

# Interim Report

April – September 2021

(SEK million)	July - Sep 2021	July – Sep 2020	April - Sep 2021	April – Sep 2020	April-March 2021
Net sales	52,46	24,22	89,12	123,73	179,14
Sales growth %	117	36	-28	232	149
Gross margin %	31	43	36	27	28
EBIT	5,93	3,40	8,96	15,01	11,52
Profit for the period	5,35	3,24	7,85	14,44	10,37

## A strong quarter for both our pharma sales and our sales of Covid-19 tests

### July - September

- Consolidated sales during the second quarter, July to September amounted to SEK 52.5 (24.2) million. Adjusted for non-recurring sales the revenue amounted to 34.5 (24.2) MSEK, an increase of 42.6%.
- Gross profit amounted to SEK 16.3 (10.4) million for the quarter, an increase of 56.4%.
- EBIT for the quarter was SEK 5.9 (3.4) million.
- Earnings per share were SEK 0:18 (0:11) for the quarter.
- Cash flow from operating activities amounted to SEK 4.3 (-40.0) million for the quarter.
- Cash and cash equivalents were SEK 8.0 (19.7) million at the end of the quarter.

### April - September

- Consolidated sales during the period April-September amounted to SEK 89.1 (123.7) million. Adjusted for non-recurring sales the revenue amounted to 66.1 (46.6) MSEK, an increase of 41.8%.
- Gross profit for the same period amounted to SEK 34.2 (32.8) million, a decrease of 4%.
- EBIT for April-September amounted to SEK 9.0 (15.0) million.
- Earnings per share were SEK 0:27 (0:50) for the period.
- Cash flow from operating activities amounted to SEK -4.2 (16.2) million during April-September.
- Cash and cash equivalents were SEK 8.0 (19.7) million at the end of September.



# CEO's comments

## Second quarter in summary

The second quarter of 2021/22 was a strong quarter for the company in which our Covid-19 tests and our pharmaceuticals performed well. Total sales amounted to SEK 52.5 (24.2) million and adjusted for non-recurring sales, the Group's sales amounted to SEK 34.5 (24.2) million, an increase of 42.6%. Operating profit for the quarter amounted to SEK 5.9 (3.4) million.

## Products and market

One of our bestselling products, EQL Potassium Chloride, have previously been sold via a license agreement in Denmark, Norway and Finland with a leading generic company. Upon renewal of the agreement, EQL has chosen to extend the agreement only for Finland. In the past quarter, EQL therefore started to sell under our own brand Potassium Chloride EQL Pharma, also in Denmark. The product has long been sold in Sweden under its own brand. The market in Denmark has a turnover of about 77 MDKK per year and in addition to EQL there are two other active competitors.

With regard to new approvals, the drug Ondansetron EQL Pharma has received a

market authorization from the Medical Products Agency in Sweden. An authorization is also expected for Denmark in the near future and we expect a launch early next fiscal year. After the quarter, the eye drops Latanoprost EQL Pharma have also been approved as a pharmaceutical for sale in Sweden, Denmark and Norway. Also here, we hope to launch the first quarter of the next financial year. The Scandinavian market for Latanoprost currently has sales of approximately SEK 50 MSEK and has between two and five active competitors per country.

The product development of our pharmaceuticals is also in an intensive phase with no less than 11 products that have now been submitted to the pharmaceutical authorities for review and 7 products that are now approved for sale and will be launched in the coming quarters. In the next financial year, more than 10 products are targeted to be launched, which would be a new record for EQL Pharma.

In the last quarter, our "nasal tops" Covid-19 self-tests sold successfully at main pharmacy chains and grocery retailers in Sweden. We are now supplementing our range of antigen-based

self-tests with a saliva-based CE-marked self-test for rapid detection of a Covid-19 infection. *AllTest* Covid-19 Saliv Self-test is convenient to use and especially suitable for children, schoolchildren / students, the disabled or people who are worried about other test methods. The self-test is the first and only CE-marked real saliva test that can be sold to consumers rather than healthcare professionals in Sweden. EQL has exclusivity for the test on the Nordic market.

