



PHARMA EQUITY GROUP

**Consolidated
interim report**

for the 6 month-period ended 30 June 2024

Pharma Equity Group A/S

Slotsmarken 18, 2., 2970 Hørsholm, Denmark

Registered number: 26 79 14 13

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Company information

| | |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Group companies | Pharma Equity Group A/S - listed parent company Reponex Pharmaceuticals A/S - 100% owned subsidiary |
| Executive management | Thomas Kaas Selsø |
| Board of directors | Christian Vinding Thomsen, Chairman Martin Engell-Rossen, Vice Chairman Omar S. Qandeel Lars Rosenkrantz Gundorph Peter Vilmann |
| Registered number | 26 79 14 13 |
| Registered office | Slotsmarken 18, 2. th. 2970 Hørsholm Denmark |
| Website, Pharma Equity Group A/S | www.pharmaequitygroup.com |
| Website, Reponex Pharmaceuticals A/S | www.reponex.dk |

Chairman and CEO letter

Key points from the H1-2024 report (period 1 January - 30 June 2024)

On 16 August 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 June 2024 ("H1 2024 report"). The report has not been audited or reviewed.

Clinical results

The Company's subsidiary, Reponex Pharmaceuticals A/S (Reponex), reported in company announcement no. 11 of 5 April 2024 very positive final results from the clinical phase 2 proof-of-concept trial of the drug candidate RNX-051, the MEFO study, based on received a high-level summary from Reponex's clinical site.

Financial overview

For the first 6 months of 2024 (1 January - 30 June 2024), Pharma Equity Group A/S realized a loss after tax of DKK 13.0 million, which is in line with expectations for the period. As of 30 June 2024, equity amounts to DKK 25.9 million.

Outlook

We maintain 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 of the Portinho S.A. receivable.

Receivables from Portinho S.A.

The Group's receivable from Portinho S.A has a principal amount of EUR 9.55m with a carrying amount at 30 June 2024 of DKK 58m, unchanged from 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. As of 15 April 2024, the Company has filed a summons with the Maritime and Commercial High Court against Portinho S.A. claiming immediate payment of the receivable of EUR 9.55 million plus interest.

The work to recover the receivable for Portinho has been further intensified since 31 December 2023. Considerable resources are being used to recover the receivables from Portinho and/or from companies and persons connected therewith and/or the transactions with Portinho. 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.

On 15 April 2024, a summons was filed with the Maritime and Commercial High Court against Portinho, Jeanette and Henning Borg and Tome Brazao. In addition, there are a number of other relevant persons and companies in the notice of process.

At the same time, the Portuguese law firm, which is working for us on the cases in Portugal, has launched further investigations into the possibilities of precautionary action and investigations in Portugal.

Capital resources

In the period since 1 January 2024, DKK 11.0 million has been subscribed for and paid into convertible loans to the Company. 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 on the convertible loans.

As of 30 June 2024, the company has an unutilized credit facility of approx. DKK 5 million.

At the Company's Extraordinary General Meeting on 3 June 2024, it was resolved that the Company's share capital will be reduced by nominally DKK 920,667,494.70 from nominally DKK 1,022,963,883.00 to nominally DKK 102,296,388.30, by placing the Company's share capital in a special reserve pursuant to section 188(1)(3) of the Danish Companies Act. The capital reduction will be executed by a proportionate reduction of the nominal value of all the company's shares, which means that the nominal value of the shares will be 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 are encouraged to report their claims, and where information is provided that the creditors can demand satisfactory security for non-due claims and payment of overdue claims, Pharma Equity Group A/S has only received 2 claims of DKK 85,454 and DKK 2,539,525, respectively, including alleged interest totaling DKK 1,105,634, for which security has been requested. Pharma Equity Group A/S disagrees that the claims are eligible for security and that the claims are interest-bearing, which is why the issue is under legal consideration. This is also the reason why, at the end of the notification period for filing claims, the capital reduction has not yet been implemented.

Online presentation of the H1-24 half-year results

At 11:00 a.m. today, 16 August 2024, CEO Thomas Kaas Selsø invites you to an online presentation of the half-year report for the period 1 January 2024 – 30 June 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 link:*

<https://www.inderes.dk/videos/pharma-equity-group-opdatering-pa-2-kvartal-2024>.

