

Consolidated interim report

for the 9 month-period ended 30 September 2024

Pharma Equity Group A/S

Registered number: 26 79 14 13

Slotsmarken 18, 2. th.
2970 Hørsholm
Denmark

www.pharmaequitygroup.com

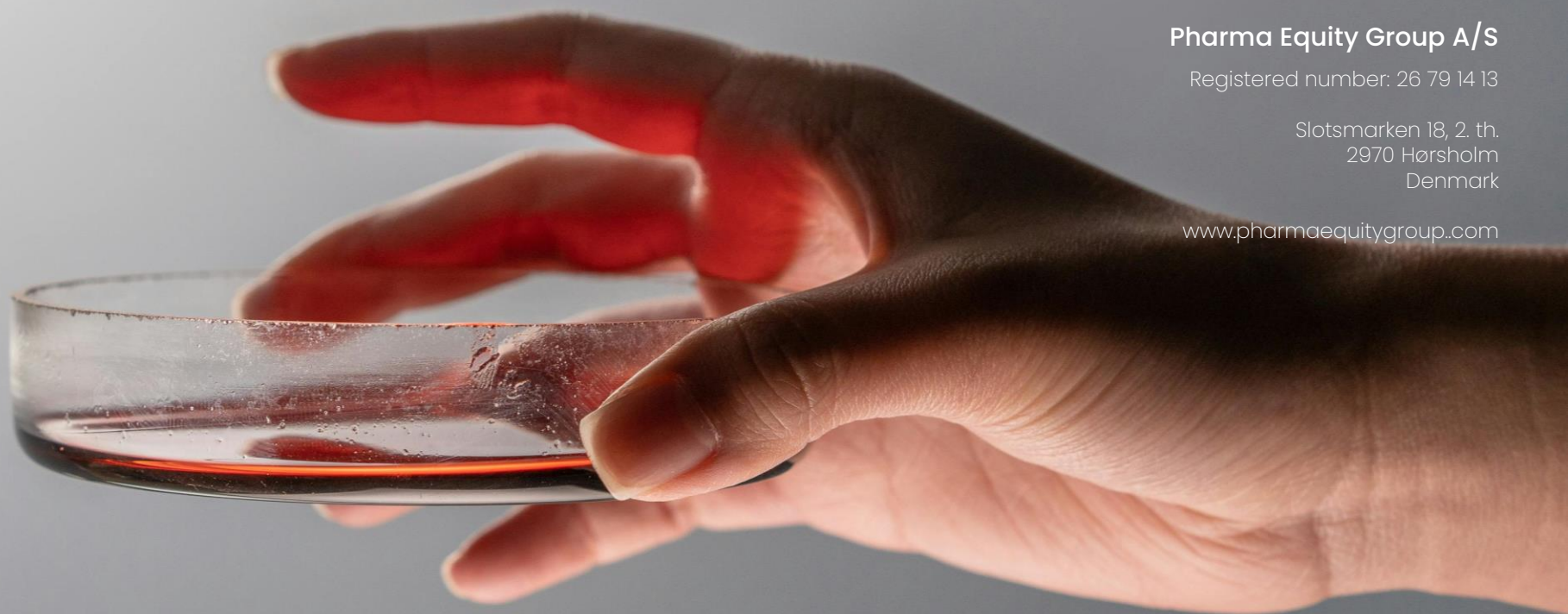


Table of Contents

Table of Contents

• Online Investor Relations event Q3	3
• Company Information	4
• Letter from the CEO and Chairman	5
• Shareholder Information	6-8
• Management's Review	9-12
• Management's Report	13
• Financials	14
• Consolidated statement of comprehensive income	14
• Consolidated statement of financial position – Assets	15
• Consolidated statement of financial position – Equity & Liabilities	16
• Consolidated statement of changes in equity	17
• Consolidated cash flow statement	18
• Notes to the consolidated financial statements	19-27
• Contact information	28

Company Information

Letter from the CEO and Chairman

Shareholder Information

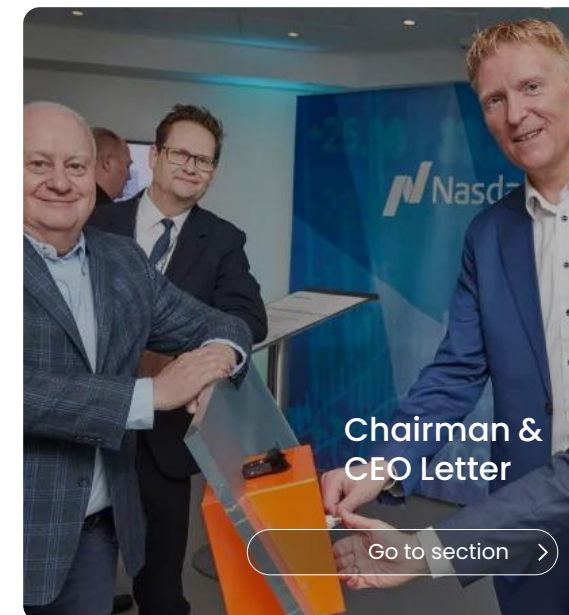
Management's Review

Management's Report

Financials

Notes to financial statements

Contact information


**Key figures
Q3 2024**

Go to section >

**Targets &
Outlooks
2024**

Go to section >

Join us for an online presentation of the Q1-Q3 2024 interim report

At 11:00 a.m. today, 15 November 2024, CEO Thomas Kaas Selsø invites you to an online presentation of the Q1-Q3 2024 report for the period 1 January 2024 – 30 September 2024 and significant events so far in 2024.

It is already possible to register for the presentation and send in questions in advance. Registration is free for everyone and can be done via this [link](#).



[Register for online presentation](#)

Contact person – Investor Relations

Any questions regarding this announcement and the quarterly financial statements for Q1 - Q3 2024 can be directed to the Company's CEO Thomas Kaas Selsø, by email investor@pharmaequitygroup.com.

On the Company's website www.pharmaequitygroup.com further information and all published announcements can be found.



Company Information

Pharma Equity Group A/S

Group companies:

Pharma Equity Group A/S - listed parent company
Reponex Pharmaceuticals A/S - 100% owned subsidiary

Registered number (CVR):

26 79 14 13

Registered office:

Slotsmarken 18, 2. th.
2970 Hørsholm
Denmark

Websites:

Pharma Equity Group A/S: www.pharmaequitygroup.com
Reponex Pharmaceuticals A/S: www.reponex.dk

Executive management

Thomas Kaas Selsø, Chief Executive Officer

Board of directors

- Christian Vinding Thomsen, Chairman
- Martin Engell-Rossen, Vice Chairman
- Omar S. Qandeel
- Lars Rosenkrantz Gundorph
- Peter Vilmann

Letter from the CEO & Chairman

Key points from the Q3-2024 report, period 1 January – 30 September 2024

On 15 November 2024, the Board of Directors and the Executive Board of Pharma Equity Group A/S ("PEG", "the Company" or "the Group") considered and approved the interim report for the Group for the period 1 January – 30 September 2024 ("Q1-Q3 2024 report"). The report has not been audited or reviewed.