## Other

In addition to summing up a strong second quarter, I would also like to mention that we continue to work hard on the expansion of our products into the European market and have begun several license discussions for the products and markets where we do not plan to sell ourselves.



A handwritten signature in blue ink, consisting of a stylized 'C' and 'F' followed by a horizontal line.

**Christer Fåhraeus**  
VD

# Significant events

## During the quarter

EQL takes over the rights for Potassium Chloride in Denmark and Norway. Since 2018, EQL has sold Potassium Chloride in Denmark, Norway and Finland through a licensing arrangement with a leading generic company. The three-year agreement has now expired and EQL has chosen to extend the agreement for Finland only. We started to sell Potassium Chloride EQL Pharma in Denmark by our own in the past quarter. The product is already sold in Sweden since 2017. The market in Denmark has a turnover of about 77mDKK per year and in addition to EQL has two other active suppliers.

### Ondansetron EQL Pharma Approved

The pharmaceutical Ondansetron EQL Pharma tablets 4mg and 8mg have been approved by the Swedish Medical Products Agency for sale in Sweden. Ondansetron EQL Pharma has a launch date in the company's first financial quarter next year. The markets in Sweden and Denmark currently have sales of approximately SEK 15 MSEK and have between three and six active competitors per market.

### EQL Pharma to exclusively launch first CE marked saliva based Covid-19 antigen self-test

EQL Pharma will under the third quarter complement its current "nasal swab" Covid-19 antigen test with a saliva-based CE marked self-test for quick detection of a Covid-19 infection. The test is the first CE marked of its kind that can be sold and used by normal consumers rather than healthcare professionals, and EQL has an exclusivity for it on the Nordic market.

## After the quarter

### Latanoprost EQL Pharma Approved

The pharmaceutical Latanoprost EQL Pharma, eye drops 50 micrograms/ml, has been approved for sale in Sweden, Denmark and Norway. Latanoprost EQL Pharma has a planned launch date in the company's first financial quarter (April-June) next year. The Scandinavian market for Latanoprost currently has sales of approximately SEK 50m and has between two and five active competitors per country.

# Market

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

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

## Marketed products

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

During the quarter, no new products were launched and the product Diazepam DLF was deregistered in Denmark due to lack of profitability and declining market. Diazepam DLF was a product we got "for free" in the portfolio of seven Danish products we took over during the first quarter.

## Geographic markets

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

In the United Kingdom and the rest of the Nordic region, including Iceland, our products are sold indirectly through partners.

During 2021/2022 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 our core business. In that category, there are a few interesting segments. So far, we have mostly invested in (a) the substitutable generics segment in outpatient care. The intention is to broaden the portfolio to include more (b) injection products for inpatient care and (c) unique products / formulations for outpatient care.. The injection products are generally sold through public procurement, while the unique products achieve sales only through specific prescription of our product.

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

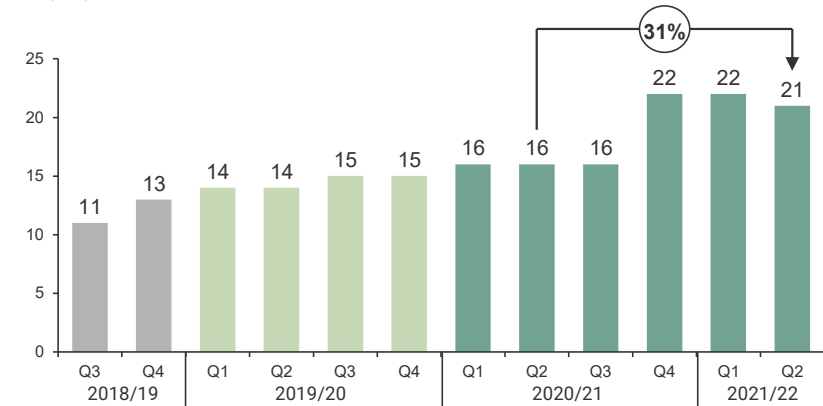


Figure 1. The company's product portfolio, i.e. marketed products, per quarter from fiscal year 2017/18 through the reporting period for the current fiscal year. The Y axis is the number of products marketed..