Contact person – Investor Relations

Any questions regarding this announcement and the quarterly financial statements for H1-2024 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.

Hørsholm 16 August 2024

Christian Vinding Thomsen, Chairman

Thomas Kaas Selsø, CEO

Master data:

| | |
|---------------------|---------------------------------------|
| Stock Exchange: | Nasdaq Copenhagen main stock exchange |
| 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 |

Pharma Equity Group shares and capitalization

On 30 June 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 June 2024, the share price was DKK 0.296 corresponding to a market value of DKK 303 million.

On the 3 June 2024, the Company held an extraordinary general meeting and 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. The completion is awaiting the final registration and is thus not reflected in the H1 2024 interim report. Reference is made to note 7

On 3 July 2024, Danish Bank Equity Research, Denmark has released an investment analysis report of PEG group.

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/>

Shareholding structure

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

- Niels Erik Jespersen Holding ApS, Haarby
- Beier Holding ApS, Holsted
- DMZ Holding ApS, Helleup
- Biopharma Holding ApS, Hørsholm

Rest of the shares are spread out on approximately 1,850 shareholders.

Management shareholding and market value 30 June 2024

| Name | *Number of shares | Value 30.06. 2024 TDKK |
|-------------------------------------------------------|-------------------|------------------------|
| Thomas Kaas Selsø, CEO, PEG | 1,822,474 | 656 |
| Christian Vinding Thomsen, Chairman of the Board, PEG | 1,233,605 | 444 |
| Lars Rosenkrantz Gundorph, Board Member, PEG | 21,351,475 | 7,687 |
| Troels Peter Troelsen, Board Member, Reponex | 21,944,945 | 7,900 |
| Charlotte Pahl, Board Member, Reponex | 3,694,210 | 1,330 |
| Total Management shareholdings | 50,046,709 | 18,017 |

* Including shares held in entities controlled by them

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.

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 six-month period ended 30 June 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 13,031, is in line with Management's expectations for the period.

Key Figures

| | PEG Group 01-04-2024 - 30-06-2024 (unaudited) TDKK | PEG Group 01-04-2023 - 30-06-2023 (reviewed) TDKK | PEG Group 01-01-2024 - 30-06-2024 (unaudited) TDKK | PEG Group* 01-01-2023 - 30-06-2023 (reviewed) TDKK | PEG Group* 01-01-2023 - 31-12-2023 (audited) TDKK |
|--------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------|
| Revenue | | | 0 | 0 | 0 |
| EBITDA | -4,864 | -4,601 | -11,568 | -7,664 | -20,411 |
| Depreciation, amortization and impairment losses | -124 | -142 | -248 | -283 | -480 |
| Operating profit/loss | -4,988 | -4,743 | -11,816 | -7,947 | -20,891 |
| Financials net | -1,275 | -81 | -2,233 | -85 | -1,548 |
| Profit/loss | -5,861 | -4,155 | -13,031 | -6,827 | -24,609 |
| Total assets | 76,637 | 87,539 | 76,637 | 87,539 | 81,335 |
| Investments in tangible assets | 0 | 0 | 0 | 73 | 73 |
| Equity | 25,900 | 57,829 | 25,900 | 57,829 | 38,931 |
| Solvency ratio | 33.8% | 66.1% | 33.8% | 66.1% | 47.9% |
| Earnings per share | -0.01 | -0.00 | -0.01 | -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.

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 summons 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 June 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 receivables 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.

Management has assessed its financial resources based on its expected costs and investments for 2024, and on this basis Management is concluding that sufficient funding is available to continue the operations of the Group as planned. Bridge financing has since 1 January 2024 created loans for DKK 11.0 million. The Company has as per 30 June 2024 an unused credit facility of approximately DKK 5 million.

At the Company's Extraordinary General Meeting on 3 June 2024, it was resolved that the Company's share capital will be reduced by nominally DKK 920,667,494.70 from nominally DKK 1,022,963,883.00 to nominally DKK 102,296,388.30, by placing the Company's share capital in a special reserve pursuant to section 188(1)(3) of the Danish Companies Act. The capital reduction will be executed by a proportionate reduction of the nominal value of all the company's shares, which means that the nominal value of the shares will be reduced from DKK 1.00 to DKK 0.1.

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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.

