

Year-end Report

April 2020 – March 2021

(SEK million)	April – March 2021	April – March 2020	Jan – March 2021	Jan – March 2020
Net sales	179,14	72,08	25,80	18,82
Sales growth %	149	44	37	-88
Gross margin %	28	46	30	44
EBIT	11,44	3,16	-5,88	0,32
Profit for the period	10,39	2,71	-6,23	0,16

Sales growth of 37% during the fourth quarter

January - March

- Consolidated sales during the fourth quarter amounted to SEK 25,8 (18,82) million, an increase of 37%.
- Gross profit amounted to SEK 7,7 (8,2) million for the quarter, a decrease of 6%.
- EBIT for the quarter was SEK -5,9 (0,3) million.
- Earnings per share were SEK -0:21 (0:01) for the quarter.
- Cash flow from operating activities amounted to SEK 35,8 (3,9) million for the quarter.
- Cash and cash equivalents were SEK 26,6 (10,3) million at the end of the quarter.

April - March

- Consolidated sales during the period April 2020 – March 2021 amounted to SEK 179,1 (72,1) million, an increase of 149%. Adjusted for non-recurring sales the revenue amounted to 95,8 (72,1) MSEK, an increase of 33%.
- Gross profit for the same period amounted to SEK 51,0 (7,7) million, an increase of 562%.
- EBIT for April - December amounted to SEK 11,4 (3,2) million.
- Earnings per share were SEK 0:36 (0:09) for the period.
- Cash flow from operating activities amounted to SEK 58,8 (6,7) million during April - March.
- Cash and cash equivalents were SEK 26,6 (10,3) million at the end of March.



CEO's comments

The fourth quarter of 2020/21 was another strong growth quarter for EQL Pharma in terms of sales. Sales for the quarter amounted to SEK 25.8 million, an increase of 37%. In total, we grew by 33% during the financial year, adjusted for non-recurring sales.

Operating profit EBIT amounted to SEK -5.9 (3.2) million for the fourth quarter of 2020/21. The negative operating profit was driven by a number of non-recurring items totalling SEK 6.7 million. The main non-recurring items are linked to the listing on the NASDAQ main market (1.4) and a reservation for destruction of goods in the coming financial year (3.3). The destruction of goods that the company anticipates concerns products whose sales have been negatively affected by the Corona pandemic (especially antibiotics) and therefore the shelf life will expire. The company chooses to write down the value of this inventory in Q4.

During the quarter, the drug Mellozzan (melatonin) was approved for sale in Sweden by

the Medical Products Agency. The product has large potential, and we are currently waiting for a decision on reimbursement that can come at the earliest in mid-May.

"Strong sales development but EBIT is impacted by non-recurring items in the quarter"

During the month of March, we in-licensed seven products for the Danish market, five of which are exclusive licenses. Most products have a distinct niche character and will be included in our sales from the first quarter of 2021/22. In total, we are thus approaching 60 products that have either been launched, 22, or are under development, 36.

Our CFO and appreciated employee Jennie Sterning has after 14 years in the company chosen to leave her job and has her last working days in mid-July. I would like to take this

opportunity to thank Jennie for her outstanding and important efforts during all these years, we will miss you. Emanuel Eriksson has been appointed as the new CFO. Emanuel has a master's degree in economics with a focus on Technology Management and has a background from retail banking as a company manager and acquisition financing (M&A).

After the end of the quarter, we revised our schedule for the planned list change to Nasdaq Stockholm's main list. In this context, it should be pointed out, for the management of EQL Pharma, the single most important priority is to execute on our long-term business plan, where we have set our goal on 40% yearly growth on average over the next five-year period. By consistently prioritizing this aggressive plan, aspects such as list selection will always be subordinate to our focus on executing our business.

CEO's comments

After the quarter, EQL Pharma launched Europe's first CE-marked SARS-CoV-2 self-test on the Swedish market. In Sweden, there are previously two non-CE marked antigen-based self-tests that have been granted a temporary exemption by the Swedish Medical Product Agency. The self-test will be available in selected pharmacy chains during the second half of May.