# 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.

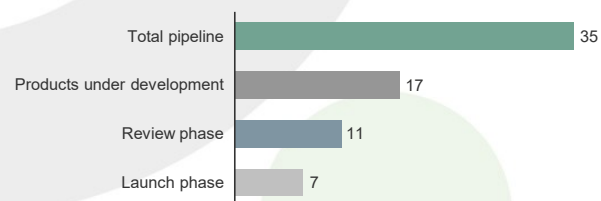


Figure 2. Total pipeline of products and how many products are in Review phase and Launch phase respectively.

## 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 11 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 seven products in the launch phase. 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. Phenoxymethylpenicillin EQL oral suspension, Latanoprost EQL eye drops and Ondansetron EQL tablets are expected to be launched in the first quarter of 2022/23. The release date for Glucosparc (metformin) prolonged-release tablets has not yet been determined.

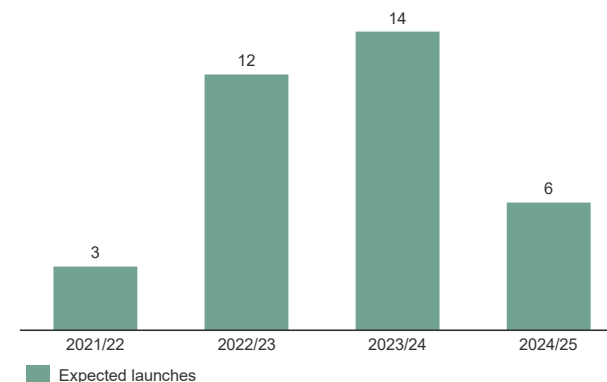


Figure 3. The company's product launches for the current fiscal year and expected product launches up to and including fiscal year 2024/25.

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. To offset these risks, we have chosen from this report to add a "buffer" in our launch estimate. This means that launches can take place both earlier and later than estimated in the table above, but the assessment is that it will generally give a more balanced picture.



# Financial information

# Sales and operating profit

## Sales development

The second quarter of 2021/22 was yet another quarter with very good growth for EQL Pharma. Our total sales amounted to 34,5 (24,2) MSEK, adjusted for non-recurring sales.

The sales growth of 42 % was mainly driven by the launches that have been conducted in 2020/21 and Q1 2021/22. Sales are still positively impacted by the Corona pandemic.

