Pharma Equity Group A/S

Pharma Equity Group A/S

(a public limited liability company incorporated in Denmark under registration (CVR) no. 26791413)

Admission to trading and official listing of 977,347,625 new shares with a nominal value of DKK 1.00 each to the shareholders of Reponex Pharmaceuticals A/S, offering of up to 22,189,810 new shares with a nominal value of DKK 1.00 at a subscription price of DKK 1.00 per new share with pre-emptive rights for the existing shareholders of Pharma Equity Group A/S and admission to trading and official listing of 12,259,772 shares with a nominal value of DKK 1.00 each in connection with conversion of previously issued class b-shares

This document (the "Prospectus") has been prepared in connection with the admission to trading and official listing (the "Admission") on Nasdaq Copenhagen A/S ("Nasdaq Copenhagen") of 977,347,625 new shares (the "New Shares") with a nominal value of DKK 1.00 each in Pharma Equity Group A/S (formerly "Blue Vision A/S) ("Pharma Equity Group"). The New Shares are expected to be issued through Euronext Securities Copenhagen on or around 24 March 2023 as consideration to the shareholders of Reponex Pharmaceuticals A/S ("Reponex") in connection with such shareholders' subscription of the New Shares against contribution in kind of their respective shares in Reponex in accordance with the terms and conditions set forth in Pharma Equity Group's offer document dated 5 April 2022 (the "Offer Document") (the "Transaction"). The New Shares will be subscribed for on 20 March 2023 according to an authorization granted to the board of directors of Reponex ("Reponex Board of Directors") prior to the date of this Prospectus ("Prospectus Date"). Subject to the conditions set forth in this Prospectus, including those set out in Section 79.1, the capital increase related to the New Shares will be registered with the Danish Business Authority, on or about 24 March 2023. The New Shares will, when registered with the Danish Business Authority, rank pari passu with Pharma Equity Group's existing shares (the "Existing Shares").

In addition, the Prospectus has been prepared in connection with the admission to trading and official listing of up to 22,189,810 new shares in Pharma Equity Group ("New Rights Issue Shares"), all with a nominal value of DKK 1.00 each, with pre-emptive rights ("Pre-emptive Rights") for the existing shareholders of Pharma Equity Group ("Existing Shareholders") in the ratio 1:2, whereby the Existing Shareholders are allocated 1 Pre-emptive Right for each Existing Share held. For 2 Pre-emptive Rights, the holder is entitled, subject to complying with applicable law, to subscribe for 1 New Rights Issue Share at a price of DKK 1.00 per New Rights Issue Share (the "Rights Issue Subscription Price"). The Pre-emptive Rights have been approved for trading on Nasdaq Copenhagen, and the Pre-emptive Rights can be traded on 2 March 2023 at 9:00 a.m. CET until 15 March 2023 at 5:00 p.m. CET (the "Rights Trading Period"). The New Rights Issue Shares can be subscribed for on 6 March 2023 at 9:00 a.m. CET until 17 March 2023 at 5:00 p.m. CET (the "Rights Issue Subscription Period"). New Rights Issue Shares which have been subscribed for based on Pre-emptive Rights will be issued under an interim ISIN code DK0062267522 that will not be admitted to trading and official listing on Nasdaq Copenhagen and is registered with Euronext Securities Copenhagen solely for the purpose of subscription of the New Rights Issue Shares. The New Rights Issue Shares will be issued, and the pertaining capital increase will be registered with the Danish Business Authority, on or about 24 March 2023. The New Rights Issue Shares will, when registered with the Danish Business Authority, rank pari passu with the Existing Shares. New Rights Issue Shares which have not subscribed for by the Existing Shareholders before the expiry of the Rights Issue Subscription Period (the "Remaining Rights Issue Shares") may, without compensation to the holders of unexercised Pre-emptive Rights, be subscribed for by Existing Shareholders, holders of Pre-emptive Rights or Qualified Investors (as defined in Section XX) who have made binding undertakings to subscribe for Remaining Rights Issue Shares according to the application form in Appendix I before the expiry of the Rights Issue Subscription Period.

Finally, the Prospectus has been prepared in connection with the admission to trading and official listing of 12,259,772 shares in Pharma Equity Group ("New Listing Shares"), all with a nominal value of DKK 1.00 each, issued in connection with conversion of 12,259,772 previously issued class b-shares in Pharma Equity Group and the merger of Pharma Equity Group's previously issued class a-shares and class b-shares. The conversion and the capital changes related to the New Listing Shares were registered with the Danish Business Authority on 10 February 2023 upon adoption by the Existing Shareholders at the extraordinary general meeting held by Pharma Equity Group on 10 February 2023. The New Listing Shares were issued to Existing Shareholders of the previously issued class b-shares in Pharma Equity Group as unlisted shares in an interim period to a fixed deposit account prior to publication of the Prospectus. Upon the expected admission to trading and official listing on Nasdaq Copenhagen on or around 28 February 2023, the New Listing Shares will rank pari passu with the Existing Shares.

With respect to any dividends and other rights in Pharma Equity Group, and, upon completion of the Transaction, the Company, the New Shares, the New Rights Issue Shares and the New Listing Shares will confer the holders the right to receive dividends and such other rights as decided by Pharma Equity Group's board of directors (the "Pharma Equity Group Board of Directors"), and, upon completion of the Transaction, the expected new members of Pharma Equity Group's board of directors (the "New Company Board of Directors"), however at the latest on the first financial year after and no later than 12 months from registration of the capital increase related to the New Shares, the New Rights Issue Shares and the New Listing Shares with the Danish Business Authority. The New Shares, the New Rights Issue Shares and the New Listing Shares are eligible for dividends as of the date of registration with the Danish Business Authority, which took place on 10 February 2023 as regards to the New Listing Shares, and which is expected to take place on 24 March 2023 with regards to the New Shares and the New Rights Issue Shares, and in any event before listing of the New Shares, the New Rights Issue Shares and the New Listing Shares. In accordance with its authorization, the Pharma Equity Group Board of Directors has decided that the New Shares and the New Rights Issue Shares are eligible for dividends for the FY 2022 as the Existing Shares. The same applies to the New Listing Shares.

The Existing Shares are admitted to trading and official listing on Nasdaq Copenhagen under the ISIN DK0061155009 and the symbol "PEG". An application has been submitted to Nasdaq Copenhagen for the admission to trading and official listing of the New Shares, the New Rights Issue Shares and the New Listing Shares on Nasdaq Copenhagen. The New Shares, the New Rights Issue Shares and the New Listing Shares will be issued under the ISIN code for the Existing Shares. The first day of trading in respect of the New Listing Shares is expected to be on or around 28 February 2023. The first day of trading in respect of the New Shares and the New Rights Issue Shares is expected to be on or around 28 March 2023.

Prospective investors are advised to examine all risks and legal requirements described in this Prospectus that might be relevant in connection with an investment in the Existing Shares, New Shares, New Rights Issue Shares and the New Listing Shares (the "Shares"). Investors should be aware that an investment in the Shares involves a high degree of risk. See "Risk Factors" for a description of the factors that should be considered before investing in the Shares.

This Prospectus has been prepared under Danish law in compliance with the requirements set out in the Danish Consolidated Act no. 41 of 13 January 2023 on Capital Markets, as amended (the "Danish Capital Markets Act"), Regulation (EU) no. 2017/1129 of the European Parliament and the Council of 14 June 2017, as amended (the "Prospectus Regulation"), Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, as amended (the "Delegated Prospectus Regulation") as well as Commission Delegated Regulation (EU) 2019/979 of 14 March 2019, as amended. No New Shares or New Listing Shares have been or will be offered to the public in connection with the Transaction or publication of this Prospectus. Only the New Rights Issue Shares have been or will be offered to the public in Denmark in connection with the Rights Issue. This Prospectus has been prepared and published for the purpose of admission to trading and official listing of the New Shares, New Rights Issue Shares and New Listing Shares on Nasdaq Copenhagen. Further, this Prospectus may not be distributed in or otherwise be made available in the United States, Canada, Australia, Japan, or in any other jurisdiction where it would be unlawful to do so under appliable legislation in the relevant jurisdiction.

This Prospectus is dated 27 February 2023

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I. RESPONSIBILITY STATEMENT

Pharma Equity Group's Responsibility

Pharma Equity Group is responsible for the Prospectus in accordance with Danish law.

Pharma Equity Group's Statement

We hereby declare, as the persons responsible for the Prospectus on behalf of Pharma Equity Group, that, to the best of our knowledge, the information contained in this Prospectus is in accordance with the facts and that the information contained in this Prospectus makes no omission likely to affect its import.

We furthermore declare that this Prospectus has been approved by the Danish FSA as competent authority under the Prospectus Regulation. The Danish FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility, and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of Pharma Equity Group that is the subject of this Prospectus. This Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of the Prospectus Regulation.

Copenhagen, 27 February 2023

Pharma Equity Group Board of Directors:

Claus Abildstrøm
Chairman

Peter Mørch Eriksen
Board member

Peter Ole Jensen
Board member

Pharma Equity Group Executive Management:

Peter Ole Jensen
CEO

II. SUMMARY

Section A – Introduction and warnings	
Introduction	
Warnings	This summary should be read as an introduction to this Prospectus. Any decision to invest in the New Shares and/or the New Rights Issue Shares should be based on consideration of the Prospectus as a whole by the investor. Prospective investors in the New Shares and/or the New Rights Issue Shares could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, under the national legislation of the European Economic Area member states, the plaintiff investor might have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if this summary is misleading, inaccurate, or inconsistent when read together with the other parts of the Prospectus, or if it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the New Shares and/or the New Rights Issue Shares. As the New Listing Shares were issued to Existing Shareholders of the previously issued class b-shares in Pharma Equity Group on 10 February 2023, these are not included in this warning.
Issuer information	Pharma Equity Group A/S is the issuer of the New Shares, the New Rights Issue Shares and the New Listing Shares. An application has been made for the New Shares, New Rights Issue Shares and New Listing Shares to be admitted to trading and official listing on Nasdaq Copenhagen under the ISIN-code of the Existing Shares, DK0061155009. Pharma Equity Group has the LEI code 2138008SUI4D917FKN20. The Nasdaq Copenhagen symbol for the New Shares is "PEG". The address and contact details of Pharma Equity Group are Strandgade 24C, st. tv, 1401 Copenhagen K, Denmark, telephone number +45 2122 0681, e-mail, poj@bluevision.dk.
Competent authority	The Prospectus has been approved by the Danish Financial Supervisory Authority as competent authority under the Prospectus Regulation. The address and other contact details of the Danish Financial Supervisory Authority are Strandgade 29, 1401 Copenhagen K, Denmark, telephone +4533558282, email finanstilsynet@ftnet.dk. This Prospectus has been approved on 27 February 2023.

Section B – Key information on the issuer	
Who is the issuer of the securities?	Pharma Equity Group is incorporated in Denmark and operates as a public limited liability company (aktieselskab, A/S) under the laws of Denmark with its registered domicile at Strandgade 24C, st. tv, 1401 Copenhagen K, Denmark. Pharma Equity Group has the LEI code 2138008SUI4D917FKN20
Principal activities	Pharma Equity Group has no products or service deliveries, does not carry on any business or operating activities and is not present in any markets as of the Prospectus Date. As of the Prospectus Date, Pharma Equity Group's only and main activity is handling of its receivable in Portinho S.A. amounting to approximately DKK 67.3 million (EUR 9.55 million).
Major Shareholders	As of the date of this Prospectus, the major shareholders of Pharma Equity Group are: • Jeanette G. Borg (including via SIX SIS LTD (Jeanette G. Borg) and Baltic Investment Group ApS) (26.17%) • NK Invest ApS (including via Selskabet af 25. marts 2015 II ApS) (8.09%) • Peter Ole Jensen (19.02%) Other than these major shareholders, Pharma Equity Group is not aware of any person who, directly or indirectly, owns an interest in Pharma Equity Group's share capital or voting rights that is notifiable under Danish law as of the Prospectus Date. Jeanette G. Borg is the former director of Pharma Equity Group, and Peter Ole Jensen is the current CEO of Pharma Equity Group.
Managing directors	The members of the Pharma Equity Group Board of Directors are: Claus Abildstrøm (chairman), Peter Mørch Eriksen and Peter Ole Jensen. Member of the Pharma Equity Group Executive Management is: Peter Ole Jensen, CEO.

Statutory auditors	The statutory auditors of Pharma Equity Group in relation to the Pharma Equity Group Financial Statements are Deloitte Statsautoriseret Revisionspartnerselskab. The independent auditor's reports included in the 2021 Pharma Equity Group Financial Statements, the 2020 Pharma Equity Group Financial Statements and the 2019 Pharma Equity Group Financial Statements were signed by State Authorized Public Accountant, Kim Tataka Mücke (MNE-no. 10944). On 10 February 2023, BDO Statsautoriseret Revisionspartnerselskab was elected as auditor of Pharma Equity Group as proposed to the Existing Shareholders at the extraordinary general meeting as Kim Tataka Mücke changed to BDO Statsautoriseret Revisionspartnerselskab on 1 January 2023.
What is the key financial information regarding the issuer?	The key financial information regarding Pharma Equity Group as shown below has been derived from (i) the audited financial statements as of and for each of the years ended 31 December 2021, 2020 and 2019 prepared in accordance with IFRS as adopted by the EU and additional Danish disclosure requirements for listed companies, (ii) the unaudited but reviewed interim financial statements as of and for the financial period ended 30 June 2022 with not reviewed comparative figures for the financial period ended 30 June 2021 prepared in accordance with IAS 34 as adopted by the EU and additional Danish disclosure requirements for listed companies, and (iii) unaudited combined pro forma financial information for the financial period ended 30 June 2022 for the Enlarged Group assuming the Transaction occurred as at 30 June 2022 for purposes of the unaudited pro forma balance sheet and on 1 January 2022 for purposes of the unaudited pro forma consolidated income statement. Income statement and balance sheet of Pharma Equity Group for H1 2022, H1 2021 and, on a pro forma basis, H1 2022:

	(Unaudited but reviewed) **H1 2022 Pharma Equity Group Financial Statements (DKK '000)**	(Unaudited and not reviewed) **H1 2021 Pharma Equity Group Financial Statements (DKK '000)**	(Unaudited and not reviewed) **H1 2022 Pro Forma Financial Information (DKK '000)**
Income statement			
Gross profit	-	-	-
Total operating costs	-1,932	-813	-7,038
Income/loss before company tax	1,792	-667	-3,326
Net profit/loss	1,792	-667	-2,522
EBITDA (APM)	-1,932	-667	-6,386

	H1 2022 Pharma Equity Group Financial Statements (DKK '000)	**H1 2021 Pharma Equity Group Financial Statements (DKK '000)**	**H1 2022 Pro Forma Financial Information (DKK '000)**
Balance sheet			
Total non-current assets	67,250	57,936	80,814
Total current assets	0,186	0,188	11,714
Total assets	67,436	58,124	92,528
Equity	44,358	33,614	67,578
Total liabilities	23,078	24,510	24,950
Total equity and liabilities	67,436	58,124	92,528

Income statement and balance sheet of Pharma Equity Group for FY 2021, FY 2020 and FY 2019:

		Financial year ended 31 December	
DKK '000	**2021 (audited)**	**2020 (audited)**	**2019 (audited)**
Income statement			
Operating profit	-1,444	-2,135	-1,671
Loss/profit on portfolio	6,349	-30,468	-12,716

	investments/Portinho S.A			
	Financial income	-0,665	-0,272	-0,030
	Net profit/loss	5,392	-32,875	-14,417
	DKK '000	**2021 (audited)**	**2020 (audited)**	**2019 (audited)**
	Balance sheet			
	Total non-current assets	63,500	57,500	0
	Assets meant for sales	0	0	0
	Total assets	63,645	57,581	72,397
	Share capital	18,655	83,192	83,192
	Equity	42,566	34,281	67,155
	Total current liabilities	14,497	23,301	5,242

What are the key risks that are specific to the issuer?

The risks and uncertainties discussed below are those that Pharma Equity Group currently views as material and specific to Pharma Equity Group, Reponex and, following completion of the Transaction, the Company and/or the Enlarged Group, but there can be no assurance that these are the only risks and uncertainties that Pharma Equity Group, Reponex, the Company or the Enlarged Group faces. Additional risks and uncertainties, including risks that are not known to Pharma Equity Group at present or that the Pharma Equity Group Management currently deems immaterial or non-specific to Pharma Equity Group, Reponex, the Company or the Enlarged Group, may also arise or become material or specific to Pharma Equity Group, Reponex, the Company or the Enlarged Group in the future, which could, if such risks were to materialize, have a material and adverse effect on the business, financial conditions, and/or results of operations and lead to a decline in the value of the New Shares and a loss of part or all of the prospective investor's investment.

Risks relating to the Transaction:

- Risks related to due diligence investigations on Reponex not having revealed all risks, which, if materialized, may impact the factors considered in contributing value to Pharma Equity Group or result in unforeseen difficulties or costs of implementing Reponex into the Enlarged Group.

Risks relating to the business and industries in which Pharma Equity Group and Reponex operate and in which the Enlarged Group will operate:

- Risks related to clinical trials if results from the early clinical trials are not repeated in more extensive clinical trials, if Reponex' current and future clinical trials will not prove a risk benefit ratio or sufficient clinical benefit for Reponex to be able to subsequently sell its products to partners or customers or obtain regulatory approvals or if, clinical trial results may prove inadequate to draw any conclusions and may have to be repeated.
- Risks related to increased development costs as a consequence of either delays or unsatisfactory results from clinical trials, which may lead to increased cash burn for Reponex and the Enlarged Group compared to estimates.
- Repositioning Risks related to repositioning of established clinically proven active pharmaceutical ingredients if Reponex never succeeds with any particular product candidate and as a result, never succeeds in creating a marketable product.
- Risks related to the projection of the addressable market and the commercial potential of the product candidates which may reduce their commercial value if Reponex' projection of the addressable market and commercial potential for its product candidates are not accurate.
- Risks related to the repayment or sale of the Enlarged Group's receivable in Portinho S.A, which if not paid in full or in time may force Pharma Equity Group to use a large part of the proceeds generated by the utilization of the warrants in Reponex executed prior to the Transaction and by the Rights Issue, on the day-to-day operations of the Enlarged Group and for settlement of existing creditors, including banks and other financial lenders, if other means of financing are not available.

Risks relating to the financial position of Pharma Equity Group and Reponex and, following completion of the Transaction, the Enlarged Group:

- Risks related to financing needs and capital for Reponex if delays in clinical trials or product development results in delayed revenues and increased costs, negatively affecting future expected cash flows.
- Risks related to the financial situation of Pharma Equity Group and the Enlarged Group if the receivable in Portinho S.A, is not paid in full or in time.

	• Risks related to the current Pharma Equity Group Management as the chief executive officer and one member of the Pharma Equity Group Board of Directors have been appointed recently and have had limited time to gain in-depth knowledge of Pharma Equity Group's business, to implement their visions for Pharma Equity Group and have only received limited hand-over from previous executive management of Pharma Equity Group. • Risks related to the New Company Management in the Company to be appointed following completion of the Transaction, if the New Company Executive Management and the New Company Board of Directors, when appointed or elected, are not able to demonstrate that they are able to successfully manage the Company and the Enlarged Group, including with respect to implementing strategic initiatives. • If Pharma Equity Group, Reponex and following completion of the Transaction, the Enlarged Group, fails to raise capital in due time, when needed, it will limit the further product development.

Section C – Key information on the securities	
What are the main features of the securities?	As at the Prospectus Date, Pharma Equity Group's registered share capital amounts to a nominal value of DKK 44,379,620 divided into 44,379,620 Existing Shares of nominal value of DKK 1.00 each. The Existing Shares are negotiable instruments and issued in paperless form. Except for the New Listing Shares that are expected to be admitted to trading and official listing on Nasdaq Copenhagen on or around 28 February 2023, the Existing Shares are admitted to trading and official listing on Nasdaq Copenhagen under the ISIN code DK0061155009. The offering of New Shares to the shareholders of Reponex comprises 977,347,625 new shares of nominal value DKK 1.00 each to be admitted to trading and official listing on Nasdaq Copenhagen under the ISIN code of the Existing Shares, ISIN code DK0061155009, upon registration with the Danish Business Authority. The Rights Issue comprises and offering of up to 22,189,810 new shares of nominal value DKK 1.00 each to be admitted to trading and official listing on Nasdaq Copenhagen under the ISIN code of the Existing Shares, ISIN code DK0061155009, upon registration with the Danish Business Authority. The New Listing Shares comprises 12,259,772 shares of nominal value DKK 1.00 each to be admitted to trading and official listing on Nasdaq Copenhagen under the ISIN code of the Existing Shares, ISIN code DK0061155009. The New Shares, New Rights Issue Shares and the New Listing Shares are denominated in DKK. New Rights Issue Shares which have been subscribed for based on Pre-emptive Rights and which will be recorded on subscribers for New Rights Issue Shares' accounts with Euronext Securities Copenhagen after the subscription has been effected will be issued under an interim ISIN code DK0062267522 that will not be admitted to trading and official listing on Nasdaq Copenhagen.
Rights attached to the New Shares, the New Rights Issue Shares and the New Listing Shares	The New Shares and the New Rights Issue Shares, will, when fully paid up and registered with the Danish Business Authority, rank pari passu with the Existing Shares. Upon the expected admission to trading and official listing on Nasdaq Copenhagen on or around 28 February 2023, the New Listing Shares rank pari passu with the Existing Shares. All Shares shall have the same rights and rank pari passu, meaning that the Shares will rank with the same seniority and after all creditor interests in Pharma Equity Group's capital structure in the event of Pharma Equity Group's insolvency. With respect to any dividends and other rights in Pharma Equity Group, and, upon completion of the Transaction, the Company, the New Shares, the New Rights Issue Shares and the New Listing Shares will confer the holders the right to receive dividends and such other rights as decided by the Pharma Equity Group Board of Directors, and, upon completion of the Transaction, the New Company Board of Directors, however at the latest on the first financial year after and no later than 12 months from registration of the capital increase related to the New Shares, the New Rights Issue Shares and the New Listing Shares with the Danish Business Authority. The New Shares, the New Rights Issue Shares and the New Listing Shares are eligible for dividends as of the date of registration with the Danish Business Authority, which took place on 10 February 2023 as regards to the New Listing Shares, and which is expected to take place on 24 March 2023 with regards to the New Shares and the New Rights Issue Shares, and in any event before listing of the New Shares, the New Rights Issue Shares and the New Listing Shares. In accordance with its authorization, the Pharma Equity Group Board of Directors has decided that the New Shares and New Rights Issue Shares are eligible for dividends for the FY 2022 as the Existing Shares. The same applies to the New Listing Shares.
Restrictions	The Shares are negotiable instruments. No restrictions under Danish law apply to the transferability of the Shares, including the New Shares, the New Rights Issue Shares and the New Listing Shares.

Dividend policy	As of the Prospectus Date, Pharma Equity Group has not adopted any dividend policy and historically, no dividend has been paid by Pharma Equity Group, and the Pharma Equity Group Board of Directors' current intention is to not propose dividends to the Shareholders unless and until Pharma Equity Group achieves long-term profitability.
Where will the securities be traded?	An application has been made for the New Shares, the New Rights Issue Shares and the New Listing Shares to be admitted to trading and official listing on Nasdaq Copenhagen, being a regulated market, under the ISIN code and symbol of the Existing Shares, DK0061155009 and "PEG", respectively. Nasdaq Copenhagen has pre-approved the New Shares, the New Rights Issue Shares and the New Listing Shares for admission to trading and official listing. Admittance to trading and official listing of the New Shares and the New Rights Issue Shares under the existing ISIN code are expected to take place on or around 28 March 2023 after registration of the New Shares and the New Rights Issue Shares with the Danish Business Authority, expected to take place on 24 March 2023. Admittance to trading and official listing of the New Listing Shares under the existing ISIN code are expected to take place on or around 28 February 2023. In addition, the Pre-emptive Rights allocated on the Existing Shares have been approved for admission to trading and official listing on Nasdaq Copenhagen under the symbol "PEG T" to the effect that they can be traded on Nasdaq Copenhagen during the Rights Trading Period from 2 March 2023 at 9:00 a.m. CET to 15 March 2023 at 5:00 p.m. CET under the interim ISIN code DK0062267605.
Is there a guarantee attached to the securities	No guarantees are attached to the Shares, including the New Shares, the New Rights Issue Shares and the New Listing Shares.
What are the key risks that are specific to the securities?	The key risks that are specific to the Existing Shares, the New Shares, the New Rights Issue Shares, the Pre-emptive Rights and the New Listing Shares are: • In general, the stock market may experience volatility and securities may fluctuate in value or liquidity; due to the offer of New Shares, the Rights Issue and the New Listing Shares, prices of the Existing Shares and the New Shares, the New Rights Issue Shares and New Listing Shares may be volatile regardless of Pharma Equity Group's and, following completion of the Transaction, the Enlarged Group's operating performance and results. There can be no assurance that the market response to the Transaction will have a material positive effect on the share prices of the Shares as expected by the Pharma Equity Group Management. Hence, an investment in the Shares, including in the Existing Shares and the New Shares, the New Rights Issue Shares and the New Listing Shares, may both rise and fall in terms of value, and there is a risk that an investor will not recover the capital invested.

Section D – Key information on the Admission	
Under which conditions and timetable can I invest in this security?	The Rights Issue consists of a public offering to retail and institutional investors in Denmark. Pharma Equity Group is offering 977,347,625 New Shares of a nominal value of DKK 1.00 each as consideration to the shareholders of Reponex in connection with such shareholders' subscription of the New Shares against contribution in kind of their respective shares in Reponex in accordance with the terms and conditions set forth in the Offer Document. Subscription of New Shares is expected to take place on 20 March 2023 at 5:00 p.m. CET according to authorization granted to the Reponex Board of Directors. The capital increase related to the New Shares will be registered with the Danish Business Authority, on or about 24 March 2023. The New Shares will, when registered with the Danish Business Authority, rank pari passu with the Existing Shares. The New Shares are expected to be issued through Euronext Securities Copenhagen on 24 March 2023. In addition, Pharma Equity Group is offering up to 22,189,810 New Rights Issue Shares, all with a nominal value of DKK 1.00 each, with Pre-emptive Rights for the Existing Shareholders in the ratio 1:2, whereby the Existing Shareholders are allocated 1 Pre-emptive Right for each Existing Share held. For 2 Pre-emptive Rights, the holder is entitled, subject to complying with applicable law, to subscribe for 1 New Rights Issue Share at the Rights Issue Subscription Price of DKK 1.00 per New Rights Issue Share. The Pre-emptive Rights allocated on the basis of Existing Shares have been approved for trading on Nasdaq Copenhagen in the Rights Trading Period on 2 March 2023 at 9:00 a.m. CET until 15 March at 5:00 p.m. CET. The New Rights Issue Shares can be subscribed for in the Rights Issue Subscription Period on 6 March 2023 at 9:00 a.m. CET until 17 March 2023 at 5:00 p.m. CET. The New Rights Issue Shares will be issued, and the pertaining capital increase will be registered with the Danish Business Authority, on or about 24 March 2023. The New Rights Issue Shares will, when registered with the Danish Business Authority, have the same rights as and rank pari passu with the Existing Shares. Finally, Pharma Equity Group is applying for admission to trading and official listing of 12,259,772 New Listing Shares, all with a nominal value of DKK 1.00 each, previously issued and allocated to the Existing Shareholders of the previously issued class b-shares in Pharma Equity Group in connection with conversion of 12,259,772

	previously issued class b-shares into the New Listing Shares. Issuance and registration of the New Listing Shares with the Danish Business Authority took place on 10 February 2023. Upon the expected admission to trading and official listing on Nasdaq Copenhagen on or around 28 February 2023, the New Listing Shares rank pari passu with the Existing Shares. With respect to any dividends and other rights in Pharma Equity Group, and, upon completion of the Transaction, the Company, the New Shares, the New Rights Issue Shares and the New Listing Shares will confer the holders the right to receive dividends and such other rights as decided by the Pharma Equity Group Board of Directors, and, upon completion of the Transaction, the New Company Board of Directors, however at the latest on the first financial year after and no later than 12 months from registration of the capital increase related to the New Shares, the New Rights Issue Shares and the New Listing Shares with the Danish Business Authority. The New Shares, the New Rights Issue Shares and the New Listing Shares are eligible for dividends as of the date of registration with the Danish Business Authority, which took place on 10 February 2023 as regards to the New Listing Shares, and which is expected to take place on 24 March 2023 with regards to the New Shares and the New Rights Issue Shares, and in any event before listing of the New Shares, the New Rights Issue Shares and the New Listing Shares. In accordance with its authorization, the Pharma Equity Group Board of Directors has decided that the New Shares and New Rights Issue Shares are eligible for dividends for the FY 2022 as the Existing Shares. The same applies to the New Listing Shares.
Admittance to trading	The Existing Shares are admitted to trading and official listing on Nasdaq Copenhagen under the symbol "PEG" and the ISIN DK0061155009. In connection with the Rights Issue, the Pre-emptive Rights allocated on the basis of Existing Shares have been approved for admission to trading and official listing on Nasdaq Copenhagen under the symbol "PEG T" to the effect that they can be traded on Nasdaq Copenhagen during the Rights Trading Period. Registration of the New Shares and the New Rights Issue Shares with the Danish Business Authority will take place following completion of the offering of the New Shares and the Rights Issue, expected to take place on 24 March 2023. Registration of the New Listing Shares with the Danish Business Authority took place on 10 February 2023. Nasdaq Copenhagen has pre-approved the New Shares, the New Rights Issue Shares and the New Listing Shares for admission to trading and official listing. Admittance to trading and official listing of the New Listing Shares under the existing ISIN code, DK0061155009, is expected to take place on or around 28 February 2023. Admittance to trading and official listing of the New Shares and the New Rights Issue Shares under the existing ISIN code, DK0061155009, is expected to take place on or around 28 March 2023.
Dilution	Upon issue and subscription of the New Shares and the New Rights Issue Shares, and assuming subscription of all New Shares and New Rights Issue Shares, the percentage of ownership of the Existing Shareholders will be reduced. If the Existing Shareholders refrain from exercising Pre-emptive Rights allocated to them in connection with the Rights Issue, each Existing Shareholder's ownership will be diluted by 95.66% upon completion of the offering of New Shares and the Rights Issue. If the Existing Shareholders elect to partly exercise the Pre-emptive Rights allocated to them in the Rights Issue, the rate of dilution will be between 94.63% depending on the exercise. If the Existing Shareholders exercise their Pre-emptive Rights in full, the Existing Shareholders' ownership will be diluted by 93.62% upon completion of the offering of New Shares and the Rights Issue.
Estimated expenses	The total estimated costs and expenses in relation to the offer of New Shares, the Rights Issue and the admission to trading and official listing of the New Listing Shares payable by Pharma Equity Group to its advisors and other expenses and fees related to the offer of New Shares, the Rights Issue and the New Listing Shares, are estimated to be approximately DKK 4-5 million. Further, Pharma Equity Group has agreed to pay a subscription commission to Danish account holding financial institution equivalent to 0.10% of the aggregate Rights Issue Subscription Price of the New Rights Issue Shares subscribed for through the relevant account holding financial institution in connection with the offer of New Shares and the Rights Issue. Pharma Equity Group will not charge expenses to investors. Investors will have to bear customary transaction and handling fees charged by their account holding financial institution.
Why is this prospectus being produced?	This Prospectus has been produced and published in connection with the admission to trading and official listing of the New Shares on Nasdaq Copenhagen. In addition, this Prospectus has been produced and published in connection with the admission to trading and official listing of the New Rights Issue Shares on Nasdaq Copenhagen. Further, this Prospectus has been produced and published in connection with the admission to trading and official listing of the New Listing Shares on Nasdaq Copenhagen. Finally, this Prospectus has been produced and published in connection with the substantial changes to the operations which Pharma Equity Group will undergo upon completion of the Transaction.

Net amounts and use of proceeds	The reason for the offer of the New Shares and the Admission is to offer the New Shares as consideration to the shareholders of Reponex in connection with such shareholders' subscription of New Shares against contribution in kind of their respective shares in Reponex in accordance with the terms and conditions set forth in the Offer Document and elsewhere in this Prospectus. The Rights Issue is made as part of the terms and conditions of the Offer Document, and the reason for the Rights Issue is to offer the Existing Shareholders the opportunity to subscribe for New Rights Issue Shares to limit such Existing Shareholders' dilution upon completion of the offer of New Shares. Based on the latest development of the share prices of the Existing Shares, the Pharma Equity Group Board of Directors expects that at least half of the New Rights Issue Shares will be subscribed for, and therefore the gross proceeds of the Rights Issue are expected to amount to approximately DKK 11,094,905, and the net proceeds are expected to amount to approximately DKK 6,094,905, which are expected to be used to intensify the project development phases in the Enlarged Group, upon completion of the Transaction. Such expectations are of their nature subject to uncertainties and are also based on the reason for the Rights Issue that is made as part of the terms and conditions of the Offer Document to limit the dilution of the Existing Shareholders to a certain extent upon completion of the offer of New Shares and the Transaction.
Underwriting	Neither the offer of the New Shares, the Rights Issue or the New Listing Shares are subject to any underwriting agreement or guarantees.
Material conflicts of interest	No actual or potential conflicts of interest exist between any of the duties of the members of the Pharma Equity Group Board of Directors and the Pharma Equity Group Executive Management and their private interests or other duties. No agreement or understanding with any major shareholders, customers, suppliers or others exists, pursuant to which a member of the Pharma Equity Group Board of Directors or the Pharma Equity Group Executive Management has been appointed to such position or any other supervisory or management position in Pharma Equity Group. None of the members of the Pharma Equity Group Board of Directors or the Pharma Equity Group Executive Management have positions in other companies which could result in a conflict of interest vis-à-vis such companies, either because Pharma Equity Group has an equity interest in such company or because Pharma Equity Group has an ongoing business relationship. However, Pharma Equity Group may do business in the ordinary course with companies in which members of the Pharma Equity Group Board of Directors or the Pharma Equity Group Executive Management hold positions as directors or officers. No material engagements exist between Pharma Equity Group and entities where a member of the Pharma Equity Group Board of Directors/Pharma Equity Group Executive Management holds positions.

III. RISK FACTORS

Investing in the Shares, including the New Shares, the New Rights Issue Shares and/or the New Listing Shares, is subject to a number of risks and involves a high degree of financial risk. Prospective investors should carefully consider all information included in this Prospectus (including any information or material incorporated by reference), including the risks described below, before they decide to invest in the Shares, including the New Shares and the New Rights Issue Shares. This section addresses both general risks associated with the industry in which each of Pharma Equity Group, Reponex, and the Enlarged Group operate or will operate, and the specific risks associated with their businesses. If any such risks were to materialize, Pharma Equity Group's or the Enlarged Group's business, results of operations, cash flows, financial position, and/or prospects could be materially and adversely affected, resulting in a decline in the value of the Shares, including the New Shares, the New Rights Issue Shares and/or the New Listing Shares, and a loss of part or all of the prospective investor's investment. Further, this section describes certain risks relating to the Shares which could also adversely impact the value of the New Shares, the New Rights Issue Shares and/or the New Listing Shares.

The risks and uncertainties discussed below are those that the Pharma Equity Group Management currently views as material in terms of Pharma Equity Group, Reponex and the Enlarged Group, but these risks and uncertainties are not the only ones that they face. Additional risks and uncertainties, including risks that are not known to Pharma Equity Group or Reponex at present or that the Pharma Equity Group Management currently deems immaterial or less likely to materialize, may also arise or become material or more likely to materialize in the future, which could, individually or in the aggregate, materially and adversely affect Pharma Equity Group's, Reponex' and the Enlarged Group's business, results of operations, cash flows, financial position, and/or prospects resulting in a decline in the value of the Shares and a loss of part or all of the prospective investor's investment. In particular, with respect to certain risks and uncertainties discussed below, the Pharma Equity Group Management has assessed the probability of such risk or uncertainty materializing and, if such risk or uncertainty did materialize, the expected impact on Pharma Equity Group (the “Forward-Looking Assessments”). By their very nature, such Forward-Looking Assessments are inherently uncertain and are subject to a wide variety of significant assumptions and business, economic, and competitive risks and uncertainties (including events and circumstances that may or may not occur in the future and may not be within Pharma Equity Group's control) that could cause actual results to differ materially from the Forward-Looking Assessments presented in this Prospectus. Pharma Equity Group urges Shareholders and prospective investors to treat the Forward-Looking Assessments with caution and not place undue reliance on the Forward-Looking Assessments.

These “Risk Factors” (including the Forward-Looking Assessments) speak only as of the Prospectus Date, and Pharma Equity Group undertakes no obligation and do not intend to update such statements in the future.

Except as specifically set out in the specific risk factors, it has not, due to the nature of the risks and the businesses of Pharma Equity Group and Reponex, been possible for Pharma Equity Group to make specific and accurate assessments of the probability of occurrence of every individual risk factor. Instead, Pharma Equity Group has, as of the Prospectus Date and based on Pharma Equity Group Management's assessments of the nature of the risks, the Transaction and the businesses of Pharma Equity Group and Reponex, listed the risk factors within each category by order of materiality.

1 Risks relating to the Transaction

1.1 <u>Risks related to due diligence investigations and valuation assessment of Reponex</u>

Before submitting the takeover offer, Pharma Equity Group had appointed a third-party corporate finance advisor to assist and contribute to the Pharma Equity Group Management's valuation of Reponex as set out in the Offer Document that is based on an assessment of Reponex. This assessment was subsequently supported during Pharma Equity Group's due diligence investigations of Reponex and by an updated assessment by the third-party corporate finance advisor.

Certain assumptions, estimates and defined valuation methods were applied, which the Pharma Equity Group Management believes to be reasonable and conformity to valuations of similar clinical-stage biopharmaceutical companies. However, such assumptions and estimates and valuation methods involve a certain degree of risks and uncertainties, e.g., in relation to expected sales, patent approvals, market sizes and time to market of Reponex' clinical products and the value of know-how that has been developed by Reponex. This should also be seen in the light of the fact that Reponex as of the Prospectus Date has not yet generated any revenue or launched any of its product candidates and has thereby not yet been able to test its assessment of the addressable market and the commercial potential of its product candidates in the market. As such, the actual value of Reponex may differ from the Pharma Equity Group Management's assessment of Reponex, which could have a negative impact on the future value of the Enlarged Group upon completion of the Transaction and thereby also the New Shares and New Rights Issue Shares.

There is also a risk that Pharma Equity Group's due diligence investigations on Reponex prior to the Transaction may not have revealed all risks which, if materialized, may impact the factors considered in contributing value to Pharma Equity Group or result in unforeseen difficulties or costs of implementing Reponex into the Enlarged Group. The due diligence investigation performed by Pharma Equity Group was primarily focused on material aspects of Reponex such as financial information. Although the Pharma Equity Group Management assesses the risk of undetected material risks arising to be limited, such risks may nonetheless arise following completion of the Transaction.

2 Risks relating to the business and industries in which Pharma Equity Group and Reponex operate and in which the Enlarged Group will operate

2.1 Reponex and the Enlarged Group

2.1.1 Risks related to clinical trials

The life science industry in general and clinical trials are associated with great uncertainties and risks regarding delays and results in the trials. Further, the manufacturing of compounds for human use is heavily regulated to secure the safety of humans.

