and Board member of CellaVision AB, FlatFrog Laboratories AB and Melius Pharma AB.

Previous roles (past five years): CEO of CellaVision AB, Anoto Group AB, FlatFrog Laboratories and Agellis Group AB and Chairman of FlatFrog Laboratories AB and Board member of LU Holding AB.

Holdings in the Company: 8,427,348 shares.

Anders Månsson

Board member since 2018 and Chairman 2020-2022

Born: 1967

Education: BSc and MBA Business Administration.

Other ongoing roles: Chief Executive Officer of LIDDS AB and bBoard member in Immetric Invest.

Previous roles (past five years): CEO and Vice CEO of RhoVac AB, CEO and Board member of Amniotics AB, Chairman of CanImGuide Therapeutics AB and Board member of Respiratorius AB.

Holdings in the Company: 10,000 shares.

Rajiv I. Modi

Board member since 2015

Born: 1960

Education: MSc Biochemical Engineering, University College London, and PhD Biological Science, University of Michigan, Ann Arbor.

Other ongoing roles: CEO and Chairman of Cadila Pharmaceuticals and Chairman of the Indian Institute of Technology, Guwahati, India.

Previous roles (past five years): Chairman of the CII National Committee on Pharma and the CII Gujarat State Council.

Holdings in the Company: 8,718,500 shares.

Per Ollermark

Board member since 2021

Born: 1960

Education: BSc

Other ongoing roles: Senior consultant and CEO of own consulting firm Turn the Key AB in interim positions as CFO, project manager or senior adviser in Sweden, Denmark and Germany.

Previous roles (past five years): roles at companies including Vapiano, Pricerunner, Mentimeter, Stillfront, Polarium, Nordic Waterproofing, Karnov, Elcowire and Nordic Flanges.

Holdings in the Company: –

Per Svangren

Board member since 2021

Born: 1973

Education: MSc, Certified Pharmacist, Uppsala University.

Other ongoing roles: Senior consultant and CEO of own consulting firm with a focus on global pricing & reimbursement and market access within pharma and medtech.

Previous roles: (past five years): AstraZeneca (Global price & reimbursement director) and SOBI (Head of global market access, specialty care), Board member of Barsebäck Golf & Country Club.

Holdings in the Company: 10,000 shares.

Linda Neckmar

Board member since 2020

Born: 1973

Education: MSc Chemical Engineering, LTH, Lund University.

Other ongoing roles: Executive with global responsibility for the business area Human Health at Chr Hansen AS and Board member of International Probiotic Association.

Previous roles (past five years): Head of global sales and marketing at Probi AB and board member of Phase Holographic Imaging AB and Veg of Lund AB.

Holdings in the Company: 2,500 shares.

Financial Information

Directors' Report

The Board of Directors and CEO of EQL Pharma AB (publ), corporate identification number 556713-3425 with registered offices in Lund, hereby submit the annual accounts for operations in the Group and parent company for the financial year April 1 2022 to March 31 2023.

Operations and Structure

EQL Pharma AB specialises in developing and selling generics, i .e. medicines that are medically identical to the originator product. On March 31 2022 the company has 22 niche generics (generics with little or no competition apart from the originator product) marketed. Moreover, there is a substantial pipeline of additional niche generics for launch in 2022 and beyond. At present, operations are entirely focused on prescription medicines, including hospital products, in the Nordic region and selected European markets. With operations based in Lund, the Company has 13 employees and is listed on Spotlight Next Stock Market. EQL Pharma is running an extensive development programme in collaboration with leading contract manufacturers and large pharmaceutical companies based in areas such as the EU and Asia.

Market

EQL Pharma currently operates under its own brand in Sweden, Denmark, Norway and Finland. In the rest of Europe EQL Pharma's products are sold indirectly via partners.

Significant events during the financial year

- On May 5 2022 Glycopyrronium EQL Pharma is approved by the Danish Medicines Agency, and in Sweden and Norway.
- On May 11 EQL Pharma entered into an exclusive out-licensing agreement with French company H.A.C. Pharma for EQL's proprietary product Mellozzan (melatonin) for France.
- On August 18 Axel Schörling took over as CEO while Christer Fåhraeus moved to a role as Chairman of the Board. Martin Kristoffersson was appointed as the new COO.
- On September 12 EQL Pharma is awarded "Best logistics provider within Self-care" by Apotek Hjärtat with the jurisdiction: "EQL Pharma has under last year demonstrated a strength, enormous will, entrepreneurship and not least flexibility. We are extremely grateful for the extra nice collaboration that we had during the year where EQL has secured qualitative deliveries of this year's best seller, covid tests".
- October 24, EQL Pharma launches a one-step "lollipop" antigen self-test for Covid-19 in the Nordics.
- On October 28, EQL Pharma launches a combined Covid-19 and Influenza A/B antigen self-test.
- EQL Pharma announced on November 9 that the Company will out-license Mellozzan to a leading European pharmaceutical company for two major Southern European geographies.
- On November 22 it was announced that EQL Pharma named a Gazelle company in Skåne by Dagens Industri.
- On March 13 it was announced that EQL Pharma recruits Carl Lindgren as Chief Business Development Officer.

Launches and deregistrations

During the financial year, EQL launched Colecalciferol EQL Pharma and Abiraterone Qilu in Sweden and Norway. We have also launched Ondansetron EQL Pharma in Sweden and Denmark. Gefitinib Qilu, Loperamide EQL Pharma and Latanoprost EQL have been deregistered during the year due to significantly worse market conditions than when they were signed, which made profitability impossible. None of them had been launched in any market so the deregistrations did not affect the company's results or any patient's ongoing treatment.

Approval and acquisition

During the year, EQL has had ten medicines approved for launch in the Nordic Countries. These are Glyronul (glycopyrronium bromide) injection, Copneg (glycopyrronium/neostigmine) injection, Ampitar (ampicillin) injection, Penicryl (benzylpenicillin) injection, Piperacillin/Tazobactam Qilu injection, Sugammadex Qilu injection, Meropenem Qilu injection, Tigecycline EQL Pharma injection, Levosimendan EQL Pharma injection and Mellozzan (melatonin) oral solution.

Significant events after the end of the financial year

- 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 for a price of 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 extended to include warrants of series TO 1 for a consideration

of SEK 0.50 in cash per TO 1. The acceptance period in the Offer expired on May 16, 2023. EQL Pharma did not extend the acceptance period further and the Offer was therefore terminated. At the end of the acceptance period, the Offer had been accepted by shareholders with 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. A total of 1,579,972 shares and 560,956 TO 1 were acquired, including acquisitions above the market, which corresponded to a holding of approximately 13.20 percent. Due to the fact that the outcome did not correspond to expectations, the board of EQL Pharma further announced that it accepts Navamedic's offer and divested all shares and TO 1 in Sensidose.

- ✔ On April 28, EQL Pharma entered into a license agreement with a large pharmaceutical company in Turkey for Mellozzan (melatonin)
- ✔ It was announced on May 22nd that EQL Pharma is out-licensing Memprex (methenamine hippurate) to Laboratoires Majorelle for the French market
- ✔ On May 24, it was announced that EQL Pharma has entered into a strategic license agreement with Adalvo for Mellozzan (melatonin) outside of Europe
- ✔ On May 31, it was announced that EQL Pharma is out-licensing Methenamine Hippurate to Dr. Pfleger Arzneimittel for the German market.

Significant Risks and Uncertainty Factors

Risks and uncertainty factors

A number of risk factors may have a negative effect on the operations of EQL Pharma. It is therefore very important to take account of relevant risks alongside the Company's growth possibilities. Below is a description of risk factors, in no particular order. The list is not exhaustive.

Development risks

EQL Pharma develops its own niche generics via partners. This development process takes a long time, and delays as well as increased costs for the development and approval process cannot be ruled out. In the event of delays, the Company may be affected by delayed sales revenue together with an increased risk of competition from other generics companies, which could have a considerable negative impact on the Company's operations, earnings and financial position.

Market growth

An establishment in new countries and regions may entail problems and risks that are difficult to predict. Furthermore, establishments may be delayed and thereby entail a shortfall in revenue. EQL Pharma is in a growth phase, which may entail that the Company carries out acquisitions of other companies. Synergy effects that fail to materialise and less than optimal integration work may have a negative impact on the Company's operations, earnings and financial position. Furthermore, rapid growth may entail problems on the organisational level.

It may also be hard to recruit the right staff and difficulties may arise regarding the successful integration of new staff into the organisation. An expansion and offensive market initiatives would also mean increased costs for the Company. If any of these circumstances were to arise, there may be a negative impact on the Company's operations, earnings and financial position.

Competition

Extensive investment and product development by a competitor may entail risks in the form of reduced sales and profitability. Increased competition may cause negative sales and earnings effects for the Company in the future.

Political risk

EQL Pharma is active in and through a number of different countries. These countries have specific laws and ordinances that are applied regarding the sale of generics, for example. Risks may arise due to changes in these laws and ordinances, which may have a considerable negative impact on the Company's operations, earnings and financial position.

Regulatory authority approvals

EQL Pharma is dependent on the Company's products undergoing studies to demonstrate the new generic's bioequivalence with the original medicine. There is a risk that the outcome of these studies is not to the Company's advantage. In these cases, additional studies may be necessary to obtain the relevant approval. There is also a risk that the implementation of the studies is not in line with what was planned, which may affect their outcome. Such outcomes may delay sales and development as well as increase the costs of a new product, which may have a considerable negative impact on the Company's operations, earnings and financial position.

The Company's success in certain markets is reliant on national insurance systems (private or public) approving EQL Pharma's products for reimbursement in the national insurance systems. EQL Pharma works for the products to be incorporated in the markets in question, but there is a risk that the Company's generics will not fulfil or be able to maintain the requirements set for receiving reimbursement from national insurance systems in the markets where the Company is active. Furthermore, there is a risk that sufficiently advantageous reimbursement from these national insurance systems will not be received and that the systems will not pay out such reimbursement within a certain timeframe. If in certain markets no reimbursement is forthcoming from the insurance systems and no clinical acceptance is obtained for the medicine, this will lead to a negative effect on the Company's future sales growth, which could have a considerable negative impact on the Company's operations, earnings and financial position.

Partners
EQL Pharma has, and will continue to have, collaborations with a number of partners. It cannot be ruled out that one or several of these may choose to discontinue their collaboration with the Company, which could have a negative effect on the Company's operations in the form of delays and the possibility of limited or lost revenues. Also, it cannot be guaranteed that EQL Pharma's partners completely fulfil the quality requirements set by the Company. It may also be the case that an establishment with new partners becomes more expensive and/or takes longer than the Company estimated. The lack of relevant collaboration agreements or partners that fail in their work may therefore have a considerable negative impact on the Company's operations, earnings and financial position.

Financial risks
EQL Pharma is exposed through its operations to a number of different financial risks including credit risk and market risks such as currency risk, interest rate risk and liquidity risk. The Group's management and board work actively to minimise these risks.

Credit risk
Credit risk is defined as the risk that the Group's counterparties cannot fulfil their financial obligations to the Group. The Group's largest credit risk is trade receivables. Historically, the Group has had very few customer losses and the finance department focuses strongly on collection of due trade receivables. The Group has also established guidelines to ensure that the sale of products and services is to customers with a suitable credit background.

Currency risk
The strong currency fluctuations of recent years is one of the risks that the Group has to manage. The Group's currency policy excludes hedging. The Group currently has sales in SEK, USD, DKK, NOK and EUR and costs in the same currencies, which in itself partly balances the currency risk.

Liquidity risk
The company is reliant on the continuous development of new generics. Delays in market breakthroughs for one or several products may mean a decline in earnings for the Company. There is therefore a risk that the Company may need to obtain additional capital in the future. There is a risk that any additional capital cannot be obtained on favourable terms or that such raised capital is not sufficient to finance the Company's development, or that such capital cannot be acquired at all, which may have a considerable negative impact on the Company's operations, earnings and financial position. For further information about the Company's financial risks see note K4 Financial risks.

Key persons
EQL Pharma's key persons possess considerable expertise and long experience of the Company's area of operations. The loss of one or several key persons may as a result entail negative consequences for EQL Pharma's business and there is a risk that qualified staff cannot be recruited if that need should arise. Neither is it possible to completely protect against former employees spreading information to other players, which entails a risk that competitors find out about, and can utilise, the know-how that is developed by EQL Pharma. If the Company was to lose key persons, fail in recruiting qualified staff, or former employees were to spread information about the Company to other players, this could have a considerable negative impact on the Company's operations, earnings and financial position.

Operational risk
Operational risk is defined as the risk that losses are caused due to deficient procedures and/or irregularities. Good internal controls, an appropriate administrative system, professional development and access to reliable evaluation and risk models are a good basis for guaranteeing operational security. The employees' knowledge, experience and commitment are important for EQL Pharma's future development. EQL Pharma could be negatively affected if several of the Group's employees left EQL Pharma at the same time, or in the case of deficiencies arising in the Group's operational security.

