

Interim Report

April – December 2021

(SEK million)	Oct - Dec 2021	Oct – Dec 2020	April - Dec 2021	April – Dec 2020	April-March 2021
Net sales	117,61	29,61	206,73	153,34	179,14
Sales growth %	297	41	35	188	149
Gross margin %	28	35	31	28	28
EBIT	18,00	2,38	26,97	17,39	11,52
Profit for the period	17,20	2,17	25,04	16,61	10,37

A historically strong quarter driven by sales of home tests

October - December

- Consolidated sales during the third quarter, October to December amounted to SEK 117.6 (29.6) million. Adjusted for non-recurring sales the revenue amounted to 33.1 (23.4) MSEK, an increase of 41.4%.
- Gross profit amounted to SEK 32.5 (10.5) million for the quarter, an increase of 209.2%.
- EBIT for the quarter was SEK 18.0 (2.4) million.
- Earnings per share were SEK 0:59 (0:07) for the quarter.
- Cash flow from operating activities amounted to SEK 12.4 (-5.7) million for the quarter.
- Cash and cash equivalents were SEK 20.5 (14.0) million at the end of the quarter.

April - December

- Consolidated sales during the period April-December amounted to SEK 209.7 (153.3) million. Adjusted for non-recurring sales the revenue amounted to 99.2 (70.0) MSEK, an increase of 41.7%.
- Gross profit for the same period amounted to SEK 64.2 (43.3) million, an increase of 48.2%.
- EBIT for April-December amounted to SEK 27.0 (17.4) million.
- Earnings per share were SEK 0:86 (0:57) for the period.
- Cash flow from operating activities amounted to SEK -6.1 (3.7) million during April-September.
- Cash and cash equivalents were SEK 20.5 (14.0) million at the end of December.



CEO's comments

Third quarter in summary

The third quarter of 2021/22 was a historically strong quarter driven by the company's home tests for Covid-19. During the last two weeks of December, home tests were sold for close to SEK 40 million, and when the work of closing the quarter began in the second week of January, it was clear that sales had become very high. As a result, after the seventh business day of the new year, the company issued a reverse profit warning. Sales landed at SEK 117.6 (29.6) million and profit to SEK 18.0 (2.4) million. Sales, adjusted for non-recurring sales, were SEK 33.1 (23.4) million, an increase of 41%.

Products and market

The continued spread of the omicron variant of the SARS-CoV-2 virus during January has led to continued extensive sales of home tests during the fourth quarter. As part of the reverse profit warning, the company writes that total sales during the fourth quarter are

estimated to be greater than SEK 175 million.

On the pharma front, the company has been very active during the quarter, in discussions with licensees in Europe for several products and markets where we do not intend to launch on our own.

Furthermore, during the quarter, the drug Latanoprost EQL Pharma eye drops 50 micrograms / ml has been approved for sale in Sweden, Denmark and Norway.

Finally, product development for our drugs is still in an intensive phase and we hope to launch 9 products during the next financial year.

CEO change

During the third quarter, I informed the Board that I intend to step down as CEO at the Annual General Shareholder Meeting. My plan is to remain a main owner of EQL Pharma for the foreseeable future, and to

be active from a board horizon and as an investor. The board has appointed Axel Schörling, COO and EVP of the company, as successor, and I feel confident and convinced that this means that we have a continued long and profitable growth journey ahead of us.

Other

During the quarter, the organization was strengthened in several places, which is necessary to cope with the rapid growth we are experiencing in a sustainable way.



Christer Fåhraeus
VD

Significant events

During 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) 2022. The Scandinavian market for Latanoprost currently has sales of approximately SEK 50m and has between two and five active competitors per country.

EQL Pharma will change CEO during 2022

Christer Fåhraeus, founder and CEO, has announced to the board of EQL Pharma AB that he wishes to continue his work for the company in a pure board capacity after the next Annual General Meeting of the company, scheduled for August 15, 2022. The board has therefore agreed with Axel Schörling, deputy CEO, that he will take over the position as CEO for EQL Pharma AB starting after the next Annual General Meeting.

Extraordinary general meeting

The meeting resolved in accordance with the proposal from the board of directors to implement a long-term incentive program for the company's Chief Operating Officer and Executive Vice President, as well as CEO-designate, based on issue of warrants.