Reponex currently conducts clinical trials on RNX-011, RNX-022, RNX-041 and RNX-051.

There is a significant risk that results from the early clinical trials may not be repeated in more extensive clinical trials. In addition, there is a significant risk that Reponex' current and future clinical trials will not prove a risk benefit ratio or sufficient clinical benefit for Reponex to be able to subsequently sell its products to partners or customers or to obtain regulatory approvals. In addition, clinical trial results may prove inadequate to draw any conclusions and may have to be repeated, hence causing uncertainties, delays and a requirement for additional funding. This may lead to a reduced or a lack of cash flow for Reponex and/or may require Reponex and/or the Enlarged Group to raise additional capital based on unsuccessful clinical trial results.

2.1.2 Risks related to increased development costs

The development costs of each product candidate are based on estimates factoring in the clinical studies required, their scope and timelines to achieve market approval. As such, there is a significant risk that the planned product development will become more costly than initially estimated as a consequence of either delays or unsatisfactory results from clinical trials. In case the development of a new product takes longer to develop than projected, there is a risk that this will lead to increased development costs and, thereby increased cash burn for Reponex and the Enlarged Group. In such case, Reponex assesses that the probability of the development costs being higher than anticipated is lower for products further advanced in the development cycle such as RNX-011, RNX-022, RNX-041, and RNX-051, than the case is for products less advanced in their development cycle such as RNX-023 and RNX-071. However, if the risk materializes, it will have a negative impact on Reponex' cashflow.

2.1.3 Risks related to repositioning of established clinically proven active pharmaceutical ingredients

Reponex' approach to clinical drug development is based on the repositioning of established active pharmaceutical ingredients (APIs) that are already clinically proven. Reponex is currently developing six of such products. However, they may not necessarily result in new marketable products. Reponex has finalized early proof-of-concept clinical testing for its drug candidates and is establishing further regulatory-based clinical trials. However, Reponex may spend substantial resources attempting to further develop its drug candidates and any pipeline products. Regardless, there is a significant risk that Reponex may never succeed with any particular product candidate. As a result, Reponex may never succeed in creating a marketable product, it may not become profitable, and the value of the Shares of the Enlarged Group may decline as a result.

Reponex has six pipeline products in clinical trials, of which four are expected to generate the most revenue. The most critical product candidates are RNX-011, RNX-022, RNX-041, and RNX-051. All four candidates have the shortest expected time-to-market out of Reponex' six candidates. Each of the four candidates are to undergo more clinical trials, with RNX-011 being the most advanced candidate currently in phase II before reaching the market. From a clinical perspective, each of the four product candidates has an uncorrelated risk meaning that the success or failure of a single candidate does not influence the success or failure of the other candidates. As such, Reponex' drug portfolio is relatively diversified. While Reponex intends to develop all six of its pipeline products, the four products mentioned above are the top priority and the most important for the market value of Reponex. The risk associated with unsuccessful market development is expected to be higher for products in a less advanced clinical stage. Reponex deems the highest likelihood of approval, and thus the lowest probability of the risk occurring, is for RNX-011 and RNX-051, which are the most advanced in the clinical trial process. For RNX-022 and RNX0-41 that are less advanced in clinical stage II, the general probability of successful market launch is estimated to be lower. If the risk of unsuccessful market development materializes, the potential negative impact of the business is expected to be high, especially for the most critical pipeline products.

2.1.4 Risks related to the projection of the addressable market and the commercial potential of the product candidates

Reponex has not yet launched any of its product candidates and has thereby not yet been able to test its assessment of the addressable market and the commercial potential of its product candidates in the market. Thus, Reponex' projection of the addressable market and commercial potential for its product candidates may not be accurate, as the incidence and prevalence of the target patient population, total market potential, market share and future product pricing are based on estimates, including those derived from third-party sources, which could turn out to be lower than anticipated. Reponex' expected

revenues are expected to be more impacted by significant inaccuracies in market estimates for the products RNX-011, RNX-022, RNX-041 and RNX-051.

If these estimates prove to be incorrect, or the benefit achieved is smaller than anticipated, the revenue generated from the product candidates will be lower than expected thus reducing their commercial value, which may, dependent on level of inaccuracy, impact the expected revenues of Reponex and the Enlarged Group.

If, for example, a vaccine is developed for colorectal cancer, e.g., like the vaccine for cervical cancer (HPV), the market for RNX-051, prevention and treatment of colorectal cancer, will be significantly reduced. The probability that such a vaccine will be developed within the next 5 years is assessed to be fairly low.

If the cause of Crohn's disease (RNX-041) is discovered, it will presumably be possible to offer preventive or early treatments causing the need of treatment of Crohn's disease with RNX-041 to be reduced. The probability that the underlying cause of Crohn's disease will be discovered within the next 5 years is also estimated to be fairly low.

Moreover, the recombination of two already approved and well-known active pharmaceuticals ingredients (APIs) as well as recombinant GM-CSF (the primary API in Reponex' wound healing program) may turn out to interact in an unexpected way, which could reduce the potency and thereby the expected market share of the final product. This may especially be a risk in relation to Reponex' product RNX-022, where three active substances are mixed together in a gel. An unexpected negative interaction between the APIs in RNX-022 could lead to not achieving the expected additive effect of the combination, whereby the treatment effect does not achieve the expected significant improvement compared to current treatments. Likewise, an unexpected interaction of the APIs with the gel matrix may impair the stability of the finished product, resulting in a reduction in shelf life. Both elements could reduce the expected future market share of the final products, as the products' exclusivity and demand will presumably be lower than expected.

2.1.5 **Risks related to delays in the development timeline**

Reponex must conduct further trials before sales of its first product can commence. These trials are subject to potential delays impacting the date on which Reponex will be first able to generate revenue. Delays are expected to be more likely for products less advanced in the clinical development. The impact of any product delays depends on the product's market potential and the length of the delay. Reponex' and the Enlarged Group's expected revenues are expected to be more impacted by significant delays for the products RNX-011, RNX-022, RNX-041 and RNX-051.

In the past, Reponex has experienced delays related to RNX-022 and RNX-011 of approximately six months as a result of the COVID-19 pandemic. Further delays i.e., due to outbreaks of COVID-19 or other similar outbreaks or for other reasons might further impact Reponex, the Enlarged Group and its partners, such as hospitals and other research institutions and could, consequently, negatively affect the timeline of the clinical trials.

It is difficult to assess the probability of delays occurring as delays may not necessarily be due to circumstances within the control of Reponex. Should such delays occur relating to RNX-011, RNX-022, RNX-041, and/or RNX-051, it is expected to have impact on revenues depending on the length of the delay and the products affected. For RNX-023 and RNX-071, the impact of any substantial delay is currently expected to have a lower impact on Reponex' business operations, financial position, earnings and cashflows revenues.

2.1.6 **Risks related to patents and other intellectual property rights**

Reponex uses patents and trade secrets to secure its innovations and products. In addition to patents already granted, Reponex has filed different patent applications and plans to file and/or acquire additional patents in the future.

Reponex is dependent on the strength of its patent portfolio for setting treatment prices and obtaining market share. There is a significant risk that specific patents or patent applications will not be granted or will be limited in scope or will not be granted in all jurisdictions where patent protection is applied for. As an example, RNX-023 patents have been granted in Europe, USA and Russia, but has been rejected in Japan. As Reponex repositions existing drugs, it faces potentially heavy competition from generic manufacturers if no patent is obtained.

Patents and intellectual property rights have a limited lifespan, and there is an additional risk that the existing and/or future patent portfolio and other intellectual property rights held or licensed by Reponex will not provide adequate commercial protection. It is likely that Reponex will be required to defend its patent rights against a competitor at some point. In such case, there is a high risk that such disputes will result in significant costs being incurred, which may adversely affect Reponex' and, upon completion of the Transaction, the Enlarged Group's business operations, earnings, and financial position. The products RNX-011, RNX-022 RNX-041 and RNX-051 are expected to have the largest market potential, consequently, these products are also expected to have the largest risk of infringement.

Additionally, there is a limited risk that Reponex unintentionally infringes, or that allegations, rightfully or not, are made that Reponex has infringed on third-party patents. In addition, there is a risk that other parties' patents may limit the ability or possibilities for one or more of Reponex' future collaborative partners to freely use the affected product. Given the nature of these risks, it is not possible to predict the likelihood of them occurring.

It is not possible to anticipate the outcome of potential patent disputes in advance. An adverse outcome of disputes or litigation relating to intellectual property rights may result in a loss of protection, prohibition to continue to utilize/employ the rights at issue, or in an obligation to pay compensatory damages. In addition, the costs of such litigation, even in the event of a favorable outcome for Reponex, may be substantial. It is likely that such adverse outcome will affect Reponex' earnings and financial position negatively. There is also a significant risk that such adverse outcome may result in difficulties or delays in the commercialization of future products and thus difficulties in generating revenue. The same applies to other intellectual property rights, such as brands and trademarks.

Although Reponex is not currently aware of any such ongoing processes, there is an additional risk that parties with competing business operations obtain patents in fields related or adjacent to Reponex' existing patents or patent applications, resulting in that the competitors' treatment alternatives attain the same efficacy as that of Reponex' alternatives. In such case Reponex will be faced with a more difficult marketing situation with an increased competitive situation, which may adversely affect Reponex' revenue and earnings.

2.1.7 **Risks related to the competitive landscape**

Some of Reponex' competitors and potential future competitors are, or could be acquired by, multinational companies with significant financial resources capable of faster development due to increasing financial resources, which is expected to have the most significant impact on RNX-041 and RNX-051. There is a risk that substantial investment and product development by a competitor will result in a less favorable situation in terms of sales opportunities for Reponex because competitors may develop products that outperform or are differently priced than Reponex' products, thereby capturing market share from Reponex. Furthermore, companies with global operations currently working within similar adjacent fields may decide to establish themselves within the same business area as Reponex.

Such increased competition may have a negative impact on market penetration, sales and profits for Reponex, including in the event that competitors develop products with better functions and/or better quality. There is an additional risk that non-patentable parts of Reponex' formulations might be used by competitors for competitive formulations. The negative impact on Reponex' market potential and revenue in case of fierce competition is expected to be most profound for the products RNX-011, RNX-022, RNX-041 and RNX-051. It is the assessment by the Reponex Management that the competition in the short term is data-driven, and that Reponex' primary competitors currently are more or less at the same development stage compared to Reponex.

For an overview of Reponex' current competitors, please see Section 27.

2.1.8 **Risks related to key individuals and employees**

As at the Prospectus Date, Reponex consists of five employees. In addition, nine consultants are engaged. Reponex' personnel have extensive and broad expertise and experience within Reponex' business area. Nonetheless, the Reponex Management considers that it is possible to replace Reponex' employees with personnel having the same level of knowledge and experience should the need arise. However, if one or more employees chooses to terminate their employment with Reponex, there is a significant risk that such a loss for Reponex may have adverse consequences for its business operations and its earnings given the small number of employees in Reponex.

Due to Reponex' small number of employees, the company is largely dependent on the nine consultants. The nine consultants contribute with their assistance within:

- Patent applications
- Scientific development
- Protocol assessments
- Finance, strategy, and business development
- External medical assessments
- Chemistry, manufacturing and controls (CMC). All stages of the drug development life cycle, after drug discovery involves CMC.
- Qualified Person (QP) and quality assurance (QA). The QP and QA consultants ensures efficient quality management.
- Clinical Oversight Manager (COM). The COM ensures oversights of any trial-related duties and functions carried out.
- Pre-investigational New Drug Application (PRE-IND) consultant.

If the existing personnel decides to leave Reponex, Reponex will need to recruit and hire personnel to replace such personnel, which may be a time consuming and costly process, whereby Reponex may incur increased expenses and may be impacted on its business and research activities. The same applies if any consultants should decide to terminate their contracts with Reponex. As of the Prospectus Date, no consultants or personnel are subject to non-competition clauses. As at the Prospectus Date Reponex is not aware of any employees or consultants planning to leave or terminate their contracts.

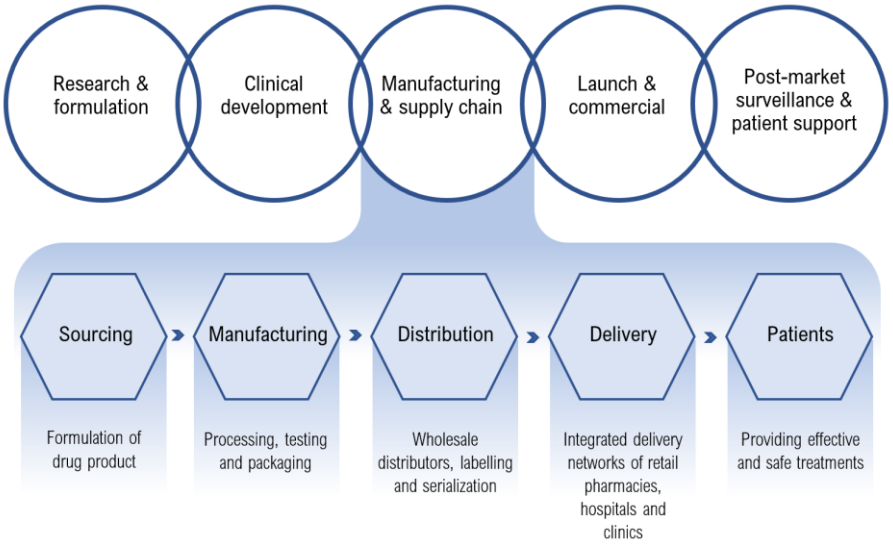
In addition, Reponex may be unable to protect itself against unauthorized disclosure of information, e.g., disclosed by its employees and/or consultants, whereby competitors may receive information about, take advantage of, and/or benefit from, the know-how that has been developed by Reponex. Via the use

of such dissemination of information, Reponex' competitors may further develop their products, which may cause increased competition, and thereby adversely affect Reponex' business operations, financial position, and earnings.

2.1.9 **Risks related to manufactures and suppliers**

Reponex' supply chain involves a complex set of steps that are required to produce a drug. It ranges from sourcing and supply of materials to manufacturing and to delivery of new therapies to patients receiving them. The current supply chain set up, as it exists as of the Prospectus Date, involves potential pitfalls. There is a risk that Reponex is not sufficiently aware of all these potential pitfalls and the mitigating strategies required to deal with them to avoid wasting money, delays, resources and/or personnel.

Reponex' supply chain must meet the expectations of a complex range of stakeholders, comprising multiple external parties and health care providers, including research and sourcing partners, development and manufacturing partners, distribution and commercial partners and post-market surveillance partners and patients, all with complex and varied needs. The risk landscape of the supply chain comprises both internal, external and macro risk factors.



As such, Reponex is dependent on agreements with external parties that carry out formulation, pre-analytical and pre-approval work of Reponex' drug candidates. These parties are primarily public research institutions and include the following:

- Agreements with external parties that carry out optimization and validation of analytical assays for Reponex' drug candidates. These parties are current good manufacturing practices (cGMP) accredited analysis laboratories.
- Agreements with external parties that carry out production and supply of active pharmaceuticals ingredients (APIs) and excipients for Reponex' drug candidates.
- Agreements with external parties that carry out manufacturing of Reponex' drug candidates for clinical trials. These parties are cGMP accredited contract manufacturers.
- Approvals of drug candidates and clinical trials from governmental authorities. These authorities are local and/or regional medicines agencies.

- Agreements with external parties that carry out clinical trials sponsored by Reponex. These parties are leading clinics at university hospitals.
- Agreements with license partners regarding marketing approvals, marketing, sale and distribution. These parties are internationally big pharmaceutical companies with established sales and marketing capacity to bring new drugs into the market.

If Reponex does not manage the supply chain efficiently this may cause delays, which may adversely affect Reponex' revenue and earnings.

2.1.10 Risks related to establishment of partnerships

Reponex is an organization without internal marketing sales capabilities nor production facilities. Therefore, it is its strategy to out-license its programs after phase II by entering into partnerships with a third-party pharmaceutical company of complimentary scale and capabilities. Reponex' revenue model and forecasts are contingent on partnerships. As partnerships have not yet been established, it is not unlikely that a partner may not be found for a specific program, with less attractive products having a higher probability of not being able to find a suitable partner, or that finding a partner may take longer or be more costly than anticipated, which could negatively impact the business outlook. In addition, there is a risk that partners do not meet the quality requirements of Reponex. Lack of sufficient quality could lead to decreased trust in Reponex or the Enlarged Group and/or the products. Failing to find partnerships or adhere to quality standards may lead to reduced revenues.

Furthermore, Reponex' forecasts are based on estimated royalty rates. The paid royalty rates are contingent on partnership agreements and negotiations and will be based on the relative negotiating power of both Reponex and the partner, whereby there is a risk that realized royalty rates may be lower than estimated rates. In such case, this may negatively impact the business operations, financial position, earnings and cashflow.

2.1.11 Risks related to product liability

Although the majority of the active pharmaceutical ingredients (APIs) in Reponex' drug candidates are approved for other indications and having a well-known adverse event profile, there is still a risk of new serious adverse safety events.

In general, should a defect be discovered in one of Reponex' products, Reponex may be obliged to recall the product from the market when expected sales of first products have commenced. This may be both costly and time consuming. As the product owner, Reponex has ethical obligations to ensure that the products are safe and effective, and that they are described and used correctly. Failure to fulfill these obligations could damage Reponex' reputation and, consequently, Reponex' partnership and commercialization efforts.

The pharmaceutical industry is highly regulated and Reponex must comply with strict regulatory requirements and standards, which are updated and amended continuously. Reponex' strategy of repositioning and recombining already known APIs reinforce Reponex' responsibility to update itself on the quality and stability of each imported batch of active substances before they are used in one of Reponex' products.

Moreover, Reponex and Reponex' partners involved in the production and distribution of medical products can be held legally responsible for the defects that cause serious adverse safety events. This may include errors in the design, manufacture and/or labeling of the product that could potentially cause harm to patients. Although deemed limited, Reponex' use of external contract manufacturing organizations (CMOs) is associated with a certain degree of risk, despite the fact that Reponex has

carried out quality audits of the respective CMOs, as it must be ensured that the external CMO meets all regulations and that all batches are produced flawlessly every time.

Later discovery of safety issues with Reponex' future products (Pharmacovigilance) that were not known at the time of their regulatory approval or safety issues due to errors in the manufacturing process at CMOs may cause product liability litigation exposure, additional regulatory scrutiny, requirements for additional labelling, recall or withdrawal of products from the market and the imposition of fines or criminal penalties. Any of these actions may result in material impairments of assets, material restructuring charges and other adverse impacts on Reponex' results of operations. In addition, reporting adverse safety events involving Reponex and public rumors about such events could cause Reponex' share price to decline or experience periods of volatility. As Reponex is not in a production phase yet, the likelihood of the risk occurring cannot be further specified.

2.1.12 **Insurance risks**

Reponex has a business insurance which includes property damage and business interruption loss, legal liability and product liability coverage as well as general liability insurance. There is a risk that Reponex will suffer injury or loss, or incur a liability for compensation for damages, which is not covered, or only partially covered, by the insurance. In such case, this may adversely affect Reponex' business operations, earnings and financial position. This poses the risk that in such a scenario, Reponex will have to pay damages or repairs via its own cash, which may result in a deteriorating financial position for Reponex. Specifically, during clinical trials in Denmark, the products are covered by the "Patienterstatningen". When performing clinical trials e.g., for RNX-011, RNX-022, RNX-041 and RNX-051 in other countries, Reponex will be covered by a product liability insurance. There is a significant risk that Reponex will suffer injury or loss, or incur a liability for compensation for damages, which are not covered or only partially covered by the insurance. In such case, this may adversely affect Reponex' business operations, earnings and financial position. This poses the significant risk that in such a scenario, Reponex will have to pay damages or repairs via its own cash, which results in a deteriorating financial position for Reponex.

Due to Reponex' large degree of outsourcing to external partners, in the event of an insurance claim, Reponex will specifically be highly dependent on the distribution of responsibility between the various parties in relation to a possible liability for damages.

As Reponex uses drug substances approved for use in other indications, the probability that Reponex will be met with a claim for compensation is assessed to be between low to medium.

2.1.13 **Risks related to registration and licensing with agencies/governmental authorities**

In order for Reponex to be able to market and sell pharmaceutical drugs, relevant authorization must be obtained. Registration takes place at the appropriate agency/governmental authority in their respective markets, such as the Food and Drug Administration (FDA) in the U.S. and the European Medicines Agency (EMA) in Europe. There is a significant risk that Reponex, directly or via collaborative partners, fails to obtain the requisite permits and registrations from the governmental authorities, thereby reducing Reponex' ability to generate revenue resulting in the earnings potential and financial position of Reponex and the Enlarged Group becoming adversely affected.

In addition, there is a significant risk that observations and feedback on Reponex' plans for upcoming clinical trials will result in delays and/or increased costs for Reponex. Further, changes to the applicable rules and regulations and their interpretations may affect Reponex' ability to meet regulatory requirements.

2.1.14 **Risk of non-compliance by contractual partners**

Reponex operates in a heavily regulated market and is highly dependent on clinical development partners adhering to relevant laws, regulations and guidelines when conducting the clinical trials. Although Reponex has contractually obligated such clinical partners to adhere to relevant laws, regulations and guidelines, any failure by such external partners to establish, correctly interpret and comply with these, may lead to wrongly designed clinical trials, which could lead to a need for repetition, inflicting delay and additional costs for Reponex or to the withdrawal of Reponex' certificates required for market access in certain jurisdictions. If the external partners do not carry out their obligations under these agreements, ongoing and planned clinical trials may be extended, delayed or terminated, which may have a material adverse effect on Reponex' business prospects. As Reponex is assessed to have a higher degree of outsourcing compared to external partners, the risk will be higher for Reponex than for an immediately comparable competitor with a much higher degree of insourcing.

2.2 Pharma Equity Group and, following completion of the Transaction, the Enlarged Group

2.2.1 Risks related to the repayment or sale of the Enlarged Group’s receivable in Portinho S.A

There is a medium to high risk related to the possibilities for repayment or sale of Pharma Equity Group's receivable in Portinho S.A. Pharma Equity Group sold Portinho S.A in 2018 for a total of EUR 11 million.

As per 30 June 2022, the remaining receivable amounts to EUR 9.55 million. An agreement has been reached in 2021 to postpone payment until 1 July 2023. If the plot of land is sold to a third-party before then, the entire amount is due for payment, unless otherwise agreed. The receivable bears interest at 2% p.a. Pharma Equity Group has a mortgage on approximately 80% of the shares in Portinho S.A. Pharma Equity Group has the right to sell the receivable in whole or in part to one or more third-parties upon the general meeting's prior acceptance. Pharma Equity Group is continuously exploring the possibilities of selling the claim to a third-party. The receivable is included in Pharma Equity Group's balance sheet as of 30 June 2022 as a long-term receivable with an accounting value of DKK 67.3 million, calculated as the principal of DKK 71.3 million with deduction of discounting of DKK 4 million. The value of the receivable is calculated on the basis of a calculated present value per 1 January 2022 based on the receivable falling due on 1 July 2023, and where discounting is based on a discretionary assessment of credit and underlying project risk. Pharma Equity Group draws attention to the fact that actual payments from the debtor or a possible sale's value to one or more third parties may deviate from the recognized present value in both a positive and negative direction.

The valuation of the receivable is subject to considerable uncertainty and risk.

If the Enlarged Group does not receive the whole or a part of the receivable of DKK 67.33 million, the Enlarged Group will be forced to use a large part of the proceeds generated by the utilization of the warrants in Reponex executed prior to the Transaction and by the Rights Issue on the day-to-day operations and for settlement of existing creditors, including banks and other financial lenders and creditors.

3 Risks relating to the financial position of Pharma Equity Group and Reponex and, following completion of the Transaction, the Enlarged Group

3.1 Risks related to financing needs and capital for Reponex

Ongoing and planned future clinical trials will require significant capital for Reponex. There is a risk that delays in clinical trials or product development will result in delayed revenues and increased costs, negatively affecting future expected cash flows. Reponex expects to finance further product

development by using the proceeds from the Rights Issue and further future financing rounds. However, there is a risk that delays and/or increased costs will further advance this capital need, leading to further dilution of shareholders in case such capital is raised by future share issuances by the Company.

It is not unlikely that such additional capital cannot be obtained on reasonable terms, which may significantly halt the development of the business and postpone the date on which Reponex generates revenue. On a long-term basis, if all financing options fail, Reponex may go bankrupt. The ability to obtain the necessary capital depends on several factors outside the control of Reponex, such as general market conditions and the economic environment.

3.2 Risks related to the financial situation of Pharma Equity Group and the Enlarged Group

Pharma Equity Group does not generate any revenue and is therefore strongly reliant on loans from creditors including banks.

Pharma Equity Group has a number of creditors including, Sparekassen Sjælland-Fyn A/S, Nykredit A/S, Finansmanagement ApS and Gulløv Holding ApS and have provided security in the receivable from Portinho S.A. The security has been communicated to the management of Portinho S.A. Reference is made to Section 72 and in Section 77.4.2 for further details of the terms, including repayments terms, of the existing agreements with Sparekassen Sjælland-Fyn A/S, Nykredit A/S, Finansmanagement ApS and Gulløv Holding ApS.

The agreements entered into mean that a significant part of Pharma Equity Group's debt either does not fall due until 1 August 2023, or are to be repaid in monthly installments during 2023, 2024 and 2025, or simultaneously with receipt of payment of the receivable in Portinho S.A. Pharma Equity Group has obtained notification of the financing of transaction costs from one of Pharma Equity Group's lenders. In addition, Pharma Equity Group expects that other operating costs can be kept to an absolute minimum until the Transaction is completed. There is a medium to high risk that the Enlarged Group will not receive the whole or a part of the receivable of DKK 67.3 million at the due date, which might then force the Enlarged Group to use a substantial part of the proceeds generated by the utilization of the warrants in Reponex executed prior to the Transaction and by the Rights Issue on the day-to-day operations and for settlement of existing creditors, including banks and other financial lenders.

3.3 Risks related to the New Company Executive Management in the Company

As soon as possible upon Closing of the Transaction, it is expected that a new chief executive officer (CEO) of the Company will be appointed to the New Company Executive Management. In addition, the election of new members to the New Company Board of Directors will be proposed to the Post-Completion General Meeting expected to be held immediately following completion of the Transaction, on 31 March 2023. Reference is made to Section XI.

The New Company Executive Management and the New Company Board of Directors, when appointed or elected, will have to demonstrate that they are able to successfully manage the Company and the Enlarged Group, including with respect to implementing strategic initiatives. There can be no assurance that this will be the case. If the New Company Executive Management and the New Company Board of Directors are not able to successfully manage the Company and the Enlarged Group, this may adversely affect the Company’s results and prospects.

The New Company Executive Management and the New Company Board of Directors may have broad discretion as to the use of the net proceeds of the Rights Issue and could, e.g., as a result of the above, fail to apply these funds in ways that achieve the Company’s strategic objectives or improve the Company’s financial results. Such failure to apply the funds effectively could, accordingly, have a

material adverse effect on the Enlarged Group, including its ability to secure additional capital in the future.

4 Risks relating to the Existing Shares, the New Shares, the New Rights Issue Shares, the Pre-emptive Rights and the New Listing Shares

4.1 In general, the stock market may experience volatility and securities may fluctuate in value or liquidity; due to the offer of New Shares, the Rights Issue and the New Listing Shares, prices of the Existing Shares and the New Shares, the New Rights Issue Shares and New Listing Shares may be volatile regardless of Pharma Equity Group's and, following completion of the Transaction, the Enlarged Group's operating performance and results

Risks and risk-taking are inevitable aspects of owning securities. Listed securities are at times affected by significant price- and volume fluctuations that are not connected to Pharma Equity Group's, and, following completion of the Transaction, the Enlarged Group's actual results and/or result development which may adversely affect the Existing Shares' and/or the New Shares', the New Rights Issue Shares' and New Listing Shares' liquidity and price.

The price development for listed companies can be very volatile and the development is dependent on several factors, some of which are company-specific, while others are tied to the Danish and global stock-markets and the global economy, as a whole, circumstances, trends and/or changes in the markets in which Pharma Equity Group, and following completion of the Transaction, the Enlarged Group operates. Hence, there is no guarantee regarding the future price development of the Company's securities, why the value of the investment may increase as well as decrease. Declines in the price development of the Company's securities could occur in the future due to negative market interpretations of and in response to factors such as; (i) the Transaction in general, (ii) large sales or purchases of Existing Shares or the New Shares, the New Rights Issue Shares and/or the New Listing Shares and (iii) following completion of the Transaction, changes in expectations or variations in actual results of operations during the Enlarged Group's reporting periods, market rumors, changes in laws and regulations applicable to the Company and/or Reponex and the public's response to the Company's company announcements, press releases or other public announcements by the Enlarged Group. Occurrence of any of these and other events could adversely affect the price of the Existing Shares and/or the New Shares, the New Rights Issue Shares and the New Listing Shares. Limited liquidity in Pharma Equity Group's, and, following completion of the Transaction, the Company's securities may also entail price fluctuations.

There is a risk that Pharma Equity Group's Existing Shares, and, following completion of the Transaction, the Company's Shares cannot be sold for a price acceptable for the shareholders, or at all, at any time, considering the historical development in the share prices of the Existing Shares and the recent market conditions in general. There can be no assurance that the market response to the Transaction will have a material positive effect on the share prices of the Shares as expected by the Pharma Equity Group Management and the Reponex Management. It is not an unlikely scenario that such positive effect on the share prices of the Shares may be limited some time following the Prospectus Date and the completion of the Transaction. Hence, an investment in the Shares, including in the Existing Shares and the New Shares, the New Rights Issue Shares and the New Listing Shares may both increase and decrease in terms of value, and there is a risk that an investor will not recover the capital invested. There can be no assurance that, following investors' or Shareholders' acquisition of Shares, investors or Shareholders will be able to resell their Shares at a price equal to or greater than the acquisition price

of the Shares, and there can be no assurance that investors or Shareholders may not experience a loss when attempting to do so.

4.2 The Company may not be able to or may decide not to pay dividends at a level anticipated by Shareholders, which could reduce investors' return on Shares

Historically, no dividend has been paid by Pharma Equity Group.

The Company's ability to pay dividends on the Shares in the future will be dependent upon the availability of distributable reserves. It is the intention to apply all available financial resources and revenue, if any, for the purposes of the Enlarged Group's future business. As of the Prospectus Date, the Pharma Equity Group Board of Directors and, following completion of the Transaction, the New Company Board of Directors does not expect to make dividend payments within the foreseeable future being the next couple of years.

Any future determination related to the Company's dividend policy and the declaration of any dividends will be made at the discretion of the New Company Board of Directors and will depend on a number of factors including, especially, payment of dividends to the Company by Reponex. The payment of dividends by Reponex is, in turn, subject to a number of factors, including the existence of sufficient distributable reserves and cash in Reponex. These restrictions could limit or prohibit the payment of dividends by Reponex to the Company, which could restrict the Company's ability to pay dividends to its Shareholders.

The actual payment of future dividends, if any, and the amounts thereof, will also depend upon a number of factors including but not limited to, the amount of the Enlarged Group's distributable profits and reserves on an unconsolidated basis, the Enlarged Group's capital expenditure and investment plans, earnings, level of profitability and ratio of debt to equity. Further, the actual payment of future dividends, if any, and the amounts thereof will depend on applicable restrictions on the payment of dividends under Danish and other applicable law, the level of dividends paid by other comparable Danish listed companies within the same industry and such other factors as the New Company Board of Directors may deem relevant.

Further, as an alternative, or in addition to, making dividend payments, depending on the Enlarged Group's future financial performance, the New Company Board of Directors may decide to initiate share buybacks. The decision by the New Company Board of Directors to engage in share buybacks, if any, will be made in accordance with the factors applicable to dividend payments set forth above.

There can be no assurance or guarantee that Pharma Equity Group's, and, following completion of the Transaction, the Enlarged Group's consolidated revenue, profit and cash flow may enable or support the payment of dividends, and as a result, Pharma Equity Group's and, following completion of the Transaction, the Company's ability to pay dividends in the future may be limited. In addition, the actual payment of future dividends, if any, and the amounts thereof, may be limited.

4.3 The offer of New Shares and the Rights Issue may not be completed and may be withdrawn

The offer of New Shares and the Rights Issue may not be completed or may be withdrawn by Pharma Equity Group during the period leading up to registration of the New Shares and the New Rights Issue Shares and the capital increase related to such shares with the Danish Business Authority.

If the offer of New Shares is not completed, no New Shares will be issued.

If the Rights Issue is not completed, any exercise of Pre-emptive Rights that has already taken place will be cancelled automatically. The subscription amount for the New Rights Issue Shares will be re-

funded (less any transaction costs) to the last registered owner of the Existing Shares as at the date of withdrawal. All Pre-emptive Rights will be null and void, and no New Rights Issue Shares will be issued. However, trades of Pre-emptive Rights executed during the Rights Trading Period will not be affected. As a result, Existing Shareholders and investors who purchase Pre-emptive Rights will incur a loss corresponding to the purchase price of the Pre-emptive Rights and any transaction costs.

Trades in Existing Shares will also not be affected if the offer of New Shares and/or the Rights Issue do not complete. The subscriber of New Rights Issue Shares will receive a refund of the subscription amount for the New Rights Issue Shares (less any transaction costs). As a result, investors may incur a loss corresponding to the difference between the purchase price of the Pre-emptive Rights acquired and the Subscription Price of the New Rights Issue Shares and any transaction costs.

Any withdrawal of the offer of New Shares and the Rights Issue will be announced in a company announcement on Nasdaq Copenhagen.

Reference is made to Sections 79.1, 79.2 and 79.3.

Should the offer of New Shares and/or the Rights Issue not be completed or be withdrawn, Pharma Equity Group will be liable to bear a part of the incurred costs and fees related to the offer of New Shares and the Rights Issue, including advisor costs, which could have a material adverse effect on the Pharma Equity Group's cash flows, business, financial condition, results of operations and prospects.

4.4 Major shareholder's sale of New Shares upon release from lock-up restrictions

Shareholders of Reponex with an ownership of minimum 0.50% of the shares in Reponex will be subject to a lock-up in relation to the New Shares. Pursuant to the lock-up, until the date falling 12 months from 28 March 2023 (inclusive) being the expected date of Admission, such shareholder of Reponex, is prohibited from acquiring, selling or in any other way trading in New Shares, except in case the receiving party of the New Shares undertakes to be bound by the lock-up undertaking relating to the New Shares, or with the prior written consent of the Pharma Equity Group Board of Directors. Every three (3) months in the lock-up period, New Shares corresponding to 40% of the freely tradable shares of the Company at the given time are released from the lock-up commitment. Reference is made to Section 81.2 for further details of the lock-up restrictions.

There is a risk that, at the successively release of New Shares subject to lock-up restrictions and after the lock-up period expires, the Shareholders subject to the lock-up commitments sell part or all of their New Shares sending a potentially negative signal to the market thus impacting the share price of the Existing Shares negatively, and the Shares following completion of the Transaction.

4.5 The market for the Pre-emptive Rights may be limited and may only offer limited liquidity, and if a trading market develops, the price of the Pre-emptive Rights and the Shares may be subject to greater volatility.

Those who are registered as Existing Shareholders in Pharma Equity Group at the Rights Issue Allocation Time will receive Pre-emptive Rights in proportion to their holding of Existing Shares. The Pre-emptive Rights are expected to have an economic value that the holder can only benefit from if he or she either exercises the Pre-emptive Rights to subscribe for New Rights Issue Shares no later than by the end of the Rights Issue Subscription Period or sells them no later than by the end of the Rights Trading Period. If a holder fails to exercise its Pre-emptive Rights prior to 17 March 2023 at 5:00 p.m. CET or fails to sell them no later than 15 March 2023 at 5:00 p.m. CET, the Pre-emptive Rights will lapse with no value, whereby the holder completely loses the expected financial value of the Pre-emptive Rights.

The market price and thereby the final value of the Pre-emptive Rights allocated on the basis of Existing Shares depends on the market price of the Existing Shares. A decline in the market price of the Existing Shares could have an adverse effect on the value and market price of the Pre-emptive Rights allocated on the basis of Existing Shares.

The Rights Trading Period, during which the Pre-emptive Rights can be traded on Nasdaq Copenhagen, commences on 2 March 2023 at 9:00 a.m. CET and closes on 15 March 2023 at 5:00 p.m. CET. Given the size of the offering of New Shares, the Rights Issue, the New Listing Shares and the number of allocated Pre-emptive Rights, there can be no assurance that a market for the Pre-emptive Rights will develop when they are initially traded on Nasdaq Copenhagen, and if such a market develops, such Pre-emptive Rights may not be effectively priced against the price of the Existing Shares and may be subject to greater volatility given that the trading price of the Pre-emptive Rights depends on the trading price of the Existing Shares. In addition, in the event that the Existing Shareholders sell their Pre-emptive Rights, this could result in a significant decline in the market value of the Pre-emptive Rights, especially those allocated on the basis of Existing Shares and result in higher volatility of the Pre-emptive Rights as well as the Existing Shares, especially the Existing Shares.

Further, the Pre-emptive Rights allocated on the basis of Existing Shares will be subject to trading within the trading hours on Nasdaq Copenhagen. Trading in these instruments may be limited as no market or only a limited market can be expected to exist in relation to such Pre-emptive Rights, which could make it difficult for individual holders to sell their Pre-emptive Rights and thus prevent the holder from being compensated for the dilutive effect that the offer of New Shares and the Rights Issue will have.

IV. GENERAL INFORMATION

This Prospectus has been prepared in accordance with the simplified disclosure regime for secondary issuances as set out in Article 14 of the Prospectus Regulation, and hence, Annex 3 (Registration document for secondary issuances of equity securities) and Annex 12 (Securities note for secondary issuances of equity securities or of units issued by collective investment undertakings of the closed-end type) to Commission Delegated Regulation (EU) no. 2019/980 of 14 March 2019. Further, this Prospectus contains pro forma information prepared in accordance with Annex 20 (Pro forma information) and information about Reponex prepared in accordance with Annex 1 (Registration document for equity securities) to Commission Delegated Regulation (EU) no. 2019/980 of 14 March 2019 according to Section 3, Article 18 of Commission Delegated Regulation (EU) no. 2019/980 of 14 March 2019. This Prospectus is governed by Danish law.

References in this Prospectus to "Pharma Equity Group" and "Reponex" are, respectively, references to Pharma Equity Group A/S, CVR no. 26791413, and Reponex Pharmaceuticals A/S, CVR no. 30082346. References to the "Company" are to the listed entity, Pharma Equity Group A/S, following completion of the Transaction, where Reponex will be a wholly owned subsidiary of Pharma Equity Group. The "Enlarged Group" refers to the Company and Reponex, together as a group, following the completion of the Transaction. See Section "Definitions" for a list of definitions frequently used in this Prospectus.

This Prospectus is not intended to provide the basis of any credit or any other evaluation and should not be considered as a recommendation or invitation by Pharma Equity Group that any recipient of this Prospectus should acquire any Shares, including the New Shares, the New Rights Issue Shares and/or the New Listing Shares. Each prospective investor should determine for itself the relevance of the information contained in this Prospectus, and any acquisition of the Shares should be based upon such information as it deems necessary.

This Prospectus may not be distributed in or otherwise made available in the United States, Canada, Australia or Japan, unless such distribution is permitted under applicable legislation.