Disputes
Legal disputes entail risks of losing cases as well as the cost of legal representation and, in the case of arbitration proceedings, an arbitration tribunal. There is always a risk that disputes arise concerning agreements or that disputes that arise cannot be solved in an advantageous way for the Group. Legal proceedings may therefore have a considerable negative impact on EQL Pharma's operations, earnings and financial position.

Changes in legislation
New laws or regulations, or changes in the application of existing laws, may affect the Group's business negatively. At present, no such changes are known.

Financial Targets

EQL Pharma's financial targets are expectations regarding growth and profitability. These targets are based on a number of assumptions, which by their very nature are subject to significant business, operational, economic and other risks, of which many are beyond the Company's control. The Company has based the targets on detailed assumptions that the executive team and board have used as a basis when they decided the targets, but there is a risk that in the future these assumptions will not reflect the commercial, regulatory and economic environment in which the Company operates. Consequently, the assumptions may change or not materialise at all. In addition, unexpected events may entail a negative effect on the actual results that

the Company achieves in the future, regardless of whether the assumptions prove to be correct or not. Therefore, the Company's actual results may deviate from these targets and investors should not attach an unreasonable significance to them.

The Company's Share

The Company's share has been listed on Spotlight Stock Market since December 17 2013. The share capital amounts to SEK 1.308 million and consists of 29,063,610 (29,063,610) shares with a quotient value of SEK 0.05 per share. Each share gives entitlement to one vote.

Shareholders

The number of shareholders totalled around 964 at the start of the financial year and around 961 at the close of the financial year.

Dividend policy

The Board of Directors does not intend to propose a dividend until the company is generating healthy cash flows that cannot be put to better use through reinvestment in the business. EQL Pharma has not issued a dividend since the company was founded in 2006.

The Year in Figures

Net sales

The Group's turnover during the period April to March was SEK 259.91 (409.8) million. Adjusted for non-recurring sales, turnover amounted to SEK 203.8 (135.4) (95 .8) million, an increase of 51%.

Gross and operating profit

The gross profit for the period was SEK 115.9 (95.7) (51 .0) million, which corresponds to a gross margin of 43 (23) percent. The operating profit for the period was SEK 41.3 (38 .8) million, providing an operating margin of 16 (9) per cent.

Net financial income/expense

The net financial income/expense for the year was SEK -2.4 (-2.8) million.

Profit for the year

The profit for the year before tax was SEK 39.0 (36.0) million. Tax for the year was SEK -8.0 (-4.4) million. The profit for the year provides earnings per share of SEK 1.06 (1.09).

Cash flow for the year

The cash flow from operating activities was SEK 27.6 (41.8) million. The cash flow from investing activities was SEK -20.5 (-22.1) million. The cash flow from financing activities was SEK -3.9 (-5.1) million.

Financial position as at 31-03-2023

Liquid funds at the end of the period amounted to SEK 44..4 (41.2) million. As at March 31 2023 unutilised pledged invoice credit amounted to SEK 20.0 (0) million. Available pledged invoice and inventory limits amounted to SEK 80 (80) million .

Staff

The number of full-time employees in the Group is 18 (13) of whom 12 (7) are women. In addition to the permanent staff there are also employed consultants with expertise in GMP (Good Manufacturing Practice), pharmacovigilance (sideeffect monitoring) as well as wholesale activities linked to the parent company.

Proposed Appropriation of Company Profit

At the disposal of the AGM are the following earnings in the parent company (all amounts in SEK):

SEK	2022/2023
Retained earnings	93,51,958
Profit for the year	362,612
TOTAL	**93,514,570**

Retained earnings are offset against non-restricted equity.

The Company's earnings for the financial year and financial position as at March 31 2023 are detailed in the attached financial statements with accompanying notes, which comprise an integral part of these annual accounts.

EQL Pharma AB, Corporate ID No. 556713-3425

Five-Year Overview

SEK K	2022/2023	2021/2022	2020/2021	2019/2020	2018/2019
Earnings					
Net sales	259,913	409,753	179,141	72,029	49,755
Sales growth, %	-37	129	149	45	47
Gross profit	**115,850**	**95,734**	**51,006**	**32,892**	**21,552**
Gross margin, %	45	23	28	46	45
Profit after financial, tems	38,968	35,965	10,422	2,689	-1,533
Net profit	**30,921**	**31,549**	**10,367**	**2,672**	**-1,533**
Financial position					
Equity/assets ratio, %	54	52	45	65	77
Total cash flow	3,227	14,620	16,269	-11,382	12,821
Return on equity, %	22	29	12	3	neg.

Statement of Comprehensive Income

SEK K	Note	01-04-2022 31-03-2023	01-04-2021 31-03-2022
Net sales	K5	259,913	409,753
Expenses for sold goods		-144,063	-314,019
Gross profit		**115,850**	**95,734**
Sales expenses	K6, K7	-44,641	-37,275
Administration expenses	K6,K7,K8,K9	-15,145	-10,884
Research and development expenses	K8,K9	-15,138	-9,131
Other operating income	K10	413	395
Operating profit (EBIT)		**41,339**	**38,839**
Profit or loss from financial items			
Interest income and similar profit/loss items	K11	1	0
Interest expense and similar profit/loss items	K11	-2,372	-2,874
Net financial income/expense		**-2,371**	**-2,874**
Earnings before tax (EBT)		**38,968**	**35,965**
Tax on profit/loss for the year	K12	-8,047	-4,417
Profit/loss for the period		**30,921**	**31,549**
Other comprehensive income			
Translation difference		11	-1
COMPREHENSIVE INCOME FOR THE PERIOD		**30,932**	**31,548**
Comprehensive income for the period attributable to:			
Parent company shareholders		30,932	31,548
Earnings per share before and after dilution, for the Group as a whole, SEK	**K13**	**1.06**	**1.09**

Summary of Consolidated Statement of Financial Position

Assets

SEK K	Note	01-04-2022 31-03-2023	01-04-2021 31-03-2022
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalised expenditure	K14	12,780	11,830
Licensed and development products	K15	102,539	98,413
Total intangible fixed assets		**115,319**	**110,243**
Tangible fixed assets			
Buildings	K16	2,057	3,190
Equipment, tools and fixtures and fittings	K16	1,091	1,002
Total tangible fixed assets		**3,149**	**4,192**
Non-current financial fixed assets			
Participations in other companies		1	1
Total non-current financial assets		**1**	**1**
Total fixed assets		**118,468**	**114,436**
Current assets			
Goods for resale	K17	65,368	41,674
Trade receivables	K18	51,701	34,098
Other current receivables	K19	0	3,504
Prepaid expenses and accrued income	K20	5,733	2,976
Liquid funds	K21	44,426	41,199
Total current assets		**167,228**	**123,452**
TOTAL ASSETS		**285,696**	**237,888**

Summary of Consolidated Statement of Financial Position

Equity and Liabilities

SEK K	Note	01-04-2022 31-03-2023	01-04-2021 31-03-2022
EQUITY AND LIABILITIES			
Share capital	K22	1,308	1,308
Other contributed capital		67,183	66,990
Retained earnings including profit for the year		86,262	55,328
Equity attributable to parent company shareholders		**154,753**	**123,626**
Long-term liabilities			
Liabilities to credit institutions	K23	0	7,200
Leasing agreement liabilities	K7	2,916	4,185
Deferred tax liability		12,051	4,120
Total long-term liabilities		**14,967**	**15,505**
Current liabilities			
Liabilities to credit institutions	K23	0	5,400
Trade liabilities		29,610	15,975
Pledged invoices	K25, K28	3,440	0
Pledged inventory	K25, K28	60,261	59,316
Deferred tax liability		136	145
Other current liabilities	K25, K26	6,459	2,636
Accrued expenses and deferred income	K27	16,070	15,285
Total current liabilities		**115,976**	**98,757**
TOTAL EQUITY AND LIABILITIES		**285,696**	**237,888**

Consolidated Statement of Changes in Equity

SEK K	Share capital	Other contributed capital	Retained earnings including profit for the year	Total equity
Equity brought forward as at April 1 2021	**1,308**	**66,133**	**23,780**	**91,221**
Total comprehensive income for the year				
Profit for the year			31,549	31,549
Other comprehensive income			0	0
Total comprehensive income			**31,549**	**31,549**
Transactions with owners				
Employee share options		857		857
Total transactions with owners		**857**		**857**
Equity carried forward as at March 31 2022	**1,308**	**66,990**	**55,328**	**123,626**
Equity brought forward as at April 1 2022	**1,308**	**66,990**	**55,328**	**123,626**
Total comprehensive income for the year				
Profit for the year			30,921	30,921
Other comprehensive income			13	13
Total comprehensive income			**30,934**	**30,934**
Transactions with owners:				
Employee share options		193		193
Total transactions with owners		**193**		**193**
Equity carried forward as at March 31 2023	**1,308**	**67,183**	**86,262**	**154,753**

Consolidated Statement of Cash Flows

SEK K	Note	01-04-2022 31-03-2023	01-04-2021 31-03-2022
Operating activities			
Profit after financial items		38,968	35,965
Adjustment for items not included in the cash flow	K24	14,185	10,266
Interest paid		2,293	2,779
Tax		0	
Cash flow from operating activities before changes in working capital		**55,446**	**49,010**
Changes in working capital			
Changes in inventories		-23,694	683
Changes in current receivables		-16,856	-11,691
Changes in current liabilities		12,719	3,826
Cash flow from operating activities		**27,616**	**41,828**
Investing activities			
Investment in intangible assets		-20,053	-21,463
Investment in tangible assets		-456	-627
Cash flow from investing activities		**-20,510**	**-22,090**
Financing activities			
Raised loans and leasing liabilities		0	602
Amortisation of loans and leasing liabilities		-4,073	-6,577
Employee share options		193	857
Cash flow from financing activities		**-3,879**	**-5,118**
CASH FLOW FOR THE PERIOD		**3,227**	**14,620**
Liquid funds at the start of the period		41,199	26,579
Liquid funds at the end of the period		**44,426**	**41,199**

Notes to the Consolidated Accounts

Note K1

General Information

EQL Pharma AB (publ), corporate identity number 556713-3425, is a Swedish public company with headquarters in Lund, Sweden. In this report EQL Pharma AB (publ) is either referred to by its full name or as the Company.

All amounts are in SEK thousands (SEK K), unless otherwise stated. Figures within brackets refer to the previous year.

Note K2

Significant Accounting Principles

The consolidated financial statements have been drawn up in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) such as have been enacted by the EU. Furthermore, the Swedish Financial Accounting Standards Council's recommendation RFR 1 Supplementary accounting rules for groups has been applied.

The parent company applies the same accounting principles as the Group with the exception of cases noted in the section on the parent company's accounting principles.

Valuation Basis

Assets and liabilities are reported at historical acquisition values, except for certain financial assets and liabilities that are valued at fair value. A defined benefit pension liability/asset is recognised at the net of the fair value of plan assets and the present value of the defined benefit liability, adjusted for any asset limitations.

Accounting Currency and Presentation Currency

The parent company's accounting currency is SEK, which is also the presentation currency of the parent company and the Group. This means that the financial statements are presented in SEK. All amounts are rounded to the nearest thousand (SEK K), unless otherwise stated. In texts and tables, figures between 0 and 0.5 are represented by 0.

Assessments and Estimates

Drawing up the financial statements in accordance with IFRS requires the board and company management to make assessments and estimates as well as assumptions that affect the Group's earnings, position and reported information in general. The estimates and assumptions are based on historical experiences and a number of other factors that are deemed to be reasonable under the prevailing circumstances. The actual outcome may differ from these estimates and assessments. Estimates and assumptions are reviewed regularly. Changes to estimates are reported in the period the change is made if the change has only affected that period, or in the period the change is made and future periods if the change affects both the current period and future periods. Assessments made by company management in the application of IFRS that have an effect on the financial statements, and estimates carried out that may entail significant adjustments in the following year's financial statements are described in note K3 and elsewhere.

Changes in Accounting Principles

There are no new IFRS standards that have been approved for application from 2021 onwards. There are some changes to standards that are approved for application from 2021. These are not deemed to have a significant effect on the Group's financial statements.

New IFRS That Have Not Yet Been Applied

New and changed IFRS for future application are not expected to have a significant effect on the Group's financial statements.

Classification of Long-Term and Current Items

Fixed assets and long-term liabilities essentially consist of amounts that are expected to be recovered or paid after more than 12 months calculated from accounting year-end. Current assets and short-term liabilities consist essentially of amounts that are expected to be recovered or paid within 12 months calculated from accounting year-end.

Segment Reporting

An operating segment is a part of the group that carries out activities from which it can generate income and incur costs and for which independent financial information is available. An operating segment's results are followed up by the company's highest executive decision-making body to evaluate the result and to be able to allocate resources to the operating segment. EQL Pharma (publ) has identified group management as the highest executive decision-making body. For more information on operating segments, see Note K5.

