



PHARMA EQUITY GROUP

Remuneration Report 2024

Pharma Equity Group A/S • Slotsmarken 18, 2nd th. • DK-2970 Hørsholm

Phone: +45 4192 2525 • Mail: investor@pharmaequitygroup.dk • www.pharmaequitygroup.dk • CVR-No. 26 79 14 13



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Remuneration Report 2024

1. Introduction

The remuneration report provides a comprehensive overview of the Company's remuneration in 2024 of members of the Board of Directors and the registered Executive Management of Pharma Equity Group A/S (the 'Company') listed on Nasdaq.

The information in the remuneration report is primarily derived from the audited consolidated and parent company financial statements for 2024 available at www.pharmaequitygroup.com.

The remuneration report has been prepared in accordance with section 139b of the Danish Companies Act and Pharma Equity Group's remuneration policy.

The purpose of the remuneration policy is to ensure that the remuneration of the Board of Directors and the Executive Management is sound in relation to the Company's current situation and to be competitive and address the resources used so that Pharma Equity Group A/S is able to retain and attract qualified board members and executives.

The remuneration report for 2023 was presented at the Company's Annual General Meeting on 16 April 2024 and was approved without comments.

2. Financial performance

In 2024, Pharma Equity Group A/S realised a consolidated net loss of DKK 24,7 million against DKK -24.6 million the year before or DKK net profit of -12,5 million (Pharma Equity Group A/S 2024 figures on a stand-alone basis).

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

On 15 April 2024, the company submitted a summons to the Maritime and Commercial Court against, among other things, Portinho S.A. with a demand for payment of the receivable of EUR 9.55 million. with the addition of interest. There is also pending arbitration proceedings against Interpatium at the Danish Arbitration Institute (DIA) in relation to the related sale of the shares in Portinho. For the trial, the process is awaiting service in Portugal, among other things, but will apart from this be expected to be exchanged in writing with the defendants' counter-responses over the coming time. A main hearing and decision in that case cannot be expected in 2025. A timetable has been set for the arbitration case, which is expected to be concluded with a decision during the summer of 2025.

Pharma Equity Group acknowledge that it may take longer time than originally agreed and originally anticipated, and hence this has triggered a negative fair value adjustment of the value of the receivable.



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The loss is in line with the expectations for 2024. The 2024 loss reflects that the Group (through Reponex) has continued its development activities relating to the product candidates with the aim of being ready to generate revenue from the end of 2025.

In 2023 and 2024, the Group obtained funding in the form of convertible loans and other financial loans. On 4 October 2024, the Company's board of directors decided to issue 204,592,776 new shares in a directed issue (equivalent to nominally DKK 20,459,277.6) at a subscription price of DKK 0.25 per share. Share corresponding to gross proceeds of DKK 51,148,194, of which DKK 38,499,368 was paid in cash and DKK 12,648,826 consisted of conversion of convertible debt. Further funding is planned and expected to be obtained in 2025 to ensure sufficient funding to carry out the planned activities for 2025 and forward and ensuring that the Group will be able to service its debt obligations as they fall due, even if no payments will be received from Portinho S.A in 2025.

3. Remuneration of the Board of Directors

As of 31 December 2024, the Board of Directors of Pharma Equity Group consists of four members. There have been changes to the Board of Directors on 30. November 2024, as Vice Chairman Martin Engell-Rossen has resigned as a board member while he has agreed to become head of cabinet for Denmark's new EU commissioner Dan Jørgensen.

Following the acquisition of Reponex Pharmaceuticals A/S in March 2023 and the expansion of the Group's activities, the Company has established three sub-committees:

- o **Audit Committee** with the following members: Christian Vinding Thomsen, Chair, Lars Gundorph, Peter Vilmann and Omar Qandeel.
- o **Nomination- and Remuneration Committee** with the following members: Lars Gundorph, Chair and Christian Vinding Thomsen.
- o **Business, Research and Development Committee** with the following members: Peter Vilmann, Chair and Omar Qandeel.

In accordance with the remuneration policy, the Board of Directors are remunerated with a quarterly cash payment. The amount of the base fee for the current financial year is recommended each year for approval by the general meeting.

According to the updated remuneration policy, the Vice Chairman may be paid a higher fee of up to 2 times the fixed annual base board fee and the Chairman may be paid a higher fee of up to 3 times the fixed annual base board fee, subject to a decision by the general meeting. The Board of Directors may submit a recommendation to the general meeting that alternates should also receive a fee. Board members shall not be covered by incentive programs or otherwise be entitled to variable remuneration.