Enforceability of civil liabilities and service of process

Pharma Equity Group is a public limited liability company organized under Danish law. Members of the Pharma Equity Group Management are residents of Denmark, and all or a substantial share of assets of Pharma Equity Group and such persons are located in Denmark. As a result, it may not be possible for investors to effect service of process upon such persons or Pharma Equity Group outside Denmark or to enforce judgments obtained in courts outside Denmark based on applicable legislation in jurisdictions outside Denmark against such persons or Pharma Equity Group.

Third-party information

This Prospectus does not contain any expert statement or reports. This Prospectus contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to Pharma Equity Group's and Reponex' businesses and markets. Unless otherwise indicated, such information is based on Pharma Equity Group's and Reponex' analysis of multiple sources, including public market studies.

Reference is made to Section 13 and Section 25 for further details on Pharma Equity Group's and Reponex' auditors.

In addition, reference is made to Appendices II, III and IV for further details on sources related to Section 27.

While Pharma Equity Group can confirm that information from external sources has been accurately reproduced, Pharma Equity Group has not independently verified and cannot give any assurances as to the accuracy of market data as presented in this Prospectus that was extracted or derived from these external sources. As far as Pharma Equity Group is aware and able to ascertain from this information, no facts have been omitted which would render the information provided inaccurate or misleading.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information are not guaranteed. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents.

Pharma Equity Group does not make any representations as to the accuracy of such information that was extracted or derived from these external sources. Thus, any development in the activities of Pharma Equity Group and/or Reponex may deviate from the market developments stated in the Prospectus. Pharma Equity Group does not assume any obligation to update such information. If information has been obtained from third parties, Pharma Equity Group confirms that such information has been accurately reproduced and that, to the best of Pharma Equity Group's knowledge and belief and in so far as can be ascertained from the information published by such third-party, no facts have been omitted which would render the information reproduced inaccurate or misleading.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of Pharma Equity Group's and/or Reponex' future performances and the future performances of the industry in which they operate. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in "Risk Factors" and those included elsewhere in this Prospectus.

Forward-looking statements

Certain statements in this Prospectus, including certain statements in Sections III and VI and in Sections 15, 16, 27 and 28 are based on views of the Pharma Equity Group Management, as well as on assumptions made by and information currently available to the Pharma Equity Group Management, and such statements may constitute forward-looking statements. Such forward-looking statements (other than statements of historical fact) regarding Pharma Equity Group's, Reponex' and/or, following completion of the Transaction, the Enlarged Group's future results of operations, financial position, cash flows, business strategy, plans and objectives of the Pharma Equity Group Management for future operations can generally be identified by terminology such as "targets", "believes", "estimates", "expects", "aims", "intends", "plans", "seeks", "will", "may", "anticipates", "would", "could", "continues" or similar expressions or the negative forms thereof.

Such forward-looking statements are subject to known and unknown risks and uncertainties related to investments in Pharma Equity Group, and, following completion of the Transaction, the Company. Pharma Equity Group's and, following completion of the Transaction, the Company's actual results may differ significantly from the results discussed or implied in the forward-looking statements. Factors that may cause such difference include, but are not limited to, those discussed in "Risk Factors" herein. The forward-looking statements are made as of the Prospectus Date. Investors should carefully consider the risk factors described in this Prospectus before making any investment decision. If one or more of these risks materialize, it may have an adverse effect on Pharma Equity Group's and, following completion of the Transaction, the Company's business, position, results of operations or objectives. In addition, other

risks that have not yet been identified or which Pharma Equity Group has not considered to be material may have an adverse effect, and investors may lose all or part of their investments. See "Risk factors".

V. PRESENTATION OF FINANCIAL INFORMATION

5 Introduction

The financial information included in (or incorporated by reference in) this Prospectus is summarized in the table below, including listing of the documents from which the financial information is based on or derived from.

Financial information for previously reported financial years and interim periods by Pharma Equity Group or Reponex may deviate from subsequently released financial information as a result of the subsequent retrospective implementation of changes in accounting policies and other adjustments with retrospective effect in accordance with International Financial Reporting Standards, as adopted by the EU ("IFRS").

The financial statements of Pharma Equity Group are prepared in accordance with IFRS as adopted by the EU and in accordance with the Danish Executive Order on Adoption of IFRS. The financial statements of Reponex are prepared in accordance with IFRS. The unaudited combined pro forma financial information for the Enlarged Group has been prepared in accordance with Annex 20 of the Prospectus Regulation.

Table no. 1: Financial information

Financial information about:	**Financial information (included elsewhere in the Prospectus or incorporated by reference)**	**Accounting principles / basis of preparation**
Pharma Equity Group	Audited financial statements as of and for the financial years ended 31 December 2021, 31 December 2020 and 31 December 2019 audited by Deloitte Statsautoriseret Revisionspartnerselskab	IFRS as adopted by the EU
Pharma Equity Group	Unaudited interim financial statements as of and for the six months ended 30 June 2022 reviewed by Deloitte Statsautoriseret Revisionspartnerselskab with comparative figures for the six months ended 30 June 2021 (unaudited and not reviewed)	IAS 34, “Interim Financial Reporting” as adopted by the EU
Reponex	Audited financial statements as of and for the financial years ended 31 December 2021, 2020 and 2019 audited by Grant Thornton	IFRS as adopted by the EU

	Statsautoriseret Revisionspartnerselskab	
Reponex	Unaudited interim financial statements as of and for the six months ended 30 June 2022 reviewed by Grant Thornton Statsautoriseret Revisionspartnerselskab with comparative figures for the six months ended 30 June 2021 (unaudited and not reviewed)	IAS 34, "Interim Financial Reporting" as adopted by the EU.
Unaudited combined pro forma interim financial information for the Enlarged Group	Unaudited combined pro forma financial information as of and for the six months ended 30 June 2022	Annex 20 of the Delegated Prospectus Regulation

6 Presentation of financial information for Pharma Equity Group

The Pharma Equity Group Financial Statements have been prepared in accordance with IFRS, IFRS Interpretations Committee interpretations and with those parts of the Danish Financial Statements Act applicable to companies reporting under IFRS.

IFRS is subject to amendment and interpretation by the International Accounting Standards Board and the IFRS Interpretations Committee, and there is an on-going process of review and endorsement by the European Commission. These accounting policies comply with each IFRS that is mandatory for accounting periods ending on 30 June 2022 and for the financial years 2019, 2020 and 2021.

The Pharma Equity Group Financial Statements have been prepared on a going concern basis and have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities including derivative financial instruments. The principal accounting policies set out below have been consistently applied to all periods presented.

The Pharma Equity Group Financial Statements are presented in currency DKK, which is also the functional currency of Pharma Equity Group.

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the relevant transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognized in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the relevant transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

7 Presentation of financial information for Reponex

The Reponex Financial Statements have been prepared in accordance with IFRS, IFRS Interpretations Committee interpretations and with those parts of the Danish Financial Statements Act applicable to companies reporting under IFRS.

IFRS is subject to amendment and interpretation by the International Accounting Standards Board and the IFRS Interpretations Committee, and there is an on-going process of review and endorsement by the European Commission. These accounting policies comply with each IFRS that is mandatory for accounting periods ending on 30 June 2022 and for the financial years 2019, 2020 and 2021.

The Reponex Financial Statements have been prepared on a going concern basis and have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities including derivative financial instruments. The principal accounting policies set out below have been consistently applied to all periods presented.

The financial statements are presented in the currency DKK, which is also the functional currency of Reponex.

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognized in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

8 Presentation of unaudited H1 2022 Pro Forma Financial Information

The publication of the Offer Document and the completion of the Transaction constitute a significant financial commitment (as that term is defined in the Delegated Prospectus Regulation) for Pharma Equity Group. Therefore, this Prospectus also presents unaudited condensed combined pro forma financial information to give effect to the Transaction as if the Transaction had been carried out as of the previous dates set out below.

The unaudited H1 2022 Pro Forma Financial Information for the Enlarged Group has been prepared and is presented for the sole purpose of giving an inherently illustrative estimated and hypothetical presentation of the Enlarged Group's assets, liabilities, financial position and results of operations for the period ended 30 June 2022 for the purposes of the unaudited pro forma consolidated balance sheet of 30 June 2022 and on 1 January 2022 for purposes of the unaudited pro forma consolidated statement of income.

The unaudited H1 2022 Pro Forma Financial Information of the Enlarged Group has been prepared in accordance with IFRS, IFRS Interpretations Committee interpretations and with those parts of the Danish Financial Statements Act applicable to companies reporting under IFRS.

IFRS is subject to amendment and interpretation by the International Accounting Standards Board and the IFRS Interpretations Committee, and there is an on-going process of review and endorsement by the European Commission. These accounting policies comply with each IFRS that is mandatory for accounting periods ending on 30 June 2022.

The unaudited H1 2022 Pro Forma Financial Information has been prepared on a going concern basis and has been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities including derivative financial instruments. The principal accounting policies set out below have been consistently applied to all periods presented.

The unaudited H1 2022 Pro Forma Financial Information is prepared based on the Pharma Equity Group Financial Statements and by combining items of a uniform nature calculated in accordance with the Pharma Equity Group's accounting policies, eliminating intercompany income and expenditure, intercompany balances, and dividends as well as gains and losses on transactions between the consolidated companies.

For each business combination, one of the combining entities shall be identified as the acquirer. A reverse business combination occurs when the entity that issues securities (the legal acquirer) is identified as the acquiree for accounting purposes. Due to facts and circumstances such as the estimated relative voting rights after the business combination and other guidance of IFRS 3, the Pharma Equity Group Management has for accounting purposes assessed Reponex to be the acquirer and Pharma Equity Group as the acquiree.

Newly-acquired or newly-founded companies are recognized in consolidated financial statements as from the time of acquisition and the time of foundation, respectively. The time of acquisition is the time at which control of the company is actually obtained. Divested or discontinued companies are recognized in the consolidated statement of comprehensive income up until the time when control ceases.

When new companies are acquired and a group or a company obtains control of an acquired company, it is recognized in accordance with the acquisition method, according to which the newly acquired company's identifiable assets, liabilities and contingent liabilities are measured at fair market value at the date of acquisition.

The acquisition price of a company is the fair market value of the price paid for the acquired company. Costs relating to the acquisition are recognized in the income statement when paid.

Positive differences (goodwill) between the acquisition price of the acquired company on the one hand and the fair market value of the assets, liabilities and contingent liabilities acquired on the other are recognized as goodwill and tested for impairment at least once a year.

The unaudited H1 2022 Pro Forma Financial Information is presented in currency DKK.

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognized in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

9 Alternative performance measures

The Pharma Equity Groups Financial Statements, the Reponex Financial Statements, and, on a consolidated basis, the H1 2022 Pro Forma Financial Information, contain one non-IFRS financial measure.

The non-IFRS financial measure presented herein is not a measure of financial performance under IFRS as adopted by the EU, but instead is a measure that is defined and used by the Pharma Equity Group Management to monitor the underlying performance of Pharma Equity Group, Reponex and, on a pro forma basis, the Enlarged Group (the "APM").

The measure defined and used by the Pharma Equity Group Management may not be indicative of historical operating results, nor are such measure meant to be predictive of future results. The Pharma Equity Group Management has presented these measures in this Prospectus because it believes that the use of the APM provides a good basis for comparing results over time. The APM has been prepared on the basis of the statutory requirements for content and are supplemented by individual pieces of relevant information.

However, not all companies may calculate APMs in the same manner or on a consistent basis, and, as a result, the presentation thereof may not be comparable to measures used by other companies under the same or similar names.

Accordingly, undue reliance should not be placed on the APM contained in this Prospectus, and they should not be considered as a substitute for standard financial measures in the income statement, balance sheet or cash flow statement presented in accordance with IFRS as adopted by the EU or frameworks otherwise applied for the APM.

The non-IFRS alternative performance measure used in this Prospectus is EBITDA.

EBITDA (non-IFRS) is calculated as: Net profit + interest + taxes + write-downs + depreciation.

10 Financial statements incorporated by reference

The information explicitly listed in the table below has been incorporated by reference into this Prospectus pursuant to Article 19 of the Prospectus Regulation. Non-incorporated parts of the documents incorporated by reference are either not deemed relevant for Existing Shareholders, shareholders of Reponex and other investors or are covered elsewhere in this Prospectus. Direct and indirect references in the documents included in the table below to other documents or websites are not incorporated by reference and do not form part of this Prospectus. The documents speak only for the period in which they are in effect and have not been updated for purposes of this Prospectus. Existing Shareholders, shareholders of Reponex and potential investors should assume that the information in this Prospectus as well as the information incorporated by reference herein is accurate only in the period in which they are in effect.

The information incorporated by reference into this Prospectus is exclusively set out in the cross-reference table below and is available on Pharma Equity Group's website www.bluevision.dk.

Table no. 2: Information incorporated by reference

Document/information	Pages
FY 2021 Pharma Equity Group Financial Statements (audited)	
Independent auditors' report	3-8
Management Statement	9-24
Consolidated financial statements including notes	25-49

VI. DETAILS OF THE TRANSACTION

11 Overview

11.1 Details of the Transaction

The Transaction is expected to be executed following completion of the offer of New Shares and the Rights Issue. Subject to completion of the Transaction, the operations of Pharma Equity Group will undergo substantial changes following which Pharma Equity Group, operating as the Company, will appear as a new company operating within the same legal entity. As a consequence of the expected changes, Pharma Equity Group changed its legal name from Blue Vision A/S to Pharma Equity Group A/S as registered with the Danish Business Authority on 10 February 2023 upon adoption by the Existing Shareholders at the extraordinary general meeting held on 10 February 2023.

The purpose of the Transaction and the issue of New Shares is to contribute all outstanding shares of Reponex into Pharma Equity Group in order to indirectly achieve an official listing of Reponex, whereby Reponex, upon completion of the Transaction, will operate as a wholly owned subsidiary of the Company. The purpose of the Transaction is further to ensure that the shareholders of Reponex are compensated for the fair market value of their respective shareholdings in Reponex in connection with the Transaction. The Rights Issue is executed for the purpose of compensating Existing Shareholders to a certain extent for their respective shareholdings in Pharma Equity Group.

Pharma Equity Group has had limited recent activity up until the Prospectus Date primarily consisting of ensuring, to the extent possible, settlement of the long-term receivable in Portinho S.A, which allows Reponex to contribute its operations into the legal shell of Pharma Equity Group that, following completion of the Transaction, is expected to become the parent company of Reponex, operating as the Company.

The offer price of the shares in Reponex amounts to DKK 180.55 per share. The total consideration of the total issued and outstanding share capital of Reponex thereby corresponds to approximately DKK 1,541 million, which is the consideration as agreed between the Pharma Equity Group Management and the Reponex Management based on the Pharma Equity Group Management's assessment of the estimated value of Reponex as described in Section 12.2 below, such amount forming the basis of the conditional takeover offer published on 5 April 2022 by Pharma Equity Group to the shareholders of Reponex regarding the total issued and outstanding share capital of Reponex.

The shareholders of Reponex receive, as payment for their respective shareholdings in Reponex, the New Shares in the Exchange Ratio, whereby each share with a nominal value of DKK 0.10 in Reponex entitles the shareholder to receive 115 New Shares. The subscription price of the New Shares will be DKK 157, corresponding to a price of DKK 1.57 per New Share. The Existing Shareholders were compensated for the profit and balance improvements that may had occurred since the publication of the Offer Document through bonus shares that were issued to the Existing Shareholders on 25 January 2023 as described below. In addition, the Existing Shareholders are offered to participate in the Rights Issue to partly compensate for the dilution of the issue of New Shares.

Reference is made to the Offer Document published by Pharma Equity Group on 5 April 2022 for further details of the Transaction.

As part of the Transaction, and in accordance with the Offer Document, Pharma Equity Group issued 22,189,810 bonus shares to the Existing Shareholder on 25 January 2023. Reference is made to Section 75.1 for further details of the issuance of bonus shares.

Prior to publication of the Prospectus, all of the shareholders of Reponex has granted the Reponex Board of Directors an authorization to (i) approve and sign any document related to Pharma Equity Group's takeover offer of the total issued and outstanding share capital of Reponex pursuant to the Offer Document necessary to complete the takeover offer or the Offer Document, including any subscription lists related thereto, (ii) approve or waive any condition as listed under Section 4.10 of the Offer Document, (iii) approve any amendments to the Offer Document provided that such changes apply to all shareholders of Reponex and does not materially change the terms of the takeover offer and (iv) approve and sign any lock-up agreements on terms as set out in the Offer Document.

On 27 February 2023, immediately prior to the Prospectus Date, the Pharma Equity Group Board of Directors approved the Prospectus and documents related to the issue of New Shares, in order to complete Pharma Equity Group's conditional takeover offer for the total issued and outstanding share capital of Reponex. In addition, on 27 February 2023, the Reponex Board of Directors approved the subscription of 977,347,625 New Shares on behalf of 100% of the shareholders in Reponex. The New Shares are expected to be issued and allocated upon registration of the capital increase with the Danish Business Authority simultaneously with registration of the capital increase regarding the New Rights Issue Shares, expectedly on 24 March 2023.

As acceptance of the takeover offer pursuant to the Offer Document is obtained from 100% of the shareholders in Reponex according to an authorization as described in this Section 11.1 and in Section 79.1.3, no process in relation to any subsequent compulsory redemption of remaining minority shareholders in Reponex upon completion of the Transaction will be relevant.

Upon completion of the Transaction, the Company is expected to have a two-tier management system consisting of the New Company Board of Directors and the New Company Executive Management.

Finally, Pharma Equity Group will convene a Post-Completion General Meeting to be held for the purpose of, among others, electing new members to the New Company Board of Directors. Reference is made to Section XI for further details on the New Company Management.

12 Strategic rationale

This strategic rationale contains several observations, judgments, and estimates by the Reponex Management and the Pharma Equity Group Management, especially concerning expected business operations and the assessment of Reponex. However, there can be no assurance that other sources may not express a different opinion than those described herein. The forward-looking estimates are subject to uncertainty.

12.1 Strategic rationale for the Enlarged Group

The Enlarged Group’s strategic rationale for the Transaction is for the Company to become a holding company with a portfolio of attractive companies with a primary focus on life sciences. As such, the Enlarged Group sees an opportunity for future acquisitions in the Scandinavian market to begin with. The Transaction serves as a valuable starting point towards achieving this long-term strategy.

The indirect official listing of Reponex increases the Enlarged Group’s flexibility to fund potential acquisitions by using new shares as funding through equity funding by means of future issuances of new shares, with or without pre-emptive rights for existing shareholders, as payment.

Based on the latest development of the share prices of the Existing Shares, the Pharma Equity Group Board of Directors expects that at least half of the New Rights Issue Shares will be subscribed for, and thereby the gross proceeds related to the Rights Issue are expected to amount to approximately DKK

11,094,905 and the net proceeds related to the Rights Issue are expected to amount to approximately DKK 6,094,905, which are expected to be used to intensify the project development phases in the Enlarged Group, upon completion of the Transaction. Such expectations are of their nature subject to uncertainties and are also based on the reason for the Rights Issue that is made as part of the terms and conditions of the Offer Document to limit the dilution of the Existing Shareholders to a certain extent upon completion of the offer of New Shares and the Transaction.

If the total receivable in Portinho S.A. is repaid, as expected, Pharma Equity Group's cash balance will increase by DKK 60-67 million (expected net proceeds of approximately DKK 40-45 million upon repayment of Pharma Equity Group's debt obligations as described in Section 19, thereby increasing the Enlarged Group's cash balance by the equivalent amount. Reference is made to Section 2.2 for further details on the risks related to the receivable in Portinho S.A. As of 30 June 2022, the receivable in Portinho S.A was recognized with a value of DKK 67.3 million based on the principal amounting to EUR 9.55 million with the addition of interest and with agreed maturity no later than 1 July 2023.

12.2 Strategic rationale for Pharma Equity Group

Pharma Equity Group's overall intention with the Transaction is to create long-term value for the Existing Shareholders, and the Pharma Equity Group Management expects that the Transaction will add value as Reponex is deemed as an attractive target for Pharma Equity Group with a unique story and significant commercial potential.

In addition, the Transaction is expected to create positive news flow about Pharma Equity Group, further sprouting new investor interest.

Before submitting the takeover offer, Pharma Equity Group had appointed a third-party corporate finance advisor to assist and contribute to the Pharma Equity Group Management's valuation of Reponex as set out in the Offer Document and in Section 12.2.1 below. The value of the Transaction is estimated by the Pharma Equity Management to be approximately DKK 1,541 million based on the Pharma Equity Management's assessment of Reponex as described in this Section 12.2. Provided that such assessment and the value of the Transaction, and thereby also the expected value of the Enlarged Group upon completion of the Transaction, is valid and accurate, the Pharma Equity Group Management deems that the Transaction is an attractive opportunity for the Existing Shareholders, and the combined effect of an attractive acquisition and the benefits of becoming an integrated part of the Enlarged Group, upon completion of the Transaction, is in such case expected to ensure a significant upside to the Existing Shareholders.

In accordance with the requirements in Section 160 and Section 36, subsection 1 of the Danish Companies Act, the Pharma Equity Group Management has requested Baker Tilly Denmark, Godkendt Revisionspartnerselskab, to prepare a statement (in Danish: "vurderingsberetning") that the applied value of the 100% share capital in Reponex is not lower than the consideration agreed between the Pharma Equity Group Management and the Reponex Management. This statement was issued by Baker Tilly Denmark, Godkendt Revisionspartnerselskab on 23 February 2023 and is required by the Danish Companies Act for the purpose of registration of the capital increase of the Pharma Equity Group's share capital by nominally DKK 977,347,625 corresponding to 977,347,625 New Shares issued as consideration to the shareholders of Reponex with the Danish Business Authority.

The assessment of Reponex and the estimated value of the Transaction involve of their nature certain risks and uncertainties, which could also effect the value of the New Shares and the Rights Issue Shares. Reference is made to "Risk Factors" for further details of the risks related to the Transaction, including the assessment and due diligence of Reponex in Section 1.1, and risks related to Reponex and the Enlarged Group, Pharma Equity Group and the Shares.

12.2.1 Basis of the estimated value of Reponex

In line with common practice and to support its assessment of the estimated valuation of the 100% share capital in Reponex the Pharma Equity Group Management has, in connection with the conditional takeover offer published on 5 April 2022, requested an indicative valuation of Reponex by a third-party corporate finance advisor in July 2021, which was later updated in June 2022 by the same third-party corporate finance advisor. The Pharma Equity Group Management is not aware of any circumstances having occurred since the conditional takeover offer was published on 5 April 2022 that would significantly affect this assessment of the estimated valuation of the 100% share capital in Reponex negatively.

The assessment of the estimated value of Reponex has been based on certain assumptions, estimates and defined valuation methods applied in the indicative valuation assessment requested by the Pharma Equity Group Management, and which the Pharma Equity Group Management believes to be reasonable and conformity to valuations of similar clinical-stage biopharmaceutical companies. However, such assumptions, estimates and valuation methods involve a degree of risks and uncertainties and rely on a certain information provided by Reponex Management concerning, e.g., expected sales, patent approvals, market sizes and time to market of Reponex' clinical products and the value of know-how that has been developed by Reponex. In addition, it should be noted that Reponex as of the Prospectus Date has not yet generated any revenue or launched any of its product candidates and has thereby not yet been able to test its assessment of the addressable market and the commercial potential of its product candidates in the market. In addition, the success of Reponex' pipeline programs is dependent on the success of its clinical trials. As such, the actual value of Reponex may differ from the Pharma Equity Group Management's assessment, if the underlying assumptions and/or estimates change, or the valuation method applied proves to be inaccurate. Reference is made to Section 1.1 for further details on risks related to valuation assessment of Reponex.

The indicative valuation assessment requested by the Pharma Equity Group Management related to the estimated value of Reponex, prior to the applied discounts and negotiations with Reponex Management, has been based on the following primary components and methods:

A) Valuation of the separate pipeline programs, where the most important parameters are:
    - Time to market
    - Patent lifetime
    - Price per treatment
    - Market size, market share and expected peak sales
    - Royalty rate
    - Cost of capital
    - Adjustment of specific business risk

B) Valuation of corporate taxation, where the most important parameters are:
    - Budget forecast
    - Estimated amortization of intangible assets

C) Valuation methods applied:

- Sum-of-parts risk-adjusted Net Present Value (rNPV) method, which is a variant of the ‘discounted cash flow’ (DCF method)
- Net present value (NPV) in relation to Reponex' forecasted cash flows and value of pipeline programs.

12.3 Strategic rationale for Reponex

Reponex believes that the Transaction will create value for its shareholders both in the immediate and long term, primarily through:

- Being a subsidiary of the Company with shares admitted to trading and official listing on a regulated market will provide access to more liquid capital markets and thus benefit the funding of business operations in the future.
- Providing the possibility of utilizing the tax loss of approximately DKK 28.8 million in Pharma Equity Group.
- Becoming more transparent due to the increased disclosure requirements, thus enhancing the visibility of Reponex’ strengths and intrinsic value, positively affecting both Reponex’ talent recruitment and thereby the Enlarged Group’s business operations.
- Providing more expected liquidity in the shares of the Company and thus reducing or removing any illiquidity premium currently applied in valuing Reponex. According to an analysis and journal prepared by Christian Petersen, Thomas Plenborg and Finn Schøler ("Hvordan værdiansættes unoterede virksomheder i praksis"), the price discount associated with illiquidity is documented in the literature to be between 24% and 44%, and thereby the direct value of this benefit to Reponex’ shareholders is expected to be substantial.
- Becoming indirectly subject to more extensive reporting and disclosure requirements, which will have a disciplinary effect on Reponex’ business operations, ensuring a more efficient capital allocation when conducting such operations.
- As outlined above, the benefits of lower capital costs, increased discipline, higher transparency, successful talent recruiting, and more flexibility concerning future capital funding will further contribute to Reponex becoming a more attractive partner for other companies. As such, the increased visibility, public awareness, and business opportunities for Reponex’ potential partnerships will positively affect the Enlarged Group’s future business operations and increase the company’s long-term market value.

VII. INFORMATION ABOUT PHARMA EQUITY GROUP

13 Auditors

Pharma Equity Group's independent auditors elected at the extraordinary general meeting held on 10 February 2023 are:

BDO Statsautoriseret Revisionspartnerselskab
CVR no. 20 22 26 70
Havneholmen 29
1561 København V
Denmark

BDO Statsautoriseret Revisionspartnerselskab is represented by State-Authorized Public Accountant Kim Tataka Mücke (MNE-no. 10944).

The H1 2022 Pharma Equity Group Financial Statements, the FY 2021 Pharma Equity Group Financial Statements, the FY 2020 Pharma Equity Group Financial Statements and the FY 2019 Pharma Equity Group Financial Statements were audited by Deloitte Statsautoriseret Revisionspartnerselskab represented by State-Authorized Public Accountant Kim Tataka Mücke.

Kim Tataka Mücke is a member of FSR – Danish Auditors, the Danish association for state-authorized public accountants (*FSR – Danske Revisorer*).

Following the contemplated Transaction, the New Management is expected to recommend to the shareholders at the upcoming general meeting that the below auditor is elected in relation to the Company:

Grant Thornton Statsautoriseret Revisionspartnerselskab

CVR no. 34209936
Stockholmsgade 45
2100 Copenhagen Ø
Denmark

Grant Thornton Statsautoriseret Revisionspartnerselskab is expected to be represented by State-Authorized Public Accountants Ulrik Bloch-Sørensen (MNE-no. 2913) and Martin Bomholtz (MNE-no. 34117).

14 Company information

14.1 Legal name and commercial name of the Issuer

Pharma Equity Group A/S
Strandgade 24C, st. tv.
1401 Copenhagen K
Denmark

Legal entity identifier (LEI): 2138008SUI4D917FKN20
Telephone: +45 2122 068
www.bluevision.dk

Pharma Equity Group's domicile will change to Slotsmarken 18, 2 th., 2970 Hørsholm, Denmark (from the current registered office address on Strandgade 24C, st. tv., 1401 Copenhagen K, Denmark) as of 1 March 2023, and upon completion of the Transaction, Peter Ole Jensen will resign as the CEO of Pharma Equity Group and as member of the Pharma Equity Group Board of Directors. Reference is made to Section XI for further information on the New Company Management.

Pharma Equity Group is registered with the Danish Business Authority under registration (CVR) no. 26791413. The information on the website of Pharma Equity Group does not form part of the Prospectus, is not incorporated by reference into this Prospectus and has not been scrutinized or approved by the Danish FSA, unless otherwise specifically stated herein. Pursuant to article 1 of the Articles of Association and the registration with the Danish Business Authority, Pharma Equity Group has the following secondary name: Vision A/S.

As a consequence of the Transaction, Pharma Equity Group changed its legal name from Blue Vision A/S to Pharma Equity Group A/S as registered with the Danish Business Authority on 10 February 2023 upon adoption by the Existing Shareholders at the extraordinary general meeting held on 10 February 2023. Reference is made to Section VI for further details of the Transaction.

14.2 Country of incorporation and governing law

Pharma Equity Group is a public limited liability company incorporated in Denmark on 20 September 2002 and is subject to Danish law.

15 Business overview

This business overview contains a number of observations, judgments and estimates, especially in relation to market sizes, market shares and market trends, which are based on the Pharma Equity Group Management's estimates and publicly available information. The Pharma Equity Group Management's estimates are generally based on Pharma Equity Group's knowledge of the market and various external research and industry reports. External sources were used only to a limited extent in the preparation of this business and market review. However, there can be no assurance that other sources may not express a different opinion of the market, etc. than the one on which the Pharma Equity Group Management has based its views. The information regarding market conditions is based on the Pharma Equity Group Management's estimates. The forward-looking estimates are subject to uncertainty.

15.1 Pharma Equity Group's principal activities

15.1.1 Key factors relating to the Pharma Equity Group's business

As of the Date of this Prospectus, Pharma Equity Group has no products or service deliveries and does not carry on any business or operating activities and is not present in any markets.

As of the Prospectus Date, Pharma Equity Group's only and main activity is handling of its receivable in Portinho S.A. amounting to approximately DKK 67.3 million (EUR 9.55 million) with an agreed payment date no later than on 1 July 2023 with the option of early redemption. As such, if the project regarding the real property is sold to a third-party before 1 July 2023, the entire amount is due for payment, unless otherwise agreed. The receivable bears interest at 2% p.a., and Pharma Equity Group has a mortgage on 80% of the shares in Portinho S.A. Pharma Equity Group has the right to sell the receivable in whole or in part to one or more third parties upon the general meeting's prior acceptance. Due to uncertainties regarding settlement of the receivable, Pharma Equity Group is continuously exploring the possibilities of selling the receivable to a third-party.

15.2 Strategy and objective

Pharma Equity Group was established in September 2002 under the name Gudme Raaschou Vision A/S as an investment company that invested exclusively in securities. In November 2009, Pharma Equity Group changed its name to Blue Vision A/S with a new strategic focus on Danish investment and development properties, followed by a readjusted focus in 2014 on international, innovative and spectacular real estate projects, including investments in and operation of investment properties.

Today, and as of the Prospectus Date, Pharma Equity Group's purpose is, without geographical limitation, to be a holding company of companies with life science activities and to invest in shares admitted to trading on a regulated market or multilateral trading facility and unlisted capital shares as determined by the Pharma Equity Group Board of Directors, and, upon completion of the Transaction, the New Company Board of Directors, in order to achieve long-term value growth while observing appropriate risk diversification as well as other related businesses.

Upon completion of the Transaction, to which the offer of New Shares and the Rights Issue are subject, the business of Reponex and activities carried out by Pharma Equity Group described below and under Section 27 will be carried out by the Enlarged Group, with the Company as the parent company in the Enlarged Group.

15.3 Significant changes impacting Pharma Equity Group's operations and principal activities

As part of Pharma Equity Group's strategy to acquire life science companies, Pharma Equity Group submitted a takeover offer for the total issued and outstanding share capital in Reponex in April 2021 pursuant to the Offer Document.

For further details on the Transaction, reference is made to Section VI. For further details on the risks related to the Transaction, reference is made to Section 1.

Except for the Transaction, no significant changes impacting Pharma Equity Group's operations and principal activities have occurred since the last published financial statements.

15.3.1 Indication of any significant new products and/or services

Pharma Equity Group has no products or service deliveries as Pharma Equity Group does not carry on any business or operating activities and is not present in any markets as of the Prospectus Date.

As of the Prospectus Date, Pharma Equity Group's only and main activity is handling of its receivable in Portinho S.A. amounting to approximately DKK 67.3 million (EUR 9.55 million).

15.3.2 A description of the principal markets

Pharma Equity Group has no products or service deliveries as Pharma Equity Group does not carry on any business or operating activities and is not present in any markets as of the Prospectus Date.

As of the Prospectus Date, Pharma Equity Group's only and main activity is handling of its receivable in Portinho S.A. amounting to approximately DKK 67.3 million (EUR 9.55 million).

15.4 Dependencies on patents. Licenses etc.

As of the Prospectus Date, Pharma Equity Group has no patents or licenses etc.

15.5 The basis for any statements made by Pharma Equity Group regarding its competitive position.

As of the Prospectus Date, Pharma Equity Group's only and main activity is handling of its receivable in Portinho S.A. amounting to approximately DKK 67.3 million (EUR 9.55 million).

As Pharma Equity Group has no products or service deliveries and does not carry on any business or operating activities in any markets as of the Prospectus Date, no statements have been made regarding its competitive position in the Prospectus.

15.6 Investments and joint ventures and undertakings

Except for the Transaction, Pharma Equity Group has no current or planned material investments in progress. Please see Section VI for further details of the Transaction.

In addition, Pharma Equity Group has no joint ventures or undertakings.

15.6.1 Environmental issues that may affect Pharma Equity Group utilization of the tangible fixed assets.

As of the Prospectus Date, Pharma Equity Group has no tangible fixed assets, thus no environmental issues.

16 Trend information

As of the Prospectus Date, Pharma Equity Group's only and main activity is handling of its receivable in Portinho S.A. amounting to approximately DKK 67.3 million (EUR 9.55 million).

As at the Date of this Prospectus, Pharma Equity Group has no products or service deliveries and does not carry on any business or operating activities and is not present in any markets. The market and industry information contained in this Prospectus therefore relates to Reponex only. Reference is thus made to Section 27.

17 Organizational structure

As of the Prospectus Date, the only subsidiary of Pharma Equity Group is Contra A/S, which is under bankruptcy, however, not yet dissolved in the system of the Danish Business Authority as of the Prospectus Date.

As of the Prospectus Date, Reponex has no subsidiaries.

Upon Completion of the Transaction, Pharma Equity Group, operating as the Company, will own 100% of the total issued and outstanding share capital of Reponex, which after Completion of the Transaction constitutes the Enlarged Group.

Upon completion of the Transaction, the Enlarged Group will have the following material direct and indirect subsidiaries:

Entity Name	Country of incorporation	Percentage ownership
Reponex Pharmaceuticals A/S	Denmark	100%

18 Regulation

As of the Prospectus Date, Pharma Equity Group's only and main activity is handling of its receivable in Portinho S.A. amounting to approximately DKK 67.3 million (EUR 9.55 million).

As at the Prospectus Date, Pharma Equity Group has no products or service deliveries and does not carry on any business or operating activities and is not present in any markets. Upon completion of the Transaction to which the offer of New Shares is subject, the business of Pharma Equity Group will be carried on by the Enlarged Group with Pharma Equity Group, operating as the Company, as the parent company and Reponex as the subsidiary in the Enlarged Group.

Accordingly, the regulatory environment of the Enlarged Group is described in Section 30.

19 Operating and financial review

This Operating and Financial Review of Pharma Equity Group should be read in conjunction with the more detailed information contained in this Prospectus, including the financial information and other information referred to Section V, which is incorporated by reference into this Prospectus as set out therein. The H1 2022 Pharma Equity Group Financial Statements as well as FY 2021 Pharma Equity Group Financial Statements, FY 2020 Pharma Equity Group Financial Statements and FY 2019 Pharma Equity Group Financial Statements are prepared on the basis of IFRS as adopted by the EU and in accordance with the Danish Executive Order on Adoption of IFRS.

19.1 Financial position of Pharma Equity Group

The following table presents the financial position of Pharma Equity Group for H1 2022, H1 2021 and FY 2021, FY 2020 and FY 2019.

Table no. 3: Balance Sheet – Pharma Equity Group

As of 30 June or 31 December

Balance Sheet – Pharma Equity Group					
DKK '000	**30/06-2022 (audited)**	**30/06-2021 (not audited)**	**31/12 2021 (audited)**	**31/12 2020 (audited)**	**31/12 2019 (audited)**
Portinho S.A receivable	67,250	57,936	63,500	57,500	-
Total non-current assets	**67,250**	**57,936**	**63,500**	**57,500**	**-**
Other receivables	0,112	0,188	0,145	0,082	72,396
Cash and cash equivalents	0,074	-	-	-	0,001
Total current assets	**0,186**	**0,188**	**0,145**	**0,082**	**72,397**
Total assets	**67,436**	**58,124**	**63,645**	**57,582**	**72,397**
Equity	**44,358**	**33,614**	**42,566**	**34,281**	**67,156**
Debt to credit institutions	16,456	11,180	15,618	8,479	0,350
Other liabilities	6,622	13,330	5,461	14,822	4,891

Total liabilities	**23,078**	**24,510**	**21,079**	**23,301**	**5,241**
Total equity and liabilities	**67,436**	**58,124**	**63,645**	**57,582**	**72,397**

19.1.1 Financial position in H1 2022

Pharma Equity Group's equity per 30 June 2022 amounted to DKK 44.4 million.

As of 30 June 2022, the receivable from Portinho S.A was recognized with a value of DKK 67.3 million based on the principal amounting to EUR 9.55 million with the addition of interest and with agreed maturity no later than 1 July 2023. The receivable is valued at present value based on a risk-assessed discount factor, whereby the receivable is written down by approximately 8% in relation to the principal and added accumulated interest.

As of 30 June 2022, Pharma Equity Group had financial liabilities of totally DKK 23.1 million, of which DKK 17.9 million related to bank debt, financial loans and debt to capital owners expected to be settled when payment has been received for the receivable in Portinho S.A., and of which DKK 3.6 million represented subordinated convertible loans expected to be converted to equity before the completion of the Transaction. Reference is made to Section 75.1 for details on conversion of the convertible loans. Financial liabilities also include a risk provision of DKK 1.0 million to cover risk related to a surety obligation provided by Pharma equity Group to a 3rd party assumed by previous member of the executive management of the company in connection with the acquisition of Heartcare ApS and its subsidiaries. Pharma Equity Group Board of Directors does not expect that the risk will actually materialize as there has been no further dialogue with the lender since Pharma Equity Group assumed the surety obligation. Remaining financial liabilities of DKK 0.6 million represented operating liabilities on normal payment terms.

19.1.2 Financial position in H1 2021

Pharma Equity Group's equity per 30 June 2021 amounted to DKK 33.6 million.

On 10 March 2021, Pharma Equity Group entered into an agreement accepting deferral of the maturity of the Portinho S.A receivable until 1 July 2023. However, as Pharma Equity Group expected and still expects that the receivable over time and no later than 1 July 2023 will be paid or realized in full in another way, as of 30 June 2021, the value of the receivable was reduced by a write-down of DKK 13.8 million calculated as the difference between the principal of the receivable and the present value based on the receivable being paid per 1 July 2023, applying a risk-assessed discount factor. In the H1 2021 accounts, interest of DKK 0.4 million was recognized as income, whereby the receivable was recognized with a total net value of DKK 57.9 million as per 30 June 2021.