Consolidation Principles

Subsidiaries

Subsidiaries are all companies in which the Group has the right to shape financial and operational strategies in a way that usually follows with a shareholding that exceeds 50% of the shares' or participations' voting power or where the Group through an agreement has a sole controlling influence. Subsidiaries are included in the consolidated financial statements as of the day this control is transferred to the Group. They are excluded from the Group's consolidated financial statements as of the day this control ceases. The acquisition method is used in the reporting of the Group's acquisition of subsidiaries. The cost of acquisition is made up of the fair value of assets submitted as payment, issued equity instruments and liabilities arisen or assumed on the day of transfer. Identifiable acquired assets and assumed liabilities and contingent liabilities in a business combination are initially measured at fair value on the acquisition date, regardless of the extent of any non-controlling interest. The excess that arises from the difference between the cost of acquisition and the fair value of the Group's share of identifiable acquired assets, liabilities and contingent liabilities is reported as goodwill. If the cost of acquisition is below the fair value of the acquired subsidiary's assets, liabilities and contingent liabilities, this difference is reported directly in the income statement.

Elimination of transactions on consolidation

Intra-group transactions and balance sheet items as well as unrealised profits on transactions between group companies are eliminated. Unrealised losses are also eliminated, but any losses are considered as an indication that there may be a write-down requirement. Where appropriate, the accounting principles of subsidiaries have been changed in order to guarantee consistent application of the Group's principles.

Reporting of Distribution Costs

Historically, EQL Pharma has included distribution costs for medicines in direct costs of materials. However, the pharmaceutical industry regards distribution as an operating activity and therefore includes these costs in sales and marketing costs, i.e. operating expenses. In order to facilitate the calculation of efficiency measurements and production of comparative analyses vis-à-vis the pharmaceutical industry, EQL Pharma reports distribution costs under other external costs, in line with the pharmaceutical industry.

IFRS 15 – Recognition of Revenue

Revenue consists of the fair value of what has been received or will be received for sold goods and services in the Group's operating activities. Revenue is reported excluding value added tax, returns and discounts and after elimination of intra-group sales.

The Group recognises revenue when this amount can be measured in a reliable way, it is likely that future financial benefits will be accrued by the Company and that specific criteria have been fulfilled for each of the Group's activities as described below.

Step 1: Identify the contract with a customer

A contract is an agreement between two or more parties that creates enforceable rights and obligations. The requirements of IFRS 15 are to be applied to each individual customer contract that the parties have agreed on and which fulfil the following criteria:

- ✔ The contract is approved by the parties and the parties intend to fulfil the obligations
- ✔ The respective parties' rights can be identified
- ✔ The payment terms can be identified for the goods and services that are to be transferred.
- ✔ The contract has business implications (i.e. the risk, point in time and amount of the company's future cash flows are expected to change as a result of the contract)
- ✔ It is probable that the company will receive the payment they have a right to in the exchange of the goods and servies that are to be transferred to the customer.

Customer contracts in EQL Pharma fulfil the five criteria stated in step 1.

Step 2: Identify the various performance obligations

A customer contract contains a promise to transfer goods or services to the customer. If a promise regarding specific goods

or services fulfils the criterion of being "distinct", this is a performance obligation that is to be reported separately from the other goods and services in the contract.

A distinct performance obligation is a promise concerning goods and services in a contract that fulfils the following criteria:

- ✔ The customer can use the specific goods or services individually or together with other easily accessible resources (distinct in nature) and
- ✔ The company's promise to provide specific goods or services to the customer is separately identifiable from other promises in the contract (distinct in the contract).

Within EQL Pharma, customer agreements exist that include one or more performance obligations. The agreements may include only the sale of products, only the sale of services and a combination of these. The Group's commitments for warranties include an assurance that the product fulfils agreed specifications, i.e. normal warranty rules. These are recognised as a provision.

Step 3: Determine the transaction price

The transaction price is the payment to which the company expects to be entitled for transferring promised goods or services to the customer, excluding value added tax. The transaction price may be a fixed amount or a variable amount due to discounts, credits or similar. Regarding contracts that contain a variable payment, this sets a requirement that estimates and assessments are made, which may affect both the size of the revenue and the timing of its recognition.

Variable payment is only to be recognised to the extent that it is highly probable that a reversal of a significant part of the revenue will not be needed in the future when uncertainty regarding the variable payment is resolved.

Step 4: Allocate the transaction price

When the transaction price is established, it is to be allocated to the distinct performance obligations that have been identified. When a contract contains more than one performance obligation, the company allocates the transaction price to each distinct performance obligation on the basis of its stand-alone selling price. The standalone selling price is defined as the amount at which the performance obligation could be set in separate price-setting.

Step 5: Recognise the revenue – over time or at a point in time

Revenue is recognised when the entity has fulfilled a performance obligation when control of the underlying goods and services has been transferred to the customer. Indicators for assessing when control is transferred to the customer may be that the company has transferred physical possession, the company has a present right to payment, the customer has accepted the good or service, the customer has the essential risks and rewards, and the customer has a legal title.

EQL Pharma recognises revenue from contracts with customers both over time and at a specific point in time. The Group has different delivery conditions and these affect when control of the products is transferred to the customer. Revenue from the sale of development work and consultancy services is recognised in the period in which the services are performed and is based on time spent and costs incurred. Invoicing is done on a monthly basis. Revenue from the sale of services is recognised in the period in which the services are provided.

Leasing

When an agreement is entered into, the Group assesses whether the agreement is, or contains, a leasing agreement. An agreement is, or contains, a leasing agreement if the agreement transfers the right during a certain period to decide on the use of an identified asset in exchange for a payment. At the start of a leasing agreement or in the review of a leasing agreement that contains several components – leasing and non-leasing components – the Group divides the payment according to the agreement to each component or based on the stand-alone price. In cases where it is not possible to differentiate the components, they are reported as a single leasing component.

Leasing agreements in which the Group is the lessee

The Group reports a right-of-use asset and a leasing liability at the start date of the leasing agreement. The right-ofuse asset is initially valued at the cost of acquisition, which consists of the leasing liability's initial value with an addition for leasing fees paid on or before the start date plus any initial direct expenses. The right-of-use asset is depreciated on a straight-line basis from the start date to whichever is earliest – the end of the asset's useful life or the end of the leasing period – which in a normal case for the Group is the end of the leasing period. In cases where the cost of acquisition for the right-of-use asset reflects that the Group will utilise an option to buy the underlying asset, the asset is depreciated at the end of the useful life period.

Leasing liabilities – which are divided up into long-term and short-term parts – are initially valued at the present value of remaining leasing fees during the assessed leasing period. The leasing period comprises the non-cancellable period with the addition of further periods in the agreement if on the start date it is assessed as reasonably certain that these will be utilised.

Leasing fees are discounted using the Group's marginal borrowing interest rate, which reflects the Group's credit risk. The marginal borrowing interest rate has been assessed as being the same for all operating leasing agreements, whereas financial leasing

agreements, which mainly concern cars, have different ones. The leasing liability comprises the present value of the following fees during the assessed leasing period:

- ✔ Fixed fees
- ✔ Variable leasing fees linked to an index or rate, initially valued using the index or rate that applied on the start date.

The liability's value increases with the interest expense for the respective period and is reduced by amortisation. The interest expense is calculated as the liability's value times the discount rate.

For leasing agreements with a leasing period of 12 months or less, or with an underlying asset of low value below SEK 50 K, no right-of-use asset or leasing liability is reported. Leasing fees for these leasing agreements are reported as an expense on a straight-line basis over the leasing period. This also applies to variable leasing fees.

Financial Income and Expense

Financial income consists of interest income from invested funds, dividends, write-downs of financial liabilities and profit from the divestment of available-for-sale financial assets.

Financial expense consists of interest expense from loans, the effects of resolving present-value calculated provisions, write-downs of available-for-sale financial assets and losses from the divestment of available-for-sale financial assets.

Currency Translation

Transactions in foreign currencies

Transactions in foreign currencies are translated to the functional currency at the exchange rate on the transaction date. Monetary assets and liabilities in foreign currencies are translated to the functional currency at the exchange rate at accounting year-end. Exchange rate differences arising from translation are reported in profit or loss for the year. Exchange rate differences regarding operating receivables and operating liabilities are reported in the operating profit or loss, whereas exchange rate differences relating to financial items are reported in net financial income and expense.

Translation of overseas businesses

Assets and liabilities in overseas businesses, including goodwill and other group-wise surplus value or under value are translated from the overseas businesses' functional currency to the Group's presentation currency, SEK, at the exchange rate at accounting year-end. Income and costs in an overseas business are translated to SEK at an average exchange rate that constitutes an approximation of the exchange rates on the respective transaction dates. Translation differences that arise in currency translation of overseas businesses are reported in other comprehensive income and accumulated in a separate component in equity, called the foreign exchange reserve. When a controlling interest in an overseas business ceases the accumulated translation differences attributable to the business are realised, whereupon the differences are reclassified from the foreign exchange reserve in equity to profit or loss for the year.

Taxes

Income taxes consist of both current and deferred income tax. Income taxes are reported in the profit or loss for the year, unless the underlying transaction is reported in other comprehensive income or in equity, in which case the associated tax effect is reported in other comprehensive income or in equity. Current tax is tax that is to be paid or received regarding the current year, with application of the tax rates that are decided or in practice decided at accounting year-end. Current tax also includes adjustments of current tax relating to earlier periods. The management regularly assesses claims made in tax returns regarding situations in which appropriate tax rules are subject to interpretation. This entails, when deemed appropriate, provisions for amounts that are likely to be paid to the Swedish Tax Agency.

Deferred tax is calculated according to the balance sheet method based on temporary differences between reported and fiscal values for assets and liabilities. Temporary differences are not taken into account in group-wise goodwill. Furthermore, the same applies to temporary differences attributable to participations in subsidiaries that are not expected to be reversed in the foreseeable future. The valuation of deferred tax is based on how underlying assets or liabilities are expected to be realised or regulated.

Deferred tax is calculated based on the application of the tax rates and tax rules that have been decided or in practice decided at accounting year-end. Deferred tax assets regarding deductible temporary differences and deficit deduction are reported only to the extent that it is probable that these will entail lower tax payments in the future. The value of deferred tax assets is reduced when it is no longer deemed probable that they can be utilised.

Intangible Assets

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.

Licensed products

Licensed products pertain to the rights for the Company to manufacture medicines and to market and sell medicines within a specific territorial area. Depreciation of fully developed products, so-called licensed products, is on a straight-line basis at 20% per year. Depreciation begins once the products have been launched.

Development products

Development products pertain to the costs of developing new medicines. In order to obtain the right to market a particular medicine, a registration application must also be submitted to the regulatory authorities in those countries where the products are to be marketed. These registrations are activated in connection with the payment of licence and registration fees. Products developed by

the Company, socalled development products, are depreciated on a straightline basis at 10% per year. Depreciation begins once the products have been launched.

In cases where it emerges that the potential for the products is fulfilled before 3 or 5 years respectively have elapsed since the launch, the remaining value is written off immediately.
The following useful life periods are applieds:

Capitalised expenditure	*5 years*
Licensed products	*5 years*
Development products	*10 years*
Registration fees, licensed products	*5 years*
Registration fees, development products	*10 years*
Brands and similar rights	*10 years*

Tangible Fixed Assets

Tangible fixed assets are reported in the Group at the cost of acquisition less accumulated depreciation and any write-downs. The cost of acquisition includes the purchase price as well expenses directly attributable to the asset in order to bring it into place and in the condition to be used in accordance with the aim of the acquisition. The carrying amount of an asset is removed from the balance sheet in the case of disposal or sale, or when no future financial benefits are expected from the use or disposal/divestment of the asset. Profit or loss that arises from the divestment or disposal of an asset is made up of the difference between the sales price and the asset's carrying amount less direct sales costs. Profit or loss is reported as for other operating income or expense.

Testing of Write-Down Requirement for Activated Development Expenses

The Group carried out write-down tests to determine the recoverable amount for the projects activated as of March 31 2023 and which have yet to be brought into use. The value in use, the present value of expected future cash flows for the products covered by the activated development expenses, did not indicate any write-down requirement. There is, thus, a reasonable certainty that these assets are expected to generate a sufficient incoming payment surplus in years to come.

In calculating the recoverable amount of cash-generating units for the assessment of intangible assets, several assumptions about future conditions and estimates of parameters have been made. An account of these can be found in Notes K14 and K15.

Financial Instruments

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument. A financial liability is recognised when the counterparty has performed, and there is a contractual obligation to pay, even if an invoice has not yet been received. A financial asset is removed from the balance sheet when the rights in the agreement are realised, expire, or the Group loses control over them. The same applies to part of a financial asset. A financial liability is removed from the balance sheet when the contractual obligation is fulfilled or otherwise extinguished. The same applies to part of a financial liability.

Classification and valuation

Financial assets are classified based on the business model in which the asset is managed and the nature of the asset's cash flow. If the financial asset is held within the framework of a business model whose objective is to collect contractual cash flows and the contractual conditions for the financial asset at specified times give rise to cash flows that solely consist of the principal amount and interest on the principal amount outstanding, the asset is recognised at amortised cost. The Group applies this business model for all financial assets.

