

## JANUARY – MARCH 2022

- Net sales amounted to SEK 97.4 (96.6) million, an increase of 1%.
- Gross profit was SEK 38.0 (49.3) million with a gross margin of 39.0% (51.0%).
- EBITDA was SEK 0.9 (10.1) million.
- Profit (loss) after tax was SEK -9.4 (-1.6) million, corresponding to earnings per share before and after dilution of SEK -0.09 (-0.02).
- Cash flow from operating activities amounted to SEK 47.0 (10.3) million.

## SIGNIFICANT EVENTS

- Sales in first quarter 2022 remained stable with volume increase of 34% from 2.9 million packs to 3.9 million packs. Continued strong sales growth in Northern Europe, especially Austria and Poland, and in the B2B markets.
- Two products were launched, one for the Nordic and one for the B2B markets.
- The Russian invasion of Ukraine in February has had no immediate effect on sales, logistics or operations. Measures are taken and dialogues have increased to monitor potential effects.

## SIGNIFICANT EVENTS AFTER THE PERIOD

- Erik Ekman was appointed CEO as of 1 May replacing Berit Lindholm, who will continue as board member.
- Katrin Lindahl joined 11 May as COO replacing Erik Ekman. The VP Sales and Marketing Jonas Nylander has left, and his replacement is appointed.
- The Russian invasion of Ukraine and ongoing war might impact one or several steps in the Bluefish value chain in terms of costs, lead time or potential disturbances.

FINANCIAL OVERVIEW OF THE GROUP				
SEK million	2022 Jan-Mar	2021 Jan-Mar	Rolling 12 Apr-Mar	2021 Jan- Dec
Net sales	97.4	96.6	386.3	385.5
Gross profit	38.0	49.3	165.0	176.3
Gross margin, %	39.0%	51.0%	42.7%	45.7%
Operating profit (EBIT)	-6.0	3.4	-18.6	-9.3
EBITDA	0.9	10.1	8.4	17.6
Profit (loss) after tax	-9.4	-1.6	-28.7	-21.0
Number of shares	107 923 328	107 923 328	107 923 328	107 923 328
Equity per share (SEK)	0.74	1.00	0.74	0.82
Earnings per share (SEK)	-0.09	-0.02	-0.27	-0.19
Cash flow from operating activities	47.0	10.3	91.0	54.3
Cash flow from investing activities	-1.4	-12.1	1.2	-9.5
Cash and cash equivalents at the end of the period	141.8	47.1	141.8	100.8

For definitions see page 12.

## CEO MESSAGE

It's with great enthusiasm that I take over as CEO from 1 May, and I am really looking forward to continue to develop Bluefish according to our strategy. I would like to thank the Board for this opportunity and Berit Lindholm for her long-term commitment and support to Bluefish. I believe we have a strong platform, a professional team in place, and a strong market demand for core generics in EU to build on. My primary focus will initially be to strengthen the Leadership Team, with a new COO and a new VP Sales and Marketing and continue to strengthen our product portfolio to secure future growth.

### Development first quarter

#### Sales

In the first quarter, sales have remained stable in Poland, Austria and B2B. All three markets continue to contribute very well to our growth. Germany and Sweden continue to be Bluefish's largest selling markets. Sales volumes are increasing in Germany however margins are decreasing, and the higher sales volumes within the tender system have influenced the gross margin negatively. The price pressure remained in the Nordics in the first quarter. We have initiated the work of strengthening the teams in France and Spain. We are entering into a retail sales model in both countries to further drive sales.

#### Development

During the first quarter Bluefish launched two new products, one for the Nordic market and one for B2B. We continue to develop own product dossiers alongside in-licensing of new products. Currently, seven products are under development and eight are under registration. Bluefish's own developed products on the market, Hydroxyzine (antihistamine drug) and Anagrelide (treatment for thrombocytopenia), have proven to be successful and clearly shows the potential for further own developments.

The company continues to identify and invest in additional new product licenses, new collaboration opportunities and in new development projects.

#### Product Supply

Process improvements and simplification play an important role in growing our business to ensure effectiveness and cost control. Operating costs are overall reduced in the first quarter compared to the same period last year. The service level remains very high, despite economic fluctuations, covid-19, and the Ukraine war. Product supply is, and will continue to be, a strong focus area.