In addition to the above, during H1 2021:

- Pharma Equity Group was in dialogue with financial creditors, potential investors etc. and other stakeholders to ensure full coverage and/or maturity extension of known creditors as well as obtained financing in the form of liquidity and declaration of support.

- Pharma Equity Group obtained convertible loans of DKK 0.4 million and, additionally, accounts payable of DKK 2.5 million were changed to convertible loans so that Pharma Equity Group's convertible loans amounted to DKK 2.9 million as of 30 June 2021.

- Pharma Equity Group extended payment terms for creditors amounting to a total of DKK 2.4 million so that the due date was extended to early 2022.

- Pharma Equity Group concluded agreements on bank debt of a total of DKK 8.5 million so that the maturity was extended, whereby DKK 3.5 million fell due early 2022 and DKK 5 million fell due in April 2022.

- Pharma Equity Group obtained declaration of support valid until 31 December 2021 from the major shareholder, Jeanette G. Borg, with an amount up to DKK 0.5 million to cover part of the expected general operating costs in 2021.

In addition, Pharma Equity Group carried out a capital reduction on 2 March 2021 with transfer to a special reserve, as approved by the shareholders at the extraordinary general meeting held on 31 December 2020.

On 5 March 2021, Pharma Equity Group specified compensation claims against the sellers of Heartcare ApS and a separate claim against Pharma Equity Group's former chairman of the board of directors, Nicolai Dines Kærgaard, and former director, Peter Hauge Jensen, consisting of 1) a preliminary compensation claim amounting to DKK 18.0 million and 2) a claim against the sellers of Heartcare ApS to return the total purchase price of nominally DKK 4,000,0000 Existing Shares. The claims were not included with any value on the balance sheet as of 30 June 2021.

As regards to the provisions for the surety obligations that Pharma Equity Group assumed in connection with the acquisition of Heartcare ApS and subsidiaries, any claim that may be raised against Pharma Equity Group will be denied and was therefore not expected to have any impact on liquidity for the FY 2021. It was also the intention to establish a financial buffer and allocate adequate resources to ensure that any claims will not hinder future plans on strategy.

19.1.3 Financial position in FY 2021

As of 31 December 2021, the remaining Portinho S.A receivable amounted to EUR 9.55 million. An agreement to postpone payment until 1 July 2023 was reached in 2021. As of 31 December 2021, the receivable, translated to DKK, was recognized at a value of DKK 63.5 million calculated as the present value based on the fact that the receivable will be settled as of 1 July 2023 at the latest and by applying a risk-assessed discount factor.

As of 31 December 2021, Pharma Equity Group had short-term debt obligations totaling DKK 14.5 million, of which DKK 2.7 million represented subordinated convertible debt, including accrued interest of DKK 0.1 million, not expected to result in cash outflow in 2022, and of which DKK 1.5 million represented provisions for surety obligations neither expected to result in cash outflow in 2022. For a significant part of the financial debt, agreements have been entered whereby the debt will be settled when proceeds will be received on the Portinho S.A receivable on 1 July 2023 at the latest.

19.1.4 Financial position in FY 2020

The outbreak of COVID-19 in 2020 and in 2021 resulted in Portinho S.A not being able to settle the receivable that was included in the annual accounts for 2019 with a value of DKK 71.3 million, and which according to the original agreement was due for final payment at the end of 2020. Early 2021, Pharma Equity Group entered into an agreement regarding deferred payment until 1 July 2023 at the latest. It is the Pharma Equity Group Management's view that by accepting deferral of payment, a realistic possibility has been created for Portinho S.A to arrange for full repayment. However, as the Pharma Equity Group Management expects over time that Portinho S.A will be able to honor the receivable in

full and no later than 1 July 2023, a write-down of DKK 13.8 million was recognized in the annual accounts for 2020 representing the difference between the receivable's principal and present value based on repayment on 1 July 2023 applying a risk-based discount factor.

Hence, the receivable was valued at a net value of DK 57.5 million as of 31 December 2020.

As of 31 December 2020, Pharma Equity Group had debt obligations of DKK 13.3 million and provisions of DKK 10 million relating to surety obligations assumed from the acquisition of Heartcare ApS and subsidiaries, representing a total of DKK 23.3 million.

In the first months of 2021, Pharma Equity Group entered into agreements with financial lenders, other major creditors, selected shareholders and other stakeholders in a combination of new loans and extension of maturity and declaration of support, which resulted in known creditors being secured, whereby the Pharma Equity Group Management at the time assessed that there was no significant uncertainty linked to Pharma Equity Group's continued operations in 2021.

Equity as of 31 December 2020 amounted to DKK 34.3 million.

19.1.5 Financial position in FY 2019

Equity as of 31 December 2019 amounted to DKK 67.2 million compared to DKK 77.6 million as of 31 December 2018.

In 2018, Pharma Equity Group sold the shares in the subsidiary Portinho S.A as well as a receivable in the same entity for a total of EUR 11 million, where, as part of the sale, a payment plan was agreed according to which two payments of a total EUR 1 million fell due in 2019, and with a remaining payment of EUR 10 million due in the end of 2020. Only one payment of EUR 0.5 million was paid to Pharma Equity Group in 2019. The Pharma Equity Group Management at the time was in continuous dialogue with the buyer, and when finalizing the 2019 annual accounts in March 2020, the Pharma Equity Group Management at the time managed to make an agreement in principle about early repayment of the total outstanding debt against a minor reduction in the principal. Closing of the agreement and the subsequent payment awaited various process actions. The agreement in principle was used as basis for valuation of the receivable in the financial statements as of 31 December 2019 resulting in the receivable being valued at DKK 71.3 million.

As the agreement in principle regarding early repayment was not completed, it did not replace the original agreement regarding the receivable.

19.2 Income statement of Pharma Equity Group

The following table presents the income statement of Pharma Equity Group for H1 2022, H1 2021 and FY 2021, FY 2020 and FY 2019.

Table no. 4: Income Statement – Pharma Equity Group

Financial periods ending: 30 June and 31 December

Income Statement – Pharma Equity Group					
DKK '000	**01/01 – 30/06 2022 (audited)**	**01/01 – 30/06 2021 (not audited)**	**01/01 – 31/12 2021 (audited)**	**01/01 – 31/12 2020 (audited)**	**01/01 – 31/12 2019 (audited)**
Administrative costs	-1,932	-0,813	-1,444	-2,135	-1,671
Total operating costs	**-1,932**	**-0,813**	**-1,444**	**-2,135**	**-1,671**

Income/(loss) before interest and tax	**-1,932**	**-0,813**	**-1,444**	**-2,135**	**-1,671**
Financial income	4,250	0,436	7,500	-	-
Financial expenses	-0,526	-0,290	-0,665	-30,740	-12,746
Income/(loss) before company tax	**1,792**	**-0,667**	**5,391**	**-32,875**	**-14,417**
Income tax	-	-	-	-	-
Net profit/loss	**1,792**	**-0,667**	**5,391**	**-32,875**	**-14,417**
Key figures					
EBITDA (non-IFRS)	**-1,932**	**-0,813**	**-1,444**	**-2,135**	**-1,671**

19.2.1 Income statement for H1 2022

For the period 1 January to 30 June 2022, Pharma Equity Group incurred a net profit of DKK 1.8 million.

The result was affected by an upward adjustment of DKK 3.0 million relating to the receivable that Pharma Equity Group has from Portinho S.A. During the period, Pharma Equity Group incurred operating costs of DKK 1.9 million. The increase in costs compared to 1 January to 30 June 2021 are mainly due to costs associated with the purchase offer made by Pharma Equity Group on 5 April 2022 for the acquisition of the total issued and outstanding share capital in Reponex in connection with the Transaction as set out in the Offer Document and elsewhere in this Prospectus.

19.2.2 Income statement for H1 2021

For the period 1 January to 30 June 2021, Pharma Equity Group incurred a net loss of DKK 0.7 million compared to a net loss of DKK 12.2 million for the period 1 January to 30 June 2020.

The significantly improved, but still negative, result should be seen in the light of the fact that in the first half of 2020 provisions for losses of DKK 10 million were recognized. The first half of 2021 is partly affected by special consultancy costs.

19.2.3 Income statement for FY 2021

Net profit for 2021 was DKK 5.4 million.

The net profit was primarily a result of an upward adjustment of DKK 4.8 million of the receivable in the sale of Portinho S.A. The value of the receivable includes a significant accounting estimate until the receivable is fully settled with a contractual due date of 1 July 2023. A write-down/discounting effect of DKK 13.8 million was recognized in 2020. The upward adjustment of DKK 4.8 million represents the reverse discounting effect from the shortening of the term.

The result was also positively affected by interest income of approximately DKK 1.2 million arising from the receivable. The interest is due for payment together with payment of the principal on 1 July 2023.

The FY 2021 was affected by special consultancy costs as well as transaction costs related to the contemplated acquisition of total issued and outstanding share capital in Reponex in connection with the Transaction as set out in the Offer Document and elsewhere in this Prospectus.

In the FY 2020 Financial Statements, Pharma Equity Group made provisions for a total of DKK 10 million to cover surety obligations relating to obligations assumed in connection with the acquisition of Heartcare ApS and subsidiaries in 2019. The provisions were based on a conservative risk-based estimate. In October 2021, Pharma Equity Group entered into an agreement with one of the counter parties agreeing on a total payment of DKK 7.0 million, of which DKK 0.5 million was paid in 2021, and the rest is to be paid on 1 July 2023 or, if payments are received before then, from the Portinho S.A receivable. Pharma Equity Group continues to have provisions for other potential surety obligations of DKK 1.5 million and has thus reversed and recognized DKK 1.5 million as income in 2021.

19.2.4 Income statement for FY 2020

Net loss for 2020 amounted to DKK -32.9 million.

The result was particularly negatively affected by losses and provisions of DKK 16.6 million as a result of the failed investment in Heartcare ApS and its subsidiaries. This included provisions of totally DKK 10 million to cover surety obligations that Pharma Equity Group had undertaken pursuant to the Heartcare ApS transaction and other financial losses of DKK 6.6 million relating to the failed investment.

In addition, the net loss for FY 2020 was negatively impacted from reassigning the value of the Portinho S.A receivable taking into consideration that Pharma Equity Group entered into an agreement early 2021 where the due date was prolonged to 1 July 2023 to give Portinho S.A sufficient time to develop the underlying projects in Madeira, and thereby offering Portinho S.A a greater possibility of being able to settle the full outstanding amount. In the result of FY 2020, Pharma Equity Group recognized a write-down of the receivable of DKK 13.8 million representing the difference between the principal of the receivable and the net present value as of 31 December 2020 applying a discount rate that reflects the risks of the underlying projects and the assessed counter party risk.

In 2020, Pharma Equity Group had operating costs of DKK 2.1 million primarily impacted by legal costs relating to the handling of the Portinho S.A receivable.

19.2.5 Income statement for FY 2019

Net loss for FY 2019 amounted to DKK -14.4 million.

The net loss was affected by 1) a financial loss of DKK 5.7 million consisting of DKK 4.0 million relating to the write-down of investments in Heartcare ApS and its subsidiaries and losses of DKK 1.7 million relating to other investments, and 2) negative value adjustments and costs relating to the Portinho S.A receivable of totally DKK 7.0 million consisting of negative value adjustments of DKK 3.9 million and legal and consultancy costs of DKK 3.1 million relating to handling of the receivable.

In 2019, Pharma Equity Group had general operating costs of DKK 1.6 million.

19.3 Cash flow of Pharma Equity Group

The following table presents the cash flow of Pharma Equity Group for H1 2022, H1 2021 and FY 2021, FY 2020 and FY 2019.

Table no. 5: Cash Flow – Pharma Equity Group

Financial periods ending: 30 June and 31 December

Cash flow – Pharma Equity Group

DKK '000	01/01 – 30/06 2022 (audited)	01/01 – 30/06 2021 (not audited)	01/01 – 31/12 2021 (audited)	01/01 – 31/12 2020 (audited)	01/01 – 31/12 2019 (audited)
Cash flow from operating activities	-1,430	-0,198	-2,089	-9,906	-0,274
Cash flow from investment activities	-	-	-	-	1,650
Cash flow from financing activities	1,504	0,198	2,089	9,905	-1,376
Cash flow of the year	**0,074**	**-**	**-**	**-0,001**	**-**
Cash and cash equivalents as of 1 January	-	-	-	0,001	0,001
Cash and cash equivalents as of 31 December	**0,074**	**-**	**-**	**-**	**0,001**

19.3.1 Cash flow for H1 2022

The cash flow from operating activities for the 6-months-period ended 30 June 2022 amounted to DKK -1.4 million. The cash flow from operating activities was especially affected by the upward value adjustments of DKK 3.0 million of the Portinho S.A receivable, which had no cash impact. In addition, cash flow from operating activities was impacted by a positive working capital change of DKK 0.8 million, which primarily related to changes in accounts payable.

The cash flow from investment activities for the 6-months-period ended 30 June 2022 was DKK 0.

The cash flow from financing activities for the 6-months period ended 30 June 2022 was DKK 1.5 million consisting of instalments on bank debt with DKK 1.0 million and proceeds received from new subordinate convertible debt and financial loans of totally DKK 2.5 million.

The cash and cash equivalents as of 30 June 2022 amounted to DKK 0.1 million.

19.3.2 Cash flow for H1 2021

The cash flow from operating activities for the 6-months-period ended 30 June 2021 amounted to DKK -0,2 million and cash flow from financing activities amounted to DKK 0.2 million.

The cash flow from investment activities for the 6-months-period ended 30 June 2021 amounted to DKK 0.

The cash and cash equivalents as of 30 June 2021 amounted DKK 0.

19.3.3 Cash flow for FY 2021

The cash flow from operating activities for the year ended 31 December 2021 amounted to DKK -2,1 million. The cash flow from operating activities was especially affected by the income from reversal of provisions with DKK 1.5 million and upward value adjustments of the Portinho S.A receivable of DKK 4.8 million, none of which having cash flow impact. Hence, the cash flow from operating activities represented cash payments relating to operating expenses and interest payments on especially bank loans.

Cash flow from investment activities for the year ended 31 December 2021 amounted to DKK 0.

The cash flow from financing activities for the year ended 31 December 2021 amounted to DKK 2.1 million consisting of instalments on financial loans amounting to DKK 0.5 million and proceeds received from new subordinated convertible debt and financial loans amounting to a total of DKK 2.6 million.

The cash and cash equivalents as of 31 December 2021 amounted to DKK 0.

19.3.4 Cash flow for FY 2020

The cash flow from operating activities for the year ended 31 December 2020 amounted to DKK -9.9 million DKK. The cash flow from operating activities was affected by provisions relating to commitments from the acquisition of Heartcare ApS and subsidiaries totaling to DKK 10 million and value adjustments of DKK 13.8 million of the Portinho S.A receivable, none of which having impact on the cash flow. Hence, the cash flow from operating activities represented cash payments relating to operating expenses, interest payments and payments made on behalf of Heartcare ApS and subsidiaries of totally DKK 6.6 million, which were considered lost in connection with Heartcare ApS being declared bankrupt and dissolved in October 2021 and its subsidiaries, Aktiv Integration ApS, being declared bankrupt in August 2022 and Contra A/S being under bankruptcy as of the Prospectus Date.

Cash flow from investment activities for the year ended 31 December 2020 amounted to DKK 0.

Cash flow from financing activities for the year ended 31 December 2020 amounted to DKK 9.9 million consisting of release of deposit in connection with capital reduction of DKK 1 million and proceeds from increase in bank debt of DKK 8.1 million and new shareholder loans of DKK 0.7 million.

The cash and cash equivalents as of 31 December 2020 amounted to DKK 0.

19.3.5 Cash flow for FY 2019

The cash flow from operating activities for the year ended 31 December 2019 amounted to DKK -0.3 million. The cash flow from operating activities was affected by the loss on the investment in Heartcare ApS and subsidiaries amounting to DKK 4.0 million and loss on other investments amounting to DKK 1.7 million and negative value adjustment etc. of the Portinho S.A receivable of totally DKK 6.9 million, none of which having an impact on the cash flow. Hence, cash flow from operating activities consisted of payments relating to general operating costs of-set by a positive working capital change.

Cash flow from investment activities for the year ended 31 December 2019 amounted to DKK 1.7 million, which consisted of payments received in the year from the past sale of Portinho S.A amounting to DKK 3.7 million and less costs paid in the year relating to the past sale of Portinho S.A amounting to DKK 2 million.

Cash flow from financing activities for the year ended 31 December 2019 amounted to DKK -1,4 million. In 2019, Pharma Equity Group made a deposit in connection with capital reduction of DKK 1 million and repaid shareholder loans of DKK 0.5 million and had an increase bank debt of DKK 0.1 million.

The cash and cash equivalents as of 31 December 2019 amounted to DKK 0.

20 Profit forecasts and estimates

Pharma Equity Group has not published any profit forecast or profit estimate for FY 2023 and no new profit forecast or profit estimate will be included in the Prospectus. Pharma Equity Group expects to publish its annual report for FY 2022 on 31 March 2023 in which profit forecast and estimate for FY 2023 for the Enlarged Group will be included.

21 Selected key financial information

21.1 Historical financial information

21.1.1 Audited historical financial information covering the last three financial years

The audited historical financial information of Pharma Equity Group comprises the H1 2022 Pharma Equity Group Financial Statements, FY 2021 Pharma Equity Group Financial Statements, FY 2020 Pharma Equity Group Financial Statements and FY 2019 Pharma Equity Group Financial Statements included in this Prospectus by reference.

Reference is made to Section 10.

Further, reference is made to Section 6 for further details on accounting standards and framework for the historical financial information.

21.1.2 Change of accounting reference date

Pharma Equity Group has not changed its accounting reference date during the period for which historical financial information covers.

21.2 Legal and arbitration proceedings

Except as described below, Pharma Equity Group is not aware of any legal claims or proceedings against Pharma Equity Group.

In the first half of 2022, a remuneration of DKK 900,000 has been recognized in Pharma Equity Group for the resigned director (Jeanette G. Borg), which has been announced to be paid at the same time as payment is received on the Portinho S.A receivable. Pharma Equity Group and the resigned director do not agree on the size of the amount and the due date.

21.3 Significant change in Pharma Equity Group's financial position

On 5 April 2022, Pharma Equity Group published an Offer Document regarding the acquisition of the total issued and outstanding share capital in Reponex.

Reference is made to Section VI for further information on the Transaction.

22 Employees

22.1 Distribution of employees

As of 31 December 2022, Pharma Equity Group had 1 FTE.

Average number of employees in Pharma Equity Group A/S				
30 June 2022	**30 June 2021**	**2021**	**2020**	**2019**
1	1	1	1	1

23 Major shareholders

Pharma Equity Group has per 30 June 2022 not registered any shareholders with controlling influence pursuant to Section 44 of the Danish Capital Markets Act.

Pharma Equity Group has per 30 June 2022 registered the following shareholders as major shareholders with 5% or more of the share capital pursuant to Section 38 of the Danish Capital Markets Act and Section 55 of the Danish Companies Act:

- Jeanette G. Borg (including via SIX SIS LTD (Jeanette G. Borg) and Baltic Investment Group ApS) (26.17%)
- NK Invest ApS (including via Selskabet af 25. marts 2015 II ApS) (8.09%)
- Peter Ole Jensen (including via POLE Holding ApS) (19.02%)

Reference is also made to Section 70 for further details on major shareholders.

24 Related party transactions

As per 30 June 2022, costs were incurred in Pharma Equity Group for a law firm in which a board member, Claus Abildstrøm, is a partner, amounting to DKK 138,000.

As per 30 June 2022, Pharma Equity Group had debt to capital owners totaling DKK 1,522,000(1/1-2022: DKK 622,000). The debt relates to accrued salary of DKK 900,000 to a former director (Jeanette G. Borg) and her husband of DKK 622,000. As at the Prospectus Date, there is disagreement about the salary amount and settlement time for the debt. Pharma Equity Group has offered to pay the total debt at the same time as payment is received for the Portinho S.A. receivable, which is due on 1 July 2023. Reference is made to Section 21.2.

Pharma Equity Group has a receivable from Portinho S.A of DKK 71,344,000 excluding interest. The receivable bears an interest of 2% per anno. On 30 June 2022, accumulated interests of DKK 1,854,000 have been recognized. One of the capital owners (Jeanette G. Borg) in Pharma Equity Group has special interests in Portinho S.A. and the Existing Shares held by the capital owner are pledged as security for the receivable.

Further, as per 30 June 2022, Pharma Equity Group has two convertible loans of DKK 2,185,000 and DKK 850,000, respectively, to POLE Holding ApS, owned by Peter Ole Jensen, who was the chairman of the board of directors of Pharma Equity Group at the time when the convertible loans were granted to Pharma Equity Group, and who changed his position to being the CEO of the Pharma Equity Group Executive Management and an ordinary member of the Pharma Equity Group Board of Directors as of 27 April 2022. Reference is made to Section 75.1 for details of conversion of the convertible loans.

Peter Ole Jensen, CEO, holds Existing Shares in the Company and therefore have an economic interest in the offer of New Shares, the Rights Issue and the New Listing Shares. See Section 35 for further details on shareholding and option holdings of Pharma Equity Group.

VIII. INFORMATION ABOUT REPONEX

25 Auditors

Reponex' independent auditors elected at the annual general meeting in 2022 are:

Grant Thornton Statsautoriseret Revisionspartnerselskab
CVR no. 34209936
Stockholmsgade 45
2100 Copenhagen Ø
Denmark

Grant Thornton Statsautoriseret Revisionspartnerselskab is represented by State-Authorized Public Accountants Ulrik Bloch-Sørensen (MNE-no. 2913) and Martin Bomholtz (MNE-no. 34117).

The FY 2021 Reponex Financial Statements, the FY 2020 Reponex Financial Statements and the FY 2019 Reponex Financial Statements were audited by Grant Thornton Statsautoriseret Revisionspartnerselskab represented by State-Authorized Public Accountants Ulrik Bloch-Sørensen and Martin Bomholtz.

The H1 2022 Reponex Financial Statements have not been audited but reviewed by Grant Thornton Statsautoriseret Revisionspartnerselskab represented by State-Authorized Public Accountants Ulrik Bloch-Sørensen and Martin Bomholtz.

The above auditors are members of FSR – Danish Auditors, the Danish association for state-authorized public accountants (*FSR – Danske Revisorer*).

26 Company information

Legal name and commercial name of Reponex:

Reponex Pharmaceuticals A/S
Slotsmarken 12, 1. Th
2970 Hørsholm
Denmark

Telephone: +45 91 171 181
www.reponex.dk

Reponex' domicile is the same as its registered office above, and Reponex is registered with the Danish Business Authority under registration (CVR) no. 30082346. Reponex' domicile will change to Slotsmarken 18, 2 th., 2970 Hørsholm, Denmark (from the current registered office address) as of 1 March 2023.

The information on the website of Reponex does not form part of the Prospectus, is not incorporated by reference into this Prospectus, and has not been scrutinized or approved by the Danish FSA, unless otherwise specifically stated herein.

Pursuant to article 1 of Reponex Articles of Association and the registration with the Danish Business Authority, Reponex has the following secondary names: Heslet Pharma A/S and TRIFOILIUM A/S.

26.1 Country of incorporation and governing law

Reponex was incorporated as a private limited liability company (anpartsselskab, ApS) under the laws of Denmark on 4 December 2006 and was converted into a public limited liability company (aktieselskab, A/S) under the laws of Denmark effective as of 14 May 2018.

Reponex is subject to Danish law.

27 Business overview

This business overview contains a number of observations, judgments and estimates, especially in relation to market sizes, market shares and market trends, which are based on the Reponex Management's and the Pharma Equity Group Management's estimates and publicly available information. The Pharma Equity Group Management's estimates are generally based on Pharma Equity Group's knowledge of Reponex, the market and various external research and industry reports. External sources were used only to a limited extent in the preparation of this business and market review. However, there can be no assurance that the Pharma Equity Group Management has been provided the full overview of Reponex or that other sources may express a different opinion of the market, etc. than the one on which the Pharma Equity Group Management has based its views. The information regarding market conditions is based on the Pharma Equity Group Management's estimates. The forward-looking estimates are subject to substantial uncertainty.

Reference is made to Appendix II, Appendix III and Appendix IV for details on the external sources upon which certain statements in this business overview related to e.g. market sizes, clinical studies, market trends, other supporting data etc. are based.

27.1 Principal activities

27.1.1 Overview

Reponex is a clinical-stage biopharmaceutical 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. As of the Prospectus Date, Reponex has not yet generated any revenue or launched any of its product candidates and has thereby not yet been able to test its assessment of the addressable market and the commercial potential of its product candidates in the market or generated any revenue. Reponex develops treatments for both diseases that may be acute and life threatening (bacterial peritonitis or colorectal cancer) and chronic diseases that may spoil the quality of life and shorten it (inflammatory bowel diseases), as well as treatments for complications of chronic diseases (disabling non-healing skin ulcers in patients with diabetes or venous insufficiency). In Reponex' view, there is a continuing medical need to improve the treatment of these difficult conditions.

Reponex will endeavor to make its treatments widely available to all patients with the relevant indications in a cost-effective manner. To this end, Reponex expects to continue the aggressive outsourcing strategy and seek international strategic alliances.

Reponex' business is leveraged by the repositioning of established active pharmaceutical ingredients (APIs) with regard to new indications, new delivery methods and combination with other APIs. The clinical developments are performed in close collaboration with public research institutions that have important knowledge and direct access to patients, and in turn obtain a research and publication spin-off.

This allows Reponex to both reduce development time by circumventing phase I trials and to generate patentable claims. At the same time, low project risk is achieved by combining effective drug

development strategies, by **repositioning** and **rerouting** and - in some cases - by **recombination** of different drug substances that can act synergistically to treat different aspects of the disease process to achieve a potent therapeutic effect.

The three key principles, **repositioning**, **rerouting** and **recombination** are generally governing for the development of the products in Reponex' pipeline. In some cases, a single active substance will be sufficiently effective to be used alone.

It is Reponex' ambition to create value through the company's sustaining platform by bringing the clinical programs to a clinical phase II stage at which the effect of the drug candidates can be documented with relevant clinical data. In this phase the Reponex will initiate its strategy on partnering, focusing on companies that have complementary scale or functional areas of strength and capabilities.

There will be a constant focus on creating the right starting point for the implementation of an exclusive out-licensing of the Reponex' drug candidates to global pharma companies that can contribute to the further clinical and regulatory process as well as represent a relevant distribution power.

The table below offers an overview of the clinical-stage product candidates in Reponex' pipeline. In the subsequent sections, the product candidates are presented.

Table no. 6: Product candidates

Drug candidate	**RNX-011**	**RNX-021, RNX-022**	**RNX-023**	**RNX-041**	**RNX-041**	**RNX-051**	**RNX-051**
Indication	Prevention and treatment of bacterial peritonitis	Treatment of chronic skin ulcers	Treatment of infected chronic skin ulcers	Treatment of Crohn's disease	Treatment of pouchitis	Prevention and treatment of colorectal cancer	Treatment of colon adenomas
Clinical phase	II / III	II	Initiating II	Initiating II	II – open label	II – open label	II – open label
Clinical status	Study in preparation	RNX-021 – Recruitment on hold/standby RNX-022 – Study in preparation	In preparation	Initial study ongoing	Recruitment ongoing	Recruitment completed, data analysis in progress	Recruitment completed, data analysis in progress
Formulation partner	Bioneer A/S and Department of Pharmacy, University of Copenhagen	Bioneer A/S and Department of Pharmacy, University of Copenhagen	Bioneer A/S and Department of Pharmacy, University of Copenhagen	Bioneer A/S and Department of Pharmacy, University of Copenhagen	Bioneer A/S and Department of Pharmacy, University of Copenhagen	Bioneer A/S and Department of Pharmacy, University of Copenhagen	Bioneer A/S and Department of Pharmacy, University of Copenhagen
Clinical product formulation	Formulation completed	Formulation completed	Formulation in process	Formulation completed	Formulation completed	Formulation completed	Formulation completed
CMC and packaging development	In process	In process	In process	In process	In process	In process	In process
Clinical partner	Center for Surgical Science, Zealand University Hospital, Køge	Knowledge Center for Wound Healing, Bispebjerg Hospital	Knowledge Center for Wound Healing, Bispebjerg Hospital	Center for Surgical Science, Zealand University Hospital, Køge	Center for Surgical Science, Zealand University Hospital, Køge	Center for Surgical Science, Zealand University Hospital, Køge	Center for Surgical Science, Zealand University Hospital, Køge
Patent life (years)	18	13 (for RNX-022)	13	13	13	17	17

27.1.2 Bacterial peritonitis – complicated abdominal infection (RNX-011)

27.1.2.1 Background and Reponex' solution

Peritonitis is an inflammation of the peritoneum, the epithelium or membrane that lines the abdominal cavity. The inflammation can occur either locally or diffusely in the abdomen. The severity is closely related to the extent of the inflammation. A local inflammation seen in uncomplicated appendicitis is an acute, reversible and less serious disease than diffuse peritonitis due to a perforation of the colon with fecal contamination of the entire abdominal cavity. In the latter case, peritonitis can have long-term negative consequences for the patient even with the best current treatment options.

The current practice for both local and diffuse peritonitis is a surgical procedure (i.e., control of the infectious source) supplemented with systemic (intravenous) antibiotic treatment.

Reponex has developed and formulated a medicinal product RNX-011 for installation directly into the peritoneal cavity at surgery. In this new combination and new route of administration of drugs for the treatment of peritonitis in combination with the current standard surgical intervention, the drugs are administered locally at the site of the disease. This results in the highest concentration of the drug at the site of infection: in the abdominal cavity.

27.1.2.2 Supporting data

Reponex' completed clinical study with RNX-011 administered directly into the abdominal cavity has shown indications of being a better treatment for peritonitis than the standard treatment. In the phase II efficacy study, the new drug combination showed excellent efficacy in peritonitis from ruptured appendix and successfully achieved its primary endpoint by allowing discharge of all six patients within 2 to 21 hours (median 13 hours) on follow-up oral antibiotics. In comparison, it took from 67 to 169 hours (median 84 hours) before patients treated with intravenous antibiotics could leave the hospital. These results were statistically significant with a p-value of 0.017 (threshold ≤0.05). In addition, there were no complications in the patients receiving the intraperitoneal drug combination, whereas two cases of intra-abdominal abscess (localized infection in the abdominal cavity) occurred among the control patients.

The results of the completed phase II clinical study were published in the journal “Frontiers in Surgery 2020” in the publication “Shorter Total Length of Stay After Intraperitoneal Fosfomycin, Metronidazole, and Molgramostim for Complicated Appendicitis: A Pivotal Quasi-Randomized Controlled Trial” written by the study's primary investigator.

The article concludes that Reponex' drug candidate RNX-011 has a significant effect on the prevention and treatment of peritonitis in ruptured appendix.

27.1.2.3 Intellectual property rights

Reponex has obtained a patent for the treatment of peritonitis with the company's combination drug RNX-011. The patents cover a significant part of the potential market, namely the US, EU and Japan. With priority date 28 April 2019, Reponex has filed a supplementary patent application regarding the use of the company's combination drug to reduce complications in the treatment of peritonitis. The patent application was strategically addressed only to the market in the United States as a supplement to the already issued patent.

27.1.2.4 Current status and further development

Based on the promising results of RNX-011 for ruptured appendicitis, Reponex has initiated a clinical follow-up study to expand the overall indication of peritonitis to "complicated intra-abdominal infection", in accordance with the FDA's guideline for the development of drugs for the treatment of peritonitis.

It is Reponex' strategy to execute phase II stage, to demonstrate a broad clinical efficacy of the drug candidate with relevant clinical data. Based on the clinical data from the conducted phase II study, Reponex is cooperating with Zealand University hospital on conducting a clinical phase II/III multicenter study on “complicated intra-abdominal infection”. Data is expected analyzed in 2024.

Reponex has initiated the development of packaging in the form of a combined package in collaboration with the packaging supplier, Medicopack A/S, and Zealand University Hospital, Køge.

Reponex’ strategy is to out-license the program after the broadened phase II trial to a pharmaceutical company with an established sales and marketing and with capacity to bring new drugs into the pharmaceutical market. Initial negotiations with a potential partner are ongoing.

Reponex expects a market conform out-licensing deal to include royalties, an up-front payment and milestone payments. The in-licensor will in return of full of partial financing of the clinical phase III trials and regulatory approval receive the marketing approval (MA) for the drug, either globally or for specific territories.

In parallel to the commercialization process, the clinical and regulatory development strategy will be focused on regulatory approval through FDA by submission of an Investigational New Drug (IND) approval being a substantial value driver and increase value propositions in the out-licensing negotiations.

RNX-011 is expected to generate revenue stream in 2025.

27.1.3 Wound healing (RNX-021, RNX-022, RNX-023)

27.1.3.1 Background and Reponex' solution

Chronic leg ulcers are typically associated with diabetes, venous insufficiency, local pressure or ischemia (insufficient blood flow). Common to these is the lack of local blood supply, which impairs the provision of the substances necessary to maintain full activity of the cells involved in the healing process. White blood cells and macrophages do not perform their functions adequately, and macrophages do not stimulate the healing processes as they normally would.

Standard treatment for venous leg ulcers includes compression therapy that helps with venous stasis and prevents the development of edema. In addition, suitable dressings are used, most often non-adhesive dressings. It may also be helpful to manually remove dirt or dead tissue from the wound. Advanced wound care for patients with venous leg ulcers that has been shown to be difficult to heal includes, besides the above, treatment with growth factors and in many cases surgery with excision or revision of the wound, often combined with a split-skin transplant. These treatments are not always successful, and they are often expensive and may require hospitalization.

By treating chronic wounds with GM-CSF (the primary API in Reponex' wound healing program), the cleansing functions of neutrophils and macrophages are restored so that the macrophages can once again control the repair processes and accelerate healing (RNX-021).

Other wound healing agents are used in combination with GM-CSF to further accelerate the healing process. RNX-022 contains a combination of the wound healing promoters GM-CSF, sucralfate and sodium hyaluronate, to accelerate the healing of chronic wounds. The rationale is that GM-CSF restores the cleaning functions of neutrophils and macrophages so that the macrophages can once again control

the repair processes and accelerate healing. In addition, sodium hyaluronate will promote the synthesis and assembly of important extracellular matrix components such as interstitial collagens. Sucralfate enhances the effects of pre-existing cytokines and growth factors involved in wound repair by binding them and protecting them from degradation, thus prolonging their effect on the wound healing process. The three components of the combined treatment are expected to act additively or synergistically through their different mechanisms of action.

The three active components have each been found to accelerate the healing of chronic wounds when used separately. In order to minimize the time to market and optimize the cost-effectiveness of the clinical trials, which focus on the same patient material and share endpoints, it seems prudent to accelerate the clinical development of the combination product RNX-022 to run in parallel with that of the GM-CSF product RNX-021.

According to the study and survival analysis prepared by Ut T Bui, Kathleen Finlayson and Hele Edwards in September 2018 ("Risk factors for infection in patients with chronic leg ulcers"), approximately 16% of patients with chronic leg ulcers experience infection in the wound during the treatment period. The most common bacteria in these infections are sensitive to Reponex' antibiotic API, fosfomycin. The company's drug candidate RNX-023 for the treatment of infected chronic leg ulcers combines the active substances fosfomycin and GM-CSF in a dusting powder.

27.1.3.2 Supporting data

RNX-021 clinical phase II study is conducted at the Knowledge Center for Wound Healing at Bispebjerg University Hospital.

GM-CSF is a proinflammatory cytokine. Chronic wounds are characterized by a dysregulation of the inflammatory phase of wound healing, which is an important part of the cleansing process before healing can take place (reviewed by Krzyszczyk P et al, 2018, Front Physiol 9:419). GM-CSF can stimulate the central immune cells in the wound healing process, the macrophages. Therefore, in Reponex’ view, there is a potential in using a local wound healing product that contains GM-CSF either alone or in combination with other active wound healing substances. In crucial studies, Marques da Costa and colleagues (Am J Surg 1997, 173:165-168; Wound Repair Regen 1999, 7:17-25) showed that GM-CSF injections around the wound had a significantly better effect on total wound healing of venous leg ulcers than placebo, and GM-CSF shows promising results with a good adverse event profile in other formulations and in other chronic wounds.

27.1.3.3 Intellectual property rights

Reponex has obtained a patent for the treatment of chronic infected wounds with the company's drug RNX-023. The patent covers Europe and Russia (patent granted 2020). Furthermore, Reponex has applied for a patent for the treatment with RNX-023 in the United States. Reponex has also applied for a patent for the treatment of chronic uninfected wounds with RNX-022 in Europe, Japan and the United States.

Reponex is aware of the current situation in Russia and follows the geopolitical development closely in order to determine any future product sales and commercialization in Russia. As of the Prospectus Date, Reponex has no activities in Russia, and Reponex will not seek any business operations or activities in Russia while the sanctions imposed by EU apply.

27.1.3.4 Current status and further development

Reponex has made a strategic decision to accelerate RNX-022 so that RNX-021 and RNX-022 are potentially developed in parallel. A clinical protocol for a new multicenter clinical study for RNX-022 is

therefore in preparation in collaboration with Bispebjerg Hospital. Regulatory and clinical preparations of requirements for conducting studies for RNX-022 are ongoing. Inclusion of patients for this study is expected to begin in 2023.

For RNX-023, Reponex has initiated promising formulation development activities in collaboration with, among others, the Department of Pharmacy at the University of Copenhagen.

All active substances (APIs) in RNX-021, RNX-022 and RNX-023 have already been approved by the regulatory authorities for clinical use in other indications (Reponex' repositioning strategy).

Reponex has initiated development activities to optimize the current clinical formulation to a commercially attractive product.

For each of the wound healing projects, Reponex has a close collaboration with experienced clinicians who are an intrinsic part of the development loop for Reponex to design and develop commercially viable solutions that meet the need for ease of use on top of the inherent requirements for product quality.

Reponex aims for the ideal commercial product, which would be a single use primary packaging e.g., containing the active ingredients combined for immediate application.

For some of the projects, there are inherent physicochemical properties of the APIs that might require Reponex to divide the final formulation into a combination packaging, each containing one or more of the APIs. Also, this single use packaging is expected to be designed for immediate application.

Reponex has the aim of conducting a double blinded placebo-controlled phase II/III study on RNX-021 and/or RNX-022 in 2023-2024. Data is expected to be analyzed in 2024.

Reponex expects to have finalized formulation of RNX-023 for use in clinical trials in 2023. A clinical phase II study on RNX-023 for infected chronic venous leg ulcers is expected to be conducted in 2023-2025 with data analyzed in 2025.

It is Reponex' strategy to perform phase II study after which it intends to out-license the program to a large pharmaceutical company, which is able to perform a phase III clinical study, apply for market approval in the EU, US and Japan, and market the treatment in these markets.

Reponex expects to be able to partner both programs to the same partner once its phase II studies' primary clinical endpoints are reached. Reponex expects a market conform out-licensing terms in line with other programs.

RNX-022 is expected to generate revenue stream in 2026, and RNX-023 is expected to generate revenue stream in 2027.