Clinical programs

Shortly after the end of Q1, the Company's subsidiary, Reponex Pharmaceuticals A/S (Reponex), was able to report very positive final results from the clinical phase 2 proof-of-concept trial of the drug candidate RNX-051, the MEFO study, based on the high-level summary received from the Reponex clinical site.

Reponex's MEFO study concerns the treatment of patients with right-sided colon cancer and right-sided colon polyps/adenomas (precancerous cursors) with the drug candidate RNX-051. The clinical collaborators who conducted the study reported that, based on the results of the MEFO study, there appears to be a clear way forward to determine whether treatment with RNX-051 as a single and even repeated dose in patients with intestinal adenomas will lead to the prevention of adenomas.

Please also visit our website, where we regularly post presentations about the development activity, etc.:
<https://pharmaequitygroup.com/video-presentations/>

Events occurring after the balance sheet date

There have been no important events after 30 June 2024.

Management's report

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 June 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 June 2024 and of the results of the Group's operations and cash flow for the period 1 January to 30 June 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, 16 August 2024

Executive Management

Thomas Kaas Selsø, CEO

Board of Directors

Christian Vinding Thomsen
Chairman

Martin Engell-Rossen
Vice Chairman

Omar S Qandeel

Lars Rosenkrantz Gundorph

Peter Vilmann

Consolidated statement of comprehensive income

| Note | PEG Group | PEG Group* | PEG Group | PEG Group* | PEG Group* |
|------|-------------------------------------------|---------------------------------------------------------|-------------------------------------------|--------------------------------------------------------|-----------------------------------------|
| | 01-04-2024 - 30-06-2024 (unaudited) | 01-04-2023 - 30-06-2023 (unaudited) (restated) | 01-01-2024 - 30-06-2024 (unaudited) | 01-01-2023 - 30-06-2023 (reviewed) (restated) | 01-01-2023 - 31-12-2023 (audited) |
| | 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 | -1,843 | -3,018 | -4,417 | -3,741 |
| | Administrative costs | -3,145 | -1,725 | -7,400 | -4,206 |
| | Operating profit/loss (EBIT) | -4,988 | -4,743 | -11,816 | -7,947 |
| | Allowance Portinho receivable | 0 | 0 | 0 | 0 |
| | Financial income | 0 | 370 | 0 | 370 |
| | Financial expenses | -1,275 | -451 | -2,233 | -455 |
| | Profit/loss before tax | -6,263 | -4,824 | -14,049 | -8,032 |
| 4 | Tax on profit/loss for the period | 402 | 669 | 1,018 | 1,205 |
| | Net profit/loss for the period | -5,861 | -4,155 | -13,031 | -6,827 |
| | Other comprehensive income/loss | 0 | 0 | 0 | 0 |
| | Total comprehensive income/loss | -5,861 | -4,155 | -13,031 | -6,827 |
| 9 | Earnings per share (EPS basic), DKK | -0.01 | -0.00 | -0.01 | -0.01 |
| 9 | Diluted earnings per share (EPS-D), DKK | -0.01 | -0.00 | -0.01 | -0.01 |

* 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.

