



PHARMA EQUITY GROUP

Pharma Equity Group A/S - Annual Report 2023

Date: March 20, 2024

Announcement of the Year No.: 7

Pharma Equity Group A/S - Annual report 2023 - main features of the year

Today, the Board of Directors of Pharma Equity Group A/S has considered and approved the Company's annual report for 2023, which can be summarized as follows:

Net result for the year was DKK -24.6 million (2022: DKK -9.4 million). The result was negatively impacted by an accounting downward revision of DKK 4.4 million concerning value adjustment etc. of the receivable from the sale of Portinho S.A. with principal amount of EUR 9.55 million (DKK 71.3 million) excluding accrued interest. The value of the receivable has been adjusted downwards to DKK 58 million on 31 December 2023 which means that the Group's income statement reflects a value loss of DKK 4.4 million. The downwardly adjusted receivable of DKK 58 million should be seen in relation to the principal amount of the receivable, including interest, of approximately DKK 79.1 million.

Management continues to believe that the receivable will be recovered, but it will take longer than expected at the conclusion of the agreement that expired on 1 July 2023, which is reflected in the value assessment of the receivable as of 31 December 2023.

The result is also negatively affected by financial costs of approx. DKK 1.6 million. Financial costs consist primarily of interest on subordinated convertible debt, bank debt and financial loans. Interest on subordinated convertible debt and on financial loans shall accrue and be paid only when the principal falls due. If convertible debt is converted, the conversion will also include the accrued interest.

The result for the year is affected by research and development costs of DKK 9.1 million and administrative expenses of DKK 11.9 million (2022: DKK 5.5 million and DKK 5.8 million). The increase in development costs is due to the expected strengthening of the organization and development activities with the employment of a CCO and CMO and other personnel. Partnerships with hospitals and other external partners have also been strengthened. The increase in administrative costs is mainly due to the transaction between PEG and Reponex, with costs relating to both companies included from 24 March 2023. Furthermore, significant resources have been spent on strengthening investor relations communication and awareness of PEG and Reponex.

At the end of 2023 and the beginning of 2024, the Group's capital resources have been strengthened by establishment of convertible loans for approximately DKK 16 million and an available credit facility of DKK 12.6 million. The Group's capital resources are expected to be further strengthened on an ongoing basis in 2024 through the establishment of convertible loans or other equivalent financing. The Company currently has specific dialogue with several existing/new investors about funding in the short-term. In addition, Management is working strategically on a more comprehensive increase in the capital and the share capital structure going forward.

Equity on 31 December 2023 amounts to DKK 38.9 million against DKK 18.9 million on 31 December 2022.

Strategy and outlook for 2024

In 2024, the Group will focus on creating a solid foundation for revenue-generating activities in 2025 and beyond.

This involves the following focus:

- Continue and improve development and research activities.



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- Explore opportunities for strategic partners for our various drug candidates and start initial negotiations with these.
- Create a solid financial foundation.
- Increase investor relations activities and communication and awareness of the Group and Reponex.

The Group's activities are not expected to generate revenue until 2025. For 2024, consolidated net result before tax of DKK -24 to -29 million is expected. The expected consolidated net result for 2024 does not reflect any gains/losses related to the Portinho S.A. receivable.

At 11.00 o'clock today CEO Thomas Kaas Selsø invites to online presentation (in Danish) of the annual report for 2023 as well as major events until now in 2024. Registration takes place via this link:

nderes.dk/PharmaEquityGroup

Any questions regarding this announcement and the annual accounts for 2023 can be directed to the company's CEO, Thomas Kaas Selsø, by email investor@pharmaequitygroup.com.

Sincerely, Pharma Equity Group A/S

Board

About Pharma Equity Group A/S

Pharma Equity Group, a listed company on the Nasdaq Copenhagen stock exchange, is fully dedicated to advancing the medical projects of its subsidiary, Reponex Pharmaceuticals A/S. With an unwavering focus on healthcare, Pharma Equity Group's primary objective is to bring significant value to Reponex Pharmaceuticals' medical projects.

The company is committed to providing extensive support, resources, and expertise to drive the development and success of these projects. As a strategic partner, Pharma Equity Group works closely with Reponex Pharmaceuticals, prioritizing the advancement of innovative medical solutions and breakthrough therapies. Every effort is currently directed towards ensuring the utmost success and impact of Reponex Pharmaceuticals' medical projects, with an unwavering dedication to improving global healthcare outcomes. Only when the full potential of Reponex Pharmaceuticals has been unfolded is the intention to explore opportunities to invest in other companies. This approach ensures a strong commitment to the current medical projects and their development, while – on the longer term – remaining open to new strategic investments for continuous growth.