In case all warrants issued in connection with the incentive program are exercised for subscription of new shares, a total of 400,000 new shares will be issued, which corresponds to a dilution of approximately 1.36 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 utilization of all warrants issued under the incentive program.

During the quarter, cont.

EQL Pharma appoints permanent CFO

EQL Pharma AB (publ) appoints Anna Jönsson as permanent Chief Financial Officer (CFO). Emanuel Eriksson has been acting CFO since last spring until a long-term solution was in place and he will continue work with investments.

EQL Pharma receives SEK 23 million order for covid self-test

The company has now received a major individual order for an antigen self-test with a sales value of approximately SEK 23 million. Revenue is expected to fall during EQL Pharma's fourth financial quarter (January-March).

After the quarter

EQL Pharma AB preliminarily announces very strong outcome for the third quarter and reports continued strongly increasing order intake

The preliminary summary for the third quarter (period October - December 2021) shows that net sales amounted to approximately SEK 117 million (SEK 29.61 million) and that EBIT amounted to approximately SEK 18 million (SEK 2.35 million). The increase in sales is explained by a very strong demand for the Company's self-tests for Covid-19, which account for approximately 70 percent of net sales during the quarter. Most of the self-tests have been sold during the last weeks of December.

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.

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.

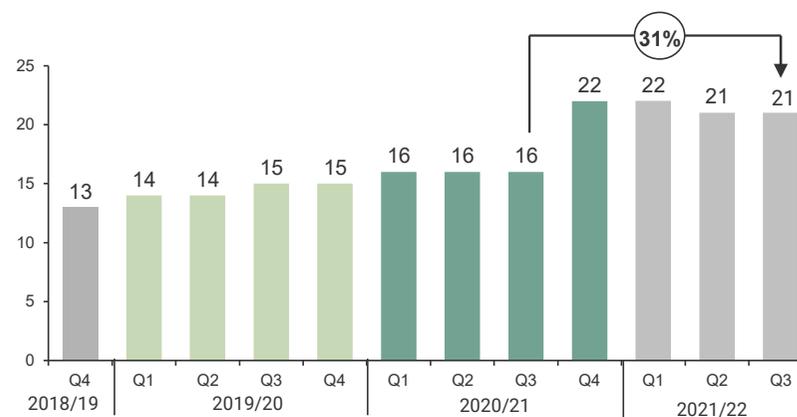


Figure 1. The company's product portfolio, i.e. marketed products, per quarter from fiscal year 2017/18 through the reporting period for the current fiscal year. The Y axis is the number of products marketed..

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.

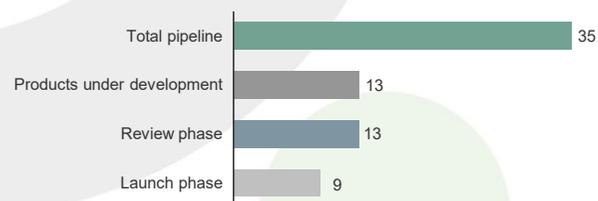


Figure 2. Total pipeline of products and how many products are in Review phase and Launch phase respectively.

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 13 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 nine products in the launch phase. Colecalciferol EQL Pharma tablets and Phenoxymethylpenicillin EQL oral suspension are expected to be launched in Q1 2022/23. Latanoprost EQL eye drops, Ondansetron EQL tablets and Loperamide EQL Pharma tablets are expected to be launched in Q2 2022/23. Palonosetron Qilu solution for injection and Ketorolac EQL Pharma solution for injection are expected to be launched in Q4 2022/23. The release date for Glucosparc (metformin) prolonged-release tablets and Gefitinib Qilu

tablets has not yet been determined.

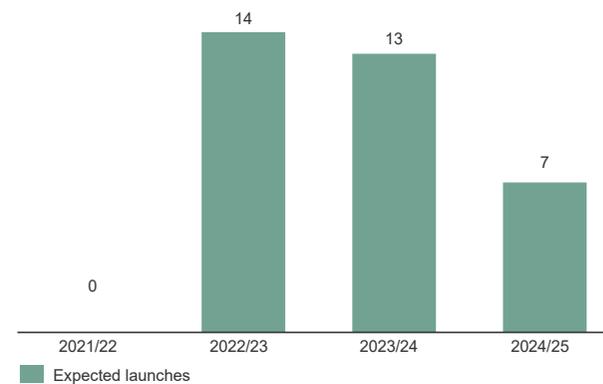


Figure 3. The company's product launches for the current fiscal year and expected product launches up to and including fiscal year 2024/25.