"The five-year plan that ends with this year-end report has delivered an average growth of just over 35%"

If we sum up the financial year 2020/21, it has been a very intense year. We have started of our European expansion, and we have greatly enlarged our product portfolio during the year. We are also proud to have been able to help healthcare with PPE equipment to combat the

covid-19 pandemic and we see that this work will partly continue in 2021/22. The five-year plan that ends with this year-end report has delivered an average growth of more than 35%, which is 5% more than our aggressive growth target for the period 2016 - 2020/21. With these figures, we belong to a very small and exclusive group of companies, and I want to thank my employees for this outstanding achievement.



Christer Fåhraeus
President & CEO

Significant events

During the quarter

Approval of Glucosparc (metformin)

Glucosparc, a prolonged-release tablets 500mg, 750mg and 1000mg, have been approved for sale in Sweden by the Medical Products Agency.

Nomination committee for the 2021 Annual General Meeting

Prior to the 2021 Annual General Meeting, the Nomination Committee consists of Christer Fåhraeus (appointed by Fårö Capital AB), Rajiv I Modi (appointed by Cadila Pharmaceuticals Ltd.), and Emanuel Eriksson.

Approval of Mellozzan (melatonin)

The pharmaceutical Mellozzan tablets 0.5mg, 1mg, 2mg, 3mg, 4mg and 5mg, has been approved for sale in Sweden by the Medical Products Agency.

In-license seven products for Denmark

EQL Pharma has today purchased seven (7) licenses, of which five (5) are exclusive, for products on the Danish market. The licenses already have marketing authorizations in Denmark. The sales start is expected in EQL Pharma's first financial quarter 2021/22.

After the quarter

EQL becomes Nordic representative for Qilu Pharmaceuticals

Qilu Pharmaceuticals is a leading Chinese pharmaceutical company with eight production facilities, more than 15,000 employees and over 200 products in its range. Gefitinib Qilu is the first of currently seven pharmaceuticals in which EQL will act as a local representative for Qilu in the Nordic region. As a local representative, EQL buys, stocks and sells pharmaceuticals for Qilu in the Nordic region. Registration of the pharmaceuticals, on the other hand, is done by Qilu and they own all rights and have all obligations a registration brings with it from the Authorities.

After the quarter, cont

EQL Pharma's CFO has chosen to leave her position

A process to recruit a new CFO will begin soon. Emanuel Eriksson will take over as acting CFO during the period from Jennie Sterning's last day until a new long-term CFO is in place. Jennie will remain as CFO until mid-July.

EQL chooses to postpone the list change to Nasdaq Stockholm

EQL Pharma revises the schedule for the planned list change from Spotlight Stock Market to Nasdaq Stockholm's main list, with the goal that the list change will be carried out after the summer of 2021 instead of the first quarter of the financial year 2021/22 as previously communicated.

Colecalciferol EQL Pharma Approval

The pharmaceutical Colecalciferol EQL Pharma tablets 800IU and 2000IU has been approved by the Irish Medicines Agency (HPRA) for sale. Approvals are also expected soon from the Netherlands, Norway and Sweden.

EQL Pharma first launches CE marked self-test for SARS-CoV-2

EQL Pharma will soon begin deliveries of Europe's first CE-marked SARS-CoV-2 self-test, for the detection of ongoing Cov id-19 infection. In Sweden, there are already two non-CE-marked antigen-based self-tests that have been granted a temporary exemption by the Medical Products Agency. The self-test will be available in selected pharmacy chains during the second half of May.

Market

EQL Pharma has an aggressive growth strategy driven by the launch of new products in combination with expansion into new markets. Our products are mainly generics to originals that have been marketed in Sweden and the Nordic countries for a very long time.

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

Marketed products

During the quarter, eight drugs were launched and three deregistered. We have launched Mellozzan (melatonin) and folic acid in Sweden as well as Prednisolone, Morphine, Codeine, Furosemide, Methadone and Diazepam in Denmark. Clarithromycin has been deregistered in Sweden and Zonisamide in Denmark. Both due to lack of profitability and reduced prescribing to patients. There are plenty of replacement products for both drugs so no patient risks being left without treatment as a result of our deregistration. We have also deregistered Aripiprazole EQL Pharma oral solution as it did not become interchangeable in pharmacies, which was a prerequisite for the launch of the product.

Geographic markets

Today, we operate directly in the generic markets in Sweden and Denmark. In the rest of the Nordic region and Europe, including Iceland, our products are currently sold indirectly through partners.

During 2021 and onwards, we will expand our geographical presence in Europe. Depending on the market, this is done through a direct or indirect sales model.