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

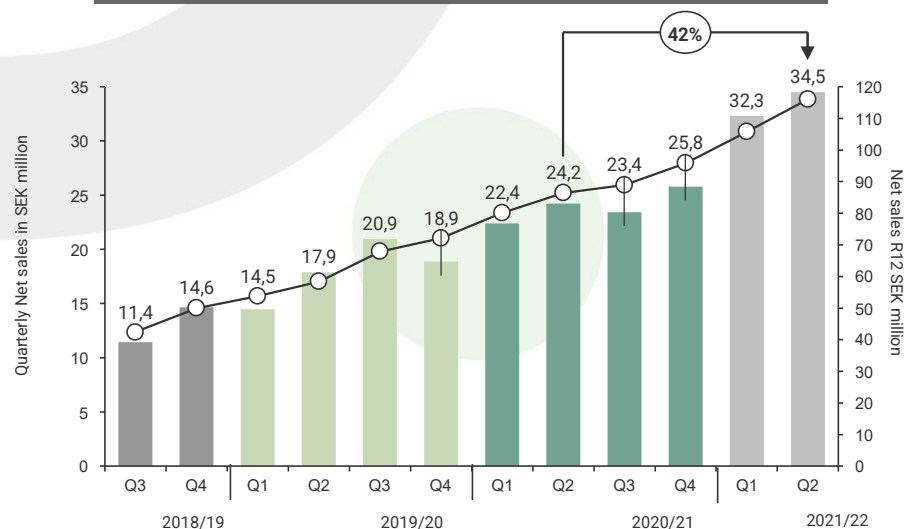


Figure 4. Net sales trend fiscal year 2018/19 through reporting period for the current fiscal year. Left Y-axis quarterly turnover in SEK million. Right Y-axis rolling 12-months sales expressed in SEK million.

\* Excluding extraordinary one-time items

## Profit performance

The operating profit for the quarter was SEK 5.9 (3.4) million.

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. The operating profit is still positively impacted by the Corona pandemic.

Quarterly EBIT and EBIT Rolling 12 months (R12)



Figure 5. Operating profit trend (EBIT) for fiscal year 2018/19 through the reporting period for the current fiscal year, the bars are EBIT and the line is rolling 12-month EBIT. The left Y-axis EBIT per quarter expressed in SEK million and the right Y-axis is rolling 12-month EBIT expressed in SEK million.

# Additional information

## Parent company

EQL Pharma AB is the parent company of the EQL Pharma group. Net sales for the Parent Company during the second quarter amounted to SEK 50.9 (22.5) million and for the period April to September to SEK 86.5 (121.2) million. Operating profit amounted to SEK 5.7 (3.0) million for the quarter and for the period April to September to SEK 8.3 (14.5) million.

## Personnel

The number of full-time employees in the group is 11 (10), out of whom 6 (7) are women, at the Swedish parent company.

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

## Risk factors

Several risk factors may have a negative impact on the operations of EQL Pharma. It is therefore important to consider the relevant risks alongside the Company's growth opportunities. The following text describes risk factors in no particular order and with no claim to be exhaustive. Delays in 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 financial period:	
Interim Report October-December (Q3)	2022-02-16
Year-end report (Q4)	2022-05-13



## Additional information

### Accounting policies

This interim report (Q2-2021) is the Group's second financial report prepared in accordance with IFRS. All comparative figures for the period are recalculated in accordance with IFRS. The Group's accounting principles are found in Note 1 and the effects of translation to IFRS for the comparison period 2020 are presented in Note 5.

### Our financial goals

For the next four years, calculated from 2020/21 to 2024/25, we aim to grow by 40 % on average per year. The growth is defined as sales that are not of a non-recurring nature and the starting figure for 2020/21 will thus be SEK 95 million. Furthermore, our goal is for the EBIT margin to be more than 25 % by the end of the period. For the current financial year, 2021/22, we believe in a growth of around 40%, but significant uncertainties 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, November 10<sup>th</sup>, 2021.