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 third quarter of 2021/22 was yet another quarter with very good growth for EQL Pharma. Our total sales amounted to 33,1 (23,4) MSEK, adjusted for non-recurring sales. The sales growth of 41 % was mainly driven by the launches that have been conducted in 2020/21 and 2021/22. Sales are still positively impacted by the Corona pandemic.

Quarterly net sales and Rolling 12 months (R12)*

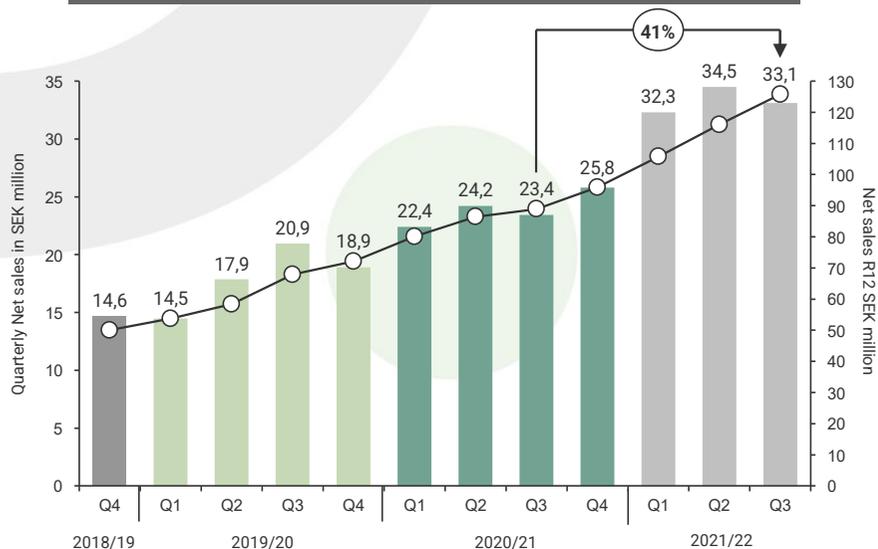


Figure 4. Net sales trend fiscal year 2018/19 through reporting period for the current fiscal year. Left Y-axis quarterly turnover in SEK million. Right Y-axis rolling 12-months sales expressed in SEK million.

* Excluding extraordinary one-time items

Profit performance

The operating profit for the quarter was SEK 18.0 (2.4) 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)

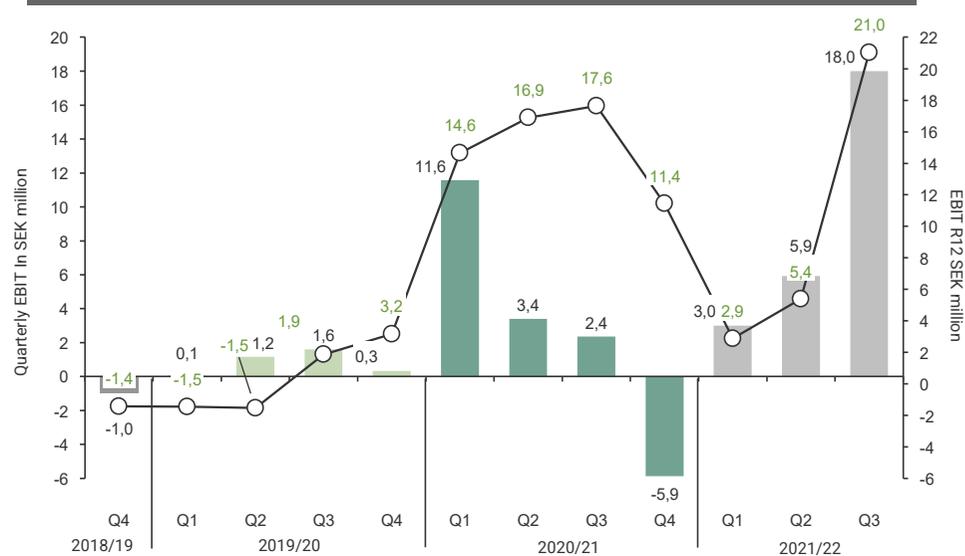


Figure 5. Operating profit trend (EBIT) for fiscal year 2018/19 through the reporting period for the current fiscal year, the bars are EBIT and the line is rolling 12-month EBIT. The left Y-axis EBIT per quarter expressed in SEK million and the right Y-axis is rolling 12-month EBIT expressed in SEK million.