If the business model's objective can instead be met by both collecting contractual cash flows and selling financial assets (hold to collect and sell) and the contractual conditions for the financial asset at specified times give rise to cash flows that solely consist of the principal amount and interest on the principal amount outstanding, the asset is recognised at fair value through other comprehensive income.

All other business models (other) for the purpose of speculation, held for trading or where the nature of the cash flows excludes other business models, entail recognition at fair value through profit or loss.

Financial liabilities are measured at fair value through profit or loss if they are held for trading or if they are initially identified as liabilities at fair value through profit or loss. Other financial liabilities are measured at amortised cost. All of the Group's financial liabilities are recognised in this category.

Financial instruments are initially recognized at cost, equivalent to the instrument's fair value plus transaction costs, except instruments in the category "assets at fair value through profit or loss," which are recognized exclusive of transaction costs.

Amortised cost and effective interest method

Financial assets and liabilities recognised at amortised cost are calculated using the effective interest method. Effective interest is the interest upon discounting all the anticipated future cash flows during the expected lifetime that results in the initial carrying amount of the financial asset or financial liability adjusted for any provisions for loss.

Fair value measurement

The fair value of financial assets and liabilities is determined based on listed market prices in active markets. The fair value of other financial assets and liabilities is determined according to generally accepted pricing models, such as a discount of future cash flows and by using information obtained from prevailing market transactions.

The recognised carrying amount of all financial assets and liabilities is considered a good approximation of its fair value, unless otherwise specified.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset, and the net amount presented in the balance sheet only when there is a legally enforceable right to set off the recognised amounts and an intention to settle them on a net basis or to realise the asset and settle the liability simultaneously. The legally enforceable right must not depend on future events, and must be legally binding for the company and the counterparty both in case of normal business activities and in case of default, insolvency or bankruptcy.

Impairment of financial assets

A provision for loss is recognised for expected credit losses on financial assets measured at amortised cost. The provision for loss is valued at an amount corresponding to 12 months of expected credit losses. For financial instruments where a significant increase in credit risk has occurred since the initial recognition, a provision is reported based on loan losses for the asset's entire lifetime (the general model). The change in expected credit losses is recognised in profit or loss.

Expected credit losses are recognised taking into account reasonable and verifiable information, including forward-looking information. Expected credit losses are valued using a method that reflects an objective and probability-weighted amount determined by evaluating an interval of possible outcomes, monetary values over time and reasonable verifiable information, current circumstances and forecasts of future economic circumstances.

At the end of each reporting period, the Group assesses if objective evidence for a write-down requirement exists for a financial asset or group of financial assets. A financial asset has a write-down requirement and is written down only if there is objective evidence for a write-down requirement due to one or more events having occurred since the asset was recognised the first time (a "loss event") and that this event (or events) has an effect on estimated future cash flows for the financial asset that can be estimated in a reliable way.

The criteria the Group use to determine whether there is objective evidence for a write-down requirement include significant financial difficulties at the issuer or debtor, a breach of contract such as non-payment or late payment of interest or principal, or that it probable that the borrower will enter bankruptcy or some other financial reconstruction.

Regardless, default is considered to exist when payment is 90 days late. The group writes off a receivable when no possibilities for further cash flows are deemed to exist.

Historically, the group has had low customer losses. The effects of calculated credit reserves have been assessed as negligible for the group's accounting.

Inventories

Inventories are valued at the lowest of either the cost of acquisition or the net realisable value. The cost of acquisition is calculated according to the first-in, first-out principle (FIFU). Net realisable value is defined as the sales price after deductions for costs for completion and sales costs.

Trade Receivables

Trade receivables are initially recognised at fair value and subsequently at amortised cost, applying the effective interest method, less any allowance for depreciation. An allowance for depreciation of trade receivables is carried out when there is objective evidence that the Group will not receive all the amounts that are due according to the original conditions of the receivables. Significant financial difficulties at the debtor, the probability that the debtor will enter bankruptcy or undergo financial reconstruction, and non-payments or late payments (overdue for more than 30 days) are considered to be indicators that a write-down requirement for a trade receivable may exist. The size of the allowance is determined by the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original interest rate. Losses regarding trade receivables as well as recovered previously written down trade receivables are reported in the income statement.The carrying amount for a trade receivable, after any write-downs, is assumed to correspond to its fair value, as this item is short term in nature.

Liquid Funds

Liquid funds include cash, bank balances and other shortterm investments with due dates within three months of the acquisition date.

Share Capital

Ordinary shares are classified as equity. Any transaction expenses that are directly attributable to emission of new shares are reported net, after tax, in equity as a deduction from the issue liquidity.

Dividends

Dividends to the parent company's shareholders are reported as a liability in the Group's financial statements in the period when the dividend was approved.

Provisions

A provision differs from other liabilities as there is uncertainty about the payment date or the size of the amount for regulating the provision. A provision is reported in the balance sheet when there is an existing legal or informal commitment as the result of an event that has occurred and it is probable that an outflow of financial resources is required to regulate the commitment, and that a reliable estimate of the amount can be made.

Provisions are measured at present value of the amount that is expected to be required to regulate the commitment. In this

connection, a discount rate before tax is used that reflects a current market assessment of the time-sensitive value of money and the risks that are associated with the provision. The increase in the provision that is due to the passing of time is reported as interest expense.

Trade Liabilities

Trade liabilities are initially recognised at fair value and subsequently at amortised cost, applying the effective interest method. The carrying amount for trade liabilities is assumed to correspond to its fair value, as this item is short term in nature.

Remuneration to Employees

Short-term remuneration

Short-term remuneration to employees is calculated without discounting and is reported as expense when the related services are received.

Remuneration After End of Employment

Pension plans

Within EQL Pharma there are only defined contribution pension plans

Defined contribution pension plans are classified as the plans in which EQL Pharma's obligation is limited to the fees the Company has undertaken to pay. The pension costs for the defined contribution plans are charged to the profit or loss at the rate that the employees carry out their duties. The obligations are estimated without discounting, as the payments for all these plans fall due for payment within 12 months.

SEB Trygg Plan

Obligations for retirement pensions and family pensions for workers in Sweden are secured partly through an insurance policy with Alecta. According to a statement issued by the Swedish Financial Reporting Board, UFR 10, this a defined benefit plan that covers several employers. The Group does not have access to such information that makes it possible to report this plan as a defined benefit plan. The pension plan that according to ITP is secured through an insurance policy with SEB is therefore reported as a defined contribution plan.

Remuneration on Severance of Employment

A cost for remuneration in connection with the termination of employment of staff is reported only if the Company is evidently obligated, without a realistic possibility of withdrawal, by a formal specific plan to terminate employment before the normal time. When remuneration is presented as an offer to encourage voluntary redundancy, a cost is reported if it is probable that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated. Benefits that fall more than 12 months after accounting year-end are discounted to the present value.

Profit-Sharing and Bonus Schemes

The Group reports a liability and a cost for bonuses in cases where remuneration in the form of bonuses has been decided. The Group reports a provision when there is a legal obligation or an informal obligation.

Government Grants

The Group has costs for the development of new products and the Group also has operations in geographical areas that are covered by opportunities for grants. The grants that the Group obtains are reported according to the same principle as the corresponding cost, i.e. a grant for professional development of personnel is reported as a reduced personnel cost.

Received government support for research and development projects is reported at fair value when there is reasonable certainty that the grant will be received and that the conditions associated with the grant will be fulfilled. Government support regarding costs is reported in the income statement. The revenues are recognised in the same period as the costs the grant is intended to cover. In those cases where government support refers to development projects that have been activated as assets, the government support reduces the cost of acquisition for the asset. The government support affects the reported profit or loss during the useful life of the asset through lower depreciation.

Contingent Liabilities

Information on a contingent liability is reported when there is a possible obligation that arises from events that have happened and whose existence is confirmed only by one or more uncertain future events or when there is an obligation that is not reported as a liability or a provision due to the improbability of an outflow of resources being required.

Statement of Cash Flows

The statement of cash flows has been drawn up in accordance with the indirect method. The reported cash flow covers only transactions that entail incoming and outgoing payments. EQL Pharma's liquid funds comprise cash and bank balances.

Note K3

Critical Estimates and Assessments

Capitalisation of Development Expenditure

An intangible asset that arises from development, or in the development phase of an internal project, is recognised as an asset in the balance sheet only if the Group can demonstrate that all of the criteria in IAS 38:57 have been met. There are three main criteria that are analysed in order to assess historical expenditure and whether it meets the criteria for capitalization, 1) the probability of future economic benefits, 2) whether financing had been arranged at the time when the expense was incurred, and 3) whether the expenses attributable to the development of the product can be reliably calculated.

Identification of the development phase is important to ensure whether capitalised expenditure can be capitalised. The value of the recognised assets is dependent on future returns on the products to which the development expenditure relates. The management also evaluates the development projects on an ongoing basis to identify any impairment. Incorrect judgement and assumptions can have an impact on the Group's results and financial position.

Testing of Write-Down Requirement for Activated Development Expenses

The Group carried out write-down tests to determine the recoverable amount for the projects activated as of 31 March 2023 and which have yet to be brought into use. The value in use, the present value of expected future cash flows for the products covered by the activated development expenses, did not indicate any write-down requirement. There is, thus, a reasonable certainty that these assets are expected to generate a sufficient incoming payment surplus in years to come.

Other Areas Involving Assessments

Among the other main areas that involve assessments are obsolescence assessments for inventories, allowances for uncertain trade receivables, provisions for guaranteeing obligations and provisions for restructuring.

Note K4

Financial Risks

Financial Risk Factors

The Group is exposed through its business operations to a number of different financial risks: currency risk, interest rate risk, price risk, credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of the financial markets and strives to minimise potential unfavourable effects on the Group's financial results.

The risk management is carried out by the CEO in consultation with the CFO in accordance with the guidelines decided by the board.

Currency Risk

The Group operates internationally and is subject to currency risks that arise from different currency exposures, mainly concerning EUR and USD. The principal exposure stems from the Group's purchases in foreign currencies. These currency risks concern the risk of fluctuations in the value of trade liabilities as well as the currency risk in expected and contracted payment flows.

The Group does not apply hedging to currency flows.

Net transaction exposure is allocated over the following currencies:

Original currency	Net transaction exposure	Effect on operating profit if SEK appreciation by 5%	Effect on operating profit if SEK depreciation by 5%
EUR	-14,536	-727	727
DKK	18,422	921	-921
USD	1,255	63	-63
Total	**5,141**	**257**	**-257**

A change in the SEK exchange rate against these currencies of +/-5% would have an effect on operating profit of +/- SEK 257,000.

Interest Rate Risk Regarding Cash Flows and Fair Values

The Group has no interest-bearing receivables but does have interest-bearing liabilities. A rise in the market interest rate of 1 percentage point would mean a negative effect on earnings of SEK 209,000 on an annual basis.

The Group's interest rate risk arises through long-term borrowing. Borrowings with variable interest rates expose the Group to an interest rate risk regarding cash flows which is in part neutralised by liquid funds with a variable interest rate. Borrowings with fixed interest rates expose the Group to an interest rate risk regarding fair value.

Credit Risk

Credit risk is managed at the Group level. Credit risk arises through liquid funds and balances at banks and finance institutions as well as credit exposure vis-à-vis the Group's customers, including outstanding receivables and contracted transactions. The maximum credit risk exposure consists of the carrying amount of the exposed assets. The risk that Group customers do not fulfil their obligations, i.e. that payment is not received from customers, constitutes a customer credit risk. Based on historical data, The Group deems that no write-down of trade receivables that are not yet due is necessary at accounting year-end and the management does not expect any losses due to nonpayment from these counterparties. For a duration analysis of overdue but not written down trade receivables, see note K19. The Group has procedures in place for credit controls, debt collection and advances for customers with poor payment tendencies.

Liquidity Risk

The Group's liquidity risk pertains to the Group lacking liquid funds to pay for its obligations. Liquidity developments are continuously followed up via liquidity forecasts.

The Group has no financial liabilities with a maturity exceeding 12 months.

Management of Capital Risk

The Group's aim concerning the capital structure is to secure the Group's ability to continue its operations, so that it can continue to generate returns for the shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to keep capital-related costs down.

Fair Value Measurement

Financial assets and financial liabilities measured at fair value in the balance sheet are classified according to one of three levels based on the information used to establish the fair value. The tables below give details of the Group's classification of financial assets and liabilities measured at fair value.

- Level 1: Quoted prices (non-adjusted) on active markets for identical instruments.
- Level 2: Input data other than the quoted prices included in Level 1.
- Level 3: Non-observable input data for assets or liabilities.

The Group has no financial instruments that are recognised at fair value. The recognised carrying amount of all financial assets and liabilities is considered a good approximation of its fair value, unless otherwise specified.