Anders Månsson,  
*Chairman*

Christer Fåhraeus,  
*CEO and member*

*Per Ollermark,  
Member*

Linda Neckmar,  
*Member*

*Per Svangren,  
Member*

Rajiv I Modi,  
*Member*

# The Group

## Consolidated profit and loss statement

All amounts in '000	April – Sep 2021	Apr – Sep 2020	July – Sep 2021	July - Sep 2020	April – March 2021
Net sales	89 117	123 726	52 459	24 221	179 141
Cost of goods sold	-57 437	-90 918	-36 140	-13 789	-128 135
<b>Gross profit</b>	<b>31 679</b>	<b>32 808</b>	<b>16 319</b>	<b>10 432</b>	<b>51 006</b>
<b>Gross margin</b>	<b>36%</b>	<b>27%</b>	<b>31%</b>	<b>43%</b>	<b>28%</b>
Sales and marketing expenses	-14 148	-9 065	-6 602	-3 468	-19 312
Administration expenses	-4 580	-3 912	-2 275	-1 882	-8 986
R&D expenses	-4 178	-5 122	-1 594	-1 850	-11 700
Other operating income	190	297	76	182	514
<b>Operating profit</b>	<b>8 963</b>	<b>15 005</b>	<b>5 925</b>	<b>3 415</b>	<b>11 522</b>
Other interest income	0	0	0	0	0
Interest expenses and similar expenses	-1 115	-569	-575	-181	-1 100
<b>Profit before tax</b>	<b>7 849</b>	<b>14 436</b>	<b>5 350</b>	<b>3 234</b>	<b>10 422</b>
Tax	0	0	0	0	-55
<b>Net profit for the period</b>	<b>7 849</b>	<b>14 436</b>	<b>5 350</b>	<b>3 234</b>	<b>10 367</b>
<b>Other comprehensive income::</b>					
<b>Components not to be reclassified to net profit:</b>					
<i>a) Translation difference</i>					
Translation difference in the group	-1	3	-1	1	1
<b>Sum of Components to be reclassified to net profit:</b>	<b>-1</b>	<b>3</b>	<b>-1</b>	<b>1</b>	<b>1</b>
Sum of other comprehensive income:	-1	3	-1	1	1
<b>Comprehensive result for the period</b>	<b>7 847</b>	<b>14 439</b>	<b>5 349</b>	<b>3 234</b>	<b>10 368</b>

# The Group

## Per share data

Per share data	April – Sep 2021	April – Sep 2020	April – March 2021
Earnings per share, before and after dilution, SEK */	0,27	0,50	0,36
Equity per share, SEK	8,65	4,98	7,00
Number of shares outstanding	29 063 610	29 063 610	29 063 610
Average number of shares outstanding	29 063 610	29 063 610	29 063 610
Stock exchange rate, SEK	30,2	32,4	35,1
Dividend per share	0	0	0

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

## Quarterly earnings trend

All amounts in '000	April – Sep 2021	April – Sep 2020	July – Sep 2021	July – Sep 2020	April – March 2021
Net sales	89 117	123 726	52 459	24 221	179 141
Sales growth	-28%	283%	117%	36%	149%
Gross profit	31 679	32 808	16 319	10 432	51 006
Gross margin, %	36%	27%	31%	43%	28%
Operating profit	8 963	15 005	5 925	3 415	11 522
Operating margin, %	10%	12%	11%	14%	6%
Net profit	7 849	14 436	5 350	3 234	10 367
Cash flow	-18 539	9 352	-3 178	-45 135	16 269

# The Group

## Consolidated balance sheet

All amounts in '000	September 2021	September 2020	March 2021
Intangible assets	112 330	52 520	100 378
Tangible fixed assets	4 912	5 258	5 013
Deferred tax assets	296	296	296
Inventory	71 165	42 720	42 357
Trade receivables	50 882	21 739	21 824
Other receivables	3 810	2 400	7 064
Cash and bank	8 040	19 662	26 579
<b>Total assets</b>	<b>251 436</b>	<b>144 594</b>	<b>203 511</b>
Equity	99 385	95 294	91 221
Long-term debt, interest-bearing	13 220	4 797	11 493
Short-term debt, interest-bearing	4 174	226	5 866
Short-term debt, non interest-bearing	109 487	34 708	75 902
Trade payables	25 169	9 569	19 029
<b>Total equity and liabilities</b>	<b>251 436</b>	<b>144 594</b>	<b>203 511</b>

## Consolidated changes in equity

All amounts in '000	April – Sep 2021	April – Sep 2020	April – March 2021
<b>Balance at beginning of period</b>	23 780	13 423	13 475
Warrants	317	0	0
Profit for the period	7 849	14 436	10 385
Other comprehensive income	-2	-2	-6
<b>Balance at end of period</b>	<b>31 944</b>	<b>27 853</b>	<b>23 781</b>