Consolidated statement of financial position

| ASSETS | | PEG Group 30-06-2024 (unaudited) | PEG Group 30-06-2023 (reviewed) (restated) | PEG Group 31-12-2023 (audited) |
|-------------------------------|-------------------------------------|----------------------------------------|-----------------------------------------------------|--------------------------------------|
| Note | | TDKK | TDKK | TDKK |
| Non-current assets | | | | |
| 5 | Intangible assets | 13,468 | 13,730 | 13,598 |
| 5 | Tangible assets | 46 | 64 | 55 |
| 5 | Right-of-use assets | 343 | 438 | 452 |
| | Long-term tax receivable | 1,018 | 1,205 | 0 |
| | Total non-current assets | 14,874 | 15,437 | 14,105 |
| Current assets | | | | |
| 6 | Receivable Portinho S.A. | 58,000 | 62,772 | 58,000 |
| | Other receivables | 133 | 2,233 | 2,344 |
| | Prepaid expenses | 533 | 1,730 | 423 |
| | Current tax receivable | 2,233 | 1,855 | 2,232 |
| | Cash and cash equivalents | 863 | 3,512 | 4,231 |
| | Total current assets | 61,762 | 72,102 | 67,230 |
| | Total assets | 76,637 | 87,539 | 81,335 |
| EQUITY AND LIABILITIES | | | | |
| | | PEG Group 30-06-2024 (unaudited) | Reponex 30-06-2023 (reviewed) (restated) | PEG Group 31-12-2023 (audited) |
| Note | | TDKK | TDKK | TDKK |
| | Share capital | 1,022,964 | 1,022,964 | 1,022,964 |
| | Other reserves | -997,064 | -965,135 | -984,033 |
| 9 | Total equity | 25,900 | 57,829 | 38,931 |
| 8 | Subordinated convertible loans | 18,511 | 0 | 7,838 |
| | Lease liabilities | 117 | 124 | 234 |
| | Total long-term liabilities | 18,628 | 124 | 8,072 |
| | Trade payables | 4,603 | 6,748 | 10,202 |
| | Bank debt | 2,636 | 7,406 | 4,085 |
| | Financial loans | 22,389 | 13,664 | 17,847 |
| | Lease liabilities | 226 | 314 | 217 |
| | Other liabilities | 2,255 | 1,454 | 1,981 |
| | Total current liabilities | 32,109 | 29,586 | 34,332 |
| | Total liabilities | 50,737 | 29,710 | 42,404 |
| | Total equity and liabilities | 76,637 | 87,539 | 81,335 |

Consolidated statement of changes in equity

| | Share capital | Share premium account | Other reserves | Total equity |
|--------------------------------------------------|------------------|--------------------------|-----------------|----------------|
| <i>Statement of changes in equity</i> | | | | |
| <i>01-01-2023 - 30-06-2023</i> | | | | |
| Equity Reponex as at 01-01-2023 | 830 | 0 | 16,549 | 17,379 |
| Change in accounting policy (see note 1) | 0 | 0 | 1,532 | 1,532 |
| Adjusted Equity Reponex as at 01-01-2023 | 830 | 0 | 18,081 | 18,911 |
| Net profit/loss | 0 | 0 | -6,827 | -6,827 |
| | 0 | 0 | -6,827 | -6,827 |
| 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 | -1,115 | -1,115 |
| Dividends | 0 | 0 | 0 | 0 |
| Transactions with owners | 1,022,134 | 0 | -976,389 | 45,746 |
| Equity PEG Group as at 30-06-2023 | 1,022,964 | 0 | -965,135 | 57,829 |
| <i>Statement of changes in equity</i> | | | | |
| <i>01-01-2024 - 30-06-2024</i> | | | | |
| Equity PEG Group as at 01-01-2024 | 1,022,964 | 0 | -984,033 | 38,931 |
| Net profit/loss | 0 | 0 | -13,031 | -13,031 |
| | 0 | 0 | -13,031 | -13,031 |
| Dividends | 0 | 0 | 0 | 0 |
| Transactions with owners | 0 | 0 | 0 | 0 |
| Equity PEG Group as at 30-06-2024 | 1,022,964 | 0 | -997,064 | 25,900 |