Products and patents

On 23 October 2024, in company announcement no. 29, the Company announced that the Company's subsidiary, Reponex Pharmaceuticals A/S (Reponex), had announced that the Japan Patent Office had issued a patent regarding patent application no. 7562413. The patent concerns Reponex's innovative treatment method for eliminating biofilms, which prevents the body's immune system from fighting cancerous tumors in the colon and rectum.

The announcement of the granting of a patent covering the Japanese market is a significant milestone for Reponex, which has now obtained patent protection for the RNX-051 treatment method in both Europe and Japan – two of the Reponex's absolute focus markets. Patent protection is seen as a key value driver and a crucial parameter in future negotiations on the conditions for a license agreement. The patent is valid until 2039.

Financial overview

For the first 9 months of 2024 (1 January – 30 September 2024), Pharma Equity Group A/S realized a loss after tax of DKK 19.8 million, which is in line with expectations for the period. As of 30 September 2024, equity amounts to DKK 19.2 million.

Outlook

The Company maintains the previously announced guidance for 2024, a loss before tax in the range of DKK 24 million to DKK 29 million for the Group. The outlook does not reflect any gains/losses in connection with recovery or value adjustments at year-end of the Portinho S.A. receivable.

Capital resources

In the period since 1 January 2024, convertible loans of DKK 11.0 million have been subscribed for and paid. The loans are granted as subordinated loans and are thus subordinated to the Company's other creditors, apart from any other similar subordinated loan. Reference is made to company announcement no. 22 of 16 July 2024 for further information regarding the convertible loans.

Capital reduction

With reference to company announcement no. 19, the Extraordinary General Meeting of Pharma Equity Group A/S on 3 June 2024 approved a reduction of the Company's share capital by nominally DKK 920,667,494.70 from nominally DKK 1,022,963,883.00 to nominally DKK 102,296,388.30 which will be placed in a special reserve within equity pursuant to section 188(1)(3) of the Danish Companies Act.

On 4 October 2024, the capital reduction was finally registered with the Danish Business Authority and implemented by a proportionate reduction of the nominal value of all the Company's shares, so that the nominal value of the shares is reduced from DKK 1.00 to DKK 0.10.

With reference to the above, the capital reduction and the registration on 4 June 2024 on virk.dk, in which Pharma Equity Group A/S' creditors were encouraged to report their claims, and where information was provided that creditors can demand satisfactory security for overdue claims and payment of overdue claims, Pharma Equity Group A/S received two claims for DKK 87,580 and DKK 2,602,779 respectively, including alleged interest, for which security was requested. Pharma Equity Group A/S disagrees that these claims are eligible for demanding security and that the claims are interest-bearing.

However, on 2 October 2024, Pursuant to section 193(4) of the Danish Companies Act, on 2 October 2024, the requested satisfactory security was provided for the disputed claims so that the capital reduction on 4 October 2024 could be implemented.

Capital increase

On 4 October 2024, the Company's Board of Directors resolved to issue 204,592,776 new shares in a directed issue (corresponding to a nominal value of DKK 20,459,277.6) at a subscription price of DKK 0.25 per share, corresponding to gross proceeds of DKK 51,148,194, of which DKK 38,499,368 was received in cash and DKK 12,648,826 was conversion of convertible debt. Of the cash proceeds received, DKK 25,808,902 was used to reduce financial debt,

whereby on a net basis, the cash position has been strengthened by DKK 12,690,466.

The directed issue was fully subscribed.

The subscription price of DKK 0.25 per share corresponded to a premium of approximately 20% compared to the closing price on 3 October 2024.

The new shares were subscribed by a limited group of new and existing shareholders.

Receivables from Portinho S.A.

The Group's receivables from Portinho S.A have a principal amount of EUR 9.55 million with a carrying value as of 30 September 2024 of DKK 58 million, which is unchanged compared to 31 December 2023.

As announced in company announcement no. 39 of 25 September 2023, no. 46 of 28 November 2023, no. 7 of 20 March 2024 and no. 17 of 16 May 2024, the payment from Portinho S.A. has been deferred in relation to the original due date, which was 1 July 2023.

On 15 April 2024, the Company filed a summons with the Maritime and Commercial High Court against Portinho S.A. demanding immediate payment of the receivable of EUR 9.55 million plus interest.

Arbitration proceedings against Interpatium are also pending before The Danish Institute of Arbitration (DIA) in relation to the related sale of the shares in Portinho.



Thomas Selsø
CEO



Christian Thomsen
Chairman

Q3 2024
interim
report

Table
of Contents

Online Investor
Relations
presentation

Company
Information

Letter from the
CEO and
Chairman

Shareholder
Information

Management's
Review

Management's
Report

Financials

Notes to financial
statements

Contact
information



Shareholder information

Q3 2024

Shareholder information

Pharma Equity Group shares and capitalization

- On 30 September 2024, PEG has a nominal share capital of DKK 1,022,963.883 consisting of 1,022,963,883 shares of each DKK 1.00. On 30 September 2024, the share price was DKK 0.233 corresponding to a market value of DKK 238 million.
- On the 3 June 2024, the Company held an extraordinary general meeting where it was decided to reduce the share capital from DKK 1,022,963,883 to 102,296,388.3 by changing the share size from DKK 1.00 to DKK 0.10. Thus, the number of shares will still be the same. Referring to company announcement no. 24 of 4 October 2024 the share capital reduction was completed and registered on 4 October 2024 and the share capital was from the 4 October DKK 102,296,388 divided into 1,022,963,883 shares of each DKK 0.10.
- Referring to company announcement no 25 of 4 October 2024, the Board of Directors resolved to issue 204,592,776 new shares (corresponding to nominally DKK 20,459,277.6) at a subscription price of DKK 0.25 per share corresponding to gross proceeds of DKK 51,148,194, of which DKK 38,499,368 was received in cash and DKK 12,648,466 was conversion of convertible debt. Of the cash proceeds received, DKK 25,808,902 was used to reduce financial debt, whereby on a net basis, the cash position has been strengthened by DKK 12,690,466.
- On 4 October 2024 after the completion of the share issue, the share capital amounts DKK 122,755,665.90 divided into 1,227,556,659 shares of each DKK 0.10.
- The Company is followed by the following equity research companies: Danske Bank (DK), HC Andersen Capital (DK) and Analyst Group (SE). Reference is made to PEG website investor/stock-information or direct link: <https://pharmaequitygroup.com/stock-information/>
- On 16 August 2024 Danish Bank Equity Research, Denmark has released an investment analysis report of PEG group.