Additional information

Parent company

EQL Pharma AB is the parent company of the EQL Pharma group. Net sales for the Parent Company during the third quarter amounted to SEK 117.6 (29.6) million and for the period April to December to SEK 206.7 (153.3) million. Operating profit amounted to SEK 18.0 (2.4) million for the quarter and for the period April to December to SEK 27.0 (17.4) 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 launching new products can mean deterioration in earnings for the company and it cannot be excluded that the

EQL Pharma in the future may need to raise additional capital. An aggressive investment strategy from competition could pose risks in the form of slower sales and weaker profitability. Increased competition could lead to negative sales and earnings effects for the Company in the future.

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

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

Additional risks and uncertainties that are not currently known to EQL Pharma may be developed into important factors that affect the Company's operations, results and financial position. For a more detailed list of risks, we refer to EQL's information memorandum of October 29, 2018, pages 4-7.

Legal disclaimer

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

Upcoming reports

Current financial period:

Year-end report (Q4)

2022-05-13

Additional information

Accounting policies

This interim report (Q3-2021) is the Group's third 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, adjusted for non-recurring sales, of around 40 percent. For the company's fourth quarter 2021/22, we expect sales of more than SEK 175 million.

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, February 16th, 2022.

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	Oct – Dec 2021	Oct – Dec 2020	April – Dec 2021	April – Dec 2020	April – March 2021
Net sales	117 610	29 610	206 726	153 337	179 141
Cost of goods sold	-85 120	-19 104	-142 557	-110 022	-128 135
Gross profit	32 490	10 507	64 169	43 314	51 006
Gross margin	28%	35%	31%	28%	28%
Sales and marketing expenses	-10 627	-3 997	-24 775	-13 062	-19 312
Administration expenses	-2 486	-1 777	-7 066	-5 690	-8 986
R&D expenses	-1 513	-2 467	-5 691	-7 589	-11 700
Other operating income	145	115	334	412	514
Operating profit	18 008	2 380	26 972	17 386	11 522
Other interest income	0	0	0	0	0
Interest expenses and similar expenses	-814	-212	-1 928	-781	-1 100
Profit before tax	17 195	2 169	25 044	16 605	10 422
Tax	0	0	0	0	-55
Net profit for the period	17 195	2 169	25 044	16 605	10 367
Other comprehensive income::					
Components not to be reclassified to net profit:					
<i>a) Translation difference</i>					
Translation difference in the group	0	-3	-1	0	1
Sum of Components to be reclassified to net profit:	0	-3	-1	0	1
Sum of other comprehensive income:	0	-3	-1	0	1
Comprehensive result for the period	17 195	2 166	25 042	16 605	10 368

The Group

Per share data

Per share data	April – Dec 2021	April – Dec 2020	April – March 2021
Earnings per share, before and after dilution, SEK */	0,86	0,57	0,36
Equity per share, SEK	12,22	5,42	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	38,8	39,7	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	Oct – Dec 2021	Oct – Dec 2020	April – Dec 2021	April – Dec 2020	April – March 2021
Net sales	117 610	29 610	206 726	153 337	179 141
Sales growth	297%	41%	35%	188%	149%
Gross profit	32 490	10 507	64 169	43 314	51 006
Gross margin, %	28%	35%	31%	28%	28%
Operating profit	18 008	2 380	26 972	17 386	11 522
Operating margin, %	15%	8%	13%	11%	6%
Net profit	17 195	2 169	25 044	16 605	10 367
Cash flow	12 420	-5 673	-6 119	3 679	16 269