27.1.4 Inflammatory bowel disease (RNX-041)

27.1.4.1 Background and Reponex' solution

Crohn's disease and ulcerative colitis (UC) are so-called inflammatory bowel diseases that are inflammatory diseases of the gastrointestinal tract. For both diseases, the causes of their occurrence and development are unknown. The diseases often have a fluctuating course with shorter or longer periods of remission or exacerbation.

Crohn's disease

Crohn's disease is an autoimmune disease in which parts of the digestive tract come under destructive attack. Recurrent intestinal ulcers, intestinal constrictions and fistula formation are frequent manifestations which, among other things, causes great pain and frequent toilet visits.

The disease has a substantial impact on quality of life with repeated flares, hospital admissions and need of repeated surgery. According to a journal-based self-assessment CME activity prepared by Joshua D. Reber, John M. Barlow, Amy L. Lightner, Shannon P. Sheedy, David H. Bruining, Christine O. Menias and Joel G. Fletcher in 2017 (J Pouch: Imaging Findings, Surgical Variations, Natural History, and Common Complications), despite the introduction of biologicals, 20-30% of patients with Crohn's disease fail to respond or the treatment loses effect over time. Thus, in Reponex' view, there is an unmet need for the development of new treatment strategies for patients with Crohn's disease.

Genome-wide association studies have identified more than 100 genes associated with Crohn's disease and the function of these genes suggest that Crohn's disease is caused by a dysfunction of the mucosal barrier leading to a dysregulated innate and adaptive immune response towards commensal intestinal microbes and/or luminal pathogen-associated molecular patterns (PAMPs) in genetically susceptible subjects.

The barrier is normally maintained by an interplay between phagocytic cells residing beneath and within the epithelial lining of the intestinal mucosa. Macrophages, the most abundant and important phagocytic cells in the intestine, effectively clear invading microbes without the need for raising a specific adaptive immune reaction and thus serve as a first line of defense against both microbial invasion and the inflammation associated with larger scale adaptive immune reactions. Further, macrophages also act as antigen-sensing and antigen-presenting cells capable of activating adaptive responses when needed and are thus pivotal for maintenance of intestinal homeostasis. The breach of the mucosal barrier function, including alterations in innate macrophage function, is an essential step in the pathogenesis of Crohn's disease. Macrophage hypo-responsiveness is well documented in Crohn's disease, resulting in inefficient clearance of invading bacteria with inadequate signaling to other parts of the immune system, which results in the mounting of a secondary slow but inadequate inflammatory reaction ultimately leading to the manifestations of the disease.

Granulocyte-macrophage colony-stimulating factor (GM-CSF) is a hematopoietic growth factor promoting survival and activation as well as differentiation of macrophages into dendritic cells. Deficiency of GM-CSF has been shown to impair the mucosal barrier function and induce inflammation in animal models of Crohn's disease (reviewed by Däbritz J, 2014, Am J Physiol Gastroent Liver Physiol 306:G455-G465). Further, the evidence for defects in GM-CSF signaling in Crohn's disease is increasing, resulting in a decreased effect of the growth factor on target cells (Goldstein JI et al, 2011, Gastroenterology 141:202-216; Bernasconi E et al, 2014, Pathobiology 81:183-189). Systemic GM-CSF has shown effect on Crohn's disease in three phase 1-2 studies, whereas one study failed to show an effect.

Thus, in Reponex' view, there is ample evidence for the involvement of impaired GM-CSF signaling in the pathogenesis of Crohn's disease, but clinical trials have shown conflicting results on the effectiveness of systemic GM-CSF.

Pouchitis

A special group of previously operated ulcerative colitis patients who have had their entire colon removed suffer from a chronic, "Crohn's-like" inflammation of the "J-pouch" constructed from a J-shaped fold of the terminal small intestine to allow stool to pass through the anus.

This inflammatory condition is called "pouchitis" and is one of the most common complications of the procedure. Pouchitis leads to very frequent toilet visits with diarrhea, blood and possibly pus (inflammatory secretion) in the stool, as well as violent and painful urges to defecate, which cannot be delayed and thus often significantly reduce the quality of life for the patients.

In addition to these symptoms, there may be general symptoms in the form of fever, weight loss, anemia and severe fatigue. Usually the disease occurs only periodically, lasting for weeks or months separated by quite good periods without discomfort. However, in some patients the disease is continuous. Some patients also have periodic symptoms from the joints, skin or eyes.

The similarity of pouchitis to certain features of Crohn's disease has led Reponex to hypothesize that the company's combination therapy for Crohn's disease may also be targeted at bacterial imbalance and disturbed immune response in pouchitis.

Reponex' ongoing phase II clinical proof-of-concept trial aims to investigate whether Reponex' drug RNX-041, administered topically in the pouch, can benefit patients with pouchitis.

The treatment is applied topically as an in-situ formed gel under endoscopic supervision directly in the pouch. In the initial safety study, patients received one dose, and in the current study, patients received a daily dose for 7 days. This is a proof-of-concept study where Reponex will investigate whether this therapy influences pouchitis, by assessing whether the patient has a decrease in the Pouchitis Disease Activity Index (PDAI). This will also be a clear marker of possible efficacy in Crohn's disease.

27.1.4.2 Supporting data

Because the proof-of-concept study is open-label, initial clinical results are available from the first 3 pouchitis patients treated. They were males aged 58-66 years with clinical and endoscopic PDAI scores of 4 each (one case with clinical PDAI of 3). They were treated with just one rectal dose of the combination treatment with GM-CSF, fosfomycin and metronidazole. One week later, all patients showed a reduction of either the clinical or endoscopic PDAI or both (clinical score reduction of 0-2, endoscopic score reduction of 0-3). There were no side effects except for one patient reporting mild bloating after endoscopy.

If the completed pouchitis study demonstrates the substantial clinical and pathological improvement of the condition as implied by the effect of a single dose and confirms the apparent safety and acceptability, this will provide a strong case for expecting a similar benefit when the treatment is applied to Crohn’s disease lesions higher up in the gastrointestinal tract. This will initially imply a clinical trial of the treatment of Crohn’s disease lesions by endoscopic application, but at the same time, Reponex is developing a dynamic gel oral administration platform, RNX-061, for delivering the combination treatment to the terminal ileum and colon. The successful development of an orally administered, but locally active, treatment for Crohn’s disease lesions that can be taken on a daily basis, may give this treatment the potential to become a first-line treatment of some manifestations of Crohn’s disease, or becoming an important adjunct to systemic treatments.

Based on the preliminary positive feedback from the ongoing open-label study, Reponex has filed an application to obtain for orphan drug designation for RNX-041 for pouchitis. Regulatory authorities have previously granted orphan drug status to drug candidates for pouchitis, and if the upcoming results from Reponex' study remain positive, Reponex considers it highly likely that Reponex can achieve orphan drug designation for RNX-041.

The interaction between the intestinal-related part of the immune system and the pouch microbiota is considered to be crucial for the quality of life in patients who have their colon removed and a subsequent new reservoir of small intestine, the surgically created pouch (reviewed by Angriman I et al, 2014, World J Gastroenterol 20:9665-9674). This surgical method results in patients not having to have a stoma. Many of the patients are young and therefore must live with this pouch for the rest of their lives. If there is an imbalance in the intestinal immune system, symptoms will occur in the patients, leading to diarrhea, pain and consequently a significantly reduced quality of life. Unfortunately, this happens to more than 50% of the patients (reviewed by Angriman I et al, 2014, World J Gastroenterol 20:9665-9674).

The balance of the intestinal immune system depends on local factors released from the immune cells in the intestine as well as the balance of the intestinal-related microbial flora.

The GM-CSF in Reponex' combination therapy activates the correct part of the immune system combined with the antibiotics that kill the bacteria that are harmful to the intestine, are expected to have a significant impact on the patient's symptoms and therefore also their quality of life.

27.1.4.3 Intellectual property rights

Reponex has obtained a patent for the treatment of inflammatory bowel disease (IBD), including Crohn's disease and ulcerative colitis, with the company's combination drug RNX-041. The patent covers the United States. Reponex has also applied for a patent for the treatment in Europe.

27.1.4.4 Current status and further development

The nature of Crohn’s disease is very complicated and its initiation in the human intestine is still unknown.

Reponex has initiated an organoid model within inflammatory bowel disease in cooperation with Center for Surgical Science at Zealand University Hospital. A special focus aim on creating a laboratory model to have the opportunity to confirm or deny the effects of new combinations of medical preparations without having to expose patients to the medicine. Organoids are small "mini-organs" grown from stem cells in the intestine. By taking tissue samples from patients with inflammatory bowel disease (Crohn's disease) these mini-organs will be grown in the laboratory and establish an immune model and a cell culture model in order to both look at the interaction between the effect of immunoactive substances on immune cells and intestinal cells at the same time as well as on intestinal cells in isolation. These studies are considered to be quite essential in relation to the further strategy in the field and not least to substantiate the results seen in the patients in the clinical studies.

Based on the data from the conducted clinical phase II study, Reponex will assess and define the further clinical strategy on RNX-041 for Crohn’ disease and pouchitis. If data from the conducted studies confirm the clinical endpoints, it is the expectation of Reponex to follow up with further clinical studies on Crohn’s disease and/or pouchitis in potential cooperation with a license partner.

All APIs in RNX-041 have already been approved by the regulatory authorities for clinical use in other indications (Reponex' repositioning strategy).

For both the current projects under the IBD umbrella, Reponex has designed a pharmaceutical formulation that is able to support the ongoing clinical trials. However, it is important that the commercial products currently in development are designed with home administration in mind.

For Crohn’s disease, Reponex aims to design and develop a patient-friendly, single-use packaging for oral administration, utilizing a new formulation principle designed to deliver active substances to a defined region of the gastrointestinal tract, where the active ingredients are released to act locally on the pathology to be treated.

For pouchitis, Reponex aims for a single use packaging for rectal administration at home. This could take the form of a prefilled, sealed mini-enema, that can readily be unsealed by removing a tag at the tip.

For the IBD formulations, there are inherent physicochemical properties of some of the API’s that might require Reponex to divide the final formulations into a combination packaging, each containing one or more of the API’s.

The current approaches being taken by Reponex have been intensely discussed with the clinicians involved, to secure the best possible route to a patient-friendly product.

It is Reponex' strategy to perform phase II study after which it intends to out-license the program to a large pharmaceutical company, which is able to perform a phase III clinical study, apply for market approval in the EU, US and Japan, and market the treatment in these markets.

Reponex expects to be able to partner its programs once its phase II studies' primary clinical endpoints are reached. Reponex expects a market conform out-licensing terms in line with other programs.

RNX-041 is expected to generate revenue stream in 2025.

27.1.5 Colorectal cancer (RNX-051)

27.1.5.1 Background and Reponex' solution

One out of five patients will have a recurrence after bowel cancer surgery and almost no patients survive for more than 3-4 years if they are diagnosed with metastatic disease. Recurrence occurs because cancer cells in the liver or lungs are not seen at the time of the surgery where the primary tumor is removed and subsequently metastases develop within the next few years. Reponex is approaching this through secondary prevention, meaning treating patients at the time of surgery where curative surgery is planned, to address the immune system in a way in which the metastatic cells outside the primary tumor are removed by the immune system.

Clinical studies have shown that patients with right-sided colon cancer have reduced overall survival compared to patients with left-sided colon cancer. At the same time, patients with right-sided colon polyps have a higher risk of developing interval cancer after endoscopic mucosal resection (EMR), whereby polyps in the colon are removed by using an endoscope. Loss of beneficial bacteria in the gut (dysbiosis) and known bacterial drivers play a significant role in the genesis of colorectal cancer and may contribute to the growth of adenomas (polyps) which in turn can lead to cancer.

It has become clear in recent years that colorectal cancer tumors are infected with a bacterium from the oral cavity, *Fusobacterium nucleatum*, which unfortunately increases the growth of cancer and resistance to radio and chemotherapy. The bacterium is extremely sensitive to fosfomycin, one of the active substances in Reponex RNX-051, and Reponex' treatment paradigm is a rapid eradication of these bacteria in the intestinal cavity by local treatment with high concentrations of fosfomycin, so that radio and chemotherapy can again provide their full effect.

Clinical studies have found biofilm formation and positive staining for *Fusobacterium nucleatum* in almost all right-sided colon cancers and adenomas. The composition of bacteria in the normal mucosa of these two groups of patients has as well been shown to be different from healthy controls. Endoscopic preoperative antibiotic local treatment of the biofilm and tumors would theoretically result in decreased tumor mass and restoration of the mucosal layer in the treated part of the colon.

Modulating this biofilm may strongly affect the immune system's ability to attack cancer cells.

It is the aim of Reponex to develop a biofilm modulating treatment strengthening the immune system that can form part of an active treatment paradigm for colorectal cancer.

Recent studies published after Reponex' filing of a patent application support the company's rationale, development program and patent claims.

27.1.5.2 Supporting data

Based on the latest publications, there are more firm evidence pointing towards a very strong interaction between the intestinal microbiota and the mucosal immune system. This interaction affects systemic immunity and is believed to have a strong influence on the risk for developing cancer, metastatic cancer disease and even the response to cancer therapy.

Through the modulation of the intestinal microbiota, e.g., through high dose local mucosal antibiotic treatment including antibiotics that can penetrate the colonocytes (e.g., fosfomycin), there is a possibility that this may change intestinal immunity. At the same time, the development of a colon cancer, especially in the right side of the colon, is also depending on biofilm formation.

Hence, in Reponex' view, it is plausible that by modifying the intestinal flora, the existing treatments in patients with colon cancer might be optimized.

The intestinal flora can be modified by e.g., fecal transplantation, probiotics and antibiotics. In Reponex' view, it is relevant to investigate local treatment with antibiotics such as biofilm, which is found on the intestinal mucosa in up to 96% of patients with right-sided colon cancer, and which are difficult to degrade with conventional systemic treatments. The adherent property of Reponex' sprayable antibiotic gel, RNX-051, might increase the likelihood of effect.

27.1.5.3 Intellectual property rights

Reponex has applied for a patent for the treatment of colorectal cancer with the company's combination drug RNX-051. The patent applications cover a significant part of the potential market, which in Reponex' view covers Europe, Russia, Japan and the United States.

The patent application for Russia was filed January 2019. Reponex is aware of the current situation in Russia and follows the geopolitical development closely in order to determine any future product sales and commercialization in Russia. As of the Prospectus Date, Reponex has no activities in Russia, and Reponex will not seek any business operations or activities in Russia while the sanctions imposed by EU apply.

27.1.5.4 Further development and product design

Reponex has in collaboration with the Center for Surgical Science, Zealand University Hospital, Køge and Herlev University Hospital conducted an open label proof-of-concept clinical phase II study on RNX-051 as part of an active treatment paradigm of colorectal cancer.

Reponex has completed the inclusion of patients in Reponex' phase II clinical proof-of-concept trial on colon cancer. Data is expected to be fully analyzed by 2023.

Based on the clinical data from the open label phase II study, Reponex will assess and define the further clinical strategy on RNX-051 for colorectal cancer. If data from the conducted studies are confirming the clinical endpoints, it is the expectation of Reponex to follow up with further clinical studies on colorectal cancer in potential cooperation with a license partner.

All APIs in RNX-051 have already been approved by the regulatory authorities for clinical use in other indications (Reponex' repositioning strategy).

The product designs that are in development for colorectal cancer aim to be easy to handle for the physicians utilizing the products. RNX-051 must be administered in a hospital setting and is accordingly designed for such purpose.

Hence, as of the Prospectus Date, Reponex is developing a product that comprises a ready-to-use combination of the two-component system used to generate the gel in situ when the patients are admitted for colonoscopy.

Reponex further aims to design and develop a patient-friendly, single-use packaging for oral administration, utilizing a new formulation principle designed to deliver active substances to a defined region of the gastrointestinal tract, where the active ingredients are released to act locally on the pathology to be treated.

It is Reponex' strategy to perform a phase II study after which it intends to out-license the program to a large pharmaceutical company, which is able to perform a phase III clinical study, apply for market approval in the EU, US and Japan and market the treatment in these markets.

There are over 20 leading pharmaceutical companies in the global colorectal cancer disease market that are highly relevant with regard to partnership within this indication area.

Reponex expects to be able to partner its programs once its phase II studies' primary clinical endpoints are reached. Reponex expects a market conform out-licensing terms in line with other programs.

RNX-051 is expected to generate revenue stream in 2025.

27.1.6 Colon adenomas (RNX-051)

27.1.6.1 Background and Reponex' solution

Colon adenomas (colon polyps) are small nodules on the intestinal mucosa located on the inner intestine. About 20-25% percent of all people have colon adenomas, and everybody can develop colon adenomas.

The likelihood of developing colon adenomas increases with age and up to 50% of the population has intestinal polyps by the age of 60. However, there is a big difference in the size of intestinal polyps. Some may be smaller than peas, and others may be as large as golf balls.

When colon adenomas are detected, they must be removed using endoscopic mucosal resection (EMR) whereby polyps in the colon are removed by using an endoscope, as they can develop into bowel cancer. Virtually all cases of colon cancer and rectal cancer occur due to intestinal polyps.

Clinical studies have shown that patients with right-sided colon adenomas have a higher risk of developing interval cancer after EMR. Loss of beneficial bacteria in the gut (dysbiosis) and known bacterial drivers play a significant role in the genesis of colorectal cancer and may contribute to the growth of adenomas (polyps) which in turn can lead to cancer.

As mentioned above, clinical studies have found biofilm formation and positive staining for *Fusobacterium nucleatum* in almost all right-sided colon cancers and adenomas. Endoscopic preoperative antibiotic local treatment is thus equally applicable to right-sided colon adenomas.

Reponex expects a relevant clinical efficacy of the company's antibiotic treatment with topically administered fosfomycin and metronidazole on adenoma characteristics, colon biofilm and immune response in patients with right-sided colon adenoma.

Recent studies published after Reponex' filing of a patent application support the company's rationale, development program and patent claims.

27.1.6.2 Supporting Data

Because the proof-of-concept study is open-label, initial clinical observations are available from the early patients treated.

According to a case report, in one of the patients of the open-label study, a flat polyp of 2 cm was found in the ascending colon (right side of colon) at the initial colonoscopy. The patient was treated with RNX-051 applied directly to the intestinal mucosa 19 days after the first colonoscopy.

8 days after the local antibiotic treatment, the patient came for local resection of the polyp, which was performed by standard surgical procedures via the colonoscope, where photographs were taken before the polyp was surgically removed. There was a central depression in the polyp that was assessed as being unusual and could be due to the polyp tissue having shrunk centrally. The clinical assessment that polyp tissue had disappeared centrally from the first colonoscopy to the local resection could mean that the treatment with antibiotics had caused the polyp tissue to regress.

Interpretation: Removal of the polyp involves the injection of substances that cause the tissue to swell, facilitating surgical removal after this “lifting” process. The extent of swelling depends on the cell architecture and the density of the tissue, and the polyp differs in this respect from the surrounding healthy mucosa. A benign polyp would be expected to swell uniformly after lifting. The depression in the center of the polyp could therefore indicate a change in cell architecture, whereby the polyp cells have begun to regress after being treated with metronidazole and fosfomycin. Microscopy showed that the polyp was a completely benign tubular adenoma with low-grade neoplasia. It was concluded that the central depression was not a sign of “non-lifting”, which may occur with malignant tumors, but a sign of cellular regression.

Reponex expects that antibiotics that may modulate the biofilm formation may have a potential for preventing further adenoma formation.

Long-term oral antibiotics have been associated with increased risk of adenoma formation. However, this has not been proven for antibiotics such as metronidazole or fosfomycin. The latter, being a small molecule drug that can traverse the cellular membrane, is believed to be effective against intracellular microbiota such as fusobacterium species e.g., instrumental for colorectal cancer formation and metastases. There may be an interesting therapeutic potential in the preventive treatment of patients who have been diagnosed with a first-time colorectal adenoma by treating the colon with high dose local antibiotics.

Reponex expects that the trial of RNX-051, in which patients with large adenomas in the right-sided colon are treated with high local dose of metronidazole and fosfomycin, can provide essential insights in the preventive effect of this treatment in further adenoma formation.

27.1.6.3 Intellectual property rights

Reponex has applied for patents as described above for RNX-051. The patent application covers a significant part of the potential market, which in Reponex' view covers Europe, Russia, Japan and the United States.

The patent application for Russia was filed January 2019. Reponex is aware of the current situation in Russia and follows the geopolitical development closely in order to determine any future product sales and commercialization in Russia. As of the Prospectus Date, Reponex has no activities in Russia, and Reponex will not seek any business operations or activities in Russia while the sanctions imposed by EU apply.

27.1.6.4 Current status and further development

In collaboration with the Center for Surgical Science, Zealand University Hospital, Køge and Herlev University Hospital, Reponex has conducted an open label proof-of-concept clinical phase II study on RNX-051.

Reponex has completed the inclusion of patients in the company's phase II clinical proof-of-concept trial on colon adenomas. Data is expected to be fully analyzed by 2023.

Based on the clinical data from the open label phase II study, Reponex will assess and define the further clinical strategy on RNX-051 for colon adenomas. If data from the conducted studies are confirming the clinical endpoints, it is the expectation of Reponex to follow up with further clinical studies on colon adenomas in potential cooperation with a license partner.

As mentioned above, all APIs in RNX-051 have already been approved by the regulatory authorities for clinical use in other indications (Reponex' repositioning strategy).

The design of the product for clinical use is as described above in the section about colon cancer.

It is Reponex' strategy to perform a phase II study after which it intends to out-license the program to a large pharmaceutical company, which is able to perform a phase III clinical study, apply for market approval in the EU, US and Japan and market the treatment in these markets.

There are over 20 leading pharmaceutical companies in the global colorectal cancer disease market that are highly relevant with regard to partnership within this indication area.

Reponex expects to be able to partner its programs once its phase II studies' primary clinical endpoints are reached. Reponex expects a market conform out-licensing terms in line with other programs.

RNX-051 is expected to generate revenue stream in 2025.

27.1.7 Dynamic gel (RNX-061)

27.1.7.1 Background and Reponex' solution

The dynamic gel principle

Inert, biocompatible, gel-forming substances are widely used in pharmaceutical products, where they are most often used as thickening agents for aqueous solutions, e.g., for artificial tears, or for making hydrogels for topical application to the skin.

Solutions of these gel-forming substances may exist in two forms: as a low-viscosity “sol”, i.e., solution form, or as a high-viscosity, cohesive “gel”, i.e., jelly-like form. Transition between the sol and gel forms can be provoked by factors such as changes in pH (acidity-basicity). Certain of the polymer-forming substances are particularly apt for sol-gel transitions under carefully controlled conditions like acidity.

Such gels with controllable sol-gel transitions underlie the “dynamic gel” concept being developed by Reponex. Initial studies have shown that they are especially suitable for agents in the form of microparticles.

The targeting principle

A number of substances bind with some degree of selectivity to mucosal defects of the gastrointestinal tract. These defects may be gastric or duodenal ulcers, being the most studied defects, but may also be defects due to mucosal resection, lesions due to inflammatory bowel diseases such as Crohn’s disease, or ulcers arising from radiation or cytotoxic injury to the bowel mucosa.

The mechanism of selective binding is presumed to involve greater binding of these substances to proteins on the surface of the tissue exposed by the mucosal defect, which may be termed, when appropriate, “the ulcer base”, than to the mucus covering the surrounding healthy mucosa. These substances are also capable of non-covalently binding individual proteins or peptides, in vitro as well as in vivo, and in some study cases, bound proteins were found to be protected from denaturation or

degradation by exposure to acid, such as gastric acid, or to denaturing agents, such as urea, or thermic denaturation, or the action of proteolytic enzymes, and retain their biological activity.

Many of the binding substances in question are broadly termed “antacids” and/or “mucosal protective agents” and have been used to treat peptic ulcers. Among these binding substances is sucralfate, the aluminum hydroxide salt of sucrose octasulfate, which is almost completely insoluble in aqueous media at neutral or physiological pH, but may be solubilized by dilute acids, such as gastric acid, in which it forms a gel, or by dilute alkalis. Sucralfate binds selectively to ulcers of the stomach and duodenum, so that its binding to the ulcer base is between 6- to 7-fold and 12- to 18-fold greater than its binding to the surrounding healthy mucosa, while this selective binding may be maintained for 6 hours to 12 hours.

Further, the selective binding does not appear to depend on a low pH but occurs also at pH values at around 8. Sucralfate has also been shown to bind a variety of proteins by non-covalent means.

Other antacid mucosal protective agents that come into consideration for similar use include aluminum hydroxide gel, magaldrate gel, or hydrotalcite. They have been much less studied than sucralfate for this potential use.

The mucosal protective agents employed are typically in the form of microparticles or low-viscosity gels, suitable for being included in and carried by the dynamic gel.

27.1.7.2 Supporting data

Reponex' development partner, Bioneer A/S and department of pharmacy, Copenhagen University, has been testing RNX-061 in various models predicting the behavior in the stomach after ingestion. This model (The Gastrointestinal Model – DGM) simulates gastric conditions and movements.

Early results show that RNX-061 gel lumps have been reduced in size after treatment in the DGM, but still manifest as gel lumps. Furthermore, experiments also show that GM-CSF in the solution still exhibits its biological activity after the jellification and treatment in the DGM. While substantial development work remains to be done on the project, these early results indicate a strong rationale for continuing development to obtain proof of concept for this formulation concept.

27.1.7.3 Intellectual property rights

Reponex has applied for a patent for targeting biological agents to mucosal defects of the gastrointestinal tract with the company's drug delivery solution RNX-061. The patent application covers a significant part of the potential market, which in Reponex' view covers Europe and the United States.

27.1.7.4 Current status and further development

The development of an innovative new drug formulation principle designed to deliver active substances to a defined region of the gastrointestinal tract, where the active ingredients are released to act locally on the pathology to be treated, is expected to have significant advantages for the patients.

The dynamic gel and targeting principles of Reponex' intra-intestinal drug delivery

The initial and fundamental aims of the development project, which may combine the dynamic gel principle with the targeting principle, are as follows:

- To combine an exogenous proteinaceous therapeutic agent with an antacid mucosal protective agent as a carrier substance which selectively binds to said mucosal defect, sucralfate being the principal candidate. Small-molecule therapeutic agents, such as antibiotics, may also be present in the preparation.

- The above combination will be formulated in the dynamic gel in a low-volume (e.g., 10-ml) attractively flavored sol solution that can be readily taken by the patient in a single swallow, e.g., like a spoonful of fruit juice.
- On reaching the stomach, the solution gels because of the acidity of the stomach, entrapping the active substances in a cohesive soft gel that protects them from digestion and absorption and can pass into the intestine. The challenges are to ensure that the active substances are sufficiently entrapped and protected to an adequate degree from digestion and absorption before they are released at the desired site of action further down the gastrointestinal tract. Another essential feature is naturally that the gel must not be of a nature to cause intestinal obstruction.
- The active substances remain entrapped in the gel as it passes down the intestine, until the gel disintegrates due to the action of pH and/or enzymatic digestion and releases the active substances at the intended site of action. The principal targeted sites are initially the colon and the terminal ileum.

In cooperation with Reponex drug formulation partner, Bioneer A/S and Department of Pharmacy at University of Copenhagen, in-vitro experiments with simulated gastric juice in apparatus that simulates gastric motility have shown that around 50% of GM-CSF given in the sol solution is incorporated into the gel and thus protected from digestion, being recovered in bioactive form. This is sufficient to justify further development. This will require phase I studies in human volunteers, using fluorescent marker molecules with similar hydrodynamic properties to those of the active ingredients that are to be used. Such clinical studies are under discussion with the Reponex' clinical cooperation partners at Zealand University Hospital, Køge, and may be initiated in 2023 with expected results being available in 2024.

27.2 Market and the basis for any statement made by Reponex regarding its competitive position

It is Reponex' strategy to execute the clinical program to a clinical and regulatory phase II stage at which the effect of the drug candidate is documented with clinical efficacy and relevant clinical data. It is the commercialization strategy during the period of execution of the clinical phase II trials to initiate negotiations for out-licensing deals with big pharmaceutical companies with established sales and marketing capacity to bring new drugs into the pharmaceutical market. In due time, Reponex will seek to establish sales and partnering agreements globally, however, with a primary focus on EU, US and Japan. As of the Prospectus Date, no partnering agreements have been entered into and only clinical development co-operation agreements have been entered into in Denmark as described in Section 39. Based on literature with a high impact factor (see also Appendix III) concerning incidents of the indications, Reponex has estimated the potential patient basis and global market for the product candidates. Furthermore, for each product, the table below outlines the companies that are rated as some of the most significant global players in the manufacturing and delivery of drugs for the given treatment according to the data provider, www.GlobalData.com.

Reponex is not aware of any direct competition with the products of its clinical development projects. However, in Reponex' view, the development of preventive and therapeutic measures for cancer constitutes the world’s largest area of research and development by the pharmaceutical industry, as well as by publicly funded academic and clinical research institutions. These are sources of products and measures that can be held to provide indirect competition with the use of Reponex' products.

Table no. 7: Estimated patient basis, global market and global players for Reponex' product candidates

	Patient basis	Global market	Global players
RNX-011	Approx. 1.2 million new cases per year in EU, US and Japan	Estimated with some uncertainty at USD 1.5 – 2 billion.	- Pfizer Inc. - Baxter International - B. Braun - Teva
RNX-021, RNX-022	Approx. 16 million patients in the EU, US and Japan	USD 19 billion (2019) USD 25 billion (expected for 2025)	- Smith & Nephew - Coloplast, ConvaTec - Mölnlycke Health Care - Integra LifeSciences Corp - B. Braun Melsungen - Leo Pharma
RNX-023	Approx. 2.5 million patients in the EU, US and Japan		
RNX-041	Approx. 2 million patients in total in the EU and US with Crohn's disease.	USD 3.6 billion (2016), USD 4.7 billion (expected for 2025)	- Takeda Pharmaceutical Co Ltd. - AbbVie Inc. - Arena Pharmaceuticals Ltd - Galapagos NC
RNX-041	Approx. 234.000 patients in total in the EU and US with pouchitis.		
RNX-051	Approx. 1.5 million new cases per year in the western world with colorectal cancer	USD 9.4 billion (2020)	- Pfizer Inc. - Hoffmann-La Roche Ltd. - Amgen Inc. - Merck & Co. Inc. - Sanofi S.A.
RNX-051	Approx. 57 million new cases per year in the western world with colon adenomas		

Sources:

RNX-011: *Mollie F et al (Ann Surg. 2017 Aug;266(2):237-241), Gessler B et al (Int J Colorectal Dis. 2017; 32(4): 549–556), Knight S R et al (Lancet 2021; 397: 387–97), Golz R A et al (JAMA Surg. 2020;155(4):330-338), Lee J H et al (J Epidemiology 2010: 2: 97-105), Strate L L et al (Gastroenterology 2019; 156(5): 1282-1298)*

RNX-021, RNX-022: *Sen C K (Adv Wound Care 2019; 8(2): 39-48), Nelson H D (Intermountain Healthcare 2017), Fortune Business Insights (2022, Mar), www.GlobalData.com*

RNX-023: *Bui et al 2018, Int J Clin Pract 72(12):e13263*

RNX-041: *Burisch J et al (J Crohns Colitis 2013;7:322-337), Anand B S et al (Medscape Apr 2022), GlobalData 2020; GDHCER251-20), Reber J D et al (RadioGraphics 2018: 38(4): 1073-1088), Dalal et al (Inflamm Bowel Dis 2018; 23:989–996)*

RNX-051: *WHO, IARC, Global Cancer Observatory (GLOBOCAN 2020), Wong MSC et al (J. CGH 2020; 18(3): 553-561), Duvvuri A et al (Gastroenterology 201; 160: 1986-1996), Meester R G S et al (Gastroenerology 2020; 159(1): 105-118), Imperiale T F et al (Gastroenterology 2018; 155: 1776-1786)*

27.3 Important events in the development of Reponex' business

2015: Reponex entered into an agreement with Herlev University Hospital (via the Copenhagen Regional Health Authority) concerning clinical collaboration with its Center for Perioperative Optimization. This marked the initiation of the company's successful clinical development of the intraperitoneal treatment for peritonitis with GM-CSF and antibiotics.

2017: The Danish Medicines Agency authorized the first clinical trial of the intraperitoneal treatment in patients with uncomplicated peritonitis. This provided the basis for subsequent authorizations of clinical trials on the local use of GM-CSF, including perforated appendix, wound healing and pouchitis.

The Agency also granted the company GDP (Good Distribution Practice) certification.

2018: Reponex entered into further agreements on clinical collaboration with Bispebjerg University Hospital (concerning studies on the healing of chronic wounds) and Zealand University Hospital, Køge (concerning the treatment of pouchitis a model for Crohn's disease, and the treatment of colorectal cancers and adenomas).

Reponex' patent on the intraluminal treatment of inflammatory bowel disease with GM-CSF and antibiotics was granted in the USA.

Reponex initiated the development of innovative formulations for delivery of its compositions to the otherwise less accessible intestinal ulcers with Bioneer A/S and the Depart of Pharmacy, University of Copenhagen. This includes the development of the *in-situ* formation of mucosa-adhesive gel and the "dynamic gel" principle for oral treatment.

The Danish Medicines Agency granted the company GMP (Good Manufacturing Practice) certification, thus completing the necessary authorizations for full operation as a pharmaceutical company.

2019: Highly favorable results were obtained from the clinical study on the intraperitoneal treatment of peritonitis due to appendiceal perforation, confirming the efficacy of the local GM-CSF and antibiotic treatment.

Reponex secured the deposition, in its own name, of the GM-CSF-producing *E. coli* bacterial cell line in a European Working Cell Bank (BioReliance Ltd, Glasgow, UK).

The Danish regulatory authorities approved the initiation of the clinical studies on the treatment on colorectal cancers and adenomas and approved the clinical protocol for the study of the treatment of pouchitis (a model for Crohn's disease) with its GM-CSF and antibiotic treatment for inflammatory bowel disease.

2020: Reponex' patent on the intraperitoneal treatment of peritonitis was granted in Europe, Japan and the USA. The results of the clinical study were published.

Reponex' patent on its medicinal product for healing chronic infected wounds was granted in Europe and Russia.

2022: Reponex founded a Scientific Advisory Board composed of very distinguished and experienced scientists, one of them, Professor Peter Agre, a Nobel prize-winner. It also appointed a new chairman of its board of directors, Christian Vinding Thomsen, a very experienced attorney specialized in the legal issues facing the pharmaceutical industry. Reponex also reorganized its management and strengthened its employee/consultant team with specialists in GM-CSF/protein chemistry and Regulatory Affairs.

27.4 Reponex' strategy going forward

It is Reponex aim to create a better quality of life for a substantial number of patients having diseases that have significant patient and social impact and for which current therapy is lacking or in need of improvement.

Upon expected launch of Reponex' first product candidates, it is expected that Reponex in the future will be most challenged in relation to achieving general governmental reimbursement for future products after obtaining marketing authorization in the relevant markets in question. A product achieving the right

to receive reimbursement from the government is expected to have a higher value for Reponex in respect of possible future agreements with license partners.

Reponex' business model and ambition are to create value through the company's sustaining platform by bringing the clinical programs to a clinical phase II stage (with intellectual property rights), whereby the effect of the drug candidates can be documented with relevant clinical data.

Reponex' strategy can be summarized as:

- **Clinical execution**: Developing product candidates in collaboration with leading institutions and experts.
- **Commercialization**: Out-license the clinical programs to a partner after phase II.

In Reponex' view, the company is organizationally effective, having adopted an aggressive commercial outsourcing strategy to be as agile as possible in order to meet a complex and continuously changing pharmaceutical industry. The strategy creates cost-effectiveness, and the flexibility to scale up or down rapidly with respect to relevant human knowledge resources, which the company considers to be a key factor and driver of success.

The two key components and phases of Reponex' strategy are outlined in the sections below. Reference is also made to Section 36.

27.4.1 Clinical execution

Reponex' clinical strategy is to establish collaborations with internationally leading institutions and hospitals in combination with the best experts in each of the company’s specific clinical areas. This means that Reponex carries out its clinical programs in the appropriate academic environment with direct access to patients and keeps abreast of the latest advances.

Through the innovative use of existing knowledge, its own experience base and the repositioning of drugs, Reponex seeks to design the company’s clinical development programs under close assessment of relevant clinical endpoints, statistical significance of data outcomes and cost-effectiveness, thereby creating an attractive benefit/risk profile.

Reponex' clinical development programs generally meet a large unmet medical need within the individual indications. It is Reponex' ambition to pursue the clinical programs to the stage of submission of relevant clinical data with statistical significance, which could form the basis of an industrial alliance, or a sale based on industrial convergence.

27.4.2 Commercialization

Reponex is a development organization without marketing and sales capabilities. It is Reponex' business model to create value through the company's sustaining platform by bringing the clinical programs to a clinical phase II stage at which the effect of the drug candidates can be documented with relevant clinical data and secured intellectual property rights. In this phase, Reponex will employ a license officer and initiate its strategy on partnering, focusing on companies with established sales, distribution and marketing powers to bring new drugs into the pharmaceutical market.

Reponex expects to benefit from full or partial fundings for the additional phase III clinical trials and regulatory costs. A market-compliant out-licensing agreement is also expected to provide positive revenue to Reponex from down payments, milestone payments upon achievement of certain clinical and regulatory milestones, and finally a recurring royalty payment. In return for full funding of the phase

III clinical trials and regulatory approval, the licensee is expected to receive the marketing authorization (MA) for the medicinal product, either globally or for specific territories.

27.5 Dependencies of Reponex' business

27.5.1 Dependency on patents and intellectual property rights

Reponex' competitiveness is based on developing and maintaining core knowledge and expertise supported by an IP protection strategy. The IP strategy is carried out with strict observance of the costs associated with the patenting process, especially in the national phase when Reponex' starting point is to protect the largest pharmaceutical markets, such as the United States, Europe and Japan. Reponex endeavors to draft its patent application in a way that allows a modified description and expected subsequent claims to cover the anticipated new indications and the corresponding clinical trial endpoints. The process has an element of reciprocity wherein allowed claims can influence the prioritization of clinical endpoints, just as unexpected benefits discovered at clinical trials may lead to a new patent application.

Repositioning existing drugs gives the possibilities of obtaining patent protection, even if the original patents on the active pharmaceutical ingredient are still in force. In relation to Reponex' priority drugs, molgramostim and fosfomycin, the original patents have, however, expired. Potential patentable claims include:

a) New indications - backed by proof-of-concept examples.

b) New dosage regimens - appropriate for new indications.

c) New administration methods - adapted to the new indications, such as local application to the site of the pathology.

d) Different formulations - following any new administration method designed to maximize efficacy and acceptability.

Reponex´ patent applications are based on combinations of therapeutic agents for a determined clinical indication, being a new combination for this purpose and, in Reponex' view, advantageous for treatment. In addition, the combination of therapeutic agents is given by a new route of administration, which is correspondingly expected to have a series of advantages. This is demonstrated by good clinical results which in the favorable case show that the combination is effective and has a series of advantages compared to known treatments (prior art); e.g. in terms of treatment time and synergy. Reponex' patent applications are thus a combination of a), b), c) and d), above.