Master data

As per 30 September 2024

ISIN Code:	DK0061155009
Symbol:	PEG
LEI Code:	2138008SUI4D917FKN20
CVR no	26791413
Share capital DKK	1,022,963,883
Denomination	DKK 1.00
No. of shares/votes	1,022,963,883
Negotiable	Yes
Voting restrictions	No

Shareholder information

Shareholder structure

PEG's shareholders are preliminary residents of Denmark. On 30 September 2024, the following shareholders held more than 5% of the share capital and votes:

- DMZ Holding ApS, Hellerup (7.6%)
- Finans Management ApS (16.6%)

Rest of the shares are spread out on approximately 1,900 shareholders.

Market value

30 September, 2024

238 Million
DKK

Management shareholdings

30 September, 2024

4.89 %

Management shareholding and market value 30 September 2024

Name	*Number of Shares 30.09.2024	Value 30.09. 2024 TDKK
Thomas Kaas Selsø, CEO, PEG	1,822,474	425
Christian Vinding Thomsen, Chairman of the Board, PEG	1,233,605	287
Lars Rosenkrantz Gundorph, Board Member, PEG	21,351,475	4,975
Troels Peter Troelsen, Board Member, Reponex	21,944,945	5,113
Charlotte Pahl, Board Member, Reponex	3,694,210	861
Total Management shareholdings	50,046,709	11,661

** Including shares held in entities controlled by the management persons*

Q3 2024
interim
report

Table
of Contents

Online Investor
Relations
presentation

Company
Information

Letter from the
CEO and
Chairman

Shareholder
Information

Management's
Review

Management's
Report

Financials

Notes to financial
statements

Contact
information

Management's review

Q3 2024

Management's review

The Group's principal activities

PEG is a company listed on Nasdaq Copenhagen main stock exchange.

Currently, the Group is through Reponex a clinical-stage pharmaceutical company.

Description of Reponex' operations

Reponex is a clinical-stage biopharmaceutical company dedicated to the development of new, effective treatments for diseases that have significant patient and social impact for which current therapy is lacking or in need of improvement.

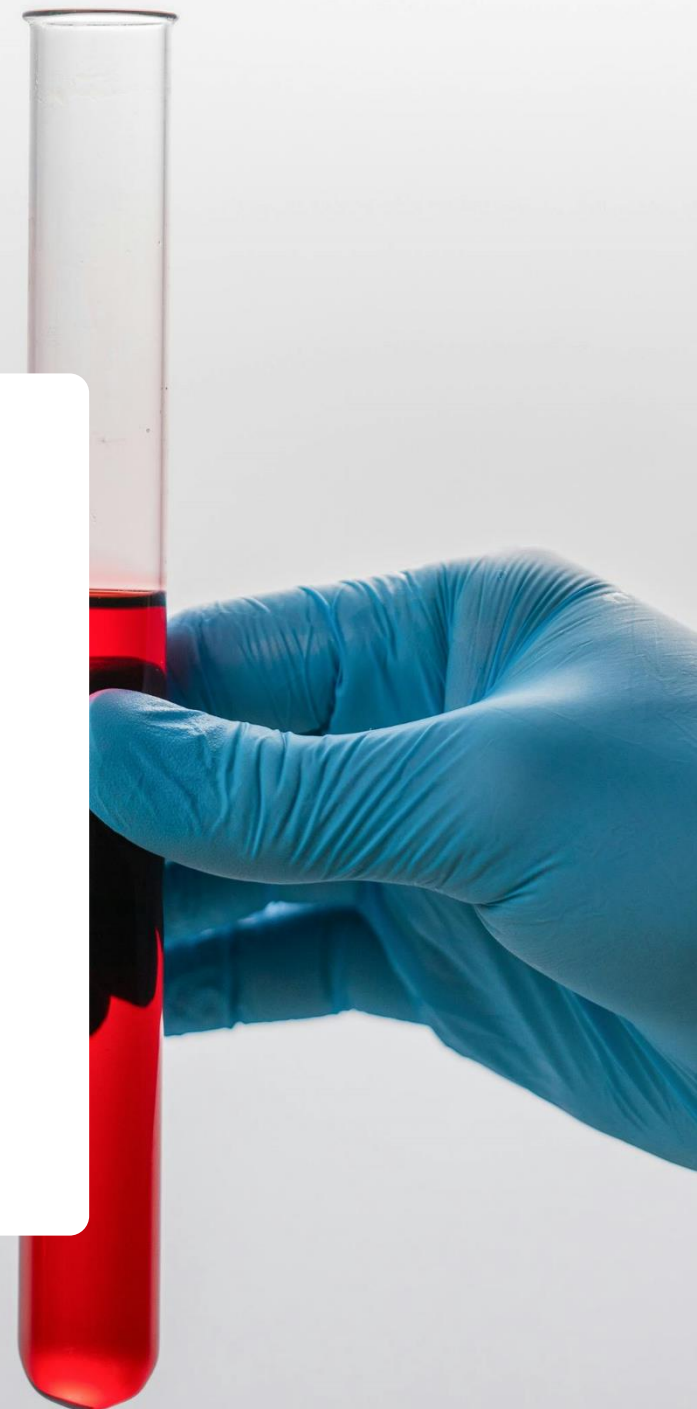
The diseases are acute or life threatening, such as bacterial peritonitis and colorectal cancer, or may be chronic diseases that reduce lifespan and the quality of life and may shorten it, including inflammatory bowel diseases or complications of chronic diseases such as the disabling non-healing skin ulcers in patients with diabetes or venous insufficiency. There is a continuing unmet medical need to improve the treatment of these difficult conditions, which is what Reponex strives to achieve.

It is Reponex' ambition to create value through Reponex' sustaining platform by bringing the clinical programs to a clinical stage with relevant clinical data documenting the effect of the drug candidates, that will be a strong starting point for

the completion of an exclusive licensing of Reponex' drug candidates to global pharmaceutical companies, that can contribute to execution of the further clinical and regulatory process as well as having relevant distribution power.

Reponex is an organizational efficient company with an aggressive commercial outsourcing strategy to be as agile as possible, to meet complex and continual changes in the pharma industry. The strategy creates a cost efficient and flexible way to build relevant human resources fast, which is considered a key factor and driver of success.

It is Reponex' clinical strategy to establish collaborations with internationally leading institutions and hospitals in combination with the best experts in each of the Company's specific clinical areas.



Management's review

Estimates and judgements

The preparation of the interim consolidated report requires the making of estimates and judgements that effects the reporting of assets, liabilities and expenses.

The estimates and judgements are reviewed on an ongoing basis. Estimates and judgements are based on actual results and on various other assumptions, which the Group believes to be reasonable under the circumstances.

However, the actual result may differ significantly from the estimates. We believe that the accounting policies relating to intangible assets and the valuation of the Portinho S.A receivable involve estimates or judgements that could affect the reported financial position and results.

Financial performance

For the nine-month period ended 30 September 2024, the Group has continued its work on preparing the portfolio of clinical programs being ready for commercialization in the coming years.

The result for the period, a loss of TDKK 19,777, is in line with Management's expectations for the period.