The Group

Consolidated balance sheet

All amounts in '000	December 2021	December 2020	March 2021
Intangible assets	116 020	64 577	100 378
Tangible fixed assets	4 548	5 327	5 013
Deferred tax assets	296	296	296
Inventory	118 612	53 703	42 357
Trade receivables	90 299	18 359	21 824
Other receivables	4 842	1 351	7 064
Cash and bank	20 460	13 990	26 579
Total assets	355 078	157 601	203 511
Equity	117 120	97 457	91 221
Long-term debt, interest-bearing	13 407	4 539	11 493
Short-term debt, interest-bearing	43 686	480	5 866
Short-term debt, non interest-bearing	122 352	40 663	75 902
Trade payables	58 513	14 462	19 029
Total equity and liabilities	355 078	157 601	203 511

Consolidated changes in equity

All amounts in '000	April – Dec 2021	April – Dec 2020	April – March 2021
Balance at beginning of period	23 780	13 423	13 475
Warrants	857	0	0
Profit for the period	25 044	16 605	10 385
Other comprehensive income	-2	-11	-6
Balance at end of period	49 679	30 017	23 781

The Group

Cash flow

All amounts in '000	Oct - Dec 2021	Oct - Dec 2020	April - Dec 2021	April - Dec 2020	April - March 2021
Result before taxes	17 195	2 169	25 044	16 605	10 422
Adjustment for items not included in cash flow	1 456	1 298	4 344	18 040	18 407
Taxes			-55		-55
Cash flow from operations before changes in working capital	18 651	3 466	29 333	34 645	28 774
Changes in inventory	-47 447	-10 983	-76 255	-25 341	-13 995
Changes in current receivables	-40 449	4 429	-66 253	2 910	-6 268
Changes in current liabilities	86 209	10 848	125 989	11 731	51 536
Sum changes in working capital	-1 688	4 294	-16 519	-10 700	31 273
Cash flow from operations	16 963	7 761	12 813	23 945	60 047
Capitalization of development costs					
Acquisitions of intangible non-current assets	-4 782	-13 031	-18 919	-19 330	-55 170
Acquisitions of tangible non-current assets	0	-393	-602	-393	-406
Cash flow from investment activities	-4 782	-13 424	-19 522	-19 723	-55 577
Acquired loans					12 600
Amortization of loans					
New share issue					
Warrants program	540	0	857	0	
Translation difference	0	-5	-2	-8	-6
Leasing debts	0	266	602	266	280
Amortization of leasing debts	-301	-270	-868	-802	-1 076
Cash flow from financing activities	239	-9	590	-543	11 799
Total cash flow during period	12 420	-5 673	-6 119	3 679	16 269
Cash / cash equivalents at beginning of period	8 040	19 662	26 579	10 310	10 310
Exchange rate in cash flow					
Cash / cash equivalents at end of period	20 460	13 990	20 460	13 990	26 579

Parent company

Profit and loss statement

All amounts in i '000	Oct – Dec 2021	Oct – Dec 2020	April – Dec 2021	April – Dec 2020	April – March 2021
Net sales	117 019	28 679	203 557	149 833	173 944
Cost of goods sold	-84 538	-18 284	-140 484	-107 548	-124 378
Gross profit	32 480	10 395	63 073	42 284	49 567
Gross margin	28%	36%	31%	28%	28%
Sales and marketing expenses	-10 408	-3 821	-24 272	-12 616	-18 577
Administration expenses	-2 455	-1 753	-6 966	-5 564	-8 839
R&D expenses	-1 513	-2 466	-5 616	-7 535	-11 633
Other operating income	145	115	334	412	514
Operating profit	18 249	2 470	26 553	16 981	11 031
Other interest income	0	0	0	0	0
Interest expenses and similar expenses	-814	-212	-1 928	-780	-1 100
Profit before tax	17 435	2 258	24 625	16 201	9 931
Tax	0	0	0	0	0
Net profit for the period	17 435	2 258	24 625	16 201	9 931

Parent company

Balance sheet

All amounts in '000	December 2021	December 2020	March 2021
Intangible assets	115 724	64 217	100 050
Tangible fixed assets	4 548	5 327	5 013
Financial assets	391	391	391
Inventory	117 590	51 436	40 771
Trade receivables	89 357	17 531	21 322
Other receivables	5 549	3 805	9 351
Cash and bank	20 249	13 702	25 220
Total assets	353 408	156 409	202 117
Equity	115 870	96 658	90 388
Long-term debt, interest-bearing	13 407	4 539	11 493
Short-term debt, interest-bearing	43 686	480	5 866
Short-term debt, non interest-bearing	122 084	41 030	75 644
Trade payables	58 361	13 702	18 726
Total equity and liabilities	353 408	156 409	202 117

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.