Segment

Today, we only develop and sell prescription drugs. In that category, there are a few interesting segments. So far, we have mostly invested in (a) the substitutable generics segment in outpatient care. The intention is to broaden the portfolio to include more (b) injection products for inpatient care and (c) unique products / formulations for outpatient care.. The injection products are generally sold through public procurement, while the unique products achieve sales only through specific prescription of our product.

Segments (b) and (c) are new to the company. But they are not new to the company's staff, who have many years of experience in these particular market segments from previous employers.

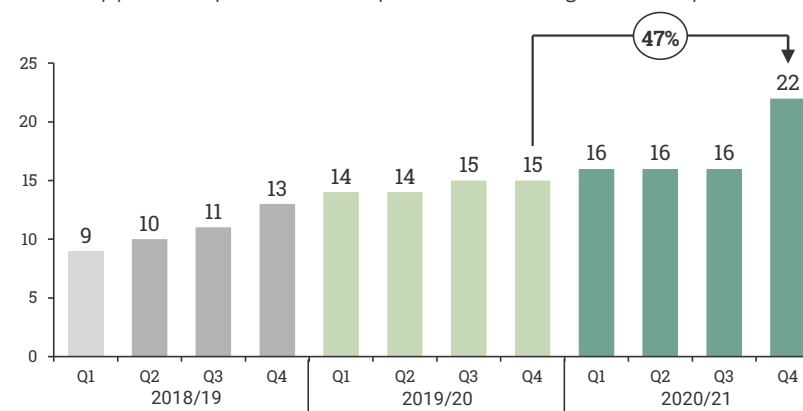


Figure 1. The company's product portfolio, i.e. marketed products, per quarter from fiscal year 2018/19 through the reporting period for the current fiscal year. The Y axis is the number of products marketed.

Product development

Pipeline

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

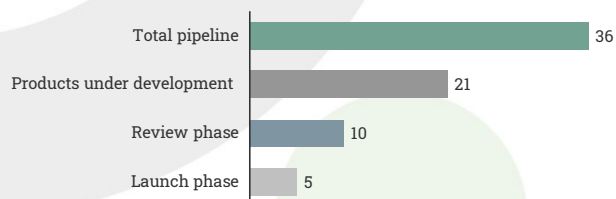


Figure 2. Total pipeline of products and how many products are in Review phase and Launch phase respectively.

Products in the Development phase

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

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

When a product is fully developed, the application is submitted to the Medicines Agency in the markets where we intend to sell the product. The Agency's then initiate an audit, which generally takes about one year from application to approval. We call this step Review phase. At the end of the quarter, we had 10 products in the review phase.

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

Products in the Launch phase

We currently have five products in the launch phase. Phenoxymethylpenicillin EQL oral suspension is expected to be launched in the third quarter of 2021/22. We will take over Palonosetron Qilu injection solution in Denmark during the fourth quarter of 2021/22. Colecalciferol EQL Pharma tablets and Gefitinib Qilu tablets are expected to be launched in the

fourth quarter of 2021/22. The release date for Glucosparc (metformin) prolonged-release tablets has not yet been determined.

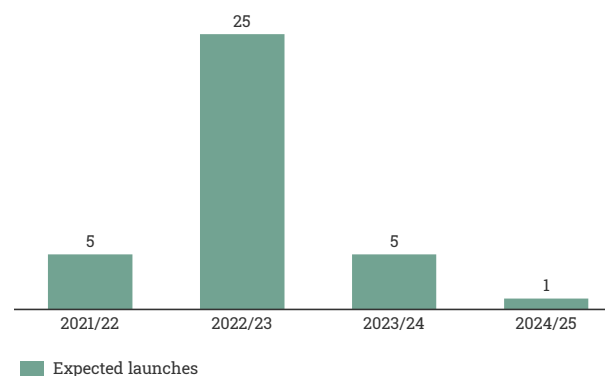


Figure 3. The company's product launches for the current fiscal year and expected product launches up to and including fiscal year 2024/25.

At all stages from the development phase to the launch phase, situations can arise that risk delaying a launch or even making it impossible. Both we at EQL and our well-selected partners do everything we can to prevent these situations from occurring, but there are always risk factors beyond our control.



Financial information

Sales

Sales development

The fourth quarter of 2020/21 was yet another quarter with very good growth for EQL Pharma. Our total sales amounted to 25,8 (18,9) MSEK.