	PEG Group 01-07-2024 - 30-09-2024 (unaudited) TDKK	PEG Group 01-07-2023 - 30-09-2023 (reviewed) TDKK	PEG Group 01-01-2024 - 30-09-2024 (unaudited) TDKK	PEG Group* 01-01-2023 - 30-09-2023 (reviewed) TDKK	PEG Group* 01-01-2023 - 31-12-2023 (audited) TDKK
Revenue	0	0	0	0	0
EBITDA	-5,117	-5,383	-16,685	-13,047	-20,411
Depreciation, amortization and impairment losses	-124	-142	-373	-425	-480
Operating profit/loss	-5,241	-5,525	-17,058	-13,472	-20,891
Financials net	-1,906	1,088	-4,139	1,003	-1,548
Profit/loss	-6,746	-4,202	-19,777	-11,029	-24,609
Total assets	80,024	85,384	80,024	85,384	81,335
Investments in tangible assets	0	0	0	73	73
Equity	19,154	53,248	19,154	53,248	38,931
Solvency ratio	23.9%	62.4%	23.9%	62.4%	47.9%
Earnings per share	-0.01	-0.00	-0.02	-0.01	-0.02

*Reference is made to the Consolidated interim report for Q1-2023 in which quarter the transaction between PEG and Reponex was completed. The transaction was accounted for according to the rules for reverse take-overs, whereby Reponex is considered the acquirer of PEG for accounting purposes, and whereby comparative figures for the periods before the completion of the transaction refer to Reponex.

Management's review

Portinho S.A. receivable

As announced in company announcements no. 39 from 25 September 2023, no. 46 from 28 November 2023 and no. 7 from 20 March 2024, the payment from Portinho S.A. has been postponed from its original due date, which was 1 July 2023.

On 15 April 2024, the Company filed a summon with the Maritime and Commercial High Court against Portinho S.A. to claim immediate payment of the receivable of EUR 9.55m plus interest.

The Company's Portuguese lawyer, in cooperation with the Company's Danish lawyer, has also initiated various preliminary and protective legal actions and investigations in Portugal in relation to securing payment of the receivable.

Management has assessed that the valuation of DKK 58 million recognized at 31 December 2023 be retained at 30 September 2024. Reference is made to note 6 for further information.

The work to recover the receivable for Portinho has been further intensified since 31 December 2023..

Considerable resources are being used to recover the receivable from Portinho and/or from companies and persons connected therewith and/or the transactions with Portinho. Arbitration proceedings against Interpatium are also pending before DIA in Denmark in relation to the related sale of the shares in Portinho.

Financial resources

The Group does not expect commercial revenue until 2025. Therefore, as long as the Portinho S.A receivable has not been recovered, Management has particular focus on ensuring that the Group has sufficient financial resources available to meet its obligations as they fall due and continue its development activities.

In 2024, the Company has obtained cash through issue of convertible subordinated loans of totally DKK 11.0 million. Referring to company announcement no 25 of 4 October 2024 the Board of Directors has resolved to issue 204,592,776 new shares (corresponding to nominally DKK 20,459,277.6) at a subscription price of DKK 0.25 per share corresponding to gross proceeds of DKK 51,148,194, of which DKK 38,499,368 was received in cash and DKK 12,648,466 was conversion of convertible debt. Of the cash proceeds received, DKK 25,808,902 was used to reduce financial debt, whereby on a net basis, the cash position has been strengthened by DKK 12,690,466.

With the cash obtained from issuing convertible loans and the net cash received from the share issue, Management has assessed its financial resources based on its expected costs and investments for the remainder of 2024 and beginning of 2025, and on this basis Management is concluding that sufficient funding is available to continue the operations of the Group as planned .

Management continuously monitors capital preparedness, including the possibilities of continuing to obtain financing via convertible loans. In addition, the Company is working to establish a possible agreement with a licensing partner that will be able to contribute positively to the financing of the development of the drug candidates in Reponex.

Events occurring after the balance sheet date

Referring to company announcement no 24 of 4 October 2024, the Company has reduced its share capital with DKK 920,667,494.70 from DKK 1,022,963,886.00 to DKK 102,296,388,30 by allocating the reduction to a specific reserve within Equity.

Referring to company announcement no 25 of 4 October the Company has issued 204,592,776 new shares at a subscription price of 0.25 per share corresponding to gross proceeds of DKK 51,148,194 of which DKK 38,499,368 was received in cash and DKK 12,648,466 was conversion of convertible debt.

Of the cash proceeds received, DKK 25,808,902 was used to reduce financial debt, whereby on a net basis, the cash position has been strengthened by DKK 12,690,466.

Outlook 2024

PEG reported its outlook for 2024, in company announcement from 20 March 2024, and the outlook remains unchanged with no commercial revenue in 2024 and an expected pre-tax loss in the range of DKK 24 to 29 million for the Group.

The outlook does not reflect any potential gains/losses relating to the expected upcoming recovery of the Portinho S.A receivable.

Management's Report

Review and approval

The Board of Directors and the Executive Management have today reviewed and approved the consolidated interim report of Pharma Equity Group A/S for the period 1 January 2024 - 30 September 2024.

The consolidated interim report has been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, and additional Danish reporting requirements for interim reporting for listed companies.

In our opinion, the accounting principles applied are appropriate and the consolidated interim report gives a true and fair view of the Group's assets and liabilities and financial position at 30 september 2024 and of the results of the Group's operations and cash flow for the period 1 January to 30 September 2024.

Further, in our opinion, Management's review gives a true and fair review of the development in the Group's operations and financial matters, the result of Group's operations for the period and the financial position as well as description of the principal risks and uncertainties that the Group is facing.

Hørsholm, 15 November 2024

Executive Management

Thomas Kaas Selsø
Chief Executive Officer

Board of Directors

Christian Vinding Thomsen
Chairman

Martin Engell-Rossen
Vice Chairman

Lars Rosenkrantz Gundorph

Peter Vilmann

Omar S. Qandeeel



Thomas Kaas Selsø
CEO, Pharma Equity Group A/S

Financials

Consolidated statement of comprehensive income

	PEG Group 01-07-2024 - 30-09-2024 (unaudited)	PEG Group* 01-07-2023 - 30-09-2023 (unaudited) (restated)	PEG Group 01-01-2024 - 30-09-2024 (unaudited)	PEG Group* 01-01-2023 - 30-09-2023 (unaudited) (restated)	PEG Group* 01-01-2023 - 31-12-2023 (audited)
Note	TDKK	TDKK	TDKK	TDKK	TDKK
3	Revenue	0	0	0	0
	Production costs	0	0	0	0
	Gross profit	0	0	0	0
	Research and development costs	-1,783	-2,315	-6,199	-6,056
	Administrative costs	-3,459	-3,210	-10,858	-7,416
	Operating profit/loss (EBIT)	-5,241	-5,525	-17,058	-13,472
	Allowance Portinho receivable	0	0	0	-4,403
	Financial income	0	1,516	0	1,886
	Financial expenses	-1,906	-428	-4,139	-883
	Profit/loss before tax	-7,147	-4,437	-21,196	-12,469
4	Tax on profit/loss for the period	401	235	1,419	1,440
	Net profit/loss for the period	-6,746	-4,202	-19,777	-11,029
	Total comprehensive income/loss	-6,746	-4,202	-19,777	-11,029
	Earnings per share (EPS basic), DKK	0	0	0	0
9	Diluted earnings per share (EPS-D), DKK	0	0	0	0
9	<i>* In 2023, PEG Group statement of comprehensive income consists of Reponex for the period 1 January 2023 - 24 March 2023 and PEG/Reponex consolidated for the period 24 March 2023 - 31 December 2023.</i>				