Reponex' IP strategy has been, and will continue to be, to file early applications which are to be backed by proof-of-concept clinical testing, the results of which are used to support the inventive step. The time-course of the process dictates that argumentation concerning inventive steps is postponed to the national phase of the patenting process, when the first clinical results are available. In the national phase, the patent applications are processed by the patent offices of the selected countries. The national phase typically comprises EU, the US and, for selected product candidates, Japan and other selected countries. In other words, the documentation supporting inventive steps coincides with the demonstration by Reponex in the clinical phase II studies on patients, and that Reponex' medicament and method of treatment strongly indicate to be notably beneficial to the patients.

Applications for some individual patents have from proportionality considerations of a potential large market been filed in Russia prior to the current situation regarding Russia.

Reponex is aware of the current situation in Russia and follows the geopolitical development closely in order to determine any future product sales and commercialization in Russia. As of the Prospectus Date, Reponex has no activities in Russia, and Reponex will not seek any business operations or activities in Russia while the sanctions imposed by EU apply.

Reponex' patent portfolio and status are outlined in the table below.

Table no. 8: Patent portfolio

Application/publication no.	Priority date	Title	Status
WO2016020530A1 (priority DK PA2014 70473)	**07.08.2014**	"Compositions for treatment of peritonitis"	**Granted in EU, US and Japan**
Priority DK PA2019 70266	**28.04.2019**	"Composition for the intraperitoneal treatment of secondary bacterial peritonitis with reduction of complications"	National phase in US
WO2015177379A3 (priority DK PA2014 70300)	**23.05.2014**	"Compositions for promoting the healing of wounds"	National phase in EU, US and Japan
WO2015118069A1 (priority DK PA2014 70059)	**05.04.2014**	"Compositions for promoting the healing of skin ulcers and wounds"	**Granted in EU and Russia** National phase in US and Japan
WO2016012608A1 (priority DK PA2014 70461)	**25.07.2014**	"GM-CSF for treatment of IBD"	**Granted in US** National phase in EU
Priority DK PA2019 70266 Priority DK PA2019 70324	**20.03.2019** **22.05.2019**	Targeting biological agents to mucosal defects of the gastrointestinal tract	National phase in EU and US
PCT/EP2019/050798 (priority DK PA2018 70030) (priority DK PA2018 70392)	**17.01.2018**	"Compositions for eliminating bacterial promotors of colorectal cancer by intraluminal application"	National phase in EU, US, Japan, Russia
WO2012136224 (priority DK PA2012 050114)	**07.04.2011**	"Granulocyte-macrophage colony stimulating factor for enhancing pulmonary host defense in acute and chronic radiation syndrome, therapeutic radiation intervention and cancer therapy"	**Granted in EU and US**
PCT/EP2015/054747 (priority DK PA2014 70113)	**07.03.2014**	"Compositions for treating infections by airway administration"	National phase in US

27.5.2 Dependency on suppliers of active substances

Reponex controls its development program and protein-based drug portfolio directly, but in line with its rigorous outsourcing policy to save costs and secure a lean project management structure, all "hands on" and executive functions like formulation development, manufacture, packaging, QC, stability and recovery determinations are outsourced to external specialists.

Reponex' repositioning strategy of using established drugs cuts the development path by at least 3 years and in the best case up to 8 years by bypassing research and development, the development of the manufacturing process and part of the pre-clinical testing. The active pharmaceutical ingredients are

obtained whenever possible through supply agreements with established manufacturers operating to current Good Manufacturing Practice (cGMP) standards, or alternatively with a Contract Manufacturing Organization (CMO) operating to the same standards.

Overview of active substances

Substance	**Manufacturer**	**Supplier**	**Alternative suppliers**	**Security of supply of active ingredients**
Molgramostim (recombinant human GM-CSF)	GEMA Biotech S.A., Argentina	Savara Pharmaceuticals Inc., US. (supply agreement valid until 2033) Klifo A/S, Glostrup (agreement through Savara, responsible for import and release of the substance in the EU). GMP certified, cf. the EU's eudragmdp database.		Back-up supply of active substance is secured by deposition in Europe (BioReliance Ltd., Glasgow, UK) of a back-up Working Cell Bank, as well as a copy of a Master Batch Record describing the manufacturing process in detail. This ensures that manufacture can be set up at very short notice through any of a large number of qualified CMOs working to cGMP standards, if for any reason the original supplier should fail.
Fosfomycin	Ercros S.A. Pharmaceutical division, Spain	Flavine Europe GmbH, Germany. (Supply agreement valid until 2025) Infectopharm, Germany (for clinical studies). GMP certified cf. EU's eudragmdp database.		Fosfomycin of GMP quality for clinical use is considered to be commercially readily available with high delivery reliability.
Metronidazole		B. Braun Melsungen AG, Germany. GMP certified cf. EU's eudragmdp database.		Metronidazole of GMP quality for clinical use is considered to be commercially readily available with high delivery reliability.
Sodium hyaluronate	Lifecore Biomedical Inc., US	Lifecore Biomedical Inc. (Supply agreement valid until 2027) GMP certified cf. EU eudragmdp database.	- Fidia Farmaceutici S.p.A. Abano Terme IT - HTL S.A.S Javené, FR - Altergon Italia S.R.L., IT	Sodium hyaluronate of GMP quality for clinical use is considered to be commercially readily available with high delivery reliability.
Sucralfate		No direct delivery agreement. Sucralfate is commercially available from several suppliers.	- Fuji Chemical Industries Co. Ltd - Glenmark Life Sciences Ltd - Zhejiang Haisen Pharmaceutical Co. Ltd	Sucralfate of GMP quality for clinical use is considered to be commercially readily available with high delivery reliability.

Molgramostim (recombinant human GM-CSF)

Granulocyte-macrophage colony-stimulating factor (GM-CSF) is a small natural protein (cytokine) related to cell signaling, especially between the white cells in the blood and bone marrow, which are heavily involved in inflammation and the body's defenses against infection.

GM-CSF for pharmaceutical use exists in two forms – expressed in yeast (sargramostim) and expressed in E. coli (molgramostim). Reponex uses molgramostim.

Fosfomycin

Fosfomycin is a relatively sparingly used low-molecular-weight antibiotic with a broad spectrum of bactericidal activity. Fosfomycin is remarkably non-toxic and is active against the multi-resistant bacteria that are seen as a growing threat to health worldwide. Fosfomycin does not appear to induce lasting resistance in most of these bacteria. Fosfomycin is highly effective against Fusobacterium nucleatum.

Metronidazole

While fosfomycin is effective against a very wide range of aerobic bacteria (bacteria that need oxygen for their growth) and even some anaerobic bacteria (bacteria that only grow in the absence of oxygen) such as the cancer-promoting fusobacteria, it is not effective against an important type of anaerobic bacteria, the Bacteroides fragilis group of organisms.

Metronidazole has for decades been the antibiotic of choice to combat infections due to Bacteroides fragilis bacteria. These bacteria are normally present in the large intestine but can cause serious infections if they escape from it, and they also produce toxins that can damage the intestinal mucosa or contribute to the initiation of colorectal cancers.

Sodium hyaluronate

Hyaluronan, also called hyaluronic acid, is an important constituent of the extracellular matrix of the skin and other epithelia, as well as soft connective tissues and the nervous system. It consists of long-chain acidic sugar molecules called glycosaminoglycans, which are non-sulfated and vary greatly in chain length, giving molecular masses ranging from several thousand to many millions of Daltons.

The molecules form gels in solution, the viscosity of which depends on the concentration and mean molecular mass of the substance. Hyaluronan promotes the synthesis and assembly of key extracellular matrix components such as interstitial collagens during wound healing and also contributes significantly to cell proliferation and migration, e.g., of the basal keratinocytes, which are essential for reconstituting the skin cover.

The efficacy of extraneous hyaluronan in promoting wound healing may be influenced and optimized by the choice of chain length.

Sucralfate

Sucralfate is a basic complex of aluminum and sucrose sulfate. While it is insoluble in water at neutral pH, forming a white suspension, it gels at acid pH and selectively binds to the positively charged proteins of the base of peptic or other intestinal ulcers and skin wounds, forming a protective coating e.g., against gastric acid, proteolytic enzymes and bile acids, and thus promoting ulcer healing.

Sucralfate also accelerates the healing of chronic skin ulcers, perhaps by amplifying the effects of intrinsic cytokines and growth factors involved in wound repair, e.g., basic fibroblast growth factor, by binding them and protecting them from degradation, so their effect on the wound healing process is prolonged.

It has previously been used for the treatment of gastrointestinal diseases, especially peptic ulcer, and it is still used today.

27.6 Past and future investments

As of the Prospectus date, Reponex has historically invested DKK 24 million to bring the clinical projects to the current stage.

As of the Prospectus Date, Reponex are planning to invest further to bring the clinical projects to a clinical phase II stage (with intellectual property rights) at which the effect of the drug candidates can be documented with relevant clinical data. At this stage, Reponex will initiate its strategy on partnering, focusing on companies that have complementary scale or functional areas of strength and capabilities.

All investments in R&D are made directly over the income statement. As of the Prospectus Date, Reponex has ongoing investments in R&D, primarily in Denmark, of approximately DKK 1-1.5 million. The investments in R&D are financed via internal financing (equity financing). As of the Prospectus Date, Reponex has no planned future material investments.

The table below presents Reponex' R&D investments for H1 2022, FY 2021, FY 2020 and FY 2019

Table no. 9: R&D Investments

Historic R&D investments in Reponex

According to IFRS	*(Not audited)*	*(audited)*	*(audited)*	*(audited)*
DKK '000	**30-06-2022**	**2021**	**2020**	**2019**
Research and development cost	2,230	5,104	4,844	4,858

28 Trend information

Reference is made to Appendix IV for details on the external sources upon which certain statements on historical overview, market trends and other supporting data etc. are based on in this Section 28.

It is Reponex' business model to create value through the company's sustaining platform by bringing the clinical programs to a clinical phase II stage at which the effect of the drug candidates can be documented with relevant clinical data and secured intellectual property rights. In this phase the company will initiate its strategy on partnering, focusing on companies that have complementary sizes and functional areas of strength and capabilities to carry out production, sales and inventory.

As of the Prospectus Date, Reponex has not yet generated any revenue or launched any of its product candidates.

Upon obtaining marketing authorization in the relevant markets in question, Reponex has currently no intention to manage production, sales and inventory by itself.

In relation to Reponex' clinical candidates and programs, the main trends in the market are in Reponex' as set out below.

28.1 Historical overview

According to Mikulic M (Statista Oct. 2022), the pharmaceutical market has seen rapid growth in the last two decades, moving from an annual revenue on a global basis of $390 billion in 2001 to $1.4 trillion in

2021. The largest market is the US, making up roughly 50% of worldwide revenue. Other important markets are Europe, with approximately 23%, China, with 9.3%, and Japan, with 6.1%. The remaining market is primarily in Africa, the rest of Asia and Australia, with Latin America only making up 3.1% of the total market. The primary trend in the market has been that all of the mature markets (US, Europe, Japan), with the exception of the US, have gradually made up less of the overall global market. In contrast, China, Latin America and other emerging countries have steadily made up more. In particular, China has experienced rapid market value growth just over the last decade.

28.2 Expected market development

The pharmaceutical market is according to Facts & Factors (Aug. 2022) expected to continue its rapid growth for the foreseeable future. As such, the global market value is expected to reach almost $2.1 trillion by 2028, yielding a compounded-annual-growth rate (CAGR) of 5.7% since 2021. Most of this growth will be driven by an increased market value in rapidly maturing countries, such as China and India, and in countries where pharmaceutical products will become more accessible to a larger share of the population, such as China, India, and Latin America. While the market will continue to grow even in more mature economies such as the US, Europe and Japan, they are expected to experience a lower rate of growth than the other markets.

28.2.1 Wound care

According to Fortune Business Insight (Apr. 2022), the global chronic wound care market is estimated to be $12.4 billion in 2022. It is expected to grow to $19.5 billion by 2029 at a worldwide growth rate (CAGR) of 6.7%.).

Furthermore, the increasing geriatric population is expected to impel market growth, as the senior population has slow healing capabilities.

According to the World Health Organization (WHO) (The Star Oct. 2021), in 2017, the population in South-East Asian region of people aged 60 or above was 9.8% and is expected to increase to 13.7% and 20.3% by 2030 and 2050 respectively. Similarly, older people (aged ≥65) are currently the fastest-growing group in the US.

According to Raffetto J D et al (J Clin Med 2021; 10(1): 29), most of the lower-extremity ulcers (70%) are caused by chronic venous insufficiency, with a majority among the population aged 65 or above.

The increasing prevalence of different types of chronic wounds globally generates a high demand for treatment products, fueling the adoption of wound dressings, devices, and other products.

28.2.2 Colorectal cancer (CRC)

The CRC market is according to The Insight Partners (July 2022) estimated to be $18.6 billion in 2022 and is estimated to increase with an annual growth rate (CAGR) of 3.3% to $24.1 billion by 2028.

According to Sung H et al (CA Cancer J Clin 2021;71:209–249), GLOBOCAN estimates the global incidence of CRC to 1.93 million new cases in 2020 and 0.94 million deaths. The international number of new CRC cases is predicted to reach 3.2 2.8 million in 2040. The incidence of CRC is higher in highly developed countries, and it is increasing in the middle- and low-income countries due to westernization.

Further, according to Sung H et al (CA Cancer J Clin 2021;71:209–249), the majority of the incidence of colorectal cancer is seen in adults aged 50 and older. It is slightly higher for men than for women.

The large number of CRC cases poses a growing global public health challenge. Raising awareness of CRC is essential to promoting healthy lifestyle choices, novel strategies for CRC management, and

implementing international screening programs, which are critical for reducing future CRC morbidity and mortality.

An accurate CRC subtype classification system is significant for basic research and clinical outcome.

Great efforts and advancements are made to better understand the pathophysiology of CRC and expand treatment options, including endoscopic resection, local surgical excision, targeted therapy, radiation therapy, ablative therapies, chemotherapy and immunotherapy, which double the overall survival of advanced CRC to three years.

28.2.3 Inflammatory bowel disease (IBD)

According to ReportLinker (Sept 2022), the global IBD market is estimated to be $19.5 billion in 2021. It is estimated to increase with an annual growth rate (CAGR) of 4.93% to $24.8 billion in 2026.

According to Delveinsight (Crohn's Disease - Market Insights, Epidemiology, and Market Forecast–2032) the Crohn's disease (CD) market size in the 7MM (seven major markets: US, France, Germany, Italy, Spain, UK, and Japan) is estimated to be $7,8 million in 2021 and is expected to increase with an annual growth rate (CAGR) of 3%.

Further, according to Delveinsight (Crohn's Disease - Market Insights, Epidemiology, and Market Forecast–2032)**,** the total prevalence of CD was estimated in 7MM to be 1.6 million cases in 2021, which is expected to increase by 2032.

According to GlobalData (Crohn's Disease – Epidemiology Forecast to 2029), most new cases of CD are seen among young people aged 15-29, with a slight majority among men.

Higher preference for effective but less invasive symptomatic therapeutics and biologics for the management of IBD such as ulcerative colitis and CD is the trend governing the overall growth of the CD market. Therefore, higher utilization and preference for biologics and anti-inflammatory drug therapies coupled with the surging popularity of biosimilars are expected to play an essential role in shaping the market for the future.

A better understanding of the underlying disease process and advances in endoscopic techniques, equipment and devices will open the venue for interventional IBD treatment. Closer collaboration between physicians, surgeons and the industry is required to meet the growing clinical demand for advanced products of higher efficiency.

28.2.4 Peritonitis

According to Data Bridge Market Research (Global Peritonitis Treatment Market – Trends and Forecast to 2028 (Feb 2021)), the global peritonitis (intra-abdominal infection) treatment market size is projected to expand at an annual growth rate (CAGR) of 6.1% from 2021 to 2028.

According to GlobalData.com, the estimated global annual incidence of complicated intra-abdominal infection (bacterial peritonitis) is 2.5-3 million, and the majority of the incidence of appendicitis is seen among younger people 10-30 years of age.

Increasing awareness in the general population and growing research and studies to develop permanent and effective treatment options for peritonitis also boost the market growth. Moreover, the growing number of patients and the increasing demand for medications with more effective and permanent results are opportunities for market growth. However, stringent regulatory policies and increasing bacterial resistance to antibiotics for treatment may hamper the peritonitis treatment market in terms of treatment through medication.

28.3 Significant change in the financial performance of Reponex since the end of the last financial period for which financial information has been published to the Prospectus Date

No significant change in the financial performance of Reponex has occurred since the end of the last financial period for which financial information has been published to the Prospectus Date.

28.4 The most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the Prospectus Date

It is Reponex' business model to create value through the company's sustaining platform by bringing the clinical programs to a clinical phase II stage at which the effect of the drug candidates can be documented with relevant clinical data and secured intellectual property rights. In this phase, Reponex will initiate its strategy on partnering, focusing on companies that have complementary sizes or functional areas of strength and capabilities. Reponex will not handle its own production, storage, sales and marketing. These functions will be outsourced to external parties as part of Reponex' current outsourcing strategy. There is a constant focus on creating the right starting point for the implementation of an exclusive out licensing of Reponex' drug candidates to global pharma companies that can contribute to the further clinical and regulatory process as well as represent a relevant distribution power. Reponex does not have any revenue per the Prospectus Date and therefore neither any costs or selling prices of any products.

29 Organizational structure

29.1 For a description of the Organizational structure, see Section 17.

30 Regulation

30.1 The regulatory environment of Reponex' activities

30.1.1 Overview

Government authorities in most countries extensively regulate the research, development, clinical testing, manufacture, distribution and marketing of biopharmaceutical products such as those that Reponex is developing and wishes to market. Obtaining regulatory approvals and ensuring subsequent compliance with applicable laws and regulations require the expenditure of substantial time and financial and managerial resources. Regulatory requirements in different jurisdictions vary, and the timing and success of efforts to obtain regulatory approvals can be highly uncertain. Development of a successful product candidate, from identification of a candidate, through preclinical and clinical testing, to registration, typically takes over ten years and may extend to 15 years or more.

Biopharmaceutical product development is a highly structured process divided into two major stages, preclinical and clinical. In the preclinical stage, the toxicology and mode of action of a product candidate is evaluated. This stage is considerably shortened and simplified in the case of repositioned drugs such as those being developed by Reponex. Repositioning of medicinal products means meeting new unmet clinical needs by using active pharmaceutical ingredients or drug substances that have already been tested in clinical applications. This means that regulatory approved substances are used in novel products that can contain a single active substance or a combination of multiple active substances. Current Good Manufacturing Practices (cGMP) requirements for the active ingredients are met for products’ identity, strength, quality, purity and potency. Thus, the environmental and patient safety aspects of each of the active substances have been assessed. However, supplementary studies on the

consequences of combining and changing the route of administration of such drugs may be required. The clinical development program is designed to prove the safety of any new pharmaceutical drug, determine the dosage requirements and demonstrate its efficacy. The clinical stage is carried out in three phases, spanning initial safety aspects in healthy individuals through tests of product efficacy in a limited number of patients in the later trial studies to prove statistically significant evidence of the clinical efficiency in a large patient population.

Following completion of this complex, expensive and time-consuming clinical development program, the developer submits all the preclinical and clinical trial documentation as well as extensive data characterizing the manufacturing process to the regulator to seek regulatory approval to market the formulation as a pharmaceutical product. The regulator reviews all the information related to the safety of the product candidate, and whether the pharmacological effect claimed by the developer on the proposed label can be substantiated by the results of the clinical trials. The regulator has the option to decide to approve the application as requested, ask for changes to the claims made by the developer, ask for more information, require that further clinical trials are undertaken, or refuse to approve the formulation for sale.

Even after initial regulatory approval has been obtained, further studies, including Phase 4 post-approval safety studies, may be required to provide additional data on safety and will be required to gain approval for the use of a product as a treatment for clinical indications other than those for which the product was initially tested. There are also continuing, annual program user fee requirements for any marketed products, as well as new application fees for supplemental applications with clinical data. In addition, regulatory authorities require post-marketing reporting to monitor the adverse effects of the product.

Results of post-approval programs may limit or expand the further marketing of the products. Further, if there are any modifications to the product, including changes in indication, manufacturing process or labeling, or a change in the manufacturing facility, an application seeking approval of such changes or, as the case may be, notification, must be submitted to the relevant regulatory authorities before the modified product can be commercialized. In the case of a repositioned drug, this will be subject to a Risk Evaluation and Mitigation Strategy (“REMS”), which could impose a number of obligations, including assessment of drug safety aspects as well as a communication plan for physicians regarding safe use of the product, distribution and use restrictions, and/or periodic assessments of the effectiveness of the REMS. Finally, studies may be required as a contingency of regulatory approval (post-approval commitments), and completion of these studies within a regulator-mandated timeframe may be required.

30.2 European Union

The development, marketing and sale of medicinal products in the EU is subject to extensive pre and post marketing regulation by regulatory authorities, previously at both EU and national levels. The requirements, regulatory approvals and processes governing the conduct of clinical trials, product licensing, pricing and reimbursement varied from country to country, but as of 1 February 2022, European Medicines Agency (EMA) has revised its clinical trial requirements for prescription medicines to harmonize them throughout the EU member states. The new procedures are known as the Clinical Trials Information System (CTIS), replacing the former Clinical Trials Regulations (CTR). The UK retains its own procedures. National procedures may still apply to over-the-counter medicines.

30.2.1 Clinical Trials

Clinical trials of medicinal products in the EU must be conducted in accordance with EU and national regulations (focusing in particular on traceability) that apply to clinical trials of advanced therapy

medicinal products. The sponsor must take out a clinical trial insurance policy and, in most EU countries, the sponsor is liable to provide ‘no fault’ compensation to any study subject injured in the clinical trial.

Prior to commencing a clinical trial, the sponsor must obtain a clinical trial authorization from the relevant regulatory authority, and a positive opinion from an independent ethics committee. The application for a clinical trial authorization must include, among other things, a copy of the trial protocol and an investigational medicinal product dossier (IMPD) containing information about the manufacture and quality of the medicinal product under investigation. Up until 1 February 2022, clinical trial authorization applications had to be submitted to the regulatory authority in each EU member state in which the trial was to be conducted. This is now replaced by the centralized Clinical Trials Information System (CTIS) system. The clinical development program for the repositioned drug will therefore be submitted for regulatory evaluation using the centralized application procedure in the EU, which can be applied to products that constitute a significant therapeutic, scientific or technical innovation or which are in the interest of public health in the EU. Any substantial changes to the trial protocol or other information submitted with the clinical trial applications must be notified to, or approved by, the relevant competent authorities and ethics committees. Medicines used in clinical trials must be manufactured in accordance with cGMP.

30.2.2 Marketing Authorization

In the EU, medicinal products can only be commercialized after obtaining a marketing authorization. Up to the introduction of CTIS, there were four procedures for obtaining marketing authorizations: the centralized procedure, the decentralized procedure, the mutual recognition procedure and the national procedure.

The Community marketing authorization, which is issued by the European Commission through the centralized procedure based on the opinion of the Committee for Medicinal Products for Human Use (CHMP) of the EMA, is valid throughout the entire territory of the European Economic Area. The centralized procedure is mandatory for certain types of products, such as biotechnology medicinal products and repositioned products thereof, advanced therapy medicinal products (ATMPs), orphan medicinal products, and medicinal products containing a new active substance indicated for the treatment of AIDS, cancer, neurodegenerative disorders, diabetes, autoimmune and viral diseases.

30.2.3 Advanced Therapies

Under the centralized procedure in the EU, the maximum timeframe for the evaluation of a marketing authorization application (MAA) by the EMA is 210 days. This excludes so-called clock stops, during which additional written or oral information is to be provided by the applicant in response to questions asked by the CHMP. At the end of the review period, the CHMP provides an opinion to the European Commission. If this opinion is favorable, the Commission may then adopt a decision to grant a marketing authorization. In exceptional cases, the CHMP might perform an accelerated review of an MAA in no more than 150 days. This is usually when the product is of major interest from a public health perspective and, in particular, from a therapeutic innovation perspective.

The European Commission may grant a so-called “marketing authorization under exceptional circumstances”. Such authorization is intended for products for which the applicant can demonstrate that it is unable to provide comprehensive data on the efficacy and safety under normal conditions of use because the indications for which the product in question is intended are encountered so rarely that the applicant cannot reasonably be expected to provide comprehensive evidence, or in the present state of scientific knowledge, comprehensive information cannot be provided, or it would be contrary to generally accepted principles of medical ethics to collect such information. A marketing authorization under exceptional circumstances is subject to annual review to reassess the risk-benefit balance in an

annual reassessment procedure. Continuation of the authorization is linked to the annual reassessment and a negative assessment could potentially result in the marketing authorization being suspended or revoked. The renewal of a marketing authorization of a medicinal product under exceptional circumstances, however, follows the same rules as a “normal” marketing authorization. Thus, a marketing authorization under exceptional circumstances is granted for an initial five years, after which the authorization will become valid indefinitely, unless the EMA decides that safety grounds merit one additional five-year renewal.

The European Commission may also grant a so-called “conditional marketing authorization” prior to obtaining the comprehensive clinical data required for an application for a full marketing authorization. Such conditional marketing authorizations may be granted for product candidates (including medicines designated as orphan medicinal products), if (i) the risk-benefit balance of the product candidate is positive, (ii) it is likely that the applicant will be in a position to provide the required comprehensive clinical trial data, (iii) the product fulfills an unmet medical need and (iv) the benefit to public health of the immediate availability on the market of the medicinal product concerned outweighs the risk inherent in the fact that additional data are still required. A conditional marketing authorization may contain specific obligations to be fulfilled by the holder of a marketing authorization, including obligations with respect to the completion of ongoing or new studies, and with respect to the collection of pharmacovigilance data. Conditional marketing authorizations are valid for one year, and may be renewed annually, if the risk-benefit balance remains positive, and after an assessment of the need for additional or modified conditions and/or specific obligations. The timelines for the centralized procedure described above also apply with respect to the review by the CHMP of applications for a conditional marketing authorization.

The holder of a marketing authorization in any member state of the EU is subject to various obligations under applicable EU regulations, such as pharmacovigilance obligations, requiring it to, among other things, report and maintain detailed records of adverse reactions, and to submit periodic safety update reports to the regulatory authorities. The holder must also ensure that the manufacturing and batch release of its product is in compliance with the applicable requirements. The holder of a marketing authorization is further obligated to ensure that the advertising and promotion of its products comply with applicable laws, which can differ from member state to member state of the EU.

30.2.4 Pediatric Development

In the EU, companies developing a new medicinal product must agree to a Pediatric Investigation Plan (PIP) with the EMA and must conduct pediatric clinical trials in accordance with that PIP, unless the product is exempted (e.g., if the product is a generic product, a “hybrid” medicinal product or a biosimilar product) or a deferral or waiver applies (e.g., because the relevant disease or condition occurs only in adults). The marketing authorization application for the product must include the results of pediatric clinical trials conducted in accordance with the PIP, unless the product is exempted, a waiver applies, or a deferral has been granted, in which case the pediatric clinical trials must be completed at a later date. Where an application for a marketing authorization includes the results of all studies conducted in compliance with an agreed PIP, the holder of the patent or supplementary protection certificates (SPC) shall be entitled to a six-month extension of the protection under the SPC or, in the case of orphan medicinal products, a two-year extension of the orphan market exclusivity. This pediatric reward is subject to specific conditions and is not automatically available when data in compliance with the PIP are developed and submitted.

30.2.5 General Data Protection Regulation (GDPR)

Processing of personal data is subject to data protection laws, privacy requirements and other regulatory restrictions in the jurisdictions in which Reponex Therapeutics operates, including the GDPR.

The GDPR imposes a number of mandatory requirements, including, but not limited to, (i) ensuring that the basic principles for processing of personal data are met, (ii) ensuring appropriate and sufficient legal bases for processing of personal data, (iii) providing information to the individuals regarding the processing of their personal data, (iv) responding to requests from individuals to exercise their rights in relation to processing of their personal data (v) implementing appropriate security measures to protect personal data, (iv) entering into data processing agreements with third parties who process personal data on behalf of the company and ensuring that these parties do so in compliance with the applicable requirements, (vi) keeping records of processing activities, (vii) reporting personal data breaches to the competent national supervisory authority and, where applicable, the affected individuals, (vii) appointing data protection officers, (viii) conducting data protection impact assessments, and (ix) ensuring an adequate protection for personal data transferred to jurisdictions outside the European Economic Area, such as the United States.

30.3 United States

30.3.1 Standard Procedure

In the United States, the FDA regulates biopharmaceutical products under the Federal Food, Drug, and Cosmetic Act, Public Health Service Act and their implementing regulations. The process of obtaining regulatory approvals and the subsequent compliance with applicable federal, state and local statutes and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable US requirements at any time during the product development process, the approval process or later, may subject an applicant to a variety of administrative or judicial sanctions, such as the FDA’s refusal to approve pending applications, withdrawal of an approval, imposition of a clinical hold, issuance of warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties.

The process required by the FDA before a biopharmaceutical product may be marketed in the United States generally involves the following:

- Completion of preclinical laboratory studies, animal studies and formulation studies in compliance with the FDA's good laboratory practice regulations;
- Submission to the FDA of an investigational new drug application (IND), which must become effective before human clinical trials may begin;
- Approval by the institutional review board (IRB) at each clinical site before each trial may be initiated;
- Performance of adequate and well-controlled human clinical trials in accordance with applicable in and other clinical trial-related regulations and GCP requirements in order to establish the safety and efficacy of the proposed product candidate for its proposed indication;
- Submission to the FDA of a biologics license application (BLA);
- Satisfactory completion of an FDA pre-approval inspection of the production facility or facilities where the product is produced to assess compliance with the FDA's CGMP requirements to assure that the facilities, methods and controls are adequate to preserve the product’s identity, strength, quality, purity and potency;

- Potential FDA audit of the preclinical and/or clinical trial sites that generated the data in support of the BLA; and

- FDA review and approval of the BLA prior to any commercial marketing or sale of the product in the United States.

Once an approval is granted, the FDA may withdraw the approval if compliance with regulatory requirements and standards are not maintained or if problems occur after the product reaches the market. Other potential consequences include, among other things:

- Restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or product recalls;

- Fines, warning letters or holds on post-approval clinical trials;

- Refusal of the FDA to approve pending BLAs or supplements to approved applications, or suspension or revocation of product approvals;

- Product seizure or detention, or refusal to permit the import or export of products; or

- Injunctions or the imposition of civil or criminal penalties.

30.3.2 Clinical Trials

Clinical trials involve the administration of the investigational product to human patients under the supervision of qualified investigators in accordance with Good Clinical Practice (GCP) requirements, which include the requirement that all research patients provide their informed consent in writing for their participation in any clinical trial. Clinical trials are conducted under protocols detailing, among other things, the objectives of the trial, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. A protocol for each clinical trial and any subsequent protocol amendments must be submitted to the FDA as part of the IND. In addition, an Institutional Review Board (IRB) at each institution participating in the clinical trial must review and approve the plan for any clinical trial before it commences at that institution. Information about certain clinical trials must be submitted within specific timeframes to the NIH for public dissemination on their website. Regulatory authorities, IRBs or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research patients are being exposed to an unacceptable health risk.

30.3.3 Marketing Authorization

Assuming successful completion of the required clinical testing, the results of the preclinical studies and clinical trials, together with detailed information relating to the product's chemistry, manufacture, controls and proposed labeling, among other things, are submitted to the FDA as part of a BLA requesting approval to market the product for one or more indications. In most cases, the submission of an application is subject to a substantial application user fee. Under the US Prescription Drug User Fee Act guidelines that are currently in effect, the FDA has a goal of ten months from the date of "filing" of a standard application to review and act on the submission. This review typically takes twelve months from the date the BLA is submitted to the FDA because the FDA has approximately two months to make a "filing" decision.

In addition, under the US Pediatric Research Equity Act of 2003, as amended and reauthorized, certain BLAs or BLA supplements must contain data that are adequate to (i) assess the safety and effectiveness of the product for the claimed indications in all relevant pediatric subpopulations, and (ii) support dosing

and administration for each pediatric subpopulation for which the product is safe and effective. The FDA may, on its own initiative or at the request of the applicant, grant deferrals for submission of some or all pediatric data until after approval of the product for use in adults, or full or partial waivers from the pediatric data requirements.

The FDA conducts a preliminary review of all BLAs within the first 60 days after submission, before accepting them for filing, to determine whether they are sufficiently complete to permit substantive review. The FDA may request additional information rather than accept a BLA for filing. In this event, the application must be resubmitted with the additional information. The resubmitted application is also subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review. The FDA reviews an application to determine, among other things, whether the product is safe and effective and whether the facility in which it is manufactured, processed, packaged or held meets standards that are designed to assure the product's continued safety, quality and purity.

The FDA may refer an application for a novel drug to an advisory committee. An advisory committee is a panel of independent experts, including clinicians and other scientific experts, that reviews, evaluates and provides a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

Before approving a BLA, the FDA typically will inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving a BLA, the FDA may inspect one or more clinical trial sites to assure compliance with GCP requirements.

After evaluating the BLA and all related information, including the advisory committee recommendation, if any, and inspection reports regarding the manufacturing facilities and clinical trial sites, the FDA may issue an approval letter, or, in some cases, a complete response letter. A complete response letter generally contains a statement of specific conditions that must be met in order to secure final approval of the BLA and may require additional clinical or preclinical testing in order for the FDA to reconsider the application. Even with submission of this additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval. If and when those conditions have been met to the FDA's satisfaction, the FDA will typically issue an approval letter. An approval letter authorizes commercial marketing of the product with specific prescribing information for specific indications.

Even if the FDA approves a product, it may limit the approved indications for use of the product, require that contraindications, warnings or precautions be included in the product labeling, require that post-approval studies, including Phase 4 clinical trials, be conducted to further assess a product's safety after approval, require testing and surveillance programs to monitor the product after commercialization, or impose other conditions, which can materially affect the potential market and profitability of the product. The FDA may prevent or limit further marketing of a product based on the results of post-marketing studies or surveillance programs. After approval, some types of changes to the approved product, such as adding new indications, manufacturing changes, and additional labeling claims, are subject to further testing requirements and FDA review and approval.

30.3.4 Other US Healthcare Laws

Reponex may also be subject to healthcare regulation and enforcement by the US federal government and the states in which the company conducts its business, including its research, and the marketing

and distribution of its product candidates and products once they have obtained a marketing authorization. In particular, Reponex may be subject to the following US healthcare laws and regulations:

- The US Federal Anti-Kickback Statute, which prohibits, among other things, persons or entities from knowingly and willfully soliciting, offering, receiving or providing any remuneration (including any kickback, bribe, or certain rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, lease, order or recommendation of, any good, facility, item or service, for which payment may be made, in whole or in part, under any US Federal healthcare program, such as medicare and medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;

- the US federal civil and criminal false claims and civil monetary penalties laws, including the civil False Claims Act, which prohibit, among other things, including through civil whistle-blower or qui tam actions, individuals or entities from knowingly presenting, or causing to be presented, to the US federal government, claims for payment or approval that are false or fraudulent, knowingly making, using or causing to be made or used, a false record or statement material to a false or fraudulent claim, or from knowingly making a false statement to avoid, decrease or conceal an obligation to pay money to the US federal government. Pharmaceutical manufacturers can cause false claims to be presented to the US federal government by engaging in impermissible marketing practices, such as the off-label promotion of a product for an indication for which it has not received FDA approval. In addition, the government may assert that a claim including items and services resulting from a violation of the US Federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil US False Claims Act;

- The Health Insurance Portability and Accountability Act of 1996 (hipaa), which imposes criminal and civil liability for, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement, in connection with the delivery of, or payment for, healthcare benefits, items or services. Similar to the US Federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the healthcare fraud statute implemented under hipaa or specific intent to violate it in order to have committed a violation;

- Hipaa, as amended by the health information technology for economic and clinical health act, and its implementing regulations, which also impose certain obligations, including mandatory contractual terms, with respect to safeguarding the privacy and security of individually identifiable health information of covered entities subject to the rule, such as health plans, healthcare clearinghouses and certain healthcare providers as well as their business associates, independent contractors of a covered entity that perform certain services involving the use or disclosure of individually identifiable health information on their behalf;

- The S Physician Payments Sunshine Act and its implementing regulations, which require certain manufacturers of drugs, devices, biologics and medical supplies that are reimbursable under medicare, medicaid, or the children’s health insurance

program, a federal healthcare program for eligible children whose parents earn too much to qualify for medicaid but cannot afford private insurance coverage, with specific exceptions, to report annually to the government information related to certain payments and other transfers of value to physicians and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members; and

- Analogous US State laws and regulations, including the statute on anti-kickback and false claims laws, which may apply to Reponex' business practices, including but not limited to, research, distribution, sales and marketing arrangements and claims involving healthcare items or services reimbursed by any third-party payor, including private insurers; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the US Federal government, or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; state laws and regulations that require drug manufacturers to file reports relating to pricing and marketing information, which requires tracking gifts and other remuneration and items of value provided to healthcare professionals and entities; state and local laws requiring the registration of pharmaceutical sales representatives; and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not pre-empted by hipaa, thus complicating compliance efforts.

Failure to comply with these laws, where applicable, can result in the imposition of significant civil, criminal and administrative penalties, damages, fines, disgorgement, individual imprisonment, exclusion from participating in federal health care programs, additional reporting requirements and oversight, if Reponex becomes subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, contractual damages, reputational harm, diminished profits and future earnings and the curtailment of the company's operations.

Rules and legislation covering more or less the same subject matter as those in the EU and United States apply also to other countries. These can differ between jurisdictions and can sometimes result in lower or higher exposure in those countries other than in the EU and United States. Where a product is sold in a number of countries, compliance efforts can therefore be complicated.

30.3.5 Post-Approval Requirements

The FDA and the relevant regulatory authorities in the EU strictly regulate marketing, labeling, advertising and promotion of products that are placed on the market in their respective territories. Products may be promoted only for the approved indications and in accordance with the provisions of the approved label. The regulatory authorities actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability.

In addition, biopharmaceutical and other entities involved in the manufacture and distribution of approved products are required to register their establishments with the relevant regulatory authorities and are subject to periodic unannounced inspections by them to confirm compliance with cGMP requirements. Changes to the manufacturing process are strictly regulated and often require prior approval of the relevant regulatory authorities before being implemented. Regulations laid down by the FDA and the regulatory authorities in the EU also require investigation and correction of any deviations

from the requirements of cGMP and impose reporting and documentation requirements on the holder of a marketing authorization and any third-party manufacturers that the holder of a marketing authorization may decide to use.

30.3.6 Healthcare Reform

In the United States, the EU and other jurisdictions, there have been, and will continue to be, a number of legislative and regulatory changes and proposed changes to the healthcare system that could affect Reponex' future results of operations. In particular, there have been and continue to be a number of initiatives at the US. federal and state levels that seek to reduce healthcare costs and improve the quality of healthcare. For example, in March 2010, the Patient Protection and Affordable Care Act (ACA) was enacted, which substantially changed the way healthcare is financed by both governmental and private payors. Among the provisions of the ACA, those of greatest importance to the pharmaceutical and biotechnology industries include the following:

- An annual, non-deductible fee payable by any entity that manufactures or imports certain branded prescription drugs and biologic agents (other than those designated as orphan drugs), which is apportioned among these entities according to their market share in certain government healthcare programs;
- Extension of manufacturers' medicaid rebate liability;
- Expansion of eligibility criteria for medicaid programs;
- Expansion of the entities eligible for discounts under the public health service pharmaceutical pricing program;
- A licensure framework for follow on biosimilar products;
- A new patient-centered outcomes research institute to oversee, identify priorities in, and conduct, comparative clinical effectiveness research, along with funding for such research; and
- Establishment of a center for medicare innovation at the Centers for Medicare & Medicaid Services (CMS) to test innovative payment and service delivery models to lower medicare and medicaid spending, potentially including prescription drug spending.

