

Press release

Lund, 10th December, 2024

EQL Pharma AB (publ)

556713-3425

EQL PHARMA

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EQL Pharma AB (publ) signs an asset purchase agreement in respect of the acquisition of a portfolio with original pharmaceuticals

EQL Pharma AB (publ) (the “**Company**” or “**EQL**”) today announces that it has, through its wholly owned subsidiary EQL Pharma Int AB, signed a binding asset purchase agreement of DKK 120 million (corresponding to approximately SEK 185¹ million) (the “**Asset Purchase Agreement**”), to acquire a product portfolio. The product portfolio consists of Buronil (melperone), Folimet (folic acid/B-vitamin), Hydromed (hydrochlorothiazide) and Marplan (isocarboxazid) (the “**Product Portfolio**”) from Medilink A/S, a Danish family-owned pharmaceutical company (the “**Acquisition**”). Pursuant to the Asset Purchase Agreement, the completion of the Acquisition is subject to (i) a financing condition and (ii) FDI approval by the Danish Business Authority pursuant to the regulations on Screening of Foreign Direct Investments.

The Product Portfolio consists of well-established products, limiting the need for additional promotional activities and complements EQL’s portfolio of niche generics. The products have a stable financial development and are expected to be accretive to EQL’s sales and margins, in addition to increasing the Company’s geographical presence. As of 31 October 2024, the Product Portfolio generates annual revenues of approximately SEK 51¹ million and gross profit of SEK 36¹ million, corresponding to a gross margin of 71% annually. If the Product Portfolio had been part of EQL during the twelve-month period that ended on 30 September 2024, EQL assesses that the combined turnover and adjusted EBITDA would have amounted to approximately SEK 367 million and SEK 92 million, respectively.

CEO Axel Schörling:

“In addition to the direct financial effects, we see three fundamental advantages with the Acquisition of the Product Portfolio. The first is that we, by purchasing only the products and not the entire company, may realize significant synergy effects by leveraging our highly cost-efficient platform for managing generics and niche original products. This platform efficiently handles all phases, from regulatory affairs, quality assurance, and pharmacovigilance to strictly commercial activities such as sourcing, purchasing, logistics, and pricing.

Second, there is a significant potential to optimize the Product Portfolio, both on the manufacturing side, by reducing manufacturing costs, and on the commercial side by launching

¹ Calculated based on an exchange rate of 1 SEK = 0.65 DKK as of 9 December 2024.

in new markets. These optimizations can be managed by existing staff, again emphasizing the scalability of our business model.

Third, several of the products are sold in new geographical markets, where the Acquisition gives us access to local distributors. By utilizing these new channels, new markets are opened up for us, where we can launch our existing products. In addition, the partner network can be used to develop products tailored to these markets, thereby adding growth potential."

For the purpose of financing the Acquisition, the Company has mandated ABG Sundal Collier AB as financial advisor to evaluate alternatives for a new debt financing. Advokatfirman Vinge acts as legal advisor in relation to the contemplated debt financing. Westerberg & Partners Advokatbyrå AB acts as legal advisor in relation to the Acquisition and Viminaris has supported EQL from deal scouting perspective.

This disclosure contains information that EQL Pharma AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact persons, on 2024-12-10 14:38 CET.

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EQL Pharma AB (publ) briefly

EQL Pharma AB specializes in developing and selling generics, i.e., drugs that are medically equivalent to original drugs. The company currently has more than 40 niche generics (i.e., generics with limited competition apart from the original drug) launched in the Nordic markets. In addition to these, there is a significant pipeline of additional niche generics for launch in 2024 and beyond. The business is currently focused entirely on prescription drugs, including hospital products, in the Nordics and selected European markets. EQL Pharma AB has its operations in Lund and is listed on Nasdaq Stockholm. EQL Pharma AB carries out extensive development work in collaboration with leading contract manufacturers and major pharmaceutical companies in the EU and Asia, among others.