Financials

Consolidated statement of financial position – Assets

ASSETS	<i>PEG Group</i>	<i>PEG Group</i>	<i>PEG Group</i>
	<i>30-09-2024</i>	<i>30-09-2023</i>	<i>31-12-2023</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
		<i>(restated)</i>	
	TDKK	TDKK	TDKK

Note

Non-current assets				
	Intangible assets	13,402	13,534	13,598
5	Tangible assets	41	59	55
5	Right-of-use assets	289	367	452
5	Long-term tax receivable	1,419	1,440	0
	Total non-current assets	15,151	15,400	14,105

Current assets				
	Receivable Portinho S.A.	58,000	64,289	58,000
	Other receivables	337	641	2,344
	Prepaid expenses	533	1,724	423
6	Current tax receivable	2,233	1,855	2,232
	Cash and cash equivalents	3,770	1,475	4,231
	Total current assets	64,873	69,984	67,230
	Total assets	80,024	85,384	81,335

Financials

Consolidated statement of financial position – Equity & Liabilities

	30-09-2024 <i>(unaudited)</i>	30-09-2023 <i>(unaudited)</i> <i>(restated)</i>	31-12-2023 <i>(audited)</i>
	TDKK	TDKK	TDKK
		0	
Note			
Share capital	1,022,964	1,022,964	1,022,964
Other reserves	-1,003,810	-969,716	-984,033
Total equity	19,154	53,248	38,931
9			
Subordinated convertible loans	20,244	1,000	7,838
Lease liabilities	58	50	234
Total long-term liabilities	20,302	1,050	8,072
12			
Trade payables	5,877	6,743	10,202
Bank debt	1,918	4,824	4,085
Financial loans	30,236	16,475	17,847
Lease liabilities	230	317	217
8			
Other liabilities	2,307	2,727	1,981
Total current liabilities	40,569	31,086	34,332
Total liabilities	60,871	32,136	42,404
Total equity and liabilities	80,024	85,384	81,335

Table of Contents

Online Investor Relations presentation

Company Information

Letter from the CEO and Chairman

Shareholder Information

Management's Review

Management's Report

Financials

Notes to financial statements

Contact information

Financials

Consolidated statement of changes in equity

Statement of changes in equity
01-01-2023 - 30-09-2023

	Share capital	Share premium account	Other reserves	Total equity
Equity Reponex as at 01-01-2023	830	0	16,549	17,379
Change in accounting policy (see note 1)	0	0	1,403	1,403
Adjusted Equity Reponex as at 01-01-2023	830	0	17,952	18,782
Net profit/loss	0	0	-11,029	-11,029
	0	0	-11,029	-11,029
Capital increase from warrants exercised	20	12,684	0	12,704
Costs related to warrants exercised	0	-12,172	12,172	0
Transfer of share premium	0	-512	0	-512
Reversal of share capital Reponex 24-03-2023	-850	0	850	0
PEG Group, Equity 24-03-2023	45,616	0	-10,948	34,668
Shares issued to Reponex shareholders 24-03-2023	977,348	0	-977,348	0
Transaction costs on issue of shares	0	0	-1,365	-1,365
Dividends	0	0	0	0
Transactions with owners	1,022,134	0	-976,639	45,496
Equity PEG Group as at 30-09-2023	1,022,964	0	-969,716	53,248

Statement of changes in equity
01-01-2024 - 30-09-2024

Equity PEG Group as at 01-01-2024	1,022,964	0	-984,033	38,931
Net profit/loss	0	0	-19,777	-19,777
	0	0	-19,777	-19,777
Dividends	0	0	0	0
Transactions with owners	0	0	0	0
Equity PEG Group as at 30-09-2024	1,022,964	0	-1,003,810	19,154

 Table
of Contents

 Online Investor
Relations
presentation

 Company
Information

 Letter from the
CEO and
Chairman

 Shareholder
Information

 Management's
Review

 Management's
Report

Financials

 Notes to financial
statements

 Contact
information

Financials

Consolidated cash flow statement

	PEG Group 01-07-2024 - 30-09-2024 (unaudited) TDKK	PEG Group* 01-07-2023 - 30-09-2023 (unaudited) (restated) TDKK	PEG Group 01-01-2024 - 30-09-2024 (unaudited) TDKK	Reponex* 01-01-2023 - 30-09-2023 (unaudited) (restated) TDKK	PEG Group* 01-01-2023 - 31-12-2023 (audited) TDKK
Profit/loss before tax	-7,147	-4,437	-21,196	-12,469	-26,842
Adjustment of non-cash transactions:					
Depreciation, amortisation and impairment losses	124	142	373	425	480
Allowance relating to Portinho S.A.	0	0	0	0	4,403
Financial income	0	-1,516	0	-1,886	-14
Financial expenses	1,906	428	4,139	883	1,517
Change in working capital:					
Receivables	-204	1,593	2,007	346	-1,358
Trade payables	1,274	169	-140	-856	2,021
Prepaid expenses	0	6	-111	-137	1,164
Other liabilities	52	1,273	325	2,034	1,564
Net cash used in operating activities before net financials	-3,995	-2,342	-14,603	-11,660	-17,065
Financial income received	0	0	0	0	14
Financial expenses paid	-508	-258	-1,599	-713	-1,428
Corporate tax refund	0	3	0	0	1,855
Net cash used in operating activities	-4,503	-2,597	-16,202	-12,373	-16,624
Purchase of tangible assets	0	0	0	-73	-73
Net cash used in investing activities	0	0	0	-73	-73
Lease instalments	-54	-74	-163	-215	-200
Repayment bank loans	-718	-2,582	-2,167	-2,587	-3,326
Repayment financial loans	0	-1,000	0	-1,000	-1,000
Subordinated convertible loan, obtained	1,000	1,000	11,015	1,000	8,000
Financial loans, obtained	7,182	3,642	11,241	3,959	5,248
Share issue costs paid	0	-425	-4,185	-3,295	-3,854
Proceeds from capital increases, exercise of warrants	0	-1	0	12,192	12,193
Net cash received from financing activities	7,410	560	15,741	10,054	17,061
Total cash flows for the period	2,907	-2,037	-461	-2,392	364
Cash and cash equivalents PEG upon transaction date	0	0	0	1,037	1,037
Cash and cash equivalents beginning of period	863	3,512	4,231	2,830	2,830
Cash equivalents end of period	3,770	1,475	3,769	1,475	4,231
Cash and cash equivalents, end of period, comprise:					
Cash and cash equivalents	3,770	1,475	3,770	1,475	4,231
Total	3,770	1,475	3,770	1,475	4,231

* In 2023 PEG Group Cash flow statement 2023 consists of Reponex for the period 1 January 2023 - 24 March 2023 and PEG/Reponex consolidated for the period 24 March 2023 - 31 December 2023.