### Delivering according to strategy

The product portfolio in each market stays critical to the company's future growth and profitability. We continue to evaluate our existing products to strengthen our product and market combination. Without changing our geographical footprint, we continue to assess our existing products lifecycle, to reduce complexity and save costs where possible. We are continuously looking for measures to take down our stock levels further without jeopardizing supply. We strive to keep our flexibility to be able to act on sales opportunities and accommodate sales growth.

Sustainability is an integral part of our business strategy and our focus on supplier audits and sea shipments continue as planned.

### Looking forward

It's encouraging to see how our increased presence and market portfolio in Poland generates increased sales with good profitability to our business. We have started and will continue to develop our markets and product offerings in France and Spain. I expect these markets to develop in a very positive way already in 2022. Our focus will continue to be set on new products, partnerships, and deals to secure growth and increased sales.

The economic climate with increased inflation and interest rates, will continue to add risk for higher manufacturing and transportation costs. We maintain a close dialogue with our counterparties to minimize these effects. The pharmaceutical market situation does not allow price increase to the end customers at this point, but that might have to change very soon. I am convinced that we will be able to meet these challenges based on our flexibility, drive and expertise.

*Erik Ekman*  
President and CEO



## FINANCIAL OVERVIEW

### Development first quarter

#### Net sales and earnings

Net sales increased to SEK 97.4 (96.6) million, an increase with 1%.

Gross profit was SEK 38.0 (49.3) million, with a gross margin of 39.0% (51.0%). Gross profit reduction was mainly due to higher share of sales within the tender market in Germany, with lower margins than outside tender sales.

Operating costs were reduced with SEK 1.8 million from SEK -45.9 to -44.1 million as a result of earlier measures to reduce costs. Operating result decreased to SEK -6.0 (3.3) million, principally an effect of the decrease in gross profit.

EBITDA amounted to SEK 0.9 (10.1) million, following the decrease in gross profit.

Net financial items amounted to SEK -2.8 (-4.5) million, the difference mainly due to net translation differences on financial receivables and liabilities in foreign currency.

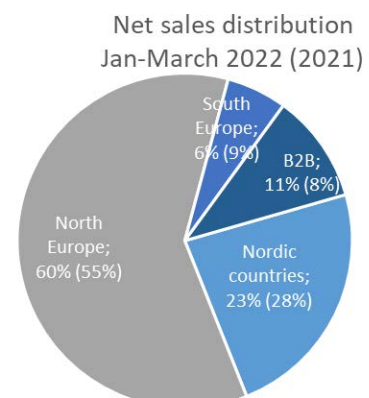
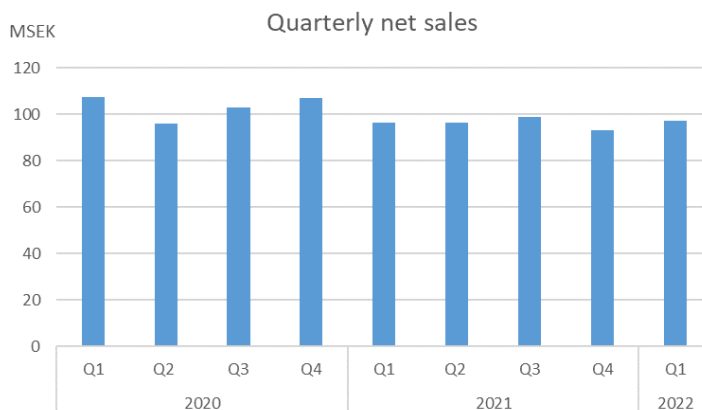
The net loss was SEK -9.4 (-1.6) million.

#### Cash flow

Cash flow from operating activities amounted to SEK 47.0 (10.3) million of which SEK -56.6 (-42.4) million was the change in working capital. Cash flow from operating activities include changes from non-cash items where the size and settlement frequency of rebates have a significant impact. Later settlements increase the period's cash flow, which was the case the first quarter.

As of 31 March 2022, the inventory level amounted to SEK 222.7 (214.9) million which is an increase of 3 % compared to the same period last year. The current inventory level is estimated to correspond to 338 days of expected sale, compared to 408 days as of 31 March 2021. Cash flow from investing activities was SEK -1.4 (-12.1) million, which in overall relates to investments in intangible assets.