Since its enactment, there have been judicial and US Congressional challenges to certain aspects of the ACA, and it is expected that there will be additional challenges and amendments to the ACA in the future. Some of the provisions of the ACA have yet to be fully implemented, while certain provisions have been subject to judicial and US Congressional challenges, as well as efforts by the current administration to repeal or replace certain aspects of the ACA. It is unclear how appeals and other efforts to repeal and replace ACA will impact ACA and Reponex' business. Reponex cannot predict the ultimate content, timing or effect of healthcare reform legislation or regulation or the impact of potential legislation or regulation on the company.

In addition, other legislative changes have been proposed and adopted since the ACA was enacted. These new laws and other potential legislation may result in additional reductions in medicare and other healthcare funding, which could have a material adverse effect on customers for Reponex' products, and accordingly, the company's financial operations.

Individual states in the United States have also increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs.

30.3.7 Coverage and Reimbursement

Sales of products developed from Reponex' products and product candidates, if approved, depend, in part, on the extent to which such products, and procedures for the administration of such products, are covered and reimbursed by third-party payors, such as government healthcare authorities, government healthcare programs, commercial insurance and managed healthcare organizations. Assuming coverage is obtained, patients and their treating physicians may not utilize a product if available reimbursement is inadequate to cover all or a significant portion of the costs associated with using the product, or if co-payments are required that patients find prohibitively expensive.

Third-party payors determine which procedures and products they will cover and establish reimbursement levels and services. In the United States, no uniform policy of coverage and reimbursement for products and related procedures exist among third-party payors and obtaining coverage and adequate reimbursement from one payor does not guarantee that other payors will provide similar coverage or reimbursement. Therefore, coverage and reimbursement for products can differ significantly from payor to payor. Further, obtaining and maintaining adequate reimbursement for products and services may be difficult and requires expensive pharmacoeconomic studies to justify coverage and reimbursement or the level of reimbursement for the product compared to other therapies.

In addition, third-party payors are increasingly limiting coverage or reducing reimbursements for medical products and services and, in some cases, refusing to provide coverage altogether. Further, the US Government, state legislatures and foreign governments have continued implementing cost-containment programs, including price controls, restrictions on reimbursement and requirements for substitution of generic products.

Governments influence the price of medicinal products in the EU through their pricing and reimbursement rules and control of national healthcare systems that fund a large part of the cost of those products to consumers. Some jurisdictions operate positive and negative list systems under which products may only be marketed once a reimbursement price has been agreed. To obtain reimbursement or pricing approval, some of these countries may require the completion of clinical trials that compare the cost-effectiveness of a particular product candidate to currently available therapies. Other EU member states allow companies to fix their own prices for medicines but monitor and control company profits. Governments in the EU continue to put downward pressure on healthcare costs in the EU countries and influence the price of medicinal products through their authority to regulate pricing and reimbursement.

30.4 Summary of Reponex' drug repositioning as it affects regulatory affairs

Repositioning of medicinal products means meeting new unmet clinical needs by using active pharmaceutical ingredients (API) or drug substances (DS) that already have been tested in clinical applications. This means that regulatory approved substances are used in novel products that can contain a single active substance or be a composition of multiple active substances. cGMP requirements for the active ingredients are met for products identity, strength, quality, purity, and potency. Thus, the environmental and patient safety aspects of each of the active substances have been assessed.

The repositioned drug product should be risk-evaluated, and a risk mitigation strategy will be described in the light of a clinical test program to maximize patient safety.

The regulatory documentation already provided for active substances and excipients are used in IMPDs INDs, BLAs and MAAs.

The clinical development program will be submitted for regulatory evaluation using the centralized application strategy in the EU which can be applied for products that constitute a significant therapeutic, scientific, or technical innovation or which are in the interest of public health in the EU.

30.5 Access to fiscal advance schemes (Tax credit scheme)

It is vital that Reponex have access to fiscal advance tax credit schemes in relation to research- and development costs. The development of a new drug is a long-term process. Typically, it takes up to 5-8 years until a finished salable product is created. There are 4 phases in relation to a repositioned drug: clinical research, approval, production, distribution and sales and marketing (and then further development). Through all phases, many requirements are set for execution and documentation of results, which also makes the process extremely costly.

30.6 Reimbursement for the pharmaceutical industry from the state (directly to the products)

As most of the pharmaceutical industry, Reponex is relatively dependent on future products receiving an approval in relation to reimbursement from the government. It is typically very expensive for consumers to buy medicines, and consumers are given, in most cases, reimbursement for the products sold in pharmacies. Therefore, it is decisive for Reponex' future earnings, whether its products are approved to receive reimbursement from the government.

30.7 Patent rights

Patent protection is central to the pharmaceutical industry. Large sums of money are spent on research and development (R&D) every year and it is therefore essential that a product can be protected against, for example, copying. Such patent can last up to 20 years. Pharmaceutical companies may have the right to seek patent extension in situations where delays in a FDA approval process cost the company its ability to exercise its patent rights in the drug in question. Patent protection is therefore of great importance in relation to Reponex' future earnings opportunities.

30.8 Pricing

Over the last decade there has been a general trend to reduce drug prices in developed countries.

While drug prices in the pharmaceutical industry in general are under a certain pressure, this trend is partly offset by sales growth in existing markets, expansion into new geographical markets and segments as well as coverage increase in certain regions, such as e.g., Germany and Switzerland. Additionally, in the United States, for certain drugs, prices appear to have stabilized.

30.9 Parallel import

Parallel import is a trend that may impact future pricing policies negatively. There is a tendency that governments are supporting parallel import to keep healthcare prices down. Based on Reponex' business operations as of the Prospectus Date, in the short term, parallel import is of less relevance for Reponex.

31 Operating and financial review

This Operating and Financial Review of Reponex should be read in conjunction with the more detailed information contained in this Prospectus, including the financial information and other information referred to in Section 7 and in the F-Pages. The H1 2022 Reponex Financial Statements as well as FY 2021 Reponex Financial Statements, FY 2020 Reponex Financial Statements and FY 2019 Reponex Financial Statements are prepared on the basis of IFRS.

31.1 Financial position of Reponex

The following table presents the financial position of Reponex for H1 2022, H1 2021 and FY 2021, FY 2020 and FY 2019.

Table no. 10: Balance Sheet - Reponex

As of 30 June and 31 December

Balance sheet – Reponex					
DKK '000	**30/06-2022 (reviewed)**	**30/06-2021 (reviewed)**	**31/12 2021 (audited)**	**31/12 2020 (audited)**	**31/12 2019 (audited)**
Other intangible assets	12,842	13,869	13,356	16,960	12,268
Property, plant and equipment	-	0,003	-	0,005	0,011
Right-of-use-assets	0,722	0,398	0,321	-	-
Total non-current assets	**13,564**	**14,270**	**13,676**	**16,966**	**12,279**
Inventories	1,633	1,120	1,161	1,040	0,883
Receivables	3,206	3,160	2,468	2,267	1,802
Cash and cash equivalents	6,690	15,479	11,403	0,136	2,538
Total current assets	**11,528**	**19,759**	**15,032**	**3,443**	**5,223**
Total assets	**25,092**	**34,029**	**28,708**	**20,409**	**17,502**
Equity	**23,220**	**31,593**	**27,371**	**13,428**	**14,933**
Other liabilities	1,872	2,436	1,337	6,980	2,568
Total liabilities	**1,872**	**2,436**	**1,337**	**6,980**	**2,568**
Total equity and liabilities	**25,092**	**34,029**	**28,708**	**20,409**	**17,502**

31.1.1 Financial position in H1 2022

Equity as of 30 June 2022 amounted to DKK 23.2 million.

Total assets amounted to DKK 25.1 million as of 20 June 2022.

Reponex does not expect commercial revenue within foreseeable future being the next couple of years. Therefore, it is vital that Reponex always has sufficient financial resources.

Reponex has performed impairment test of the assets. For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment, and some are tested at cash-generating unit level.

Development projects in progress are tested for impairment, project by project, at least annually. All other individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, the Reponex Management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating unit and reflect the Reponex Management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Depreciation, amortization and impairment of tangible and intangible assets were recognized with DKK -651,643 as per 30 June 2022.

The receivables as of 30 June 2022 amounted to DKK 3.2 million, primarily consisting of current tax receivable of DKK 2.3 million and VAT receivables of DKK 0.8 million.

31.1.2 Financial position in H1 2021

Equity as of 30 June 2021 amounted to DKK 31.6 million, which was an increase of DKK 13.4 million as of 31 December 2020 because of a capital increase of DKK 25 million during first half of 2021.

Total assets amounted to DKK 34 million DKK as of 30 June 2021.

The value of the patents, licenses and completed development projects, after impairment test, amounted to DKK 13.9 million as of 30 June 2021.

Current assets, exclusive cash and cash equivalents increased from DKK 3.3 million per 31 December 2020 to DKK 4.3 million per 30 June 2021, primarily because of an increase in other receivables of DKK 0.2 million and an increase in the current tax receivable of DKK 0.6 million.

Current liabilities decreased from DKK 5.5 million per 31 December 2020 to DKK 1.8 million per 30 June 2021 because of change in trade payables of DKK -1.1 million and change in other liabilities of DKK -2.6 million primarily due to repayment of shareholder loans.

31.1.3 Financial position in FY 2021

Research and development costs increased from DKK 0.1 million in 2020 to DKK 8.7 million in 2021. Reponex' development activities are concentrated around four projects: Colorectal Cancer, Wound Healing, Peritonitis and Pouchitis. Reponex' development projects are close to the time when income can be expected primarily from entering into partnerships with larger, external companies regarding the further development of the projects. As a result, the Reponex Management assessed that development and patent costs incurred in 2021 did not meet the capitalization criteria in IAS 38 "Intangibles" and hence all development and patent costs incurred in 2021 were expensed as incurred, and also from 2021, Reponex began amortization of the amounts capitalized in the past of totally DKK 14.4 million.

The amortization period of the capitalized development costs and patents is set at 14 years, based on the remaining term of the patents.

The carrying value of patents and of the completed development amounted to DKK 13.4 million per 31 December 2021.

The current assets, excluding cash and cash equivalents, increased from DKK 3.3 million per 31 December 2020 to DKK 3.6 million per 31 December 2021, primarily because of change in the current tax receivable from the tax credit scheme per 31 December 2021.

Total assets amounted to DKK 28.7 million as of 31 December 2021.

Equity as of 31 December 2021 amounted to DKK 27.4 million being affected by a cash share issue in June 2021 of DKK 25 million which strengthened the cash resources significantly. The new shares issued in connection with the cash share issue in June 2021 were subscribed by 137 out of 173 existing shareholders (approximately 79.2%) in Reponex.

Total current liabilities decreased from DKK 5.5 million per 31 December 2020 to DKK 1.2 million per 31 December 2021 because of a decrease in trade payables from DKK 1.9 million per 31 December 2020 to DKK 0.8 million per 31 December 2021 and a decrease in other liabilities from DKK 3.6 million per 31 December 2020 to DKK 0.4 million per 31 December 2021, primarily due to repayment of shareholder loans.

31.1.4 Financial position in FY 2020

In 2020, Reponex completed, among other things, the second phase II clinical study regarding bacterial peritonitis as well as continuing the preparations for protocol design and approval applications for the ongoing phase II clinical study on patients with Crohn's disease. Reponex invested DKK 4.8 million in development activities in 2020, and per 31 December 2020, total capitalized development costs and patents amounted to DKK 17 million. The capitalized development costs and patents increased from DKK 12.3 million per 31 December 2019 to DKK 17 million per 31 December 2020.

Current assets, excluding cash and cash equivalents, increased from DKK 2.7 million per 31 December 2019 to DKK 3.3 million per 31 December 2020. The increase may be related to inventories increasing from DKK 0.9 million per 31 December 2019 to DKK 1 million per 31 December 2020, other receivables increasing from DKK 0.6 million per 31 December 2019 to DKK 0.9 million per 31 December 2020 and current tax receivable increasing from DKK 1.0 million per 31 December 2019 to DKK 1.2 million per 31 December 2020.

Total assets amounted to DKK 20.4 million per 31 December 2020.

Equity per 31 December 2020 amounted to DKK 13.4 million.

Current liabilities increased from DKK 1.4 million per 31 December 2019 to DKK 5.5 million per 31 December 2020. The increase was related to trade payables increasing from DKK 1.2 million per 31 December 2019 to DKK 1.9 million per 31 December 2020 and because of other liabilities that increased from DKK 0.2 million per 31 December 2019 to DKK 3.6 million per 31 December 2020. The increase in other liabilities was caused by loan from shareholders of DKK 3.4 million.

31.1.5 Financial position in FY 2019

Reponex invested DKK 2.6 million in development activities in 2019, and per 31 December 2019 Reponex had capitalized development costs and patents for a total of DKK 12.3 million. The capitalized development costs and patents increased from DKK 7.8 million per 31 December 2018 to DKK 12.3 million per 31 December 2019.

Reponex significantly strengthened its property rights for development projects in 2019. In 2019, Reponex was approved for a European patent (EP310487481) for its product for the treatment of severely infected chronic skin wounds. Reponex also submitted a new supplementary patent application (DK PA 2019 70324) regarding targeting of GM-CSF and other biological therapeutic agents against intestinal damage. A supplementary patent application (DK PA 2019 70266) regarding the treatment of peritonitis was also submitted.

In addition, in 2019, Reponex obtained strong positive data from a phase II clinical trial in patients with complicated (perforated) appendicitis. Reponex obtained all necessary approvals to start phase II clinical trials for the local treatment of cancer-promoting colonic bacteria in patients with colon cancer and adenomas.

Finally, Reponex' knowledge resources within the strategic clinical development of medicines as well as the experience of entering into strategic industrial collaborations were also strengthened.

Current assets, excluding cash and cash equivalents, increased from DKK 1.8 million per 31 December 2018 to DKK 2.7 million per 31 December 2019. The increase primarily related to an increase in other receivables of DKK 0.3 million and an increase in the current tax receivable of DKK 0.5 million.

Total assets amounted to DKK 17.6 million per 31 December 2019.

Equity per 31 December 2019 amounted to DKK 14.9 million compared to DKK 2.4 million as of 31 December 2018. The increase in equity was mainly attributable to a capital increase of DKK 14.4 million carried out in 2019.

Current liabilities decreased from DKK 6.6 million per 31 December 2018 to DKK 1.4 million per 31 December 2019 primarily relating to payback of loans from shareholders of DKK 5.9 million.

31.2 Income statement of Reponex

The following table presents the income statement of Reponex for H1 2022, H1 2021 and FY 2021, FY 2020 and FY 2019.

Table no. 11: Income Statement – Reponex

Financial periods and years ending 30 June and 31 December

Income Statement – Reponex					
DKK '000	**01/01 – 30/06 2022 (reviewed)**	**01/01 – 30/06 2021 (reviewed)**	**01/01 – 31/12 2021 (audited)**	**01/01 – 31/12 2020 (audited)**	**01/01 – 31/12 2019 (audited)**
Revenue	-	-	-	-	-
Production costs	-	-	-	-	-
Gross profit	**-**	**-**	**-**	**-**	**-**
Research and development costs	-2,744	-5,381	-8,714	-0,152	-0,385
Administrative costs	-2,362	-1,632	-3,890	-2,150	-1,953
Total operating costs	**-5,106**	**-7,013**	**-12,604**	**-2,302**	**-2,338**
Income/(loss) before interest and tax	**-5,106**	**-7,013**	**-12,604**	**-2,302**	**-2,338**

Financial income	-	-	-	-	-
Financial expenses	-0,012	-0,224	-0,251	-0,081	-0,021
Income/(loss) before tax	**-5,118**	**-7,237**	**-12,855**	**-2,383**	**-2,359**
Income tax	0,804	1,738	2,971	0,878	0,505
Net profit/(loss) for the year	**-4,314**	**-5,499**	**-9,883**	**-1,505**	**-1,854**
Key figures					
EBITDA (non-IFRS)	-4,454	-3,250	-8,841	-2,145	-1,948

31.2.1 Income statement for H1 2022

The net result for H1 2022 was a loss of DKK -4.3 million. The net loss was affected by research and development costs of DKK 2.7 million, administrative costs of DKK 2.4 million and by tax income from the Danish tax refund from the Danish tax credit scheme of DKK 0.8 million.

Equity as of 30 June 2022 amounted DKK 23.2 million.

Total assets amounted to DKK 25.1 million as of 30 June 2022.

In accordance with IFRS 2 “Share-based payments”, back in 2020, the Reponex Management has calculated the value of Reponex' warrants program according to the Black-Scholes model, based on input data applicable in 2020. On this basis, the value of the warrants granted was calculated to amount to 0,5 million DKK. In accordance with IFRS 2, the value of the warrant program is recognized in the income statement over the vesting period with a corresponding increase in Reponex' equity. The income statement for 1 January 2022 – 30 June 2022 is affected by an expense of 0,2 million DKK.

31.2.2 Income statement for H1 2021

The net result for H1 2021 was a loss of DKK -5.5 million. The net loss was affected by research and development costs of DKK 5,4 million, administrative costs of DKK 1,6 million and by tax income from the Danish tax refund from the Danish tax credit scheme of DKK 1,7 million.

Equity as of 30 June 2021 amounted DKK 31,6 million.

Total assets amounted to DKK 34 million as of 30 June 2021.

In accordance with IFRS 2 “Share-based payments”, back in 2020, the Reponex Management has calculated the value of Reponex' warrants program according to the Black-Scholes model, based on input data applicable in 2020. On this basis, the value of the warrants granted was calculated to amount to 0,5 million DKK. In accordance with IFRS 2, the value of the warrant program is recognized in the income statement over the vesting period with a corresponding increase in Reponex' equity. The income statement for 1 January 2021 – 30 June 2021 is affected by an expense of 0,1 million DKK.

31.2.3 Income statement for FY 2021

The net result for 2021 was a loss of DKK -9.9 million. The net loss was affected by research and development cost of DKK 8.7 million and administrative cost of DKK 3.9 million DKK. Reponex employed a new CEO as per 1 March 2021, which had an impact of DKK 0.9 million on the 2021 figures.

The research and development costs increased from DKK 0.1 million in 2020 to DKK 8.7 million in 2021. The increase was mainly due to amortization on finalized projects and all development costs being

expensed in 2021. Excluding amortization, development costs incurred and expensed amounted to DKK 5.1 million in 2021. Reponex' intangible fixed assets are concentrated around four projects: Colorectal Cancer, Wound Healing, Peritonitis and Pouchitis. Reponex' development projects are close to the time when income can be expected in connection with entering into partnerships with larger, external companies regarding the further development of the projects. As a result, the Reponex Management assessed that development costs incurred in 2021 did not meet the capitalization criteria of IAS 38 “Intangible assets”, and at the same time began amortization of the four development projects for the part of development costs capitalized in prior years of totally DKK 14.4 million.

The carrying value of patents and of the completed development amounted to DKK 13.4 million per 31 December 2021.

The amortization period of the capitalized development costs and patents is set at 14 years, based on the remaining term of the patents.

Total assets amounted to DKK 28.7 million per 31 December 2021.

Equity per 31 December 2021 was DKK 27.4 million and was affected by a share capital increase subscribed for by cash in June 2021 of DKK 25 million which strengthened the cash resources significantly.

The income statement for 2021 was affected by an expense of 0,3 million DKK from Reponex' warrant program.

31.2.4 Income statement for FY 2020

The net result for 2020 was a net loss of DKK -2.1 million. The net loss was primarily affected by administrative cost of DKK 2.1 million, which consisted mostly of remuneration.

Total assets amounted to DKK 20.4 million per 31 December 2020.

Equity per 31 December 2020 amounted to DKK 13.4 million.

In the FY 2020, Reponex completed, among other things, the second phase II clinical study regarding bacterial peritonitis as well as continuing the preparations for protocol design and approval applications for the ongoing phase II clinical study on patients with Crohn's disease. In 2020, Reponex invested DKK 4.8 million in development activities, and, per 31 December 2020 total capitalized development costs and acquisition of patents amounted to DKK 17 million.

31.2.5 Income statement for FY 2019

The net result for 2019 was a net loss of DKK -1.9 million. The net loss was primarily affected by administrative cost of DKK 1.9 million, which consisted mostly of remuneration.

Total assets amounted to DKK 17.6 million per 31 December 2019.

Equity per 31 December 2019 amounted to DKK 14.9 million.

In 2019, Reponex significantly strengthened its property rights for development projects. In 2019, Reponex was approved for a European patent (EP310487481) for its product for the treatment of severely infected chronic skin wounds. Reponex also submitted a new supplementary patent application (DK PA 2019 70324) regarding targeting of GM-CSF and other biological therapeutic agents against intestinal damage. A supplementary patent application (DK PA 2019 70266) regarding the treatment of peritonitis was also submitted.

In addition, in 2019, Reponex obtained strong positive data from a phase II clinical trial in patients with complicated (perforated) appendicitis. Reponex obtained all necessary approvals to start phase II clinical trials for the local treatment of cancer-promoting colonic bacteria in patients with colon cancer and adenomas.

Finally, Reponex' knowledge resources within the strategic clinical development of medicines as well as the experience of entering into strategic industrial collaborations were also strengthened.

31.3 Cash flow of Reponex

The following table presents the cash flow of Reponex for H1 2022, H1 2021 and FY 2021, FY 2020 and FY 2019.

Table no. 12: Cash Flow - Reponex

Financial periods and years ending 30 June and 31 December

Cash flow – Reponex					
DKK '000	**01/01 – 30/06 2022 (reviewed)**	**01/01 – 30/06 2021 (reviewed)**	**01/01 – 31/12 2021 (audited)**	**01/01 – 31/12 2020 (audited)**	**01/01 – 31/12 2019 (audited)**
Cash flow from operating activities	-4,713	-5,050	-8,822	-0,968	-1,133
Cash flow from investment activities	-	0,000	-	-4,844	-4,874
Cash flow from financing activities	-	20,394	20,090	3,410	8,480
Cash flow of the year	**-4,713**	**15,344**	**11,267**	**-2,402**	**2,473**
Cash and cash equivalents as of 1 January 1	11,403	0,136	0,136	2,538	0,065
Cash and cash equivalents as of 31 December	**6,690**	**15,479**	**11,403**	**0,136**	**2,538**

31.3.1 Cash flow for H1 2022

For the half-year ending 30 June 2022, the cash flow from operating activities amounted to DKK -4.7 million DKK. The cash flow from operating activities was affected by the net loss of the period of DKK -4.3 million and working capital changes of DKK -0.4 million, which primarily consisted of changes in inventories of DKK -0.5 million and changes in receivables of DKK 0.1 million.

There were no cash flow from investing and financing activities in the first half of 2022.

Cash and cash equivalents as of 30 June 2022 amounted to DKK 6.7 million

31.3.2 Cash flow for H1 2021

For the half-year ending 30 June 2021, the cash flow from operating activities amounted to DKK -4.8 million. The cash flow from operating activities was affected by the net loss of the period of DKK -5.5 million, adjustments for non-cash amortization of capitalized development and patent costs with DKK 3.2 million and changes in working capital of DKK -1.1 million, which primarily consisted of changes in trade payables of DKK 1.1 million.

There were no cash flow from investing activities in the first half of 2021.

The cash flow from financing activities in the first half of 2021 amounted to DKK 20.4 million consisting of cash proceeds received from a share capital increase in June of DKK 23.5 million less cash used to repay shareholder loans with DKK 3.1 million.

Cash and cash equivalents as of 30 June 2021 amounted to DKK 15.5 million.

31.3.3 Cash flow for FY 2021

The cash flow from operating activities for 2021 amounted to DKK -8.8 million. The cash flow from operating activities was affected by the net loss for the year of DKK -9.9 million adjusted for primarily non-cash transactions amortization and share based payments of DKK 4.1 million and changes in working capital of DKK -3 million.

There was no cash flow from investing activities in 2021. In 2021, Reponex had not had development and patent costs that were assessed to meet the capitalization criteria in IAS 38 “Intangible assets” and hence all development and patent costs in 2021 were expensed as incurred.

The cash flow from financing activities in 2021 amounted to DKK 20.1 million consisting of cash proceeds received from a share capital increase in June of DKK 23.5 million less cash used to repay shareholder loans with DKK 3.1 million.

Cash and cash equivalents as of 31 December 2021 amounted to DKK 11.4 million.

31.3.4 Cash flow for FY 2020

The cash flow from operating activities for 2020 amounted to DKK -0.9 million. The cash flow from operating activities was affected by the net loss for the year of DKK -1.5 million primarily adjusted for changes in working capital of DKK 0.3 million, which primarily consisted of changes in trade payables of DKK 0.7 million and changes in trade receivables of DKK -0.2 million.

The cash flow from investing activities amounted to DKK -4.8 million in 2020 consisting of investments in patents and licenses of DKK 1 million and in completed development projects of DKK 3.8 million.

The cash flow from financing activities in 2020 amounted to DKK 3.4 million from loans from shareholders of DKK 3.4 million.

Cash and cash equivalents as of 31 December 2020 amounted to DKK 0.1 million.

31.3.5 Cash flow for FY 2021

The cash flow from operating activities for 2019 amounted to DKK -1.1 million. The cash flow from operating activities was affected by the net loss for the year of DKK -1.9 million and primarily adjusted by changes in working capital of DKK 0.4 million, which primarily consisted of changes in trade payables of DKK 0.7 million and prepaid expenses of DKK 0.1 million and changes in trade receivables of DKK -0.3 million and in inventories of DKK -0.2 million.

The cash flow from investing activities amounted to DKK -4.9 million in 2019 consisting of investments in patents and licenses of DKK 1.1 million and in completed development projects of DKK 3.8 million.

The cash flow from financing activities amounted to DKK 8.5 million in 2019 consisting of cash proceeds received from a share capital increase of DKK 14.4 million less repayment of shareholder loans of DKK 5.9 million.

Cash and cash equivalents as of 31 December 2019 amounted to DKK 2.5 million.

32 Selected key financial information

32.1 Historical financial information

32.1.1 Audited historical financial information covering the last three financial years

The audited historical financial information of Reponex comprises the FY 2021 Reponex Financial Statements, FY 2020 Reponex Financial Statements and FY 2019 Reponex Financial Statements included in this Prospectus in the F-pages.

The unaudited but reviewed historical financial information of Reponex comprises H1 2022 Reponex Financial Statements, also included in this Prospectus in the F-pages.

Reference is made to Section XXI.

Further, reference is made to Section 7 for further details on accounting standards and framework for the historical financial information.

32.1.2 Change of accounting reference date

Reponex has not changed its accounting reference date during the period for which historical financial information covers.

32.2 Legal and arbitration proceedings

As of the Prospectus Date, Reponex has no governmental, legal and arbitration proceedings pending or in the recent past which have had significant effects on Reponex and its financial position or profitability.

32.3 Significant change in Reponex' financial position

On 5 April 2022, Reponex received an Offer Document published by Pharma Equity Group regarding the acquisition of the total issued and outstanding share capital in Reponex in connection with the Transaction.

Reference is made to Section VI for further information on the Transaction.

33 Capital resources

The following table presents the capitalization of Reponex for H1 2022, H1 2021 and FY 2021, FY 2020 and FY 2019.

Table no. 13: Capitalization - Reponex

Capitalization for Reponex					
DKK '000	**30/06-2022 (reviewed)**	**30/06-2021 (reviewed)**	**31/12 2021 (audited)**	**31/12 2020 (audited)**	**31/12 2019 (audited)**
Equity					
Share capital	0,830	0,830	0,830	0,602	0,602
Share premium account	-	-	-	20,861	20,861

Retained earnings	12,731	20,805	16,583	-20,459	-15,141
Reserve for development projects	9,660	9,959	9,959	12,424	8,610
Total equity	**23,220**	**31,593**	**27,371**	**13,428**	**14,933**
Current debt					
Unguaranteed/Unsecured	1,432	1,801	1,174	5,492	1,388
Total current debt	**1,432**	**1,801**	**1,174**	**5,492**	**1,388**
Non-current debt					
Unguaranteed/Unsecured	0,439	0,635	0,163	1,488	1,180
Total non-current debt	**0,439**	**0,635**	**0,163**	**1,488**	**1,180**
Total capitalization	**25,092**	**34,029**	**28,708**	**20,409**	**17,502**

33.1 Presentation of capital resources of Reponex

33.1.1 Capital resources for H1 2022

Per 30 June 2022, Reponex had short-term debt obligations totaling of DKK 1.4 million, of which DKK 0.7 million was trade payables and DKK 0.7 million was other liabilities, including lease liabilities of DKK 0.1 million. Reponex had current assets, exclusive cash and cash equivalents, of DKK 4.8 million per 30 June 2022.

Cash and cash equivalents per 30 June 2022 amounted to DKK 6.7 million.

33.1.2 Capital resources for H1 2021

Per 30 June 2021, Reponex had short-term debt obligations totaling DKK 1.8 million, of which DKK 0.8 million was trade payables and DKK 1 million was other liabilities, including lease liabilities of DKK 0.1 million. Reponex had current assets, exclusive cash and cash equivalents, of DKK 3.2 million per 30 June 2021.

Cash and cash equivalents per 30 June 2021 amounted to DKK 15.5 million.

33.1.3 Capital resources for FY 2021

Per 31 December 2021, Reponex had short-term debt obligations totaling DKK 1.2 million, of which DKK 0.8 million was trade payables and DKK 0.4 million was other liabilities, including lease liabilities of DKK 0.2 million. Reponex had current assets, exclusive cash and cash equivalents, of DKK 3.6 million per 31 December 2021.

Cash and cash equivalents per 31 December 2021 were DKK 11.4 million.

33.1.4 Capital resources for FY 2020

Per 31 December 2020, Reponex had short-term debt obligations totaling DKK 5.5 million, of which DKK 1.9 million was trade payables and DKK 3.6 million was other liabilities, hereof DKK 3.4 million in loan from shareholders. The shareholder loan of DKK 3.4 million was settled in 2021. Reponex had current assets, exclusive cash and cash equivalents, of DKK 3.3 million per 31 December 2020.

Cash and cash equivalents per 31 December 2020 amounted to DKK 0.1 million.

33.1.5 Capital resources for FY 2019

Per 31 December 2019, Reponex had short-term debt obligations totaling DKK 1.4 million, of which DKK 1.2 million was trade payables and DKK 0.2 million was other liabilities. Reponex had current assets, exclusive cash and cash equivalents, of DKK 2.7 million per 31 December 2019.

Cash and cash equivalents per 31 December 2019 amounted DKK 2.5 million.

34 The Reponex Management

In compliance with Danish legislation, Reponex has a two-tier management system consisting of the Reponex Board of Directors and the Reponex Executive Management. The two management bodies are separate and have no overlapping members. It is Reponex Management's assessment that Reponex has no key employees as of the Prospectus Date, and therefore no information concerning key employees of Reponex is included in the Prospectus.

34.1 Reponex Board of directors

The Reponex Board of Directors is responsible for the overall strategic management of Reponex, and it supervises Reponex' activities, the Reponex Executive Management and the organization. There is an ongoing dialogue between the Reponex Board of Directors and the Reponex Executive Management, and the Reponex Executive Management reports to the Reponex Board of Directors according to defined guidelines. Further, the Reponex Board of Directors appoints and dismisses the members of the Reponex Executive Management.

As of the Prospectus Date, the Reponex Board of Directors consists of 5 members elected by the shareholders at the general meeting. All board members are deemed to be independent.

In accordance with Reponex Articles of Association, the shareholders represented at the general meeting shall elect between 3 and 7 members of the Reponex Board of Directors. The members of the Reponex Board of Directors elected by the general meeting are elected for a term of one year and may be re-elected. The Reponex Board of Directors elects its chairman.

The Reponex Board of Directors constitutes a quorum when more than half of its members are represented. Resolutions made by the Reponex Board of Directors are passed by a simple majority of votes. In case of an equality of votes, the chairman's vote is decisive.

The current members of the Reponex Management operate from the Reponex' address on Slotsmarken 12, 1. Th, 2970 Hørsholm, Denmark.

The following table presents an overview of the current composition of the Reponex Board of Directors.

Table no. 14: Reponex Board of directors

Name:	Position:	Year of first appointment:	Expiration of term:
Christian Vinding Thomsen	Chairman	2021	2023
Søren Nielsen	Board Member	2018	2023
Troels Peter Troelsen	Vice Chairman	2017	2023
Lisbeth Thyregod	Board member	2016	2023
Charlotte Pahl	Board member	2018	2023

34.1.1 Biographies

Other than as presented below, none of the members of the Reponex Board of Directors have been a member of the administrative, management or supervisory bodies of a company or a partnership or been a partner in a partnership outside Reponex within the past five years.

Christian Vinding Thomsen (born 1975, Danish nationality) has been a member of the Reponex Board of Directors since 2021 and chairman since 2022. Christian Vinding Thomsen also serves as board member in Repoceuticals A/S and AKI Therapeutics A/S.

Christian holds a master's degree in law and graduated law school from University of Copenhagen in 2001. Following his 3 years as junior associate, Christian joined Nomeco A/S (distributor of medicines) as in-house lawyer. Since then, Christian has been equity partner in both large and medium sized law firms. Christian is now equity partner, attorney-at-law, at Loeven Law Firm P/S. His practice area is – and has always been – the Life Science sector, focusing on pharma and healthcare.

Current management positions	Previous management positions in the past five years
• Chairman of BoD in KT Stålindustri A/S. • Chairman of BoD in Reponex. • Chairman of BoD in Black Sun ApS. • Chairman of BoD in Untold Productions ApS. • Member of BoD in Loeven Advokatpartnerselskab. • Member of BoD in Repoceuticals A/S. • Member of BoD in AKI Therapeutics A/S. • CEO in StormVinding ApS	• Member of the BoD in Scandion Oncology A/S. • Member of BoD in Practio ApS. • Member of the BoD in Serenova A/S. • Member of the BoD in Skandium IPR ApS.

Søren Nielsen (born 1962, Danish nationality) currently serves and has served as member of the Reponex Board of Directors since 2018 and chief executive officer since 2022. Søren Nielsen currently also serves as chief executive officer of AKI Therapeutics Aps, a biotech company discovering and developing novel drug candidates for the treatment of acute renal failure. He also serves as chairman of the board of directors of Repoceuticals A/S, a company with the focus on combination of drugs for repositioning for protection of radiation proctitis, cystitis and vaginitis and for the treatment of patients with intestinal diseases, including LARS. Søren Nielsen is also serving as member of the board of directors of Apoglyx AB. Søren Nielsen was co-founder and chief executive officer of Action Pharma A/S within the area of ischemia/reperfusion organ damage including acute renal failure, which was acquired by Abbott in 2012 (150 million US dollars). Previously he has been co-founder and chief executive officer of 2A Pharma AB and of Synactin AB.

Søren Nielsen earned his MD and dr.med. degrees from Aarhus University and has served as Professor and managing director of a Research Center at Aarhus University. Søren Nielsen has had a close association with National Institutes of Health and Johns Hopkins University Medical School (close collaboration with Nobel Laureate Peter Agre). He has published more than 400 scientific publications and received research prizes including the Novo Nordisk Prize.

Current management positions	Previous management positions in the past 5 years
• CEO and member of BoD in Reponex • CEO in SN BIOTECH HOLDING ApS • Chairman of the BoD in REPOCEUTICALS A/S • CEO in AKI Therapeutics A/S	• CEO in SN BIOTECH HOLDING ApS • CEO in CPT.one BIOTECH ApS • CEO in 2A Pharma ApS • CEO in Science Academy ApS

Troels Peter Troelsen (Danish nationality) is currently serving and has served as member of the Reponex Board of Directors since 2017 and has served as chairman the first three years and vice chairman since 2020. Troels Peter Troelsen has held chief executive officer positions in large Danish companies for 17 years. Troels Peter Troelsen initiated three IPO´s at Nasdaq Copenhagen for Land & Leisure A/S, SmallCap Denmark A/S and BioPorto A/S, and he has been chairman and/or member of the board of directors in Danish listed companies for +20 years. Troels Peter Jensen is currently chairman or member of the board of directors in the companies listed below.

Troels Peter Troelsen graduated as Master of Science, macroeconomics from Aarhus University and up to 2017, Troels Peter Troelsen has been associate professor at Copenhagen Business School with focus on the pricing processes.

Current management positions	Previous management positions in the past 5 years
• Chairman of the Audit Committee, Member of BoD and, up to 2020, Chairman in Abacus Medicine A/S • Vice chairman of BoD in Reponex • Vice Chairman of BoD in Repoceuticals A/S • Chairman of BoD in AKI Therapeutics A/S. • Chairman of BoD in Green Energy Circle ApS • Chairman of BoD in Cirbit ApS • Chairman of BoD in CHR. PANBO A/S • Member of BoD in Ropenhagen A/S • Chairman of BoD, WD Ejd. Holding ApS, Holding company for subsidiaries: Langegade 27 ApS (CEO), Ravnsborggade 21B 3. ApS (CEO), Storskolen ApS (CEO), Munkebo Bolig ApS (CEO), Svedsagervej 61 ApS (CEO). • Chairman of BoD on HOUSETEST ApS • CEO of Oak 17 ApS • CEO and member of BoD in TT 1919 ApS	• Chairman of BoD in Bæk&From ApS. • CEO in DAHLSBO ApS • CEO in Nørregade 20, 1165 K ApS. • CEO in Ejendomsselskabet Overgade 41 ApS • Chairman of the BoD in HH-Gruppen A/S

- CEO and member of BoD in TT 1919 Trading ApS
- CEO and member of BoD in IGLO 1218 ApS

Lisbeth Thyregod (born 1957, Danish nationality) has been a member of the Reponex Board of Directors since 2016. Lisbeth Thyregod has more than 40 years of experience from the Life Science industry. In the last 20 years, Lisbeth Thyregod has been working with regulatory affairs and quality assurance in Ferrosan A/S, Novo Nordisk A/S, Johnson and Johnson Consumer Nordic and Reckitt Benckiser A/S. For the last 3.5 years, Lisbeth Thyregod has been working as a consultant.

Lisbeth Thyregod is educated as Pharmacomonist from the Danish College of Pharmacy Practice, holds a Diploma in specialized Business Studies from Hilleroed Trade Academy and later served her Master of Pharmaceutical Regulatory Affairs from Copenhagen University.

Current management positions	Previous management positions in the past 5 years
• CEO in Thyregod Consulting ApS • Member of the BoD in Reponex	

Charlotte Pahl (born 1963, Danish nationality) has been a member of the Reponex Board of Directors since 2018. Charlotte Pahl is also a member of the board of directors in Repoceuticals A/S since 2021. Charlotte Pahl has over 31 years of experiences from the pharmaceutical industry in Swedish Orphan Biovitrum AB. Charlotte Pahl has been involved in the launch process of rare disease medicine since 2010, mainly in the field of haemophilia (FVIII and FIX deficiency).

Charlotte Pahl is a nurse by training from University Hospital Copenhagen, Rigshospitalet.