Note K5

Segment Reporting

EQL Pharma's segment information is presented based on the group management's perspective and operating segments are identified based on the internal reporting to the group management. EQL Pharma's operations consist of just one operating segment, Medicine, and reference is therefore made to the income statement and balance sheet concerning reporting of operating segments .

Income Break-Down

	Medicine		Non-recurring		Other	
SEK K	01-04-2022 31-03-2023	01-04-2021 31-03-2022	01-04-2022 31-03-2023	01-04-2021 31-03-2022	01-04-2022 31-03-2023	01-04-2021 31-03-2022
Sweden	117,431	90,826	45,337	274,392	0	0
Rest of Scandinavia	71,346	44,535	2,740			
Rest of Europe	15,002		8,058	-	-	-
Total income	**203,779**	**135,361**	**56,134**	**274,392**	**0**	**0**

Income Break-Down by Geographic Market

SEK K	01-04-2022 31-03-2023	01-04-2021 31-03-2022
Sweden	162,768	365,218
Scandinavia	74,086	44,535
Rest of Europe	23,060	
Total income	**259,913**	**409,751**

Information on Major Customers

The Group does not have any customers that individually make up 10% or more of the Group's revenue.

The following page specifies the Group's non-current assets (excluding financial instruments and deferred tax assets including right-of-use assets) by geographical market.

Fixed Assets by Geographic Market

SEK K	01-04-2022 31-03-2023	01-04-2021 31-03-2022
Sweden	3,149	4,192
Total	**3,149**	**4,192**

The Group's intangible assets are not included in fixed assets per country as they are not allocated per country.

Note K6

Remuneration to Auditors

SEK K	2022/2023	2021/2022
Deloitte AB		***CO**
Audit engagement	300	200
Other services	271	60
Total	**571**	**260**

**CO Crowe Osborne AB*

Audit engagement refers to the statutory audit of the annual and consolidated financial statements and accounts, the board's and CEO's administration as well as auditing and other reviews carried out in accordance with an agreement or contract. Other services refer to auditing services in addition to the audit engagement, tax advice and other consultancy services.

Note K7

Leasing Agreements

Leasing Liability According to the Balance Sheet

The Group leases several types of assets including premises, vehicles and printers.

SEK K	2022/2023	2021/2022
Short term component	1,209	1,154
Long term component	1,706	3,031
Total liability	**2,916**	**4,185**

The Group does not face any significant liquidity risk concerning its leasing liabilities.

Right-Of-Use Assets

SEK K	2022/2023	2021/2022
Cost at beginning of year	6,912	6,261
Additional right-of-use assets	0	602
Effects of adjusted rent	0	48
Closing Cost	**6,912**	**6,912**
Accumulated depreciation		
Opening accumulated depreciation	-4,164	-2,855
Depreciation for the year	-1,393	-1,308
Total accumulated depreciation	**-5,557**	**-4,164**
Carrying amount	**1,354**	**2,748**

Amount Reported in Income Statement

SEK K	2022/2023	2021/2022
Depreciation amount for right of use	-1,393	-1,308
Interest expense for leasing liability	-76	-95
Leasing costs attributable to short-term leasing liabilities	-	-
Leasing costs attributable to leasing agreements of low value	-	-

Amount Reported in the Statement of Cash Flows

SEK K	2022/2023	2021/2022
Total cash flows attributable to leasing agreements	-1,417	-1,247

The cash flow above includes amounts for leasing agreements that are reported as leasing liabilities, as well as amounts paid for variable leasing fees, short-term leasing and leases of low value.

Leasing of Premises

The Group leases premises for offices. Leasing agreements usually have a duration of three years. Property tax charged by the property owner constitutes a variable fee. There are future obligations concerning variable leasing fees, which follow the leasing agreement's leasing period.

Leasing of Vehicles and Other Leasing Agreements

The Group leases vehicles with leasing periods of three years in most cases. In addition, there are other leasing agreements such as for printers with leasing periods of one year.

Note K8

Grants Received

SEK K	2022/2023	2021/2022
Contributor		
Compensation for sick pay costs	0	25
Allowance for research & development	502	427
Total	**502**	**452**

Note K9

Employees, Personnel Costs and Fees to Board Members

SEK K	2022/2023		2021/2022	
Employees	**Total**	**of whom men**	**Total**	**of whom men**
Average number of employees*	18	6	13	4
Board	6	5	6	5

**Average number of employees is based on company-paid attendance hours related to normal working time.*

SEK K	2022/2023			2021/2022		
	Salaries and remuneration	**Social security contributions**	**Of which pension costs**	**Salaries and remuneration**	**Social security contributions**	**Of which pension costs**
Board & CEO	2,442	767	178	2,151	676	168
Other employees	10,664	3,351	1,194	11,311	3,059	1,430
Total salaries and remuneration	**13,106**	**4,118**	**1,372**	**13,462**	**3,735**	**1,598**

Salaries, Remunerations and Other Benefits

2022/2023	Base salary[5]/ Board remuneration	Variable remuneration	Other benefits	Pension
Chairman				
Christer Fåhraeus[1]	250			
Board members				
Anders Månsson[2]	100			
Rajiv Modi	100			
Linda Neckmar	100			
Per Ollermark	100			
Per Svangren	100			
CEO[3]	1,537	141	1	141
COO	873	37	49	37
Other senior executives[4]	4,391	676	92	362
Total	**7,551**	**854**	**142**	**540**

1) Christer Fåhraeus resigned as CEO in connection with the Annual General Meeting in August 2022 and was simultaneously elected Chairman of the Board of the company.
2) Anders Månsson resigned as Chairman of the Board in connection with the Annual General Meeting in August 2022 and was simultaneously elected as a board member.
3) Axel Schörling took over as CEO after the Annual General Meeting in August 2022.
4) Other senior executives consist of 4 persons.
5) Base salary also includes holiday pay.

According to the Annual General Meeting's decision, board fees until the next Annual General Meeting amount to SEK 750 thousand (750), of which SEK 250 thousand (250) to the Chairman of the Board and SEK 100 thousand (100) to each member. No other fees have been paid. There are no agreements on pensions, severance pay or other benefits. Fees for the audit committee and remuneration committee have not been paid. Since the Annual General Meeting held in August 2022, the Board has consisted of 6 members (6).

Salaries, Remunerations and Other Benefits

2021/2022	Base salary[5]/ Board remuneration	Variable remuneration	Andra försmåner	Pension
Chairman				
Anders Månsson	250			
Board members				
Christer Fåhraeus[1]				
Rajiv Modi	100			
Linda Neckmar	100			
Per Ollermark[2]	100			
Per Svangren[3]	100			
CEO[1]	1,197	304	2	168
COO	1,370	327	63	112
Other senior executives[4]	3,793	410	56	299
Total	**7,010**	**1,041**	**121**	**579**

1) The CEO Christer Fåhraeus has been paid a fee of SEK 1,501,000 during the year 2021/2022, Christer Fåhraeus was during the period 2020-12-01 - 2022-08-17 employed in the company.
2) Per Ollermark joined the Board of Directors in connection with the Annual General Meeting in August 2021.
3) Per Svangren joined the Board of Directors in connection with the Annual General Meeting in August 2021.
4) Other senior executives consist of 4 persons.
5) Base salary also includes holiday pay.

Incentive Programmes

Below is a summary of the option programmes in the group.

Options Scheme

The Company allocated 70,000 warrants to other senior executives during the financial year. The earnings conditions mean that the individuals annually for 3.5 years earn the right to these and where it exists a requirement for employment during the respective period. As the warrants in the Warrants Program 2022/2027 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 Program 2022/2027. The costs related to the Warrants Program 2022/2027 will hence only be composed of limited costs for implementation and administration of the program.

The Company has previously granted a total of 492,000 warrants free of charge to employees, including the CEO and other senior executives. The earnings conditions mean that the individuals annually for 3.5 years earn the right to these and where it exists a requirement for employment during the respective period. There are currently outstanding incentive programs in the company in the form of two warrants programs through which a maximum of 492,000 new shares may be issued. If all warrants that have been issued and are proposed to be issued under Warrants Program 2022/2027 are fully exercised for subscription of shares, a total of 562,000 new shares will be issued, which corresponds to a total dilution of approximately 1.90 per cent of the company's share capital and votes after full dilution calculated on the number of shares that will be added upon full exercise of all outstanding and proposed warrants, respectively.

Note K10

Other Operating Income and Expenses

SEK K	2022/2023	2021/2022
Other operating income		
Sick pay compensation	0	25
Insurance compensation	0	0
Leasing income	232	279
Other items	181	90
Total other operating income	**413**	**395**

Note K11

Financial Income and Expenses

SEK K	2022/2023	2021/2022
Interest income	1	0
	1	**0**
Interest expense	-2,296	-2,779
Interest, leasing agreements	-76	-95
	-2,372	**-2,874**
Total net financial income/expense	**-2,371**	**-2,874**

All interest income and interest expense refer to items that are not measured at fair value via the profit or loss.

Interest expense includes already paid interest expense, which is allocated over the duration of the loan.

Note K12

Taxes

SEK K	2022/2023	2021/2022
Deferred tax	-8,047	-7,409
Utilised fiscal deficit deduction	-	2,992
Tax recognised in income statement	**-8,047**	**-4,417**

The Group, Reconciliation Between Current Tax Rate and Effective Tax Rate

SEK K	2022/2023	2021/2022
Profit before tax	38,968	35,965
Tax according to the current tax rate	-8,027	-7,409
Effect of non-deductible costs/non-taxable income	-19	-27
Utilised deficit deduction	-	3,019
Other	-	-
Reported tax in the income statement	**-8,047**	**-4,417**

Deferred Tax Assets and Tax Liabilities

SEK K	2022/2023		2021/2022	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Untaxed reserves	-	12,051	-	4,120
Total	**0**	**12,051**	**0**	**4,120**

Note K13

Earnings per Share

SEK K	2022/2023	2021/2022
Earnings per share before dilution, Group total, SEK	1.06	1.09
Earnings per share after dilution, Group total, SEK	1.04	1.09
Number of outstanding shares at the end of the period	29,063,610	29,063,610
Average number of outstanding shares before dilution	29,063,610	29,063,610
Average number of outstanding shares after dilution	29,525,610	29,555,610

Earnings per share are the same before and after dilution, as there are no outstanding share warrants or convertible instruments that may entail dilution.

Note K14

Capitalised Expenditure

SEK K	2022/2023	2021/2022
Opening accumulated cost	16,101	10,196
Investments for the year	3,305	5,905
Write-down for the year	-1,215	-
Sales/disposals for the year	-	-
Closing accumulated cost	**18,191**	**16,101**
Opening accumulated depreciation	-4,271	-3,494
Depreciation for the year	-1,140	-777
Sales/disposals for the year	-	-
Closing accumulated depreciation	**-5,411**	**-4,271**
Closing carrying amount	**12,780**	**11,830**

Write-Down Testing

Capitalised expenditure is depreciated over 5 years from the launch of the product to which the capitalised expenditure is linked. In cases where it emerges that the potential of the product is fulfilled before 5 years have elapsed since the launch, the remaining value is written off immediately. Intangible assets that are not yet ready for use are tested annually regarding any write-down requirement or when there is an indication of depreciation. Intangible assets that are in use are tested for any write-down requirement when there is an indication of depreciation.

Note K15

Licensed and Development Products

SEK K	2022/2023	2021/2022
Opening accumulated cost	116,753	107,924
Investments for the year	16,749	15,558
Write-down for the year	-6,620	-6,729
Sales/disposals for the year	-	-
Closing accumulated cost	**126,882**	**116,753**
Opening accumulated depreciation	-18,340	-14,248
Depreciation for the year	-6,003	-4,092
Sales/disposals for the year	-	-
Closing accumulated depreciation	**-24,343**	**-18,340**
Closing carrying amount	**102,539**	**98,413**

Write-Down Testing

Licensed products are depreciated over 5 years from launch. In cases where it emerges that the potential of the product is fulfilled before 5 years have elapsed since the launch, the remaining value is written off immediately. Development products are depreciated over 10 years from launch. In cases where it emerges that the potential for the product is fulfilled before 10 years have elapsed since the launch, the remaining value is written off immediately. Intangible assets with indeterminable useful life and intangible assets that are not yet ready for use are tested annually regarding any write-down requirement or when there is an indication of depreciation. Intangible assets that are in use are tested for any write-down requirement when there is an indication of depreciation.

All intangible assets are continuously tested for impairment. The group then assesses whether there is any indication that an asset has decreased in value. Assessment of whether there is an indication is based on the asset's forecasted contribution to the result. If the asset's contribution to the result is low, the group makes an assessment of the asset's recovery value. Recoverable value refers to the higher of an asset's fair value, less selling costs, and its value in use. In most cases, the necessary market information to estimate the real value of the asset is missing. Thus, the value in use is used to assess the value of the asset. This consists of the present value of the assessed future cash flows attributable to the asset. The estimated value in use reflects assumptions about market development, forecasted sales and margins, future tax rates, and discount rate. The discount rate used in the present value calculation of the expected future cash flows is the weighted cost of capital (WACC) determined within the group at the time. With respect to the extensive assumptions, actual cash flows may deviate significantly from the values obtained from the forecasted cash flows.