Investments comprise product development, licenses, and market approvals. Cash flow from financing activities amounted to SEK -5.0 (0.4) million. Net change in cash flow year to date amounted to SEK 40.6 (-1.4) million.



## FINANCIAL POSITION

### Cash and cash equivalents

At the end of the period, cash and cash equivalents amounted to SEK 141.8 million, compared to SEK 100.8 million at the end of 2021. The increase is mainly due to increased accruals for rebates and the settlements of these fluctuates over time. Utilized bank credit was SEK 144.8 million, compared to SEK 148.4 million by year end 2021. Of current credit SEK 112.2 million is an inventory-based facility and SEK 32.6 million is a long-term loan, with a yearly amortization of SEK 14.5 million until the end of the facility on June 30, 2024.

SEK million	2022 31 Mar	2021 31 Mar	2021 31 Dec
Loan facility	32.6	47.1	36.2
Inventory credit	112.2	112.2	112.2
Total financial debt	144.8	159.3	148.4
Cash and cash equivalents	141.8	47.1	100.8
Net debt	3.0	112.2	47.6

### Leveraging conditions

The Inventory credit and the long-term loan, all from SEB, has been conditional on certain covenants and a guarantee from Färna Invest AB, Bluefish's largest shareholder. The funding is under renegotiating.

### Equity and equity ratio

By 31 March equity was SEK 79.4 million compared to SEK 88.7 million at the end of 2021. That corresponds per share to SEK 0.74 compared to SEK 0.82 by year end 2021. At the end of the period equity ratio was 13.4 % compared to 15.6 % end of last year.

## OTHER

### Employees

As of 31 March 2022, the company had 127 (125) employees, of which 22 (21) in Sweden, 77 (76) in India, 5 (5) in Germany, 13 (9) in Poland, 0 (3) in Portugal, 2 (2) in France, 3 (3) in Austria, 3 (3) in Ireland and 2 (3) in Spain, compared to 31 March 2021.

### Investments

Investments are continuously made to strengthen Bluefish's future portfolio and comprise product development, licenses, and market approvals. Currently 15 products are under development or registration of which 7 are in-house developments.

	31 Mar 2022	31 Dec 2021	31 Mar 2021
Products under development or registration	15	20	15
Products on the market	70	76	74

## Risks and uncertainties

Bluefish faces many risks and uncertainties that could have a negative impact on the business. The main business risks and financial risks that could have a significant negative impact on the business or its earnings are changes in market conditions, supply chain disturbances, changes to regulatory or legislative decisions and financial risks arising from failing to predict or successfully implement our business strategy. Risks and uncertainties along with currency risk, interest rate risk, credit risk, liquidity risk and capital risk are described in depth in the 2021 Annual Report.

## Significant events after the reporting period

Erik Ekman was appointed CEO as of 1 May replacing Berit Lindholm. Katrin Lindahl joined 11 May as COO replacing Erik Ekman. Sales and market vice president Jonas Nylander has left, replacement is appointed.

## The Bluefish share

As of March 31, 2022, the number of registered shares and votes in Bluefish Pharmaceuticals amounted to 107 923 328.

## PARENT COMPANY

Bluefish Pharmaceuticals AB is the Parent Company for the Bluefish Pharmaceuticals Group.

For the first quarter of 2022 net sales were 93.9 (93.4) and operating loss (profit) was -9.9 (4.2) million. The reduction in operating result follows from lower margins across several markets. Measures to reduce minimum stock levels start showing effect and inventory levels are moving towards efficient levels. As of 31 March 2022, cash and cash equivalents amounted to SEK 12.3 million, compared with SEK 11.2 million at the beginning of the year.

## REVIEW

This interim report has been approved by the board of directors. It has not been audited by the company's auditors. Due to rounding, figures in text and tables might not add up.