# The Group

## Cash flow

All amounts in '000	April - Sep 2021	April - Sep 2020	July - Sep 2021	July - Sep 2020	April - March 2021
Result before taxes	7 849	14 436	5 350	3 234	10 422
Adjustment for items not included in cash flow	2 888	16 742	2 537	355	18 407
Taxes	-55		0		-55
<b>Cash flow from operations before changes in working capital</b>	<b>10 682</b>	<b>31 178</b>	<b>7 887</b>	<b>3 589</b>	<b>28 774</b>
Changes in inventory	-28 808	-14 358	-16 610	-12 857	-13 995
Changes in current receivables	-25 804	-1 519	-17 994	-5 709	-6 268
Changes in current liabilities	39 780	883	31 016	-24 998	51 536
<b>Sum changes in working capital</b>	<b>-14 832</b>	<b>-14 994</b>	<b>-3 588</b>	<b>-43 563</b>	<b>31 273</b>
<b>Cash flow from operations</b>	<b>-4 150</b>	<b>16 185</b>	<b>4 300</b>	<b>-39 974</b>	<b>60 047</b>
Capitalization of development costs	0		0		
Acquisitions of intangible non-current assets	-14 137	-6 299	-7 504	-4 899	-55 170
Acquisitions of tangible non-current assets	-602		0		-406
<b>Cash flow from investment activities</b>	<b>-14 740</b>	<b>-6 299</b>	<b>-7 504</b>	<b>-4 899</b>	<b>-55 577</b>
Acquired loans					12 600
Amortization of loans					
New share issue					
Warrants program	317		317		
Translation difference	-2	-2	-6	4	-6
Leasing debts	602		0		280
Amortization of leasing debts	-567	-531	-284	-266	-1 076
<b>Cash flow from financing activities</b>	<b>351</b>	<b>-533</b>	<b>27</b>	<b>-262</b>	<b>11 799</b>
<b>Total cash flow during period</b>	<b>-18 539</b>	<b>9 352</b>	<b>-3 178</b>	<b>-45 135</b>	<b>16 269</b>
Cash / cash equivalents at beginning of period	26 579	10 310	11 218	64 798	10 310
Exchange rate in cash flow					
<b>Cash / cash equivalents at end of period</b>	<b>8 040</b>	<b>19 662</b>	<b>8 040</b>	<b>19 662</b>	<b>26 579</b>

# Parent company

## Profit and loss statement

All amounts in i '000	April – Sep 2021	April – Sep 2020	July – Sep 2021	July – Sep 2020	April – March 2021
Net sales	86 538	121 154	50 877	22 522	173 944
Cost of goods sold	-55 945	-89 264	-35 033	-12 657	-124 378
<b>Gross profit</b>	<b>30 593</b>	<b>31 889</b>	<b>15 844</b>	<b>9 865</b>	<b>49 567</b>
<b>Gross margin</b>	<b>35%</b>	<b>26%</b>	<b>31%</b>	<b>44%</b>	<b>28%</b>
Sales and marketing expenses	-13 864	-8 796	-6 430	-3 382	-18 577
Administration expenses	-4 511	-3 811	-2 241	-1 827	-8 839
R&D expenses	-4 103	-5 069	-1 569	-1 822	-11 633
Other operating income	190	297	76	182	514
<b>Operating profit</b>	<b>8 304</b>	<b>14 511</b>	<b>5 679</b>	<b>3 017</b>	<b>11 031</b>
Other interest income	0	0	0	0	0
Interest expenses and similar expenses	-1 115	-569	-575	-181	-1 100
<b>Profit before tax</b>	<b>7 190</b>	<b>13 943</b>	<b>5 104</b>	<b>2 836</b>	<b>9 931</b>
Tax	0	0	0	0	0
<b>Net profit for the period</b>	<b>7 190</b>	<b>13 943</b>	<b>5 104</b>	<b>2 836</b>	<b>9 931</b>