Note K16

Tangible Fixed Assets

	Buildings		Machines and inventories	
SEK K	2022/2023	2021/2022	2022/2023	2021/2022
Opening accumulated cost	5,304	5,386	2,135	1,427
Investments for the year	10	-	456	708
Disposals for the year	-	-82		
Closing accumulated cost	**5,314**	**5,304**	**2,591**	**2,135**
Opening accumulated depreciation	-2,114	-1,052	-1,133	-748
Depreciation for the year	-1,143	-1,062	-367	-385
Closing accumulated depreciation	**-3,257**	**-2,114**	**-1,500**	**-1,133**
Closing planned residual value	**2,057**	**3,190**	**1,091**	**1,002**
Of which right-of-use assets	**2,057**	**3,190**	**1,091**	**926**

Note K17

Inventories

SEK K	2022/2023	2021/2022
Goods for resale	66,774	63,485
Goods in transit	6,370	1,067
Obsolescence reserve	-7,776	-22,878
Closing cost	**65,368**	**41,674**

Note K18

Trade Receivables

SEK K	2022/2023	2021/2022
Trade receivables	51,701	34,098
Reserve for uncertain trade receivables	0	0
Total	**51,701**	**34,098**

Past due	2023-03-31	2022-03-31
Not yet due	45,180	27,041
1-30 days	2,721	469
31-60 days	467	5,432
61-90 days	-1,987	469
More than 90 days	5,320	688
Total	**51,701**	**34,098**

Trade receivables are monitored continuously and despite a number of due trade receivables there is no assessment of the risk of credit losses or uncertain trade receivables.

The majority of receivables that are more than 90 days past due at the time of closing are due to a technical nature. The activities are regulated as of the issuance of this report.

Note K19

Other Current Receivables

SEK K	2022/2023	2021/2022
Advance payments to suppliers	-	3,453
Other current receivables	-	51
Closing cost	**0**	**3,504**

Note K20

Prepaid Expenses and Accrued Income

SEK K	2022/2023	2021/2022
Insurance premiums	352	23
Rental of premises and property-related costs	327	296
Leasing costs	77	77
Accrued contracted income	0	0
Annual fees registration of medicine	3,336	1,918
Other items	1,641	662
Total	**5,733**	**2,976**

Note K21

Liquid Funds

	2022/2023		2021/2022	
	Thousands, foreign currency	SEK K	Thousands, foreign currency	SEK K
EUR	235	2,655	131	1,354
GBP	2	23	1	14
NOK	8,165	8,127	3,659	3,932
SEK	32,295	32,295	27,868	27,868
USD	26	271	54	498
DKK	697	1,054	5,420	7,533
Total		**44,426**		**41,199**

Note K22

Shares and Other Contributed Capital

SEK K	Number of shares	Share capital	Other contributed capital
Per April 1 2021	29,063,610	1,308	72,835
Per March 31 2022	29,063,610	1,308	77,376
Per March 31 2023	29,063,610	1,308	77,376

No dividend was distributed in 2021/2022 och 2022/2023.
No changes have occurred in 2021/2022 och 2022/2023.

Share capital: *All shares are of the same type, are fully paid and provide eligibility for one vote. No shares are reserved for transfer according to share option agreements or other agreements. The quota value is SEK 0.045 per share.*

Other contributed capital: *Other contributed capital consists of capital contributed by the owners of EQL Pharma.*

Share Warrants

Number	Subscription period	Subscription price	Potential share capital increase
400,000	01-09-2025 - 30-09-2025	67.50	18,000
112,000	01-09-2025 - 30-09-2025	72.05	6,390
70,000	01-06-2027 - 30-06-2027	52.50	3,150
582,000			**27,540**

Share Warrants 2022/2023

Summary allocated warrants	Average exercise price in SEK per warrant	Numer of warrants
Per April 1 2022	68.69	542,000
Granted	52.50	70,000
Forfeited	72.05	-30,000
Exercised		
Granted/ Forfeited		
Outstanding as of March 31 2023	**66.38**	**582,000**
Redeemable as of March 31 2023		

Outstanding weighted average expected contract term for options outstanding at the end of the period: *54 months*

The Group values synthetic options based on an accepted valuation model (Black & Scholes). Decisive parameters in the option valuation are assumed market values for the company's share, the exercise price, the share's volatility and how long the remaining term of the option is.

A warrant entitles the holder to subscribe for one share.

Note K23

Interest-Bearing Liabilities

SEK K	2022/2023	2021/2022
Long-term liabilities to credit institutions	-	7,200
Current liabilities to credit institutions	-	5,400
Total	**0**	**12,600**

Note K24

Doubtful Trade Receivables

SEK K	2022/2023	2021/2022
Depreciation and write-downs of assets	14,185	10,266
Total	**14,185**	**10,266**

Note K25

Pledged Invoices/Pledged Inventory

SEK K	2022/2023	2021/2022
Granted pledged invoice credit amounts to:	20,000	20,000
Granted pledged inventory credit amounts to:	60,000	60,000
Total credit	**80,000**	**80,000**
Utilised credit	**63,701**	**59,316**

The book value is SEK 38 million. The market value is higher than the book value, which is sufficient security for the bank.

Note K26

Other Current Liabilities

SEK K	2022/2023	2021/2022
Advances from customers	-	-
VAT liability	3,366	1,086
Other current liabilities	3,093	1,550
Total	**6,459**	**2,636**

Note K27

Accrued Expenses and Deferred Income

SEK K	2022/2023	2021/2022
Personnel-related costs	3 982	3 466
Sub-consultants	5,154	537
Costs of goods	1,475	-
Auditing costs	380	200
Distribution costs	66	135
Guarantee reserve	89	89
Other accrued expenses	4,925	10,858
Total	**16,070**	**15,285**

Note K28

Liabilities for Which Security is Provided

SEK K	2022/2023	2021/2022
Pledged invoices	3,440	33,678
Pledged inventory	60,000	59,316
Accrued interest of pledged inventory	261	0
Liabilities to credit institutions	0	12,600
Pledged assets		
For own liabilities		
Pledged trade receivables	3,440	33,678
Inventories	38,442	40,238
Chattel mortgages	500	12,600

The borrowing of the pledged inventory has taken place initially, not on an ongoing basis. The inventory is pledged at market value. If the market value is less than the pledged inventory, the loan must be amortised.

Note K29

Currency Exchange Rates Used in the Financial Statements

	Average rate		Accounting year-end rate	
Currency code	2022/2023	2021/2022	2023-03-31	2022-03-31
DKK	1,453	1,376	1,514	1,376
EUR	10,81	10,2354	11,28	10,2362
GBP	12,50	12,0349	12,81	12,0263
NOK	1,0433	1,0153	1,00	1,0178
USD	10,38	8,8114	10,35	8,8256

The table shows the currency exchange rates used in the translation of financial statements for the foreign subsidiaries that draw up statements in a currency other than the currency in which the Group's financial statements are presented (SEK). The currency exchange rates have been obtained from Sweden's central bank, Riksbanken.

Note K30

Related Parties

Related Party Relationships

The Parent Company has related party relationships with its subsidiaries. Refer to Note M14. Of the Parent Company's total purchases and sales, 0 per cent (0) of purchases and 0 per cent (0) of sales pertain to intra-Group transactions.

Transactions with Key Management Personnel

In addition to what is stated regarding Remuneration to the board and senior executives in note K 9, transactions with related parties have taken place below.

Related party relationship	Year	Purchases of goods and developmental costs	Rent part of premises	Consultancy- and financial services
Cadila	2022/23	-39,340		
Cadila	2021/22	-16,162		
Fåhraeus Institute AB	2022/23		136	-399
Fåhraeus Institute AB	2021/22		136	-1,362
Fåhraeus Startup & Growth AB	2022/23		96	
Fåhraeus Startup & Growth AB	2021/22		64	

Cadila is 100% owned by board member Rajiv I. Modi.
Fåhraeus Institute AB is 100% owned by the Chairman of the Board Christer Fåhraeus.
Fåhraeus Startup & Growth is 50% owned by Chairman of the Board Christer Fåhraeus.

Note K31

Events After Accounting Year End

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

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

May 9 2023 – EQL Pharma signs a licence agreement with a large pharma in Türkiye for Mellozzan (melatonin)

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

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

May 17 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 20 April 2023, EQL Pharma AB ("EQL Pharma") published a recommended public takeover offer to the shareholders of Sensidose Aktiebolag ("Sensidose" or the "Company") to transfer all shares in Sensidose to EQL Pharma at SEK 7.60 in cash per share (the "Initial Offering"). On 24 April, an unconditional revised offer of SEK 8.40 in cash per share was announced. On 26 April 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 "Offer"). The acceptance period in the Offer expired on 16 May 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 per cent of the outstanding shares and 11 913 TO 1, corresponding to approximately 0.53 per cent of the outstanding warrants, in Sensidose. All in all, EQL Pharma has thus acquired a total of 1,579,972 shares and 560,956 TO 1, which corresponds to a holding of approximately 13.20 per cent of the total number of outstanding shares and votes in Sensidose. 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.

May 31 2023 – EQL Pharma out-licenses Memprex (methenamine hippurate) to Laboratoires Majorelle for the French market

EQL has entered into an exclusive licence 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.

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

EQL has entered into an exclusive licence agreement for its product Mellozzan (melatonin) with Adalvo Ltd. for 89 countries outside Europe and the US. 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 31 2023 – EQL Pharma out-licenses methenamine hippurate to Dr. Pfleger Arzneimittel for the German market.

EQL has entered into an exclusive licence agreement for the German market for EQL's product methenamine hippurate with Dr. Pfleger Arzneimittel, a leading German company in urology and gynaecology. The agreement includes a typical licence fee as an upfront payment and regulatory & reimbursement milestones, and a volume-dependent supply price generating a healthy, industrial margin for EQL. Dr. Pfleger 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.

Parent Company Income Statement

SEK K	Note	01-04-2022 31-03-2023	01-04-2021 31-03-2022
Net sales	M2	254,333	406,049
Expenses for sold goods		-140,157	-311,513
Gross profit		**114,176**	**94,536**
Sales expenses	M4, M5, M6	-43,270	-36,602
Administration expenses	M3, M4, M6	-15,046	-10,808
Research and development expenses	M4, M5, M6	-15,155	-9,057
Other operating income	M7	413	395
Operating profit (EBIT)		**41,119**	**38,464**
Results from financial items			
Interest income and similar results	M8	1	0
Interest expense and similar results	M8	-2,294	-2,779
Net financial income/expense		**-2,293**	**-2,779**
Appropriations	M9	-38,350	-19,680
Earnings before tax (EBT)		**476**	**16,005**
Tax on profit for the year	M10	-114	0
PROFIT FOR THE YEAR		**362**	**16,005**

Parent Company Balance Sheet

Assets

SEK K	Note	01-04-2022 31-03-2023	01-04-2021 31-03-2022
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalised expenditure	M11	12,780	11,830
Licensed and development products	M12	102,254	98,128
Total intangible fixed assets		**115,034**	**109,958**
Tangible fixed assets			
Inventories, equipment, fixtures and fittings	M13	378	76
Total tangible fixed assets		**378**	**76**
Financial fixed assets			
Participations in group companies	M14	390	390
Participations in other companies		1	1
Deferred tax asset		0	0
Other financial fixed assets		0	0
Total financial fixed assets		**391**	**391**
Total fixed assets		**115,803**	**110,425**
Current assets			
Goods for resale	M15	64,266	40,238
Trade receivables	M16	51,207	33,742
Receivables from group companies		2,217	1,541
Other current receivables	M17	0	3,504
Prepaid expenses and accrued income	M18	5,621	2,841
Liquid funds	M19	42,667	40,448
Total current assets		**165,978**	**122,314**
TOTAL ASSETS		**281,781**	**232,739**

Parent Company Balance Sheet

Equity and Liabilities

SEK K	Note	01-04-2022 31-03-2023	01-04-2021 31-03-2022
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	M20	1,308	1,308
Fund for development expenses		13,057	10,904
Total restricted equity		**14,365**	**12,212**
Non-restricted equity			
Retained earnings		93,152	79,107
Profit for the year		362	16,005
Total non-restricted equity		**93,514**	**95,112**
Total equity		**107,879**	**107,324**
Untaxed reserves			
Excess depreciation	M9	58,500	20,000
Total untaxed reserves		**58,500**	**20,000**
Long-term liabilities			
Liabilities to credit institutions	M21	0	7,200
Total long-term liabilities		**0**	**7,200**
Current liabilities			
Liabilities to credit institutions	M21	0	5,400
Trade liabilities		29,204	15,417
Pledged invoices	M22	3,438	0
Pledged inventory	M22	60,263	59,316
Tax liabilities		201	123
Other current liabilities	M23	5,066	2,717
Accrued expenses and deferred income	M24	17,231	15,242
Total current liabilities		**115,402**	**98,215**
TOTAL EQUITY AND LIABILITIES		**281,781**	**232,739**