The sales growth of 37 percent was mainly driven by the launches that have been conducted in 2019/20 and 2020/21. Sales is still positively impacted by the Corona pandemic.

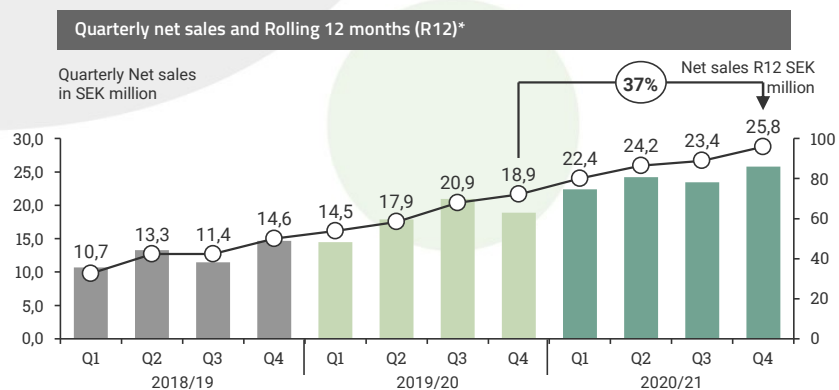


Figure 4. Net sales trend fiscal year 2017/18 through reporting period for the current fiscal year. Left Y-axis quarterly turnover in SEK million. Right Y-axis rolling 12-months sales expressed in SEK million. * Excluding extraordinary one-time items

Profit performance

The operating profit EBIT amounted to -5,9 (3,2) MSEK in the fourth quarter. The negative operating profit was mainly driven by one-time costs and write-offs. On the cost side there were one-time costs associated with the NASDAQ listing of 1,4m, change of Pharmacovigilance supplier 1,0m and other one-time costs of 1,0m. In addition, EQL decided to write down the value of inventory for certain products whose sales have been negatively impacted by the pandemic. For these products, The Company sees a destruction risk due to expiring shelf-life in the next fiscal year and therefore decided on a write-down of 3,3m.

Personnel cost and other external costs have increased compared to the same quarter last year due the larger scope of the operations in the quarter.

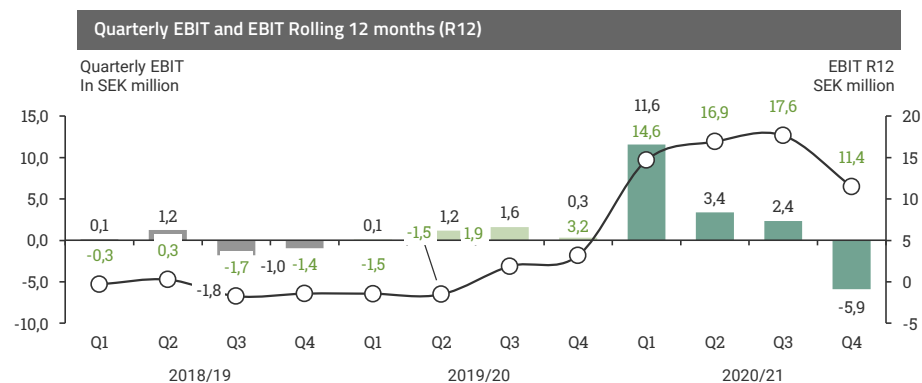


Figure 5. Operating profit trend (EBIT) for fiscal year 2017/18 through the reporting period for the current fiscal year, the bars are EBIT and the line is rolling 12-month EBIT. The left Y-axis EBIT per quarter expressed in SEK million and the right Y-axis is rolling 12-month EBIT expressed in SEK million.

The Group

Consolidated profit and loss statement

All amounts in '000	April – March 2021	April – March 2020	Jan – March 2021	Jan – March 2020
Net sales	179 141	72 083	25 805	18 817
Cost of goods sold	-128 135	-39 190	-18 113	-10 599
Gross profit	51 006	32 892	7 692	8 218
Gross margin	28%	46%	30%	44%
Sales and marketing expenses	-19 352	-16 756	-6 258	-4 195
Administration expenses	-9 000	-6 201	-3 300	-1 744
R&D expenses	-11 723	-7 238	-4 116	-2 074
Other operating income	514	459	102	115
Operating profit	11 445	3 156	-5 881	319
Other interest income	0	0	0	0
Interest expenses and similar expenses	-1 004	-432	-298	-140
Profit before tax	10 440	2 724	-6 179	179
Tax	-55	-17	-55	-17
Net profit for the period	10 385	2 707	-6 233	162