Stockholm, 18 May 2022

Erik Ekman

President and CEO

### FINANCIAL CALENDAR

Interim report Q2	Last week of August 2022
Interim report Q3	Last week of November 2022
Interim report Q4	Last week of February 2023

## GROUP

Condensed consolidated income statement		2022	2021	Rolling 12	2021
SEK thousands	Notes	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
<b>Net sales</b>	2, 4	<b>97,387</b>	<b>96,626</b>	<b>386,261</b>	<b>385,500</b>
Cost of goods sold		-59,361	-47,362	-221,236	-209,238
<b>Gross profit</b>		<b>38,027</b>	<b>49,264</b>	<b>165,025</b>	<b>176,262</b>
<i>Gross margin</i>		<i>39.0%</i>	<i>51.0%</i>	<i>42.7%</i>	<i>45.7%</i>
Selling expenses		-22,602	-19,481	-96,107	-92,986
Administrative expenses		-7,063	-7,517	-28,672	-29,126
Research and development expenses		-14,396	-18,906	-58,891	-63,401
<b>Operating expenses</b>		<b>-44,061</b>	<b>-45,904</b>	<b>-183,670</b>	<b>-185,513</b>
<b>EBIT Operating profit (loss)<sup>1)</sup></b>		<b>-6,034</b>	<b>3,360</b>	<b>-18,645</b>	<b>-9,251</b>
Net financial income/expense		-2,763	-4,527	-7,959	-9,724
<b>Profit (loss) after financial items</b>		<b>-8,797</b>	<b>-1,167</b>	<b>-26,604</b>	<b>-18,974</b>
Income tax		- 593	-481	-2,090	-1,978
<b>Profit (loss) for the period</b>		<b>-9,390</b>	<b>-1,648</b>	<b>-28,693</b>	<b>-20,952</b>
<sup>1)</sup> of which					
Amortization and impairment of intangible assets		4,246	5,848	19,917	21,518
Depreciation of property, plant and equipment		2,648	872	7,112	5,337
<b>EBITDA</b>		<b>860</b>	<b>10,080</b>	<b>8,385</b>	<b>17,604</b>
<b>Statement of comprehensive income</b>					
Profit (loss) for the period		-9,390	-1,648	-28,693	-20,952
<b>Other comprehensive income</b>					
Exchange rate differences		53	922	610	1,484
<b>Other comprehensive income, net after tax</b>		<b>53</b>	<b>922</b>	<b>610</b>	<b>1,484</b>
<b>Comprehensive income for the period, attributable to parent company shareholders</b>		<b>-9,337</b>	<b>-726</b>	<b>-28,084</b>	<b>-19,468</b>
<b>No. of shares (thousands)</b>		<b>107,923</b>	<b>107,923</b>	<b>107,923</b>	<b>107,923</b>
<b>Earnings per share (SEK)</b>		<b>-0.09</b>	<b>-0.02</b>	<b>-0.27</b>	<b>-0.19</b>

Condensed consolidated balance sheet		2022	2021	2021
SEK thousands	Notes	31 Mar	31 Mar	31 Dec
<b>ASSETS</b>	2			
<b>Non-current assets</b>				
Intangible assets		99,954	115,601	102,432
Property, plant, and equipment		6,921	15,382	6,439
Financial assets		1,402	1,273	1,392
<b>Total non-current assets</b>		<b>108,277</b>	<b>132,256</b>	<b>110,263</b>
<b>Current assets</b>				
Inventories		222,708	214,869	228,260
Current receivables		117,855	143,300	127,824
Restricted cash		965	965	965
Cash and cash equivalents		141,755	47,051	100,837
<b>Total current assets</b>		<b>483,282</b>	<b>406,185</b>	<b>457,885</b>
<b>Total assets</b>		<b>591,560</b>	<b>538,441</b>	<b>568,148</b>
<b>EQUITY AND LIABILITIES</b>	2			
<b>Equity</b>		<b>79,359</b>	<b>107,441</b>	<b>88,697</b>
<b>Non-current liabilities</b>				
Non-current liabilities, interest-bearing		18,125	32,625	21,750
Non-current liabilities, non interest-bearing		1,451	10,697	698
<b>Total non-current liabilities</b>		<b>19,576</b>	<b>43,322</b>	<b>22,448</b>
<b>Current liabilities</b>				
Current liabilities, interest-bearing		126,704	101,439	126,705
Current liabilities, non interest-bearing		365,921	286,239	330,298
<b>Total current liabilities</b>		<b>492,625</b>	<b>387,678</b>	<b>457,003</b>
<b>Total equity and liabilities</b>		<b>591,560</b>	<b>538,441</b>	<b>568,148</b>
Pledged assets		108,573	87,344	102,279
Contingent liabilities		None	None	None
<b>Shares, thousands</b>		<b>107,923</b>	<b>107,923</b>	<b>107,923</b>
<b>Equity per share, SEK</b>		<b>0.74</b>	<b>1.00</b>	<b>0.82</b>