Notes to consolidated financial statements

Summary of notes

1. Basis of preparation and changes to the Group's accounting policies
2. Nature of operations
3. Revenue, segment and seasonality information
4. Income tax
5. Impairment testing of intangible assets and equipment
6. Receivable Portinho S.A.
7. Capital resources
8. Subordinated convertible loans
9. Equity and development in number of shares
10. Earnings per share
11. Contingent liabilities
12. Financial risks and financial instruments
13. Related party transactions
14. Guarantees and securities
15. Events occurring after the balance sheet date

Notes to consolidated financial statements

1. Basis of preparation and changes to the Group's accounting policies

The interim consolidated report of Pharma Equity Group A/S (The Group) have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by EU and additional Danish requirements for stock listed companies. The interim consolidated report is presented in Danish kroner (DKK) which is also the functional currency of the parent company and the Group.

The accounting policies used in the interim consolidated report are consistent with those used in the Group's annual consolidated financial statements for the year ended 31 December 2023.

End 2023, the Group reassessed its accounting for development projects which all represented development projects in progress and where Management concluded that in-progress development projects should not be amortized, until development can be considered completed. The change was treated as a change in accounting policy, with reversal of amortization recognized in the interim quarterly reports for 2023 and in prior years. Hence, the comparative figures for Q3-2023 and Q1-Q3-2023 do not include the amortization charge for development projects, which was included in the Q1-Q3 2024 interim report. Reference is made to the annual consolidated financial statements for 2023, which in further detail describes the background and impact from the change in amortization policy for development projects in-progress.

New standards, interpretations and amendments adopted by the Group

Some amendments apply for the first time in 2024, but do not have an impact on the interim consolidated of the Group for Q1 -Q3 2024 and is not expected to have any impact going-forward. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Significant accounting estimates and judgements

The preparation of the interim consolidated report requires Management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. In applying our accounting policies, Management is required to make judgements and estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The

estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates used are based on assumptions assessed to be reasonable by Management. However, estimates are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may occur. Furthermore, we are subject to risks and uncertainties that may result in deviations in actual results compared with estimates.

Please refer to note 1 in the 2023 Annual Report for further information.

No material changes in significant accounting estimates and judgements have occurred since the Annual Report 2023. In this regard, Management has in particular assessed the valuation of the Portinho S.A receivable to be identical to the valuation applied at 31 December 2023 (see note 6) and, in addition, Management has assessed development projects in progress, which are required to be impairment tested at least once a year, concluding that development is progressing as expected, and no impairment indicators have been identified at this stage of the year, and Management has concluded that there is no requirement to impairment test development projects in progress end Q3-2024.

Notes to consolidated financial statements

2. Nature of the operations

The object of the Company is, without geographical limitation, to be a holding company for companies with Life Science activities and to invest in shares admitted to trading on a regulated trading venue or multilateral trading facility and unlisted shares as determined by the Board of Directors with a view to achieving long-term value added subject to appropriate risk diversification and other related activities.

Currently the Group, through Reponex, is a clinical-stage pharmaceutical company dedicated to the development of new, effective treatments for diseases that have significant patient and social impact and for which current therapy is lacking or in need of improvement.

The diseases may be acute and life threatening, such as bacterial peritonitis or colorectal cancer, or may be chronic diseases that spoil the quality of life and may shorten it, such as inflammatory bowel diseases, or complications of chronic diseases such as the disabling non-healing skin ulcers in patients with diabetes or venous insufficiency. The Group has 6 drug candidates in clinical phase 2

Pharma Equity Group A/S is incorporated in Denmark and listed on Nasdaq Copenhagen main stock exchange.

3. Revenue, segment and seasonality information

No revenue has been recognized in the nine-month period ended 30 September 2024.

Currently, Management regard the Group to operate in one segment, and hence no segment disclosures are provided at this stage and in the current situation the Group is not subject to impact from seasonality.

4. Income tax

The Group recognizes the expected income tax credit from the Group's development activities under the Danish income tax credit system. Under these programs, the Group has recognized tax receivable relating to 2023 under current assets, and tax receivable relating to 2024 as a non-current asset, as the 2024 income tax credit will not be received until the end 2025.

Both PEG and Reponex have tax loss carry forwards for the part of tax losses which is not allocated to the income tax credit system. Currently, the tax value of these tax losses is not recognized on the balance sheet, as recognition awaits that the Group will be profitable on a sustainable basis.

5. Impairment testing of intangible assets and equipment

The carrying amount of both intangible and tangible assets are subject to an annual impairment assessment in order to disclose any indication of impairment beyond those expressed by amortization and depreciation. Reference is made to the Annual report 2023.

As of 30 September 2024, Management has assessed that there are no indications of impairment, and Management has concluded that development is progressing as expected, and no impairment indicators have been identified at this stage of the year, and Management has concluded that no detailed impairment tests are required to be prepared at this stage of 2024. As required by IFRS, impairment tests will be required for development projects in progress, at least in connection with the preparation of the annual consolidated financial statements.

6. Receivable Portinho S.A

PEG's receivable from Portinho S.A. has been outstanding for some years. In 2021 it was agreed to defer payment of the outstanding amount to 1 July 2023 at latest. The receivable was not paid as agreed and Management has since then had an ongoing long dialogue with representatives of Portinho. Based on this dialogue, Management is confident that the receivable in time will be recovered based on the value of the underlying assets.

However, since the dialogue has not resulted in payment of the receivable, Management has decided to bring the receivable to court, and on the 15 April 2024, the Company has filed a summon with the Maritime and Commercial High Court (Sø- og Handelsretten) against Portinho S.A. to claim immediate payment of the receivable of EUR 9.55m plus interest. The Company's Portuguese lawyer, in cooperation with the Company's Danish lawyer, has also initiated various preliminary and protective legal actions and investigations in Portugal as a further step to secure the payment of the receivable.

The receivable amount as per 30 September 2024 including agreed interest amounts to EUR 11,2 million corresponding to DKK 83,7 million. Interest rate is agreed to 2% per quarter and amounts to DKK 4,8 million for Q1 - Q3 2024. The amount has not been recognized as income in the Q1 - Q3 2024 report as - in the current situation - it is considered appropriate to defer income recognition of interest until interest has been paid.