Board members, that are members of a board committee may be paid a fixed annual committee fee in cash per membership subject to a decision by the general meeting. The total payment for committee memberships is capped to payment for a maximum of two memberships, except for the chairman of the audit committee, who may receive a higher fee subject to approval by the general meeting.

On an annualized basis the following fees apply:



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Chairperson of the Board	DKK 350,000
Vice-chairperson	DKK 250,000
Other board members	DKK 150,000
Membership of sub-committees	DKK 25,000

In addition, Board members may be appointed to be board member of the Board of Reponex Pharmaceuticals A/S, for which a separate board fee will be paid.

Remuneration of individual board members for 2024

Name	Position	Board fee (DKK)	Audit Committee (DKK)	Nomination and Remuneration Committee (DKK)	Business, Research and Development Committee (DKK)	Board fee Reponex Pharmaceuticals A/S (DKK)	Total (DKK)
Christian Vinding Thomsen	Chairperson (Pharma Equity Group A/S)	350.000	0	0	0	0	350.000
Martin Engell-Rossen	Vice Chairperson (Pharma Equity Group A/S) (resigned on 30.11.2024)	229.167	0	0	0	0	229.167
Omar Qandeel	Member of the Board of Directors (Pharma Equity Group A/S)	150.000	0	0	25.000	0	175.000
Peter Vilmann	Member of the Board of Directors (Pharma Equity Group A/S)	150.000	0	0	25.000	0	175.000
Lars Gundorph	Member of the Board of Directors (Pharma Equity Group A/S)	150.000	0	25.000	0	0	175.000
Total remuneration, DKK							1.104.167

In addition to the above fees Martin Engel-Rossen has in 2024 received fees for consulting services from PEG of TDKK 417.

4. Remuneration of the Executive Board

The Executive Board of Pharma Equity Group consists of one member, Thomas Kaas Selsø, who took up his position as CEO on 1 April 2023.



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In accordance with the remuneration policy, the remuneration of the Executive Management was determined after individual annual negotiations with the Board of Directors. Remuneration has been allocated to the Executive Board for 1.1.2024-31.12.2024 at TDKK 1,800, which is partly paid by PEG and partly by Reponex. The Executive Management has a bonus agreement which can be up to 50% of the annual base salary. The board has assessed that the CEO should receive a bonus of TDKK 300, based on target fulfillment of the set KPIs for 2024. The Executive Board is not covered by a pension and receives no benefits, such as a company car. Expenses incurred by the Executive Board in connection with travel, conferences, training, etc. are reimbursed by the Company.

Remuneration of individual members of the Executive Board 2024

Remuneration of individual members of the Executive Board		
Name	Position	2024 (TDKK)
Thomas Kaas Selsø (Salary)	CEO, PEG (1/1-24-31/12-24)	1.800
Thomas Kaas Selsø (Provision for bonus)	CEO, PEG (1/1-24-31/12-24)	300
Total remuneration, TDKK		2.100

Terms of termination and severance pay, etc.

The employment of Executive Management can be terminated with 12 months' notice. No special severance pay or change of control agreements have been entered.

5. Comparison of remuneration and accounting figures (in MDKK)

	2024	Change %	2023
Executive Management – remuneration			
Thomas Kaas Selsø (joined PEG and Reponex on 01.04.2023)	2,1	-16%	2,5
Board of Directors – remuneration			
Peter Mørch Eriksen (resigned on 15.06.2023)	0	N/A	0,1
Christian Vinding Thomsen (joined 28.03.2023)	0,4	N/A	0,3
Martin Engell-Rossen (joined 02.11.2023)	0,2	N/A	0,1
Omar Qandeel (joined 02.11.2023)	0,2	N/A	0
Peter Vilmann (joined 28.03.2023)	0,2	N/A	0,1
Lars Gundorph (joined 28.03.2023)	0,2	N/A	0,1
Ole Larsen (resigned on 15.06.2023)	0	N/A	0,1
Employees - average remuneration			
Pharma Equity Group A/S' average employee remuneration	2,1	-16%	2,5



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Pharma Equity Group A/S' employees, in addition to the Executive Management (FTE)	1	0%	1
Financial performance			
Pharma Equity Group A/S, net profit/loss, DKK million	-24,7	Not meaningful	-24,6

* Pharma Equity Group has not paid remuneration to its Board or Executive management for the years 2019-2021, hence the above table only shows figures for 2023-2024.