The Group

Cash flow, investments and financing

All amounts in '000	April – March 2021	April – March 2020	Jan – March 2021	Jan – March 2020
Cash flow from operations excluding changes in working capital	27 661	6 858	-6 156	942
Change in working capital	31 184	-171	41 984	2 984
Cash flow from operations	58 845	6 687	35 828	3 927
Cash flow from investments	-55 170	-18 075	-35 840	-8 583
Cash flow from financing operations	12 594	6	12 602	7
Total cash flow during period	16 269	-11 382	12 590	-4 649
Cash / cash equivalents at beginning of period	10 310	21 692	13 990	14 959
Cash / cash equivalents at end of period	26 579	10 310	26 579	10 310

Cash flow

Positive cash flow from operating activities before changes in working capital of SEK 6,2 (0,9) million for the quarter. For the period April to March, the corresponding cash flow is SEK 27,7 (6,9) million. Changes in working capital during the quarter amounted to SEK 42,0 (3,0) million and for the period April to March SEK 31,2 (-0,2) million. The total cash flow from operating activities thus amounts to SEK 35,8 (3,9) for the quarter and for April to March SEK 58,8 (6,7) million.

Investments

EQL Pharma continues to invest in development projects. During the quarter, 35,8 (8,6) million was invested in both ongoing and new projects. For April to March, investments amount to SEK 55,2 (18,1) million.

Financing

Cash flow from financing activities amounted to a total of SEK 12,6 (0,0) million for both the quarter and for the period April to March.

Cash and cash equivalents

Cash and cash equivalents amounted to SEK 26,6 (10,3) million at the end of the quarter.

Equity

As of March 31st, equity amounted to SEK 91,3 (80,9) million and equity per share to SEK 3:14 (2:78).

Equity ratio

The equity / assets ratio was 45,9 (65,1) percent at the end of the period.

EQL Pharma's share

The company's share has been listed on Spotlight Stock Market since December 17th, 2013. The total number of registered shares in the company at the end of the period was 29,063,610 (29,063,610). Listed on Spotlight NEXT since October 31st, 2019.

Additional information

Parent company

EQL Pharma AB is the parent company in the EQL Pharma Group. Net sales for the Parent Company during the fourth quarter amounted to SEK 24,1 (17,5) million and for the period April to March to SEK 173,9 (67,8) million. Operating profit amounted to SEK -6,0 (0,4) million for the quarter and for the period April to March to SEK 11,0 (4,4) million.

Personnel

The Group employs 10 (9) persons, out of whom 6 (6) are women. The number of full-time employees is 10 (9) at the Swedish parent company.

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

Risk factors

Several risk factors may have a negative impact on the operations of EQL Pharma. It is therefore important to consider the relevant risks alongside the Company's growth opportunities. The following text describes risk factors in no particular order and with no claim to be exhaustive.

Delays in launch new products can mean deterioration in earnings for the company and it cannot be excluded that the EQL Pharma in the future may need to raise additional capital. An aggressive investment strategy from competition could pose risks in the form of slower sales and weaker profitability. Increased competition could lead to negative sales and earnings effects for the Company in the future.

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

EQL Pharma will continue to develop new products in its field. Time and cost aspects of product development can be difficult to pre-determine with accuracy. This entails the risk that a proposed product is more costly than planned or takes longer than planned.

Additional risks and uncertainties that are not currently known to EQL Pharma may be developed into important factors that

affect the Company's operations, results and financial position. For a more detailed list of risks, we refer to EQL's information memorandum of October 29, 2018, pages 4-7.

Legal disclaimer

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

Upcoming reports

Future reports for 2021/2022 will be published:

Current fiscal year:	
Annual General Meeting, Lund	2021-08-18
Interim report April – June (Q1)	2021-08-18

Additional information

Accounting principles

This year end report has been prepared in accordance with K3 for 2020/2021. For the Parent Company this interim report has been prepared in accordance with K3 for 2020/2021. The accounts of subsidiaries are translated to Swedish kronor using the current method. The current method means that all assets, provisions and other liabilities are translated at the closing rate and all income statement items are translated at the average rate. Any translation differences are recognized directly against equity. Amounts are expressed in MSEK (millions of Swedish Kronor) unless otherwise indicated. KSEK is an abbreviation for thousands of Swedish kronor.