Change in equity, Group SEK thousands	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Opening balance	88,697	108,167	108,167
Other comprehensive income for the period	-9,338	-726	-19,470
<b>Closing balance</b>	<b>79,359</b>	<b>107,441</b>	<b>88,697</b>

Share data Number, thousands	2022 Jan-Mar	2021 Jan-Mar	2021 Jan-Dec
Number of shares before dilution	107 923	107 923	107 923
Average number of shares after dilution	107 923	107 923	107 923
Equity per share (SEK)	0.74	1.00	0.82
Equity ratio (%)	13.4	20.0	15.6

Condensed consolidated cash flow statement SEK thousands	2022 Jan-Mar	2021 Jan-Mar	Rolling 12 Apr-Mar	2021 Jan-Dec
Cash flow from operating activities before working capital change	103,583	52,724	173,019	122,160
Change in working capital	-56,597	-42,409	-82,019	-67,831
<b>Cash flow from operating activities</b>	<b>46,986</b>	<b>10,314</b>	<b>91,001</b>	<b>54,329</b>
Cash flow from investing activities	-1,361	-12,069	1,256	-9,451
Cash flow from financing activities	-4,976	353	1,780	7,108
<b>Cash flow for the period</b>	<b>40,649</b>	<b>-1,401</b>	<b>94,037</b>	<b>51,986</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>100,837</b>	<b>47,621</b>	<b>47,052</b>	<b>47,621</b>
Exchange rate differences in cash and cash equivalents	269	832	667	1,230
<b>Cash and cash equivalents at end of period</b>	<b>141,755</b>	<b>47,052</b>	<b>141,755</b>	<b>100,837</b>



## PARENT COMPANY

Condensed income statement		2022	2021	Rolling 12	2021
SEK thousands	Notes	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
<b>Net sales</b>	<b>2, 4</b>	<b>93,934</b>	<b>93,436</b>	<b>371,477</b>	<b>370,979</b>
Cost of goods sold		-59,361	-47,362	-221,236	-209,238
<b>Gross profit</b>		<b>34,574</b>	<b>46,074</b>	<b>150,241</b>	<b>161,741</b>
<i>Gross margin</i>		36.8%	49.3%	40.4%	43.6%
Operating costs		-44,512	-41,819	-182,513	-179,820
<b>Operating profit (loss)</b>		<b>-9,938</b>	<b>4,255</b>	<b>-32,272</b>	<b>-18,079</b>
Net financial income/expense		-3,705	-4,656	-8,857	-9,808
<b>Profit (loss) after financial items</b>		<b>-13,643</b>	<b>-401</b>	<b>-41,129</b>	<b>-27,887</b>
Income tax		-	-	-	-
<b>Profit (loss) for the period</b>		<b>-13,643</b>	<b>-401</b>	<b>-41,129</b>	<b>-27,887</b>

Condensed balance sheet		2022	2021	2021
SEK thousands	Notes	31-Mar	31-Mar	31-Dec
<b>ASSETS</b>	2			
Non-current assets		106,081	128,846	108,543
<b>Current assets</b>				
Other current assets		290,786	303,392	300,109
Restricted cash		965	965	965
Cash and cash equivalents		12,321	13,175	11,201
<b>Total Current assets</b>		<b>304,072</b>	<b>317,532</b>	<b>312,275</b>
<b>Total assets</b>		<b>410,153</b>	<b>446,378</b>	<b>420,818</b>
<b>EQUITY AND LIABILITIES</b>	2			
Equity		22,546	61,875	36,189
Non-current liabilities		18,704	35,927	22,108
Current liabilities		368,903	348,577	362,521
<b>Total equity and liabilities</b>		<b>410,153</b>	<b>446,378</b>	<b>420,818</b>
Pledged assets		108,573	87,344	102,279
Contingent liabilities		None	None	None