Parent Company Statement of Changes in Equity

SEK K	Restricted equity	Non-restricted equity		Total equity
	Share capital	Fund for development expenses	Retained earnings including profit for the year	Total
Equity brought forward as at April 1 2021	**1,308**	**6,702**	**82,452**	**90,462**
Transfer fund for development expenses		4,202	-4,202	0
Employee share options			857	857
Profit for the year			16,005	16,005
Closing equity as at March 31 2022	**1,308**	**10,904**	**95,111**	**107,324**
Equity brought forward as at April 1 2022	**1,308**	**10,904**	**95,111**	**107,324**
Transfer fund for development expenses		2,153	-2,153	0
Employee share options			193	193
Profit for the year			363	363
Closing equity as at March 31 2023	**1,308**	**13,057**	**93,514**	**107,879**

Parent Company Statement of Cash Flows

SEK K	Not	01-04-2022 31-03-2023	01-04-2021 31-03-2022
Operating activities			
Profit after financial items		38,826	35,685
Adjustment for items not included in the cash flow	M26	12,839	8,913
Interest paid		2,292	2779
Tax		-	-
Cash flow from operating activities before changes in working capital		**53,958**	**47,377**
Changes in working capital			
Changes in inventories		-24,028	533
Changes in current receivables		-17,531	-10,842
Changes in current liabilities		12,802	3,845
Cash flow from operating activities		**25,200**	**40,913**
Investing activities			
Investment in intangible assets		-20,053	-21,462
Investment in tangible assets		-456	-
Cash flow from investing activities		**-20,510**	**-21,462**
Financing activities			
Amortisation of loans		-2,815	-5,400
Group contribution received		150	320
Share warrants		193	857
Raised loans		-	-
Cash flow from financing activities		**-2,472**	**-4,223**
CASH FLOW FOR THE PERIOD		**2,219**	**15,228**
Liquid funds at the start of the period		40,448	25,220
Liquid funds at the end of the period		**42,667**	**40,448**

Notes to the Parent Company Accounts

Note M1

Significant Accounting Principles

The parent company applies RFR 2 Financial reporting for legal entities. This means that in its financial statements, the parent company is mainly to apply the IFRS that are applied in the consolidated accounts. RFR 2 makes certain exemptions and additions to this rule, depending on whether application of IFRS contravenes Swedish law, that application leads to a tax situation that deviates from that which applies to other Swedish companies or that there are other valid reasons.
The parent company applies other accounting principles than the Group in the cases stated below.

Layout of the Income Statement and Balance Sheet

The parent company uses the layouts stated in the Annual Accounts Act which, among other things, entails that a different presentation of equity is applied. Otherwise, the income statement and balance sheet are presented in the same way as for the Group. Certain terms in the balance sheet differ between the Group and the parent company which relates to the terms used in the Annual Accounts Act and the IFRS standards. Any provisions are reported in the parent company under a separate heading.

Shares in Subsidiaries

Purchase costs for shares in subsidiaries are activated as assets and recognised at the cost of acquisition after deductions for any write-downs. When there is an indication that shares and participations in subsidiaries have declined in value, a calculation is made of the recoverable amount. If this is lower than the carrying amount, there is a write-down. Write-downs are reported in the item "Profit/loss from participations in Group companies".

Leased Assets

The Parent Company applies the exemption in RFR 2 on IFRS 16 for leased assets. Utilisation rights and lease liabilities are not recognised in the balance sheet as these are recognised as a cost on a straight-line basis over the lease period.

Financial Instruments

"The Parent Company does not apply IFRS 9 Financial Instruments. The Parent Company applies a method based on cost in accordance with the Swedish Annual Accounts Act. This means that non-current financial assets are measured at cost less any impairment and current financial assets according to the lower of cost or market. Financial liabilities are measured at amortised cost using the effective interest method. The principles for recognition and derecognition of financial instruments as well as impairment of financial assets correspond to those applied to the consolidated financial statements, as described above."

Note M2

Net Sales

Distribution of Net Sales

EQL Pharma's segment information is presented based on the group management's perspective and operating segments are identified based on the internal reporting to the group management. EQL Pharma's operations consist of just one operating segment, Medicine, and reference is therefore made to the income statement and balance sheet concerning reporting of operating segments.

	Medicine		Non-recurring		Other	
SEK K	01-04-2022 31-03-2023	01-04-2021 31-03-2022	01-04-2022 31-03-2023	01-04-2021 31-03-2022	01-04-2022 31-03-2023	01-04-2021 31-03-2022
Sweden	111,851	87,122	45,337	274,392	-	-
Scandinavia	71,346	44,535	2,740	0	-	-
Rest of Europe	15,002	0	8,058	0	-	-
Total net sales	**198,199**	**131,657**	**56,134**	**274,392**	**0**	**0**

Note M3

Remuneration to Auditors

SEK K	2022/2023	2021/2022*
Deloitte AB		
Audit engagement	282	180
Other services	271	40
Total	**553**	**220**

** Crowe Osborne AB*

Audit engagement refers to the statutory audit of the annual and consolidated financial statements and accounts, the board's and CEO's administration as well as auditing and other reviews carried out in accordance with an agreement or contract.
Other services refer to auditing services in addition to the audit engagement, tax advice and other consultancy services.

Note M4

Leasing Agreements

Leasing of Vehicles and Other Leasing Agreements

The Group leases vehicles with leasing periods of three years in most cases. In addition, there are other leasing agreements such as for printers with leasing periods of one year.

Responsibilities Concerning Current Leasing Agreements

SEK K	2022/2023	2021/2022
Due for payment within one year	1,440	1,154
Due for payment within two to five years	5,227	2,584
Closing debt	**6,667**	**3,738**

The group does not face any significant liquidity risk regarding its leasing liabilities.

Note M5

Grants Received

SEK K	2022/2023	2021/2022
Contributor		
Compensation for sick pay costs	0	25
Allowance for research & development	502	427
Total	**502**	**452**

Note M6

Employees, Personnel Costs and Fees to Board Members

For information about personnel costs and remuneration for board members, please refer to Note K30 in the consolidated financial statements.

Note M7

Other Operating Income

SEK K	2022/2023	2021/2022
Other operating income		
Sick pay compensation	0	25
Insurance compensation	0	0
Rental income	232	279
Other items	181	90
Total	**413**	**395**

Note M8

Financial Income and Expense

SEK K	2022/2023	2021/2022
Interest income	1	0
Interest expense	-2,294	-2,779
Total	**-2,293**	**-2,779**

All interest income and interest expense refer to items that are not measured at fair value via the profit or loss.
Interest expense includes already paid interest expense, which is allocated over the duration of the loan.

Note M9

Appropriations

SEK K	2022/2023	2021/2022
Group contribution received	150	320
Depreciation in excess of plan	-38,500	-20,000
Total	**-38,350**	**-19,680**

Note M10

Taxes

SEK K	2022/2023	2021/2022
Tax on profit for the year	-114	-
Deferred tax	-	-
Reported tax in the income statement	**-114**	**0**
Profit before tax	476	16,005
Tax according to the current tax rate	-98	-3,297
Effect of non-deductible costs/non-taxable income	-16	-27
Tax reassessment, unutilised deficit deduction	-	-
Utilisation of deficit deduction not previously recognised as an asset	-	3,324
Reported tax in the income statement	**-114**	**0**

Note M11

Capitalised Expenditure

SEK K	2022/2023	2021/2022
Opening accumulated cost	16,101	10,196
Investments for the year	3,305	5,905
Write-down for the year	-1,215	-
Sales/disposals for the year	-	-
Closing accumulated cost	**18,191**	**16,101**
Opening accumulated depreciation	-4,271	-3,494
Depreciation for the year	-1,140	-777
Sales/disposals for the year	-	-
Closing accumulated depreciation	**-5,411**	**-4,271**
Closing carrying amount	**12,780**	**11,830**

Write-Down Testing

Capitalised expenditure is depreciated over 5 years from the launch of the product to which the capitalised expenditure is linked. In cases where it emerges that the potential of the product is fulfilled before 5 years have elapsed since the launch, the remaining value is written off immediately. Intangible assets that are not yet ready for use are tested annually regarding any write-down requirement or when there is an indication of depreciation. Intangible assets that are in use are tested for any write-down requirement when there is an indication of depreciation.

Note M12

Licensed and Development Products

SEK K	2022/2023	2021/2022
Opening accumulated cost	115,657	106,829
Investments for the year	16,749	15,557
Write-down for the year	-6,620	-6,729
Sales/disposals for the year	-	-
Closing accumulated cost	**125,786**	**115,657**
Opening accumulated depreciation	-17,529	-13,481
Depreciation for the year	-6,003	-4,048
Sales/disposals for the year	-	-
Closing accumulated depreciation	**-23,532**	**-17,529**
Closing carrying amount	**102,254**	**98,128**

Write-Down Testing

Refer to Note K15 in the consolidated financial statements.

Note M13

Tangible Fixed Assets

	Machines and inventories	
SEK K	2022/2023	2021/2022
Opening accumulated cost	857	857
Investments for the year	456	0
Closing accumulated cost	**1,313**	**857**
Opening accumulated depreciation	-781	-643
Depreciation for the year	-154	-138
Closing accumulated depreciation	**-935**	**-781**
Closing planned residual value	**378**	**76**

Note M14

Shares in Group Companies

SEK K				2022/2023	2021/2022
Company	Corporate ID No.	Location	No/Share capital %	Carrying amount	Carrying amount
EQL Pharma Oy	2136140-3	Helsingfors	100	40	40
Eql Pharma Int AB	556957-9484	Lund	100	350	350
				390	**390**

Note M15

Inventories

SEK K	2022/2023	2021/2022
Goods for resale	65,672	63,116
Goods in transit	6,370	0
Obsolescence reserve	-7,776	-22,878
Closing cost	**64,266**	**40,238**

Note M16

Trade Receivables

SEK K	2022/2023	2021/2022
Trade receivables	51,207	33,742
Reserve for uncertain trade receivables	0	0
Total	**51,207**	**33,742**

Past due	31-03-2023	31-03-2022
Not yet due	44,684	27,154
1-30 days	2,721	5,432
31-60 days	467	469
61-90 days	-1,987	688
More than 90 days	5,320	0
Total	**51,207**	**33,742**

Trade receivables are monitored continuously and despite a number of due trade receivables there is no assessment of the risk of credit losses or uncertain trade receivables. The majority of receivables that are overdue for more than 90 days at the reporting date are due to technical reasons. Intercompany balances have been settled as of the date of this report.

Note M17

Other Current Receivables

SEK K	2022/2023	2021/2022
Advance payments to suppliers	-	3,453
Tax claims	-	-
Other current receivables	-	51
Total	**0**	**3,504**

Note M18

Prepaid Expenses and Accrued Income

SEK K	2022/2023	2021/2022
Insurance premiums	352	23
Rental of premises and property-related costs	327	296
Leasing costs	77	77
Accrued contracted income	-	-
Annual fees registration medicine	3,200	1,784
Other items	1,665	661
Total	**5,621**	**2,841**

Note M19

Liquid Funds

	2022/2023		2021/2022	
	Thousands, foreign currency	SEK K	Thousands, foreign currency	SEK K
EUR	223	2,517	131	1,354
GBP	2	23	1	14
NOK	8,165	8,127	3,659	3,932
SEK	30,674	30,674	27,117	27,117
USD	26	271	54	498
DKK	697	1,054	5,420	7,533
Total		**42,667**		**40,448**

Note M20

Shares and Other Contributed Capital

SEK K	Number of shares	Share capital
As at April 1 2021	29,063,610	1,308
As at March 31 2022	29,063,610	1,308
As at March 31 2023	29,063,610	1,308

No dividend was distributed in 2021/2022 and 2022/2023.
No changes have occurred in 2021/2022 and 2022/2023.
Share capital: *All shares are of the same type, are fully paid and provide eligibility for one vote. No shares are reserved for transfer according to share option agreements or other agreements. The quota value is SEK 0.045 per share.*
Other contributed capital: *Other contributed capital consists of capital contributed by EQL Pharma's owners.*

Share Warrants

Number	Subscription period	Subscription price	Potential share capital increase
400,000	01-09-2025 - 30-09-2025	67.50	18,000
112,000	01-09-2025 - 30-09-2025	72.05	6,390
70,000	01-06-2027 - 30-06-2027	52.50	3,150
582,000			**27,540**

Subscription Options 2022/2023

Compilation of granted options	Average exercise price in SEK per option	Number of options
As at April 1 2022	68.69	542,000
Allocated	52.50	70,000
Forfeited	72.05	-30,000
Redeemed		
Accrued		
Outstanding as at March 31 2023	**66.38**	**582,000**
Redeemable as at March 31 2023		

Outstanding weighted average expected remaining contract period for outstanding options at the end of the period: *54 months*

The group values synthetic options based on an accepted valuation model (Black & Scholes). The key parameters in the options valuation are assumed market values for the company's shares, the exercise price, the stock's volatility, and the remaining time to expiration of the option.