	Oct - Dec 2021			Oct - Dec 2020		
	Pharmaceuticals	Non-recurring	Other	Pharmaceuticals	Non-recurring	Other
All amounts in '000						
Skandinavia	33 110	84 500	0	23 420	6 190	0
Other Europe	0	0	0	0	0	0
Total	33 110	84 500	0	23 420	6 190	0

	April - Dec 2021			April - Dec 2020		
	Pharmaceuticals	Non-recurring	Other	Pharmaceuticals	Non-recurring	Other
All amounts in '000						
Skandinavia	99 226	107 500	0	70 037	83 300	0
Other Europe	0	0	0	0	0	0
Total	99 226	107 500	0	70 037	83 300	0

Note 4 Tangible fixed assets

All amounts in '000	2021-12-31	2020-12-31
Right of use assets		
Land and buildings	3 427	4 468
Inventories	1 022	607
Total right of use assets	4 449	5 075

Tangible fixed assets that are not right of use assets

Land and buildings	0	0
Inventories	99	252
Total tangible fixed assets that are not right of use asstes	99	252

The tangible fixed assets amounted to SEK 4.5 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 - December 31, 2020, as previously announced, according to previously applied principles K3. As of 1 April 2121, 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	December 2021	December 2020	March 2021	March 2020
Equity in accordance with previously applied accounting principles		117 244	97 526	91 295	80 918
Effects of accounting right of use assets	A	-125	-69	-74	-55
Total adjustments		-125	-69	-74	-55
Total adjustments in Equity		-125	-69	-74	-55
Equity in accordance with IFRS		117 120	97 457	91 221	80 863

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

Sales growth		Oct - Dec 2021	Oct - Dec 2020	April - Dec 2021	April - Dec 2020	March - April 2021
A	Net sales current period, KSEK	117 610	29 610	206 726	153 337	179 141
B	Net sales last period, KSEK	29 610	20 939	153 337	53 266	72 083
(A-B)/B	Sales growth, %	297%	41%	35%	188%	149%
Gross profit / Gross margin		Oct - Dec 2021	Oct - Dec 2020	April - Dec 2021	April - Dec 2020	March - April 2021
A	Net sales, KSEK	117 610	29 610	206 726	153 337	179 141
B	Cost of goods sold, KSEK	-85 120	-19 104	-142 557	-110 022	-128 135
A-B	Gross profit, KSEK	32 490	10 507	64 169	43 314	51 006
(A-B)/A	Gross margin, %	28%	35%	31%	28%	28%

Reconciliation tables KPIs, non-IFRS measures, cont.

Operating profit / Operating margin		Oct - Dec 2021	Oct – Dec 2020	April - Dec 2021	April – Dec 2020	March – April 2021
A	Net sales, KSEK	18 008	2 380	26 972	17 386	11 522
B	Operating profit, KSEK	117 610	29 610	206 726	153 337	179 141
A/B	Operating margin, %	15%	8%	13%	11%	6%
Shareholders' equity per share		Oct - Dec 2021	Oct – Dec 2020	April - Dec 2021	April – Dec 2020	March – April 2021
A	Profit/loss for the period, KSEK	17 195	2 169	25 044	16 605	10 367
B	Number of shares	108 252	96 375	104 170	86 460	85 653
A/B	Net earnings per share, %	16%	2%	24%	19%	12%
Equity-asset ratio		Oct - Dec 2021	Oct – Dec 2020	April - Dec 2021	April – Dec 2020	March – April 2021
A	Equity, KSEK	117 120	97 457	117 120	97 457	91 221
B	Balance sheet total, KSEK	355 078	157 601	355 078	157 601	203 511
A/B	Equity ratio, %	33%	62%	33%	62%	45%