## NOTES

### 1. Accounting principles

Bluefish Pharmaceuticals applies International Financial Reporting Standards (IFRS) and IFRIC interpretations that have been adopted by the EU, the Swedish Annual Accounts Act and Swedish Financial Reporting Board's Recommendation RFR 1, Additional Accounting Regulations for Groups, and RFR 2, Accounting for Legal Entities. This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The Group applies the same accounting principles as in the 2021 Annual Report, and no significant changes have come into effect after. As allowed by IFRIC in respect of unlisted companies, Bluefish does not apply IFRIC 8, Operating Segments. The Parent Company applies the RFR 2 exception for lease agreements. It means that the Parent Company's principles for reporting leases are unchanged.

### 2. Estimates and judgements

The preparation of the interim report in accordance with generally accepted accounting principles requires that management make assumptions and assessments. Given the uncertainty associated with these estimates, the actual results may deviate from such assumptions and assessments, which can affect the Group's consolidated financial statements. In the description of accounting principles, the areas where assessments and calculations need to be made are stated. In light of the Group's business operations, the management believes that the most important of these are revenue recognition including rebate provisions, accounting for inventories and assessing impairment of in-tangible assets. The management is currently undertaking a revision of revenue recognition and rebate provision estimates.

### 3. Related party transactions

There are no other related party transactions other than a guarantee from the main owner Färna Invest AB for part of the SEB bank credits.

### 4. Division of net sales

SEK million	2022 Jan-Mar	2021 Jan-Mar	Rolling 12 Apr-Mar	2021 Jan- Dec
<i>Group</i>				
Nordics	22,806	27,073	104,265	108,532
Northern Europe	58,228	52,068	234,130	227,970
Southern Europe	5,697	8,615	23,891	26,808
B2B, other	10,656	8,870	23,976	22,190
<b>Total</b>	<b>97,387</b>	<b>96,626</b>	<b>386,261</b>	<b>385,500</b>
<i>Parent</i>				
Nordics	22,806	27,073	104,264	108,532
Northern Europe	54,629	48,986	219,048	213,406
Southern Europe	5,503	8,398	22,953	25,848
B2B, other	10,996	8,978	25,210	23,193
<b>Total</b>	<b>93,934</b>	<b>93,436</b>	<b>371,477</b>	<b>370,979</b>

Net sales are divided according to where the customers are undertaking their business except for B2B which consists of both out-licensing and distribution sales from within and outside Europe. Revenue share for out-licensed products consist of license fees and product sales.

## BLUEFISH IN BRIEF

### Business concept

Bluefish's business concept is to provide affordable, generic pharmaceuticals with product quality and patient safety as the highest priority.

### Business model

Bluefish has a strong European platform from which we offer an extensive portfolio of high-quality pharmaceuticals. The company has an efficient organization, and it can quickly adapt to changes in market conditions. This enables Bluefish to not only take advantage of new opportunities, but also expand the business to new areas.

### Strategy

The company's strategy for achieving its financial goals of increasing net sales and achieving a higher level of profitability is to expand the product portfolio and continue increasing its market share in existing and new areas. Profitability will improve as economies of scale increase.

### Bluefish organization

Bluefish has an efficient organization, where most business activities are managed centrally. The company has decided to have small, local offices in Europe, which have extensive knowledge of each specific market. Other activities, like product development, purchasing, quality control and follow-up on side effects are dealt with either by the head office in Stockholm or the company's technology and development center in Bangalore, India.

## DEFINITIONS OF KEY FIGURES

### Gross margin

Gross profit as a percentage of sales.

### Gross profit

Operating revenue less the cost of goods sold.

### EBIT

Profit or loss before financial items and tax (Operating profit or loss).

### EBITDA

Operating profit or loss before depreciation/amortization and impairment loss on property, plant and equipment and intangible assets.

### Equity per share

Equity divided by the number of shares.

### Net sales

Gross sales less any discounts, price adjustments and returns.

### Net debt

Interest-bearing non-current and current liabilities less cash assets in the bank.

### Equity ratio

Equity divided by total assets.

### Result per share

Net result for the period attributable to shareholders of the parent company divided by the number of shares.

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