Note M21

Interest-Bearing Liabilities

SEK K	2022/2023	2021/2022
Long-term liabilities to credit institutions	-	7,200
Current liabilities to credit institutions	-	5,400
Total	**0**	**12,600**

Note M22

Pledged Invoices/Pledged Inventory

SEK K	2022/2023	2021/2022
Granted pledged invoice credit amounts to:	20,000	20,000
Granted pledged inventory credit amounts to:	60,000	60,000
Total credit	**80,000**	**80,000**
Utilised credit	**63,701**	**59,316**

Note M23

Other Current Liabilities

SEK K	2022/2023	2021/2022
Advances from customers	-	-
VAT liability	3,184	1,086
Other current liabilities	1,882	1,631
Total	**5,066**	**2,717**

Note M24

Accrued Expenses and Deferred Income

SEK K	2022/2023	2021/2022
Personnel-related costs	3,982	3,466
Sub-consultants	5,134	537
Cost of goods	1,475	-
Auditing costs	360	180
Distribution costs	66	135
Guarantee reserve	89	89
Other accrued expenses	6,126	10,835
Total	**17,231**	**15,242**

Note M25

Liabilities for Which Security is Provided

SEK K	2022/2023	2021/2022
Pledged invoices	3,440	33,678
Pledged inventory	60,000	59,316
Interest pledged inventory	261	0
Liabilities to credit institutions	0	12,600
Pledged assets		
For own liabilities		
Pledged trade receivables	3,440	33,678
Inventories	38,442	40,238
Chattel mortgages	500	4,600

The borrowing of the pledged inventory has taken place initially, not on an ongoing basis. The inventory is pledged at market value. If the market value is less than the pledged inventory, the loan must be amortised.

Note M26

Cash Flow Analysis

SEK K	2022/2023	2021/2022
Depreciation and write-downs of assets	12,839	8,913
Total	**12,839**	**8,913**

Note M27

Currency Exchange Rates Used in the Financial Statements

	Average rate		Accounting year-end rate	
Currency code	2022/2023	2021/2022	31-03-2023	31-03-2022
DKK	1.453	1.376	1.514	1.376
EUR	10.81	10.2354	11.28	10.2362
GBP	12.50	12.0349	12.81	12.0263
NOK	1.0433	1.0153	1.00	1.0178
USD	10.38	8.8114	10.35	8.8256

The table shows the currency exchange rates used in the translation of financial statements for the foreign subsidiaries that draw up statements in a currency other than the currency in which the Group's financial statements are presented (SEK). The currency exchange rates have been obtained from Sweden's central bank, Riksbanken.

Note M28

Proposal for the Allocation of the Company's Profit.

The following retained earnings are available for the annual general meeting:	
Retained earnings	93,151,958
Profit for the year	362,612
Total, SEK	**93,514,570**

The board proposes that the above amounts be appropriated as follows:

The board proposes that no dividend be distributed for the fiscal year 01-04-2022 to 31-03-2023 and that the annual result of 362,612 SEK be carried forward to a new account.

Note M29

Related Parties

Related Party Relationships

The Parent Company has related party relationships with its subsidiaries. Refer to Note M14. Of the Parent Company's total purchases and sales, 0 per cent (0) of purchases and 0 per cent (0) of sales pertain to intra-Group transactions.

Transactions with Key Individuals in Senior Positions

Besides what is stated in Note K9 Remuneration of the Board of Directors and senior executives, no transactions with related parties that are natural parties took place.

Related party relationships	Year	Purchase of goods and development costs	Rental of a portion of office space	Consultancy for financial services
Cadila	2022/23	-39,340		
Cadila	2021/22	-16,162		
Fåhraeus Institute AB	2022/23		136	-399
Fåhraeus Institute AB	2021/22		136	-1,362
Fåhraeus Startup & Growth AB	2022/23		96	
Fåhraeus Startup & Growth AB	2021/22		64	

Cadila is 100% owned by board member Rajiv I. Modi.
Fåhraeus Institute AB is 100% owned by the Chairman of the Board Christer Fåhraeus.
Fåhraeus Startup & Growth is 50% owned by Chairman of the Board Christer Fåhraeus.

Note M30

Events After the Balance Sheet Day

For events after the balance sheet date, refer to Note K31 in the consolidated financial statements.

Board Statement

The consolidated financial statements and annual accounts have been drawn up in accordance with the IFRS internationalaccounting standards, such as have been enacted by the EU, and with good accounting practice and provide a true and fair picture of the Group's and parent company's position and earnings. The directors' report for the Group and parent company provide a true and fair overview of the Group's and parent company's business, position and earnings and also describe significant risks and uncertainty factors faced by the parent company and the companies that are part of the Group. The annual accounts and consolidated financial statements have, as stated above, been approved for publication by the board on July 20 2023. The Group's statement of comprehensive income and statement of financial position and the parent company's income statement and balance sheet will be subject to approval at the AGM on August 17 2023.

Lund 20-07-2023

Christer Fåhraeus Chairman of the Board	**Per Ollermark** Board member	**Rajiv I Modi** Board member	**Linda Neckmar** Board member	**Per Svangren** Board member	**Anders Månsson** Board member

Axel Schörling
Chief Executive Officer

Our auditor's report was presented on 22-07-2023

Maria Ekelund
Authorised Public Accountant, Deloitte AB

Auditor's Report

To the general meeting of the shareholders of EQL Pharma AB corporate identity number 556713-3425

Report on the Annual Accounts and Consolidated Accounts

Opinions

We have audited the annual accounts and consolidated accounts of EQL Pharma AB for the financial year 01-04-2022 - 31-03-2023. The annual accounts and consolidated accounts of the company are included on pages 29-85 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of March 31 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of March 31 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information

The audit of the annual accounts and consolidated accounts for the financial year 01-04-2021 – 31-03-2022 was performed by another auditor who submitted an auditor´s report dated July 22 2022, with unmodified opinions in the Report on the annual accounts and consolidated accounts.

Other Information than the Annual Accounts and Consolidated Accounts

This document also contains other information than the annaul accounts and consolidated accounts and is found on pages 3-27. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information. In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated

accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group´s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on Other Legal and Regulatory Requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of EQL Pharma AB for the financial year 01-04-2022 - 31-03-2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is suffi-

cient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group´s financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's Responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- ✔ has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- ✔ in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Malmö 22-07-2023
Deloitte AB

Maria Ekelund
Authorized Public Accountant , Deloitte AB

The AGM and Calendar

According to the Companies Act, the Annual General Meeting is the Company's highest decision-making body. At the Annual General Meeting, the shareholders exercise their voting rights on key issues such as adoption of the income statement and balance sheet, appropriation of the Company's earnings, granting of discharge from liability to the members of the board and CEO, election of board members and auditors, and remuneration to the board and auditors.

The Annual General Meeting must be held within six months of the end of the financial year. In addition to the Annual General Meeting, the shareholders may be called to an extraordinary general meeting. According to the articles of association, the notice to convene the Annual General Meeting is through an announcement in Post- och Inrikes Tidningar and through the notice being made accessible on the Company's website www.eqlpharma.com. The notice has also been announced at the same time in Svenska Dagbladet. If publication of Svenska Dagbladet were to cease, the announcement would instead be made through Dagens Industri.

The Right to participate in the Annual General Meeting

The right to participate in the Annual General Meeting is held by those shareholders registered as a shareholder in the share register maintained by Euroclear Sweden as stipulated in chapter 7, section 28, paragraph 3 of the Companies Act (i.e. the share register applies to conditions six bank days before the Annual General Meeting and takes into account voting rights registrations of nominee-registered shares that have been made at the latest four bank days before the Annual General Meeting) and who have notified the Company of their intention to participate at the latest on the day stated in the notice to convene the Annual General Meeting. This day is not to be a Sunday, public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and is not to fall earlier than the fifth weekday before the

Annual General Meeting. In addition to informing the Company of their intention to participate in the Annual General Meeting, shareholders whose shares are registered with nominees must, through a bank or other nominee, request that these shares are temporarily registered in their own name in the share register maintained by Euroclear Sweden in order to have the right to participate in the Annual General Meeting.

If a shareholder intends to be represented by a proxy, the number of proxies is to be stated in the notification. Shareholders are entitled to vote in relation to all the shares that they hold.

Initiatives by Shareholders

Shareholders who wish to have a matter addressed by the Annual General Meeting must submit a request in writing to the board. The request is normally to be received by the board at the latest seven weeks before the Annual General Meeting.

Nominating Committee

At the Annual General Meeting held on August 17 2022, it was decided that the chairman of the board, immediately after the registered ownership of the Company on December 31 2022 is known, is to contact the three largest registered owners in terms of votes according to the Company's share register and ask them to each appoint a member of the nominating committee. If these shareholders do not wish to appoint a member, a request is then made to the next-largest registered owners in terms of votes until three owner representatives have been appointed. The members appointed in this way are to comprise the nominating committee.

The chairman of the board is to convene the nominating committee, but not be included as a member. However, the nominating committee may choose to co-opt the chairman of the board for part of the nominating committee's work. The nominating committee then appoints a chairman from among its members. The names of the nominating committee members are to be published by the Company at the latest six months before the 2023 Annual General Meeting.

If a shareholder that appointed a member of the nominating committee should have a lower placing on the list of the largest shareholders in the Company in terms of votes before the nominating committee's duties havebeen completed, the member appointed by the shareholder, unless the Nominating Committee decides otherwise, is to be replaced by a new member appointed

by the shareholder who at that juncture is the largest registered shareholder in terms of votes that is not already represented in the nominating committee. Should one of the members of the nominating committee resign for some reason before the nominating committee duties have been completed The Annual General Meeting and calendar or cease to represent the shareholder who appointed the member, such a member, if the shareholder who appointed the member so requests, is to be replaced by a member appointed by the shareholder.

The term for a nominating committee appointed in this way is to run until a new nominating committee has taken up the duties. No remuneration is paid for the members' work in the nominating committee. If required, the Company is to cover reasonable costs that the nominating committee deems necessary for the nominating committee to fulfil its assignment. The nominating committee may also co-opt members to the nominating committee if this is considered appropriate. Co-opted members do not have a right to vote in the nominating committee.

The nominating committee's duties consist of preparing and putting forward proposals for shareholders at the Annual General Meeting regarding the chairman of the meeting, the number of board members, the election of board members and chairman of the board, election of auditor, board and auditor fees, any changes in the instructions for the nominating committee as well as other issues that may arise in the committee's work.

The composition of the nominating committee for the 2023 Annual General Meeting is announced on EQL Pharma's website. At the end of December 2021, the three largest shareholders were Cadila Pharmaceuticals Ltd, Fårö Capital AB and Sten Irwe. All have agreed to participate in the nominating committee's work. Thus, the nominating committee for the 2023 Annual General Meeting comprises Christer Fåhraeus (Fårö Capital AB), Rajiv I Modi (Cadila Pharmaceuticals Ltd.) and Sten Irwe.

Annual General Meeting

The Annual General Meeting of EQL Pharma (publ) will be held on Thursday August 17 2023 at 16.00 at EQL Pharma AB's premises at Stortorget 1 in Lund. The notice to convene the AGM is available on EQL Pharma's website: www.eqlpharma.com.

Right to Participate and Registration

Shareholders who wish to participate in the Annual General Meeting must be registered as a shareholder in the share register maintained by Euroclear Sweden AB on August 11 2023, and notify the Company by August 11 2023, preferably before 16.00, of their intention to attend the Annual General Meeting. Notification of AGM attendance shall be submitted in writing, stating the shareholder's name, personal ID or corporate ID number, address, email and telephone number, as well as the number of shares owned, to EQL Pharma AB for the attention of:
Anna Jönsson, Stortorget 1, 222 23 LUND
or via email to anna.jonsson@eqlpharma.com.

Share Registration

Shareholders of holdings in custody through a nominee must temporarily register the shares in their own names with Euroclear Sweden AB to be entitled to participate in the meeting. Such registration must be completed no later than August 11 2023 and should be requested of the nominee well in advance of this date.

Other Information

Upcoming reporting dates

Interim report April–June (Q1)	16-08-2023
Interim report April–September (Q2)	17-11-2023
Interim report October–December (Q3)	13-02-2024
Year-end report (Q4)	14-05-2024

Financial reports, press releases and other information are available on EQL Pharma's website, www.eqlpharma.com, from the date of publication. You can subscribe to and download EQL Pharma's financial reports and press releases from the company's website, or via Spotlight Stock Market's website.

For environmental and cost reasons, EQL Pharma has decided to primarily distribute its annual report via the company's website. It will still be possible for those shareholders and stakeholders who request it to order a copy of the printed version of the annual report from the company to be sent by post. For further information, please contact Axel Schörlilng, Chief Executive Officer, tel +46 (0)705 60 90 00 or email: info@eqlpharma.com.

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EQL PHARMA