Consolidated cash flow statement

| | PEG Group 01-04-2024 - 30-06-2024 <i>(unaudited)</i> TDKK | PEG Group* 01-04-2023 - 30-06-2023 <i>(unaudited)</i> <i>(restated)</i> TDKK | PEG Group 01-01-2024 - 30-06-2024 <i>(unaudited)</i> TDKK | Reponex* 01-01-2023 - 30-06-2023 <i>(reviewed)</i> <i>(restated)</i> TDKK | PEG Group* 01-01-2023 - 31-12-2023 <i>(audited)</i> TDKK |
|--------------------------------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| Profit/loss before tax | -6,263 | -4,824 | -14,049 | -8,032 | -26,842 |
| Adjustment of non-cash transactions: | | | | | |
| Depreciation, amortisation and impairment losses | 124 | 142 | 248 | 283 | 480 |
| Allowance relating to Portinho S.A. | 0 | 0 | 0 | 0 | 4,403 |
| Financial income | 0 | -370 | 0 | -370 | -14 |
| Financial expenses | 1,275 | 452 | 2,233 | 455 | 1,517 |
| Change in working capital: | | | | | |
| Receivables | 538 | -1,209 | 2,211 | -1,247 | -1,358 |
| Trade payables | 332 | -235 | -1,414 | -1,025 | 2,021 |
| Prepaid expenses | 49 | -88 | -111 | -143 | 1,164 |
| Other liabilities | 315 | 648 | 273 | 761 | 1,564 |
| Net cash used in operating activities before net financials | -3,630 | -5,484 | -10,608 | -9,318 | -17,065 |
| Financial income received | 0 | 0 | 0 | 0 | 14 |
| Financial expenses paid | -241 | -455 | -1,091 | -455 | -1,428 |
| Corporate tax refund | 0 | 0 | 0 | -3 | 1,855 |
| Net cash used in operating activities | -3,871 | -5,939 | -11,699 | -9,776 | -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 | -70 | -109 | -141 | -200 |
| Repayment bank loans | -727 | -5 | -1,449 | -5 | -3,326 |
| Repayment financial loans | 0 | 0 | 0 | 0 | -1,000 |
| Subordinated convertible loan, obtained | 2,000 | 0 | 10,015 | 0 | 8,000 |
| Financial loans, obtained | 2,421 | 317 | 4,059 | 317 | 5,248 |
| Share issue costs paid | -1,105 | -2,870 | -4,185 | -2,870 | -3,854 |
| Proceeds from capital increases, exercise of warrants | 0 | 0 | 0 | 12,193 | 12,193 |
| Net cash received from financing activities | 2,535 | -2,628 | 8,331 | 9,494 | 17,061 |
| Total cash flows for the period | -1,336 | -8,567 | -3,368 | -355 | 364 |
| Cash and cash equivalents PEG upon transaction date | 0 | 0 | 0 | 1,037 | 1,037 |
| Cash and cash equivalents beginning of period | 2,199 | 12,079 | 4,231 | 2,830 | 2,830 |
| Cash equivalents end of period | 863 | 3,512 | 863 | 3,512 | 4,231 |
| Cash and cash equivalents, end of period, comprise: | 0 | 0 | | | |
| Cash and cash equivalents | 863 | 3,512 | 863 | 3,512 | 4,231 |
| Total | 863 | 3,512 | 863 | 3,512 | 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.

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

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 Q1-2023 and H1-2023 do not include the amortization charge for development projects, which was included in the interim half-yearly report for H1-2023. 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 half-yearly report of the Group for H1-2024 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 H1-2024.

2. Nature of 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 six-month period ended 30 June 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 June 2024, Management has assessed that there are no indications of impairment, 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 a 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.

The dialogue has on the other hand not resulted in payment of the receivable and therefore 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 June 2024 including agreed interest amounts to EUR 11,0 million corresponding to DKK 82,1 million. Interest rate is agreed to 2% per quarter and amounts to DKK 3,2 million for H1 2024. The amount has not been recognized as income in the H1 2024 report as 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 June 2024 Managements has not changed this assessment and the carrying value as per 30 June 2024 hence equals the same amount, DKK 58 million.

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 and no. 18 of 16 May 2024 a total of DKK 10 no. 22 of 16 July 2024 DKK 1 million has been subscribed. 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.

Management has assessed its financial resources based on its expected costs and investments for 2024, and on this basis Management is concluding that sufficient funding is available to continue the operations of the Group as planned. Bridge financing has since 1 January 2024 created loans of DKK 11.0 million. As per 30 June 2024, the Company has an unused credit facility of approximately DKK 5 million.

With reference to company announcement no. 19 of 3 June 2024 the Company's Extraordinary General Meeting resolved that the Company's share capital will be reduced by nominally DKK 920,667,494.70 from nominally DKK 1,022,963,883.00 to nominally DKK 102,296,388.30, by placing the Company's share capital in a special reserve pursuant to section 188(1)(3) of the Danish Companies Act. The capital reduction will be executed by a proportionate reduction of the nominal value of all the company's shares, which means that the nominal value of the shares will be 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 are encouraged to report their claims, and where information is provided that the creditors can demand satisfactory security for non-due claims and payment of overdue claims, Pharma Equity Group A/S has only received 2 claims of DKK 85,454 and DKK 2,539,525, respectively, including alleged interest totaling DKK 1,105,634, for which security has been requested. Pharma Equity Group A/S disagrees that the claims are eligible for security and that the claims are interest-bearing, which is why the issue is under legal consideration. This is the reason why, at the end of the notification period for filing claims, the capital reduction has not yet been implemented.