# Parent company

## Balance sheet

All amounts in '000	September 2021	September 2020	March 2021
Intangible assets	112 023	52 121	100 050
Tangible fixed assets	4 912	5 258	5 013
Financial assets	391	391	391
Inventory	70 292	41 436	40 771
Trade receivables	49 434	20 243	21 322
Other receivables	4 762	4 404	9 351
Cash and bank	7 481	19 105	25 220
<b>Total assets</b>	<b>249 295</b>	<b>142 957</b>	<b>202 117</b>
Equity	97 895	94 400	90 388
Long-term debt, interest-bearing	13 220	4 797	11 493
Short-term debt, interest-bearing	4 174	226	5 866
Short-term debt, non interest-bearing	109 041	34 357	75 644
Trade payables	24 965	9 178	18 726
<b>Total equity and liabilities</b>	<b>249 295</b>	<b>142 957</b>	<b>202 117</b>

# Notes

## Note 1 Accounting policies

The Group applies International Financial Reporting Standards (IFRS), as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Annual Accounts Act and the Nasdaq Stockholm Rule Book for Issuers. Disclosures in accordance with IAS 34 p. 16A appear not only in the financial statements and their accompanying notes but also in other parts of the interim report. The parent company applies the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2 Accounting for Legal Entities.

## Note 2 Segment reporting

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

## Note 3 Allocation of sales

Net sales dividend in geographical markets.

	Apr - Sep 2021			Apr - Sep 2020		
	Pharmaceuticals	Non-recurring	Other	Pharmaceuticals	Non-recurring	Other
All amounts in '000						
Skandinavia	66 117	23 000	0	46 616	77 110	0
Other Europe	0	0	0	0	0	0
<b>Total</b>	<b>66 117</b>	<b>23 000</b>	<b>0</b>	<b>46 616</b>	<b>77 110</b>	<b>0</b>

	July - Sep 2021			July - Sep 2020		
	Pharmaceuticals	Non-recurring	Other	Pharmaceuticals	Non-recurring	Other
All amounts in '000						
Skandinavia	34 459	18 000	0	24 221	0	0
Other Europe	0	0	0	0	0	0
<b>Total</b>	<b>34 459</b>	<b>18 000</b>	<b>0</b>	<b>24 221</b>	<b>0</b>	<b>0</b>

## Note 4 Tangible fixed assets

All amounts in '000	2021-09-30	2020-09-30
<b>Right of use assets</b>		
Land and buildings	3 691	4 731
Inventories	1 084	237
<b>Total right of use assets</b>	<b>4 774</b>	<b>4 968</b>

## Tangible fixed assets that are not right of use assets

Land and buildings	0	0
Inventories	138	290
<b>Total tangible fixed assets that are not right of use asstes</b>	<b>138</b>	<b>290</b>

The tangible fixed assets amounted to SEK 4.9 million on the balance sheet date. The majority of the right of use assets consists of leases for office premises. For all leases for which the Group is lessee (which are not short-term leases or low value assets), the Group recognizes a right of use asset and a corresponding lease liability.

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



# Notes

## Not 5 Effects on transition to IFRS

The following are the effects on the Interim Report April 1, 2020 - September 30, 2020, as previously announced, according to previously applied principles K3. As of 1 April 2021, IFRS is applied in the preparation of consolidated accounts and RFR 2 in the preparation of the parent company's accounts. The effects regarding 2020-03-31 have been included as a reference.