Our financial goals

The five-year plan that ends with this year-end report has delivered an average growth of just over 35%, which is 5% more than our aggressive growth target for the period 2016-2020 / 21. With that, we put these numbers to the archive.

For the next five-year period, 2020/21 to 2024/25, we aim to grow by an average of 40 percent per year. Furthermore, our goal is for the EBIT margin to be more than 25 percent by the end of the period. For the current financial year, we believe in growth of around 40%, but significant uncertainty factors mean that this target may be revised during the financial year.

The auditors' review

This interim report has not been audited by the auditor.

Questions regarding year end report

For further information or questions, please contact:

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Board of Directors EQL Pharma

Lund, May 6th, 2021.

Anders Månsson,
Chairman

Christer Fåhraeus,
CEO and member

Lars Holmqvist,
Member

Linda Neckmar,
Member

Maria Bech,
Member

Rajiv I Modi,
Member

The Group

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Other operating income	514	459	102	115
Operating profit	11 445	3 156	-5 881	319
Other interest income	0	0	0	0
Interest expenses and similar expenses	-1 004	-432	-298	-140
Profit before tax	10 440	2 724	-6 179	179
Tax	-55	-17	-55	-17
Net profit for the period	10 385	2 707	-6 233	162

The Group

Consolidated balance sheet

All amounts in '000	March 2021	March 2020
Intangible assets	100 378	62 333
Tangible fixed assets	214	366
Financial assets	296	296
Total fixed assets	100 888	62 996
Total current assets	97 938	61 317
Total assets	198 826	124 313
Total equity	91 295	80 918
Long-term liabilities	12 600	0
Current liabilities	94 931	43 394
Total equity and liabilities	198 826	124 313

Consolidated changes in equity April 2020 – March 2021

All amounts in '000	Share capital	Other contributed capital	Other capital including profit for the period
Balance at beginning of period	1 308	66 133	13 475
New share issue / Share issue costs			
Translation differences			-6
Profit for the period			10 385
Balance at end of period	1 308	66 133	23 854

Parent company

Profit and loss statement

All amounts in '000	April – March 2021	April – March 2020	Jan – March 2021	Jan – March 2020
Net sales	173 944	67 788	24 112	17 539
Cost of goods sold	-124 378	-35 610	-16 829	-9 638
Gross profit	49 567	32 178	7 282	7 901
Gross margin	28%	47%	30%	45%
Sales and marketing expenses	-18 617	-15 539	-5 969	-3 934
Administration expenses	-8 854	-5 785	-3 279	-1 652
R&D expenses	-11 657	-6 951	-4 104	-2 010
Other operating income	514	459	102	115
Operating profit	10 953	4 362	-5 967	420
Other interest income	0	0	0	0
Interest expenses and similar expenses	-1 004	-432	-298	-140
Profit before tax	9 949	3 930	-6 265	280
Group contributions paid	0	-1 000	0	-1 000
Tax	0	0	0	0
Net profit for the period	9 949	2 930	-6 265	-720

Parent company

Balance sheet

All amounts in '000	March 2021	March 2020
Intangible assets	100 050	61 858
Tangible fixed assets	214	366
Financial assets	391	391
Total fixed assets	100 655	62 615
Total current assets	96 777	60 471
Total assets	197 432	123 086
Total equity	90 462	80 513
Long-term liabilities	12 600	0
Current liabilities	94 370	42 573
Total equity and liabilities	197 432	123 086

Cash flow

All amounts in '000	April – March 2021	April – March 2020	Jan – March 2021	Jan – March 2020
Cash flow from operations excluding changes in working capital	27 069	7 788	-6 227	974
Change in working capital	30 565	-14	40 978	3 465
Cash flow from operations	57 635	7 774	34 751	4 440
Cash flow from investments	-55 160	-17 661	-35 833	-8 082
Cash flow from financing operations	12 600	-1 000	12 600	-1 000
Total cash flow during period	15 075	-10 887	11 518	-4 643
Cash / cash equivalents at beginning of period	10 145	21 032	13 702	14 788
Cash / cash equivalents at end of period	25 220	10 145	25 220	10 145