Referring to the Annual Report 2023 note 2.1 and 14 Management assessed the estimated net realizable value of the receivable to be DKK 58 million at 31 December 2023. As per 30 September 2024 Managements has not changed this assessment and the carrying value as per 30 September 2024 hence equals the same amount, DKK 58 million.

Notes to consolidated financial statements

7. Capital resources

On 22 January 2024, the Board of Directors of Pharma Equity Group decided on the issuance of convertible loans in accordance with the authorization in the Company's Articles of Association under Article 4.3.A. With reference to company announcements no. 1 of 22 January 2024, no. 3 of 25 January 2024, no. 4 of 7 February 2024, no. 12 of 10 April 2024, no. 18 of 16 May 2024 and no. 22 of 16 July 2024, a total of DKK 11 million has been subscribed so far in 2024. The loans are granted as subordinated loans and are thus subordinated to the Company's other creditors, with the exception of any other equivalent subordinated loans. Please refer to note 8 for further details.

With reference to company announcement no. 19 of 3 June 2024 the Company's Extraordinary General Meeting resolved that the Company's share capital be reduced by nominally DKK 920,667,494.70 from nominally DKK 1,022,963,883.00 to nominally DKK 102,296,388.30, where the reduction will be placed in a special reserve within equity pursuant to section 188(1)(3) of the Danish Companies Act. As reported in company announcement no. 24 of 4 October 2024, the capital reduction was executed on 4 October 2024 by a proportionate reduction of the nominal value of all the Company's shares, which means that the nominal value of the shares has been reduced from DKK 1.00 to DKK 0.1.

With reference to the above, the capital reduction and the registration on 4 June 2024 on virk.dk, in which Pharma Equity Group A/S' creditors were encouraged to report their claims, including that the creditors can demand satisfactory security for non-due claims and payment of overdue claims, Pharma Equity Group A/S received two claims of DKK 87,580 and DKK 2,602,779, respectively, including alleged interest totaling DKK 1,105,634, for which security was requested. Pharma Equity Group A/S disagrees that the claims are eligible for security and that

the claims are interest-bearing. To get the capital reduction registered, Pharma Equity Group A/S have after 30 September 2024 decided to establish security for the full amount even though the Company disagrees in the claims being eligible for demanding security and that the claims are interest-bearing.

Referring to company announcement no 25 of 4 October 2024 the Board of Directors has resolved to issue 204,592,776 new shares (corresponding to nominally DKK 20,459,277.6) at a subscription price of DKK 0.25 per share corresponding to gross proceeds of DKK 51,148,194, of which DKK 38,499,368 was received in cash and DKK 12,648,466 was conversion of convertible debt. Of the cash proceeds received, DKK 25,808,902 was used to reduce financial debt, whereby on a net basis, the cash position has been strengthened by DKK 12,690,466.

From 4 October 2024 the share capital amounts DKK 122,755,665.90 divided into 1,227,556,659 shares of Each DKK 0.10.

With the cash obtained from issuing convertible loans and the net cash received from the share issue, Management has assessed its financial resources based on its expected costs and investments for the remainder of 2024 and beginning of 2025, and on this basis Management is concluding that sufficient funding is available to continue the operations of the Group as planned.

Management continuously monitors capital preparedness, including the possibilities of continuing to obtain financing via convertible loans. In addition, the Company is working to establish a possible agreement with a licensing partner that will contribute positively to the financing of the development of the drug candidates in Reponex.

 Table
of Contents

 Online Investor
Relations
presentation

 Company
Information

 Letter from the
CEO and
Chairman

 Shareholder
Information

 Management's
Review

 Management's
Report

Financials

 Notes to financial
statements

 Contact
information

Notes to consolidated financial statements

8. Subordinated convertible loans

8. Subordinated convertible loans	TDKK	TDKK	TDKK
*Subordinated convertible loan	20,715	1,000	8,192
Amortised loan costs	-471	0	-354
Subordinated convertible loans - long term	20,244	1,000	7,838

* On 4 October 2024 subordinated convertible loans of TDKK 12,649 have been converted to equity.

The subordinated convertible loans have been established in the period 5 September 2023 - 16 July 2024.

The loans are granted as subordinated loan capital and is therefore subordinated to PEG's other creditors, except for any other corresponding subordinated loan capital.

The lenders' right to convert the loans into shares in PEG may be exercised for a period of 30 days commencing 23 calendar months after the conclusion of the convertible loan ("the Exercise Period").

The loans bear an interest of 3.25 % per quarter and remains without instalments until the expiry of the exercise period, after which PEG must repay the loans including interest within 60 days, though PEG may extend the loan period by 12 months.

PEG may choose to pay the loan including interest by issuing shares (conversion of the debt instrument).

For two of the subordinated convertible loans of totally DKK 2.0 million interest must be paid on quarterly basis and PEG does not have the possibility to extend the loan period by 12 months. Furthermore, the lender of these loans can choose to be repaid in cash. Other terms are identical to the other loans.

The loans give the lenders the right to convert the loans into shares in PEG. The conversion rate is 1.00 per share of DKK 1.00. The new shares will be issued with the same rights as the existing shares. After the capital reduction has been completed on 4 October 2024, the conversion rate has changed to be DKK 0.10 per share of DKK 0.10 for those convertible loans, which were not converted to share capital in connection with the share issue, which also took place on 4 October 2024.

Notes to consolidated financial statements

9. Equity and development in number of shares

Share capital

As of 30 September 2024 PEG share capital consists of 1,022,963,883 ordinary shares of DKK 1.00 each. The shares are fully paid up. All shares are equally eligible to receive dividends and repayment of capital and each share represents one vote at the shareholders' meeting.

As stated in note 7, the shareholders of the Company have approved to reduce the size of each share to DKK 0.10 which was executed and registered on 4 October 2024.

Further, as also stated in note 7, on 4 October 2024, the shareholders of the Company have approved to increase the share capital by issuing 204,592,776 new shares (corresponding to nominally DKK 20,459,277.6) at a subscription price of DKK 0.25 per share corresponding to gross proceeds of DKK 51,148,194, of which DKK 38,499,368 has been received in cash and DKK 12,648,466 was conversion of convertible debt.