6. Board of Directors and Executive Management's shareholdings including market value in Pharma Equity Group A/S.

Board of Directors and Executive Management shareholdings including market value

Name	*Number of shares pr. 31 December 2024	Value 31 December 2024 TDKK	Development from 2023 to 2024	*Number of shares pr. 31 December 2023	Value 31 December 2023 TDKK
Thomas Kaas Selsø, CEO, PEG	2.257.212	429	24%	1.822.474	784
Christian Vinding Thomsen, Chairman of the Board, PEG	3.373.417	641	173%	1.233.605	530
Martin Engell-Rossen, Vice Chairman of the Board, PEG	0	0	N/A	0	0
Omar S. Qandeel, Board Member, PEG	0	0	N/A	0	0
Peer Vilmann, Board Member, PEG	0	0	N/A	0	0
Lars Rosenkrantz Gundorph, Board Member, PEG	21.351.475	4.057	0%	21.351.475	9.181
Troels Peter Troelsen, Boardmember, Reponex	26.064.970	4.952	18%	22.071.107	9.491
Charlotte Pahl, Boardmember, Reponex	3.694.210	702	0%	3.694.210	1.589
Total Management shareholdings	56.741.284	10.781	N/A	50.172.871	21.574

* Including shares held in entities controlled by them

7. Approval by the Board of Directors

Today, the Board of Directors has considered and approved the remuneration report for Pharma Equity Group A/S for the financial year 1 January - 31 December 2024.

The remuneration report is prepared in accordance with section 139b of the Danish Companies Act.

In our opinion the remuneration report is in accordance with the Company's remuneration policy, which has been approved by the Company's Annual General Meeting, and is free of material misstatements and omissions, regardless of whether these are due to fraud or error.

The remuneration report is recommended for an indicative vote at the Company's 2024 Annual General Meeting.

Copenhagen, 20 March 2025

Board of Directors

Christian Vinding Thomsen Lars Gundorph
Chairperson



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Peter Vilmann

Omar Qandeel

7. The independent auditor's statement on the company's remuneration report

To the shareholders of Pharma Equity Group A/S

We have examined whether the Board of Directors has complied with its obligations to include the information specified pursuant to section 139b (3) of the Danish Companies Act in the Company's remuneration report for 2024.

Responsibilities of management

The Company's Board of Directors is responsible for preparing the remuneration report in accordance with section 139b of the Danish Companies Act and the remuneration policy as approved by the Annual General Meeting.

In addition, the Company's Board of Directors is responsible for the internal control that the Board of Directors deems necessary to prepare the remuneration report without material misstatement, regardless of whether this is due to fraud or error.

Auditor's independence and quality control

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, as well as ethical requirements applicable in Denmark.

BDO Statsautoriseret Revisionsaktieselskab applies International Standard on Quality Management 1, ISQM1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express a conclusion on the Remuneration Report based on our examinations. We conducted our examinations in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and additional requirements under Danish audit legislation to obtain reasonable assurance for the purposes of our conclusion.

As part of our examinations, we performed the below procedures:

- We have verified that the Remuneration Report includes the information on remuneration for each individual member of the Board of Directors and Executive Management as required by section 139 b(3), item 1-6 of the Danish Companies Act.



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- We have reconciled the information on financial performance of Pharma Equity Group A/S included in the Remuneration Report to the financial highlights and other financial information as per the Annual Report for the financial year 2023 and, in addition, we have on a sample basis recalculated the average remuneration by Full Time Equivalent excluding Executive Management for Pharma Equity Group A/S.
- We have examined the process for recording, collecting and presenting information on base salary and bonus to the Executive Management and remuneration to the Board of Directors and on a sample basis verified such information to employment contracts and other agreements and actual disbursements.
- We have examined Management's process for recording, collecting and presenting number of shares held by the individual members of the Board of Directors and Executive Board and on a sample basis verified such information to supporting documentation.

In our opinion, the examinations performed provide a sufficient basis for our opinion.

Conclusion

In our opinion, the Remuneration Report, in all material respects, includes the disclosures required by section 139 b(3) of the Danish Companies Act and the information pertaining to remuneration, company performance and individual shareholdings presented in the Remuneration Report are accurate and complete.

Copenhagen, 20 March 2025

BDO

Statsautoriseret Revisionsaktieselskab

CVR no. 20 22 26 70

Mikkel Mauritzen

Certified Public Accountant

MNE No. mne46621