By company announcement no. 16 of 8 May 2024, the Company announced that the Board of Directors of the Company is exploring the possibilities of strengthening the Company's working capital through a capital increase at market price which will be executed without a prospectus being prepared due to the expected size of the capital increase.

Notes to the interim consolidated financial statements

| | 30-06-2024 | 30-06-2023 | 31-12-2023 |
|---------------------------------------------------|---------------|------------|--------------|
| 8. Subordinated convertible loans | TDKK | TDKK | TDKK |
| Subordinated convertible loan | 19,100 | 0 | 8,192 |
| Amortised loan costs | -589 | 0 | -354 |
| Subordinated convertible loans - long term | 18,511 | 0 | 7,838 |

The subordinated convertible loans have been established in the period 5 September 2023 - 30 June 2024.

The loans were 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 one of the subordinated convertible loans of DKK 1.0 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 this loan can chose 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.

9. Equity and development in number of shares

Share capital

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 0.10 where the implementation and registration is awaiting clarification of two claims in connection with the capital reduction.

| | <i>Share capital</i> |
|--------------------------------------------------------------------|----------------------|
| | TDKK |
| Movements in the share capital | |
| 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 30-06-2024 | 1,022,965 |

Notes to the interim consolidated financial statements

10. Earnings per share

| | 01-04-2024 - 30-06-2024 | 01-04-2023 - 30-06-2023 <i>(restated)</i> | 01-01-2024 - 30-06-2024 | 01-01-2023 - 30-06-2023 <i>(restated)</i> | 01-01-2023 - 31- 12-2023 |
|--------------------------------------------------------------------------------------------------|----------------------------|-------------------------------------------------|----------------------------|-------------------------------------------------|-----------------------------|
| | TDKK | TDKK | TDKK | TDKK | TDKK |
| Profit/loss for the period | -5,861 | -4,155 | -13,031 | -6,827 | -24,609 |
| Interest convertible loans | 584 | 0 | 1,001 | 0 | 126 |
| Profit/loss for the period for the purpose of diluted EPS | -5,277 | -4,155 | -12,030 | -6,827 | -24,483 |
| Average number of shares (in thousands) Reponex | 0 | n.a. | 0 | 3,804 | 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 | 437,460 | 290,030 |
| Average number of shares (in thousands) PEG from reverse-take over date | 1,022,964 | 1,022,964 | 1,022,964 | 559,522 | 790,345 |
| Average number of treasury shares (in thousands) | -15 | -15 | -15 | -8 | -15 |
| Average number of shares (in thousands) PEG after reverse-take over date (2) | 1,022,949 | 1,022,949 | 1,022,949 | 559,514 | 790,330 |
| Average number of shares (in thousands) full year (1+2) | 1,022,949 | 1,022,949 | 1,022,949 | 996,974 | 1,080,360 |
| Effect of convertible loans | 19,100 | 0 | 19,100 | 0 | 8,192 |
| Effect of warrants issued (Reponex) | 0 | 9 | 0 | 5,295 | 0 |
| Diluted average number of shares (in thousands) | 1,042,049 | 1,022,949 | 1,042,049 | 1,002,269 | 1,088,552 |
| Earnings per share of DKK 1.00 (DKK) | -0.01 | -0.00 | -0.01 | -0.01 | -0.02 |
| Diluted earnings per share of DKK 1.00 (DKK) | -0.01 | -0.00 | -0.01 | -0.01 | -0.02 |

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.

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, loans from related parties 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).

13. Related party transactions

PEG has debts to shareholders provided in the past of totally DKK 1.5 million, 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 note 9), these shareholders have claimed satisfactory security for the debt of totally DKK 2.6 million including alleged interest of DKK 1.1 million. Referring to note 7 the Company disagrees that the debt is eligible for security other than the debt will be settled when the Portinho receivable has been paid, and the Company also 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 H1 2024 received fees from PEG for legal assistance of TDKK 488 (H1 2023 DKK 0).

In addition to ordinary fee to the vice-chairman of the Board of Directors, Martin Engel-Rossen has in H1 2024 received fees for consulting services from PEG of TDKK 250 (H1 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 25 million. The Portinho S.A receivable is also provided as security for unused credit facility of up to approximately DKK 5 million as per 30 June 2024.

15. Events occurring after the balance sheet date

There have been no important events after 30 June 2024.