	TDKK
Numbers of shares and share capital as per 01-01-2024	1,022,965
Movements	0
Total numbers of shares and share capital as per 30-09-2024	1,022,965

Notes to consolidated financial statements

10. Earnings per share

	01-07-2024 -30-09-2024	01-07-2023 -30-09-2023 <i>(restated)</i>	01-01-2024 -30-09-2024	01-01-2023 -30-09-2023 <i>(restated)</i>	01-01-2023 -31-12-2023
	TDKK	TDKK	TDKK	TDKK	TDKK
Profit/loss for the period	-6,746	-4,202	-19,777	-11,029	-24,609
Interest convertible loans	584	11	1,648	11	126
Profit/loss for the period for the purpose of diluted EPS	-6,162	-4,191	-18,129	-11,018	-24,483
Average number of shares (in thousands) Reponex	0	n.a.	0	2,522	2,522
Exchange rate applied in reverse take-over	0	n.a.	0	115	115
Average number of shares (in thousands) Reponex until reverse-take over date (1)	0	n.a.	0	290,030	290,030
Average number of shares (in thousands) PEG from reverse-take over date	1,022,964	1,022,964	1,022,964	715,700	790,345
Average number of treasury shares (in thousands)	-15	-15	-15	-10	-15
Average number of shares (in thousands) PEG after reverse-take over date (2)	1,022,949	1,022,949	1,022,949	715,690	790,330
Average number of shares (in thousands) full year (1+2)	1,022,949	1,022,949	1,022,949	1,005,720	1,080,360
Effect of convertible loans	20,715	272	20,715	92	8,192
Diluted average number of shares (in thousands)	1,043,664	1,023,221	1,043,664	1,005,812	1,088,552
Earnings per share of DKK 1.00 (DKK)	-0.01	0.00	-0.02	-0.01	-0.02
Diluted earnings per share of DKK 1.00 (DKK)	-0.01	0.00	-0.02	-0.01	-0.02

Table of Contents

Online Investor Relations presentation

Company Information

Letter from the CEO and Chairman

Shareholder Information

Management's Review

Management's Report

Financials

Notes to financial statements

Contact information

Notes to consolidated financial statements

11. Contingent liabilities

The Group is not involved in any lawsuits, arbitration cases or other matters which could have a material impact on the Group's financial position or result of operations.

As part of the reduction in share capital as described in note 7, two creditors demanded security for claims of DKK 87,580 and DKK 2,602,779, respectively, including alleged interest totaling DKK 1,105,634. Pharma Equity Group A/S disagrees that the claims are eligible for security and that the claims are interest-bearing.

To get the capital reduction registered, Pharma Equity Group A/S have after 30 September 2024 decided to establish security for the full amount in the form of bank guarantees. The claims, excluding, alleged interest, are included in the financial statements as part of financial loans. The alleged interest has not been recognized in the financial statements as of 30 September 2024. After the capital reduction has been completed on 4 October 2024, the conversion rate has changed to be DKK 0.10 per share of DKK 0.10 for those convertible loans, which were not converted to share capital in connection with the share issue, which also took place on 4 October 2024.

Table
of Contents

Online Investor
Relations
presentation

Company
Information

Letter from the
CEO and
Chairman

Shareholder
Information

Management's
Review

Management's
Report

Financials

Notes to financial
statements

Contact
information

Notes to consolidated financial statements

12. Financial risks and financial instruments

Risk management policy

Management manages the Group's financial risks. The management of the Group's risks is included in the management's day-to-day monitoring of the Group. The Group is exposed to various financial risks, which result from its operating activities. The Company does not actively engage in the trading of financial assets and financial derivatives.

Credit risk

Credit risk primarily relates to the Portinho S.A receivable which has been outstanding for multiple years. Reference is made to note 2.1 and 14 in the annual report for 2023 which in further detail describes background for the receivable still being outstanding and the credit risk assessment performed by management as of 31 December 2023. In addition, reference is made to note 6 of this report. The maximum credit risk relating to the receivable corresponds to the carrying value, which has been determined based on a discounted basis based on assessed time frame before receivable at the latest expectedly will be recovered.

Interest rate risks

Bank loans, financial loans, and subordinated convertible debt all have fixed interest rates, and hence the interest rate risk is deemed to be minimal.

Foreign currency risk

The Group incur certain costs in other currencies than DKK, though the level of such costs is limited, and hence the Group is not considered to be subject to special currency risks and exposures at the moment.

Liquidity risk

The Group's liquidity risks cover the risk that the Group is not able to meet its liabilities as they fall due. Reference is made to the information in note 7 Capital recourses.

Fair value

The Group considers that the carrying amount of the following financial assets and financial liabilities are a reasonable approximation of their value:

- Portinho S.A receivable (see note 6 for further information) (level 3)
- Other receivables (level 3)
- Cash and cash equivalents (level 3)
- Trade payables (level 3)
- Bank debt (level 3)
- Financial loans (level 3)
- Loans from shareholders (level 3)

Fair value has been based on the value hierarchy, as defined by IFRS as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities – not applied.

Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to consolidated financial statements

13. Related party transactions

PEG has debts to shareholders provided in the past of totally DKK 1.5 million (included in financial loans), which will be settled when the Portinho S.A receivable is paid. These shareholders also hold interests in Portinho S.A. Interest expense for H1 2024 equals DKK 0. In connection with the capital reduction (see notes 7 and 9), these shareholders have claimed alleged interest of DKK 1.1 million. Referring to note 7, the Company disagrees that the debt is interest-bearing. On this basis, the Company has not recorded any interest cost related to the debt to the shareholders in question.

The law firm where the current chairman of the Board of Directors; Christian Vinding Thomsen is a partner, has in Q1 - Q3 2024 received fees from the Group for legal assistance of TDKK 593 (Q1-Q3 2023 DKK 0).

In addition to ordinary board fee to the vice-chairman of the Board of Directors, Martin Engel-Rossen has in Q1 - Q3 2024 received fees for consulting services from PEG of TDKK 375 (Q1-Q3 2023 DKK 0).

14. Guarantees and securities

The Portinho S.A receivable with a carrying value of DKK 58.0 million as per 30 June 2024 (see note 6) is provided as security for bank debt, financial loans and loans from related parties, totally DKK 32 million.

15. Events occurring after the balance sheet date

Referring to company announcement no. 24 of 4 October 2024, the share capital reduction was completed and registered on 4 October 2024.

Referring to company announcement no 25 of 4 October 2024, the Board of Directors has resolved to issue 204,592,776 new shares (corresponding to nominally DKK 20,459,277.6) at a subscription price of DKK 0.25 per share corresponding to gross proceeds of DKK 51,148,194, of which DKK 38,499,368 was received in cash and DKK 12,648,466 was conversion of convertible debt. Of the cash proceeds received, DKK 25,808,902 was used to reduce financial debt, whereby on a net basis, the cash position has been strengthened by DKK 12,690,466.

From 4 October 2024 the share capital amounts DKK 122,755,665.90 divided into 1,227,556,659 shares of each DKK 0.10.

Contact information

Pharma Equity Group A/S

CVR: 26 79 14 13

Slotsmarken 18, 2. th.
2970 Hørsholm
Denmark

www.pharmaequitygroup.com

Contact

+45 41 92 25 25

info@pharmaequitygroup.com

Office hours
Monday to Thursday 8:00-17:00
Friday 8:00-16:00

Investor Relations

Any questions regarding this announcement and the quarterly financial statements for Q1-2024 can be directed to the Company's CEO Thomas Kaas Selsø, by email investor@pharmaequitygroup.com.

On the Company's website www.pharmaequitygroup.com further information and all published announcements can be found.