All amounts in '000	Note	September 2021	September 2020	March 2021	March 2020
<b>Equity in accordance with previously applied accounting principles</b>		99 496	95 361	91 295	80 918
Effects of accounting right of use assets	A	-111	-67	-74	-55
<b>Total adjustments</b>		<b>-111</b>	<b>-67</b>	<b>-74</b>	<b>-55</b>
<b>Total adjustments in Equity</b>		<b>-111</b>	<b>-67</b>	<b>-74</b>	<b>-55</b>
<b>Equity in accordance with IFRS</b>		<b>99 385</b>	<b>95 294</b>	<b>91 221</b>	<b>80 863</b>

The main effects on the financial position are:

### A. Effects of accounting right of use assets

The Group holds leasing agreements for premises in which operations are conducted and two company cars. In previously published accounts, the leasing fees have been reported as another external cost. According to the current principle, a right of use asset is instead reported in the balance sheet with a corresponding liability to the leasing company. The asset is charged to the income statement with depreciation and the liability is charged to the income statement with interest expenses. In addition, the cash flow analysis is affected by higher cash flow from operating activities (positive effect) and lower cash flow from financing activities through amortization of liabilities attributable to right of use assets (negative effect)

## Reconciliation tables KPIs, non-IFRS measures

The company presents certain financial measures in the interim report which are not defined according to IFRS. The company considers these measures to provide valuable supplementary information for investors and the company's management as they enable the assessment of relevant trends. EQL Pharma's definitions of these measures may differ from other companies' definitions of the same terms. These financial measures should therefore be seen as a supplement rather than as a replacement for measures defined according to IFRS. Definitions of measures which are not defined according to IFRS and which are not mentioned elsewhere in the interim report are presented below. Reconciliation of these measures is shown in the tables below.

### Key performance indicators not defined according to IFRS

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

<b>Sales growth</b>		<b>April - Sep 2021</b>	<b>April - Sep 2020</b>	<b>July - Sep 2021</b>	<b>July - Sep 2020</b>	<b>March - April 2021</b>
A	Net sales current period, KSEK	89 117	123 726	52 459	24 221	179 141
B	Net sales last period, KSEK	123 726	32 327	24 221	17 868	72 083
<b>(A-B)/B</b>	Sales growth, %	-28%	283%	117%	36%	149%
<b>Gross profit / Gross margin</b>		<b>April - Sep 2021</b>	<b>April - Sep 2020</b>	<b>July - Sep 2021</b>	<b>July - Sep 2020</b>	<b>March - April 2021</b>
A	Net sales, KSEK	89 117	123 726	52 459	24 221	179 141
B	Cost of goods sold, KSEK	-57 437	-90 918	-36 140	-13 789	-128 135
<b>A-B</b>	Gross profit, KSEK	31 679	32 808	16 319	10 432	51 006
<b>(A-B)/A</b>	Gross margin, %	36%	27%	31%	43%	28%

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

<b>Operating profit / Operating margin</b>		<b>April - Sep 2021</b>	<b>April – Sep 2020</b>	<b>July - Sep 2021</b>	<b>July – Sep 2020</b>	<b>March – April 2021</b>
A	Net sales, KSEK	8 963	15 005	5 925	3 415	11 522
B	Operating profit, KSEK	89 117	123 726	52 459	24 221	179 141
<b>A/B</b>	Operating margin, %	10%	12%	11%	14%	6%
<b>Shareholders' equity per share</b>		<b>April - Sep 2021</b>	<b>April – Sep 2020</b>	<b>July - Sep 2021</b>	<b>July – Sep 2020</b>	<b>March – April 2021</b>
A	Profit/loss for the period, KSEK	7 849	14 436	5 350	3 234	10 367
B	Number of shares	88 078	95 303	96 552	93 676	85 653
<b>A/B</b>	Net earnings per share, %	9%	15%	6%	3%	12%
<b>Equity-asset ratio</b>		<b>April - Sep 2021</b>	<b>April – Sep 2020</b>	<b>July - Sep 2021</b>	<b>July – Sep 2020</b>	<b>March – April 2021</b>
A	Equity, KSEK	99 385	95 294	99 385	95 294	91 221
B	Balance sheet total, KSEK	251 436	144 594	251 436	144 594	203 511
<b>A/B</b>	Equity ratio, %	40%	66%	40%	66%	45%