Current management positions	Previous management positions in the past 5 years
• Member of BoD, in Repoceuticals A/S. • CEO in Charlotte Pahl Consulting ApS. • Member of the BoD in Reponex	

34.2 Reponex Executive Management

The Reponex Executive Management is appointed by the Reponex Board of Directors and responsible for the day-to-day management. As of the Prospectus Date, the Reponex Executive Management is composed of two members being the chief executive officer (CEO) and chief financial officer (CFO).

Table no. 15: Reponex Executive Management

Name:	Position:	Year of first appointment in Reponex:	Year of appointment of current position

Søren Nielsen	CEO	2022	2022
Thomas Kaas Selsø	CFO	2022	2022

34.2.1 Biography

Other than as presented below, the chief executive officer and the chief financial officer have not been a member of the administrative, management or supervisory bodies of a company or a partnership or been a partner in a partnership outside Reponex within the past five years.

Søren Nielsen (born 1962, Danish nationality) currently serves and has served as member of the Reponex Board of Directors since 2018 and chief executive officer since 2022. Søren Nielsen currently also serves as chief executive officer of AKI Therapeutics Aps, a biotech company discovering and developing novel drug candidates for the treatment of acute renal failure. He also serves as chairman of the board of directors of Repoceuticals A/S, a company with the focus on combination of drugs for repositioning for protection of radiation proctitis, cystitis and vaginitis and for the treatment of patients with intestinal diseases, including LARS. Søren Nielsen is also serving as member of the board of directors of Apoglyx AB. Søren Nielsen was co-founder and chief executive officer of Action Pharma A/S within the area of ischemia/reperfusion organ damage including acute renal failure, which was acquired by Abbott in 2012 (150 million US dollars). Previously he has been co-founder and chief executive officer of 2A Pharma AB and of Synactin AB.

Søren Nielsen earned his MD and dr.med. degrees from Aarhus University and has served as Professor and managing director of a Research Center at Aarhus University. Søren Nielsen has had a close association with National Institutes of Health and Johns Hopkins University Medical School (close collaboration with Nobel Laureate Peter Agre). He has published more than 400 scientific publications and received research prizes including the Novo Nordisk Prize.

Current management positions	Previous management positions in the past 5 years
• CEO and member of BoD in Reponex • CEO in SN BIOTECH HOLDING ApS • Chairman of the BoD in Repoceuticals A/S • CEO in AKI Therapeutics A/S	• CEO in SN BIOTECH HOLDING ApS • CEO in CPT.one BIOTECH ApS • CEO in 2A Pharma ApS • CEO in Science Academy ApS

Thomas Kaas Selsø, (born 1973, Danish nationality) currently serves as chief financial officer (CFO) and has been part of the Reponex Executive Management since 1 March 2022. Thomas Kaas Selsø currently also serves as CFO of Finansmanagement Aps, an investment company with broad investments in, among others, biotech companies. Upon completion of the Transaction, Thomas Kaas Selsø will resign as CFO of Finansmanagement ApS. Thomas Kaas Selsø is co-founder and chief executive officer of Ideal Finans ApS since 8.th. of May 2013 and Ideal Finans Holding ApS since 17.th. of October 2005. Thomas Kaas Selsø does not currently have an active role in Ideal Finans ApS.

Thomas Kaas Selsø has more than 20 years of experience as CFO of various companies. He has extensive experience in financial management, financial accounting (IFRS and the Danish Financial Statements Act), strategic analysis, M&A, valuation and due diligence. Thomas Kaas Selsø has previously been CFO at North Risk A/S, a private equity fund. He has more than 16 years of experience as associate professor at the Copenhagen Business School (CBS), teaching in accountancy (IFRS and

the Danish Financial Statements Act) and M&A, among others, at different levels (MBA, CMA, HA, HD(R)).

Thomas Kaas Selsø holds a M.Sc. in Financing and Accountancy (Cand. Merc. FIR) and a HD(R).

• **Current management positions**	• **Previous management positions in the past 5 years**
• CFO in Reponex • Group CFO in Finansmanagement ApS • CEO in IDEAL FINANS HOLDING ApS • CEO in IDEAL FINANS ApS	• Member of BoD in North Risk Realkreditrådgivning ApS • Member of the BoD in Contea Holding A/S • Member of BOD North Risk Forsikringsmægler A/S • Member of BoD in Komplementarselskabet North Risk ApS • Member of BoD in ERHVERVSFORSIKRING DANMARK AGENTUR A/S • Member of BOD in North DanRisk ApS • Member of BoD North Pensionsagentur A/S • Member of BoD in North Risk Financial Procurement ApS • Member of BoD in North Forsikringsargentur ApS • Chairman of BoD in ALPHA VVS-Teknik ApS • Chairman of BoD in DOIL Ejendomme ApS • Member of the BoD in Reali ApS • CFO of NHH Management ApS • CFO in N. H. HANSEN & SØN A/S • CFO in NHH Service A/S. • CFO in HEGELUND CHRISTENSEN A/S • Member of BoD in Logic Banker ApS

34.3 Statement of kinship

There are no family relations among the members of the Reponex Board of Directors and/or the Reponex Executive Management.

34.4 Statement on past records

Other than as presented below, none of the members of the Reponex Management has been (i) convicted of fraudulent offenses; (ii) directors or officers of companies that have entered into bankruptcy, receivership, liquidation or companies put under administration, except as set out immediately below;

or (iii) subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), and have not been disqualified by a court from acting as a member of an issuer's board of directors, executive management or supervisory body or from acting in the management or conduct of the affairs of any issuer.

Thomas Kaas Selsø:

- Member of BoD in Komplementarselskabet North Risk ApS (under voluntary liquidation as of 6 January 2022)

34.5 Conflicts of interest

34.5.1 Statement of conflicts of interest

No actual or potential conflicts of interest exist between any of the duties of the members of the Reponex Management and their private interests or other duties.

No agreement or understanding with any major shareholders of Reponex, customers, suppliers or others exists, pursuant to which a member of the Reponex Management has been appointed to such position or any other supervisory or management position in Reponex.

None of the members of the Reponex Management have positions in other companies which could result in a conflict of interest vis-à-vis such companies, either because Reponex has an equity interest in such company, or because Reponex has an ongoing business relationship. However, Reponex may do business in the ordinary course with companies in which members of the Reponex Management hold positions as directors or officers. No material engagements exist between Pharma Equity Group or Reponex and entities where a member of the Reponex Management hold positions.

35 Shareholding and option holdings

The shareholdings of the members of the Reponex Board of Directors and the Reponex Executive Management as of the Prospectus Date are listed in the table below.

35.1 Shareholdings

Table no. 16: The Reponex Management's shareholdings

Name	No. of Shares held in Reponex as of the date of the Prospectus
Reponex Board of Directors[1)]	
Søren Nielsen	4,132 (0.05%)
Troels Peter Troelsen	190,823 (2.24%)

Charlotte Pahl	31,254 (0.37%)
Lisbeth Thyregod	7,940 (0.09%)
Christian Vinding Thomsen, Chairman	10,727 (0.13%)
Reponex Executive Management [2)]	
Thomas Kaas Selsø	11,050 (0.13%)

1) Includes shares held by members of the Reponex Board of Directors personally or legal entities controlled by them, as well as persons closely associated with them.

2) Includes shares held by members of the Reponex Executive Management personally or legal entities controlled by them, as well as persons closely associated with them.

35.2 Option Holdings

As of the Prospectus Date, Reponex does not have any obligations to increase the share capital.

35.3 Remuneration and benefits

35.3.1 Remuneration to the Reponex Board of Directors

Members of the Reponex Board of Directors have not received any payment.

Reponex has not granted any loans, issued any guarantees or undertaken any other similar obligations to or on behalf of any member of the Reponex Board of Directors.

35.3.2 Remuneration to the Reponex Executive Management

The compensation paid to the Reponex Executive Management consists of a fixed salary and usual fringe benefits (mobile phone, refunds of travel expenses etc.).

For the financial year ended 31 December 2022, the previous CEO, Klaus Snej Jensen, received DKK 1,033,516. The employment of Klaus Snej Jensen was terminated on 11 October 2022 in accordance with his employment contract with Reponex. Klaus Snej Jensen was not paid any severance pay or other benefits upon termination of his employment. Søren Nielsen was appointed as interim CEO on 11 October 2022. As remuneration for the interim CEO position, Søren Nielsen is paid DKK 180,000 in 2022. Reponex may terminate the interim employment of Søren Nielsen with 6 months' notice to the end of a month, and Søren Nielsen may terminate his position with 3 months' notice to the end of a month. Søren Nielsen is not entitled to severance pay or any other benefits upon termination of his employment.

For the financial year ended 31 December 2022, CFO Thomas Kaas Selsø received DKK 450,240. Reponex may terminate the employment of Thomas Kaas Selsø with 6 months' notice to the end of a month, and Thomas Kaas Selsø may terminate his position with 3 months' notice to the end of a month. Thomas Kaas Selsø is not entitled to severance pay or any other benefits upon termination of his employment.

Reponex has not set aside any separate amounts to provide for pension or retirement, granted any loans, issued any guarantees or undertaken any other similar obligations to or on behalf of any member the Reponex Executive Management.

Neither Søren Nielsen nor Thomas Kaas Selsø are subject to any non-competition or non-solicitation clauses pursuant to their employment with Reponex.

35.3.3 Share-based incentive programs

As of the Prospectus Date, no share-based incentive programs exist in Reponex.

35.4 Practices and employment of the Reponex Board of Directors and the Reponex Executive Management

The term of expiration of the members of the Reponex Board of Directors are one year at a time at the general meeting in 2023. The members of the Reponex Executive Management are not subjects to a fixed term of expiration.

None of the members of the Reponex Management's service contracts with Reponex provides for benefits upon termination of employment.

35.4.1 Corporate governance

As the shares of Reponex are not admitted to trading and official listing on a regulated stock exchange, Reponex is not subject to corporate governance regime(s) and recommendations.

35.4.2 Committees

Reponex has not established any committees.

Reference is made to Section XI for further details on expected material impacts on the corporate governance, including future changes in the board composition.

35.4.3 Expected material impacts on corporate governance and Reponex Management

Reference is made to Section XI for further details on expected material impacts on the corporate governance, including future changes in the board and management compositions of Reponex Management.

36 Employees

36.1 Distribution of employees

Reponex is organizationally effective, having adopted an aggressive commercial outsourcing strategy in order to be as agile as possible to meet a complex and continually changing pharmaceutical industry. The strategy creates cost-effectiveness and the flexibility to scale up or down rapidly with respect to relevant human knowledge resources needed, which Reponex considers to be a key factor and driver of success.

Reponex has outsourced many of the functions which typically are within the organization (IT, HR, Legal, IP-rights, CRO, QP and CMC among others). The outsourcing strategy means fewer permanent employees, a low degree of fixed cost, a greater degree of cost variability and a faster adaptability, all other things being equal.

Reponex uses external information technology (IT) consultants in relation to assistance on the Enterprise Resource Planning (ERP) system and in relation to the company's cloud-based IT platform. External IT consultants are also used in relation to General Data Protection Regulation (GDPR) and security-related issues.

Reponex is a smaller organization and therefore only has very few human resources (HR) relations. Most HR related tasks are solved by the company itself and otherwise lawyers from different law firms are used.

In relation to general legal assistance, the company uses lawyers from various law firms.

To secure its intellectual property (IP) rights, Reponex uses external IP consultants and lawyers, so that new inventions or medical research are protected and retained for Reponex. The IP consultants and lawyers assist both in relation to creating new patents, as well as improving and extending existing patents.

Reponex is assisted in the performance of clinical research and trials by external contract research organizations (CROs). The assistance primarily consists of recruiting specific patient populations and carrying out the clinical trials in the testing of Reponex' pharmaceutical drug candidates. There is also collaboration with the CROs in the preparation of trial protocols, as well as approval documentation for the Danish Medicines Agency and ethics committee.

To ensure that the Danish Medicines Agency's and the EU's regulations, directives and requirements are complied with through every step of drug development, Reponex uses an external Qualified Person (QP). QP ensures that the company's Quality Management System (QMS) is used, documented, and updated. The QP also ensures that Reponex is updated on new EU regulations within good manufacturing practice (GMP) and good distribution practice (GDP), so that the company complies with the latest regulations.

Reponex uses external consultants and certified production companies to solve tasks in relation to Chemistry, Manufacturing and Control (CMC).

Further, Reponex uses a Clinical Oversight Manager (COM) who ensures oversights of any trial-related duties and functions carried out.

Finally, Reponex has engaged a Pre-investigational New Drug Application (PRE-IND) consultant.

As an example, Reponex has entered into a consultancy agreement with LL Consulting, whereby Reponex has engaged Lasse Lindblad as consultant. According to the agreement, consultancy services are provided by LL Consulting to Reponex within e.g., strategic business development, including advice in relation to the Transaction, covering of strategic candidates in relation to potential industrial partners, contact and agreements with clinical partners, determination and follow-up on clinical development strategy and compliance with regulatory requirements including necessary compliance set-up related thereto. As of the Prospectus Date, a process has been initiated for the purpose of transferring the consultancy services provided by LL Consulting to Reponex. It is expected that consultancy services provided by LL Consulting will be terminated on the date of completion of the Transaction with 3 months' notice and therefore with effect 3 months after completion of the Transaction. Reponex may in the future engage LL Consulting in relation to certain specific ad hoc consultancy services if deemed relevant by the Reponex Management, and upon completion of the Transaction, the New Reponex Management, for the purpose of Reponex' business operations. Any future engagement of LL Consulting will be on arm's length terms.

All external consultants are engaged on market terms and based on an assessment of qualifications, experience and price in relation to being able to solve the relevant tasks. It will continue to be the Reponex' strategy to outsource as much as possible going forward, and upon completion of the Transaction, with the aim to maintain a high degree of cost variability.

As of 30 June 2022, Reponex had 3 FTEs. As of the Prospectus Date, Reponex has 5 employees.

Table no. 17: Average number of employees in Reponex

Employees					
21. Feb. 2023	**30 June 2022**	**30 June 2021**	**2021**	**2020**	**2019**
5	3	2	2	1	1

37 Major shareholders

Reponex has per 30 June 2022 not registered any shareholders with controlling influence pursuant to Section 44 of the Danish Capital Markets Act. Reponex has no knowledge of any arrangements, the operation of which may at a subsequent date result in a change in control of Reponex.

Reponex has per 30 June 2022 registered the following shareholders as major shareholders with an ownership of 5% or more of the share capital pursuant to Section 38 of the Danish Capital Markets Act and Section 55 of the Danish Companies Act:

- BioPharma Holding ApS (20.99%)
- N.H.L. Entreprise ApS (7.94%)
- Niels Erik Jespersen Holding ApS (6.35%)

None of the major shareholders' shares in Reponex carry special rights, including voting rights.

Members of the Reponex Management hold shares in Reponex and therefore have an economic interest in especially the offer of New Shares, and also the Rights Issue and the New Listing Shares.

38 Related party transactions

In relation to related party transactions, costs were incurred for consulting services of consulting companies in which the board members, Søren Nielsen, Troels Peter Troelsen and Charlotte Pahl are partners. Such consulting services amounted to total of DKK 160,000 as of 30 June 2022. From 1 July 2022 until the Prospectus Date, costs incurred for such consulting services amounted to DKK 120,000 in relation to Søren Nielsen, DKK 150,000 in relation to Troels Peter Troelsen and DKK 20,000 in relation to Charlotte Pahl. Moreover, costs incurred for consulting services provided by Lisbeth Thyregod through Thyregod Consulting amounted to DKK 30,000.

39 Material contracts

39.1 RNX-041 and RNX-051

In connection with the clinical studies on RNX-041 and RNX-051, Reponex has entered into agreements on similar terms with relevant university hospitals. The agreements regulate the clinical trials performed and the parties' use of the generated knowledge and data from the clinical studies.

All knowledge and clinical data arising from the clinical trial are owned by Reponex for commercial utilization, except medical records of patients and personally notes by the hospital's staff. The hospital has a non-exclusive right to utilize, free of charge, the knowledge generated from the clinical trial for further internal research, patient treatment and educational purpose.

All clinical trial data are transferred to Reponex upon completion of the project as described in the co-operation agreement.

Either party have the possibility to terminate the co-operation agreement at a six-months' notice to the end of a month leaving time for Reponex to arrange transfer of the study to another hospital to minimize delays.

39.2 RNX-021

Reponex has entered into a clinical trial agreement (CTA) with a Danish university hospital regarding the clinical study related to RNX-021. The CTA regulates the responsibilities of the involved parties. All data from the clinical study is the property of Reponex.

The CTA may only be terminated by the hospital upon written notice (i) in case it is of reasonable opinion that the study should cease in the interest of the health of the patients participating in the study, or (ii) in case of material breach by Reponex not cured within sixty days.

39.3 Lease agreement with Wihlborgs A/S

Reponex has previously entered into a lease agreement with BioPharma Holding ApS, amounting to a total of DKK 150,000 as per 30. June 2022. In mid-January 2023, Reponex entered into an independent lease agreement with Wihlborgs A/S with effect as of 1 March 2023. The lease agreement covers an office of 283 m2, and the costs and terms of the lease agreement generally correspond to those agreed on with BioPharma Holding ApS. The lease will be the office of the Enlarged Group. The lease agreement with BioPharma Holding ApS will be terminated with effect from 1 March 2023 in accordance with the terms of the agreement.

40 Additional information

40.1 Share capital

As of the Prospectus Date, Reponex has a registered share capital of nominal DKK 849,867.50 divided into 8,498,675 shares with a nominal value of DKK 0.10 each. No shares carry special rights, and Reponex has no share classes. All shares in Reponex are issued and fully paid up.

On 10 February 2023, the Reponex Board of Directors resolved to increase the share capital by nominally DKK 20,326.60 from DKK 829,540.90 to DKK 849,867.50 as result of exercise of 203,266 warrants granted to the Reponex Board of Directors or their wholly owned companies in accordance with the authorization in Reponex Articles of Association 2.6A.

40.2 Warrants and acquisitions rights and obligations authorized by unissued share capital

As of the Prospectus Date, Reponex has not issued any convertible securities, exchangeable securities or securities with warrants.

Further, there exist no terms of any acquisition rights and/or obligation authorized by unissued share capital or an undertaking to increase the shares capital of Reponex.

40.3 Treasury Shares

As of the Prospectus Date, Reponex holds no treasury shares.

40.4 Memorandum of association and articles of association

Reponex' CVR no. is 30082346. According to article 1.2 of Reponex Articles of Association, the objects of Reponex are to develop medicaments and other activities related thereto and to be a holding company of companies with similar objects.

Reponex Articles of Association do not contain provisions that are likely to have the effect of delaying, deferring or preventing a change in the control Reponex.

IX. UNAUDITED PRO FORMA FINANCIAL INFORMATION

41 Introduction and presentation of H1 2022 Pro Forma Financial Information

Completion of the Transaction, where Reponex will become a subsidiary of Pharma Equity Group, and where the shareholders of Reponex will be remunerated with the New Shares, will result in significant gross changes for almost all financial statement line items. Thus, pro forma financial statements have been included in this section of the Prospectus, illustrating the impact that the Transaction would have on the financial performance for the period 1 January 2022 – 30 June 2022 and the financial position as if the Transaction had taken place as at 1 January 2022.

Hence, the H1 2022 Pro Forma Financial Information comprises unaudited pro forma consolidated income statement for the financial period ended 30 June 2022 and unaudited pro forma consolidated balance sheet as at 30 June 2022 (the "H1 2022 Pro Forma Financial Information") to give effect as if the Transaction had been carried out as at 1 January 2022 in respect of the unaudited pro forma consolidated income statement for H1 2022 and as at 30 June 2022 in respect of the unaudited pro forma consolidated balance sheet for H1 2022.

The H1 2022 Pro Forma Financial Information is unaudited and prepared on the basis of the stated criteria and in accordance with the accounting policies as described in the audited financial statements for Reponex prepared in accordance with IFRS for the financial year ended on 31 December 2021 which is consistent with the FY 2021 Pharma Equity Group Financial Statements that are also prepared in accordance with IFRS. Reference is made to Section V for further details on the financial information contained in this Prospectus.

Upon completion of the Transaction, the shareholders of Reponex will be the majority shareholders of Pharma Equity Group. Hence, for accounting purposes, the Transaction will be accounted for and presented as a reverse takeover where Reponex has been identified as the acquirer of Pharma Equity Group.

Consolidated financial statements prepared following a reverse takeover are issued under the name of Pharma Equity Group but are accounted for as a continuation of the financial statements of Reponex with one adjustment, which is to adjust retroactively the legal share capital to reflect the legal share capital of Pharma Equity Group.

The unaudited pro forma financial information for the Enlarged Group has been prepared and is presented for the sole purpose of giving an inherently illustrative estimated and hypothetical presentation of the Enlarged Group's assets, liabilities, financial position and results of operations assuming the Transaction occurred as at 30 June 2022 for purposes of the unaudited pro forma consolidated balance sheet and on 1 January 2022 for purposes of the unaudited pro forma consolidated income statement for the financial period ended 30 June 2022.

As the H1 2022 Pro Forma Financial Information in this Prospectus is presented for illustrative purposes only, the information is not necessarily indicative of what the Enlarged Group's actual financial position or results of operations would have been had the Transaction been completed on the dates indicated above.

The H1 2022 Pro Forma Financial Information has not been compiled in accordance with Article 11 of Regulation S-X under the U.S. Securities Act or the guidelines established by the American Institute of Certified Public Accountants.

42 Statement by the Pharma Equity Group Board of Directors and the Pharma Equity Group Executive Management on the H1 2022 Pro Forma Financial Information

In Section 41, the Pharma Equity Group Management presents unaudited pro forma financial information, prepared on the basis of the below adjustments and assumptions, including the key assumption that Pharma Equity Group's acquisition of Reponex will be accounted for as a reverse takeover, which illustrates the impact that the Transaction as described in Section VI has had on the results of operations for the period 1 January – 30 June 2022 had the Transaction been effective on 1 January 2022. The pro forma financial information is unaudited and has been prepared solely for use in this Prospectus in accordance with the Delegated Prospectus Regulation and is not to be used for any other purposes.

The pro forma financial information was prepared on the basis of the stated criteria described in the introduction and the presentation of H1 2022 Pro Forma Financial Information and in accordance with the accounting policies as described in the audited financial statements for Reponex prepared in accordance with IFRS for the financial year ended on 31 December 2021.

The Pharma Equity Group Management believes that the presented pro forma financial information has been properly compiled and that it has been presented in all material respects on the basis of the stated criteria and in accordance with accounting policies as described in the annual report for Reponex for the financial year ended on 31 December 2022, which is consistent with the accounting policies adopted by Pharma Equity Group in the FY2021 Pharma Equity Group Financial Statements.

It should be noted that the pro forma financial information solely reflects an illustrative calculation of the matters set out in Section 44 below and has been prepared for illustrative purposes only. Actual future financial statements of the Enlarged Group may differ materially from the information included in the H1 2022 Pro Forma Financial Information.

Copenhagen, 27 February 2023

Pharma Equity Group Board of Directors:

Claus Abildstrøm
Chairman

Peter Mørch Eriksen
Board member

Peter Ole Jensen
Board member

Pharma Equity Group Executive Management:

Peter Ole Jensen
CEO

43 Independent auditor's report on the examination of the Pharma Equity Group Management's pro forma financial information for the period 1 January – 30 June 2022

To the shareholders and potential investors

We have been assigned to report on whether the pro forma financial information for Pharma Equity Group presented in Section 44 in the Prospectus has been properly compiled on the basis of the applicable criteria and in accordance with the accounting policies as described in the IFRS financial statements for Reponex for the financial year 2021. The applicable criteria to be applied in the compilation is set out in Delegated Prospectus Regulation, Annex 1, "Registration Document for Equity Securities, Section 18.4.1, "Pro forma financial information", and Annex 20, "Pro forma financial information".

The pro forma financial information is set out in Section 41 and in Section 44 of the Prospectus. The applicable criteria on the basis of which Pharma Equity Group has compiled the pro forma financial information are described in the introduction and the presentation of unaudited pro forma financial information for the period 1 January – 30 June 2022.

The pro forma financial information has been compiled by the Pharma Equity Group Management to illustrate the impact of the Transaction set out in Section VI for the period 1 January – 30 June 2022 and financial position as at 30 June 2022 as if the Transaction had taken place at 1 January 2022.

We express reasonable assurance in our conclusion.

In this engagement to report on the pro forma financial information the term "properly compiled" means that the pro forma financial adjustments have been collected, classified and summarized as well as presented appropriately on the basis of the applicable criteria described in Section 41.

In this engagement to report on the pro forma financial information the term “in accordance with the accounting policies of Pharma Equity Group” means that the pro forma financial adjustments where relevant and to the extent possible in respect of recognition and measurement (including necessary adjustments) have been prepared consistently with the accounting policies described in the IFRS financial statements of Reponex for 2021.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on historical unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration.

Accordingly, we do not provide any assurance that the actual outcome of the transaction as at 1 January 2022 would have been as presented. As part of this process, information about Pharma Equity Group's and Reponex' financial performance and financial position has been extracted by the Pharma Equity Group Management and the Reponex Management from the IFRS financial statements for the period 1 January – 30 June 2022 for Pharma Equity Group and Reponex.

The pro forma financial information and our accompanying report has been prepared solely for the use of the Prospectus that is prepared in accordance with the Delegated Prospectus Regulation and is not to be used for any other purposes.

Pharma Equity Group Management's responsibility

The Pharma Equity Group Board of Directors and the Pharma Equity Group Executive Management are responsible for the proper compiling of the pro forma financial information on the basis of the applicable

criteria and in accordance with the accounting policies as described in the IFRS financial statements for Reponex for 2021 as set out in the Delegated Prospectus Regulation.

Auditors' responsibility

Our responsibility is, in accordance with the Delegated Prospectus Regulation Annex 20, "Pro forma information", Section 3, "Requirements for an accountant/audit report", to express an opinion about whether the pro forma financial information has been properly compiled on the basis of the applicable criteria and in accordance with the accounting policies as described in the IFRS financial statements for Reponex for 2021.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

We conducted our examinations in accordance with (ISAE) 3420, “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus”, and additional requirements required by FSR - Danish Auditors.

Deloitte Statsautoriseret Revisionspartnerselskab is subject to International Standard on Quality Control (ISQC) 1, and, accordingly, applies a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by FSR - Danish Auditors (Code of Ethics for Professional Accountants), which are based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

As part of our examinations, we have evaluated whether the disclosed basis for the pro forma adjustments provides a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give the appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the historical unadjusted financial information.

The procedures selected depend on the auditors' judgment, having regard to the auditors' understanding of the nature of Pharma Equity Group and Reponex, the Transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

In addition, we have evaluated the overall presentation of the pro forma financial information.

Conclusion

This conclusion is based upon the understanding of “properly compiled” and “in accordance with the accounting policies of Reponex, as disclosed in the introductory paragraphs of the report.

In our opinion, the pro forma financial information has been properly compiled on the basis of the applicable criteria and in accordance with the accounting policies as described in the IFRS financial statements for 2021 for Reponex.

Copenhagen, 27 February 2023

BDO
Statsautoriseret Revisionspartnerselskab
CVR no. 20 22 26 70
Kim Takata Mücke
State-Authorized Public Accountant
Identification No (MNE) mne10944

44 Unaudited Pro Forma Financial Information for H1 2022

44.1 Unaudited pro forma income statement for H1 2022

The table below presents the income statement of Pharma Equity Group and Reponex and on a pro forma basis, the consolidated income statement of the Enlarged Group for H1 2022.

Table no. 18: Pro forma income statement

Income statement for the period 1 January – 30 June 2022			
	Pharma Equity Group (audited) (DKK '000)	**Reponex (reviewed) (DKK '000)**	**Pro forma consolidated income statement (not audited) (DKK '000)**
Revenue	-	-	-
Production costs	-	-	-
Gross profit	-	-	-
Research and development costs	**-**	-2,744	-2,744
Administrative costs	-1,932	-2,362	-4,294
Total operating costs	**-1,932**	**-5,106**	**-7,038**
Financial income	4,250	-	4,25
Financial expenses	-0,526	-0,012	-0,538
Income/loss before company tax	**1,792**	**-5,118**	**-3,326**
Income tax	**-**	0,804	0,804
Net profit/loss	**1,792**	**-4,314**	**-2,522**
Key figures			
EBITDA (non-IFRS)	-1,932	-4,454	**-6,386**
Key ratios			
EBITDA margin (non-IFRS)	neg.	neg.	neg.

Net pro forma result for the period was a net loss of DKK -2.5 million.

The pro forma consolidated income statement for the period shows that DKK 2.7 million has been spent on research and development cost, of which DKK 0.5 million related to amortization of patents, licenses and completed development projects.

The Enlarged Group has used DKK 4.4 million on administration costs. Approximately DKK 1 million of the administrative cost related to costs associated with the Transaction and the purchase offer made by Pharma Equity Group on 5 April 2022 for the acquisition of the total issued and outstanding share capital in Reponex.

A part of the administrative cost consisted of remuneration to the resigned director in Pharma Equity Group (Jeanette G. Borg) of DKK 0.9 million. The remuneration has been announced to be paid when payment is received from the Portinho S.A receivable. As of the Prospectus Date, the Pharma Equity Group and the resigned director do not agree on the size of the amount and the due date. Reference is made 21.2 for further information on the disagreement between Jeanette Borg and Pharma Equity Group.

The remaining part of the administrative costs of DKK 2.4 million consisted of other salary costs of DKK 1.2 million and other operating costs of DKK 1.2 million.

The net loss for the period was affected by upward adjustment of DKK 3 million relating to the receivable that Pharma Equity Group has from Portinho S.A and of reversed provision of DKK 0.5 million.

44.2 Unaudited pro forma cash flow statement for H1 2022

The table below presents the cash flow statements of Pharma Equity Group and Reponex and on a pro forma basis, the consolidated cash flow statement of the Enlarged Group for H1 2022.

Table no. 19: Pro forma cash flow statement

Cash flow statements for H1 2022			
	Pharma Equity Group (audited) (DKK '000)	**Reponex (reviewed) (DKK '000)**	**Pro forma consolidated balance sheet (not audited) (DKK '000)**
Cash flow from operating activities	-1,430	-4,713	-6,143
Cash flow from investment activities	-	-	-
Cash flow from financing activities	1,504	-	1,504
Cash flow of the period	**0,074**	**-4,713**	**-4,639**
Cash and cash equivalents as of January 1	-	11,403	11,403
Cash and cash equivalents as of June 30	**0,074**	**6,690**	**6,764**

The cash flow from operating activities for H1 2022 was DKK -6.1 million. The cash flow from operating activities was affected by the net loss of the period of DKK 2.5 million adjusted for reversal of value adjustments of DKK -3.0 million regarding the Portinho S.A receivable having no impact on cash flow. In addition, cash flow from operations was impacted by working capital changes of DKK 0.4 million, which primarily consisted of changes in inventories of DKK -0.5 million, change in receivables of DKK 0.2 million and changes in trade payables of DKK 0.8 million.

Cash flow from investing activities for H1 2022 was DKK 0.

Cash flow from financing activities for H1 2022 was DKK 2.5 million from obtaining convertible loan of DKK 0.9 million and financial loans of DKK 1.6 million.

Cash and cash equivalents as of 30 June 2022 amounted to DKK 6.8 million.

44.3 Unaudited pro forma balance sheet for H1 2022

The table below presents the financial positions of Pharma Equity Group and Reponex and on a pro forma basis, the consolidated financial position of the Enlarged Group for H1 2022.

Table no. 20: Pro forma balance sheet

Balance Sheet as of 30 June 2022			
	Pharma Equity Group (audited) (DKK'000)	**Reponex (reviewed) (DKK '000)**	**Pro forma consolidated balance sheet (not audited) (DKK '000)**
Intangible assets	-	12,842	12,842
Right-of-use-assets	-	0,722	0,722
Financial assets	67,250	-	67,250
Total non-current assets	**67,250**	**13,564**	**80,814**
Inventories	-	1,633	1,633
Receivables	0,112	3,206	3,318
Cash and cash equivalents	0,074	6,690	6,764
Total current assets	**0,186**	**11,528**	**11,714**
Total assets	**67,436**	**25,092**	**92,528**

Balance Sheet as of 30 June 2022			
	Pharma Equity Group (audited) (DKK '000)	**Reponex (reviewed) (DKK '000)**	**Pro forma consolidated balance sheet (not audited) (DKK '000)**
Equity	**44,358**	**23,220**	**67,578**
Debt to credit institutions	16,456	-	16,456
Other liabilities	6,622	1,872	8,494
Total liabilities	**23,078**	**1,872**	**24,950**
Total equity and liabilities	**67,436**	**25,092**	**92,528**

Equity per 30 June 2022 amounted to DKK 67.6 million.

Total assets amounted to DKK 92.5 million per 30 June 2022.

The Enlarged Group had patent, licenses and completed development projects of DKK 12.8 million as of 30 June 2022. The phase II clinical trial on the local treatment of cancer-promoting colon bacteria in patients with colorectal cancer and adenomas finalized enrollment of patients during the period. The phase II clinical trial on the local treatment of Pouchitis (Inflammatory Bowel Disease - IBD) continued enrollment of patients during the period. The initial testing on the advanced drug delivery project showed positive data on recovery of biological agents after exposure to stomach environment (pH 1.6).

The Enlarged Group performs impairment test of the assets. For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment, and some are tested at cash-generating unit level.

Development projects in progress are tested for impairment, project by project, at least annually. All other individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, the Pharma Equity Group Management and the Reponex Management estimate expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Depreciation, amortization and impairment of tangible and intangible assets were recognized with DKK -0.7 million as of 30 June 2022.

The Portinho S.A receivable was recognized with a value of DKK 67.3 million per 30 June 2022 based on the receivable amounting to EUR 9.55 million with the addition of interest, and with agreed maturity no later than 1 July 2023. The receivable is valued at present value based on a risk-assessed discount factor, whereby the receivable is written down by approximately 8% in relation to the principal including accrued interest.

The Enlarged Group had current assets, exclusive cash and cash equivalents of DKK 4.9 million which manly consisted of various receivables of DKK 3.3 million.

As of 30 June 2022, the Enlarged Group had total liabilities of DKK 24.9 million, of which DKK 16.5 million was debt to credit institutions. The debt to credit institutions consisted of financial loans of DKK 6.8 million related to agreement of settlement of surety obligations, bank loans of DKK 7.5 million and trade payables of DKK 2.2 million.

44.4 Unaudited pro forma capital resources as of 30 June 2022 and 1 January 2022

The table below presents the pro forma consolidated capitalization of the Enlarged Group as of 30 June 2022 and of 1 January 2022.

Table no. 21: Pro forma consolidated capitalization

Pro forma consolidated capitalization

DKK '000	30-06-2022 (not audited)	01-01-2022 (not audited)
Equity		
Share capital	18,655	18,655
Retained earnings	39,263	41,324
Other reserves	9,660	9,959
Total equity	**67,578**	**69,937**
Current debt		
Guaranteed	3,570	2,685
Secured	9,710	9,036
Unguaranteed/Unsecured	4,484	3,950
Total current debt	**17,764**	**15,671**
Non-current debt		
Secured	6,746	6,582
Unguaranteed/Unsecured	0,439	0,163
Total non-current debt	**7,185**	**6,745**
Total capitalization	**92,528**	**92,353**

Per 30 June 2022, the Enlarged Group had short-term debt obligations totaling DKK 17.8 million, of which DKK 2.1 million represented trade payables, DKK 7.5 million represented bank debt and DKK 7.1 million represented other liabilities of which DKK 3.6 million represented subordinated convertible debt, DKK 2.2 million represented other loans, DKK 0.6 million represented loan from shareholders and the rest consisted of other operating liabilities. The subordinated convertible debt is not expected to have any cash outflow effect.

The Enlarged Group had short-term assets, exclusive cash and cash equivalents of DKK 4.9 million per 30 June 2022.

Cash and cash equivalents per 30 June 2022 amounted to DKK 6.7 million.

X. PHARMA EQUITY GROUP BOARD OF DIRECTORS AND PHARMA EQUITY GROUP EXECUTIVE MANAGEMENT

45 Overview

In compliance with Danish legislation, Pharma Equity Group has a two-tier management system consisting of the Pharma Equity Group Board of Directors and the Pharma Equity Group Executive Management. The two management bodies have overlapping members positions. It is Pharma Equity Group Management's assessment that Pharma Equity Group has no key employees as of the Prospectus Date, and therefore no information of key employees of Pharma Equity Group is included in the Prospectus. Pharma Equity Group will convene a Post-Completion General Meeting to be held for the purpose of, among others, electing new members to the New Company Board of Directors. The Pharma Equity Group Board of Directors is expected to propose that all of the existing members of the Pharma Equity Group Board of Directors, except for Peter Mørch Eriksen, will resign. The results of the Post-Completion General Meeting will be published through Nasdaq Copenhagen and be made available on Pharma Equity Group's, operating as the Company's, website, which does not form part of and is not incorporated by reference into this Prospectus.

Pharma Equity Group believes that the members of the New Company Board of Directors proposed for election possess the professional skills and experience required to serve as members of the Pharma Equity Group Board of Directors and to supervise and manage a company with shares admitted to trading and official listing on Nasdaq Copenhagen.

Reference is made to Section XI for further details on expected members of the New Company Board of Directors and New Company Executive Management of the Company upon completion of the Transaction and the issue of New Shares and the Rights Issue.

46 Pharma Equity Group Board of Directors

The Pharma Equity Group Board of Directors is responsible for the overall strategic management of Pharma Equity Group, and it supervises Pharma Equity Group’s activities, the Pharma Equity Group Executive Management and the organization. There is an ongoing dialogue between the Pharma Equity Group Board of Directors and the Pharma Equity Group Executive Management, and the Pharma Equity Group Executive Management reports to the Pharma Equity Group Board of Directors according to defined guidelines. Further, the Pharma Equity Group Board of Directors appoints and dismisses the members of the Pharma Equity Group Executive Management.

As of the Prospectus Date, the Pharma Equity Group Board of Directors consists of 3 members elected by the shareholders at the general meeting. All board members are deemed to be independent, except for Peter Ole Jensen, who is also the CEO of Pharma Equity Group.

In accordance with the Articles of Association, the shareholders represented at the general meeting shall elect between 3 and 7 members of the Pharma Equity Group Board of Directors. The members of the Pharma Equity Group Board of Directors elected by the general meeting are elected for a term of one year and may be re-elected. The Pharma Equity Group Board of Directors elects its chairman.

The Pharma Equity Group Board of Directors constitutes a quorum when more than half of its members, including the Chairman, are represented. Resolutions made by the Pharma Equity Group Board of Directors are passed by a simple majority of votes. In case of an equality of votes, the Chairman's vote is decisive.

Pharma Equity Group believes that the members of the Pharma Equity Group Board of Directors possess the professional skills and experience required to serve as members of the Pharma Equity Group Board of Directors and to supervise and manage a company with shares admitted to trading and official listing on Nasdaq Copenhagen.

The current members of the Pharma Equity Group Board of Directors and Pharma Equity Group Executive Management operate from Pharma Equity Group's address on Strandgade 24C, st. tv., 1401 Copenhagen K, Denmark.

The following table presents an overview of the current composition of the Pharma Equity Group Board of Directors.

Table no. 22: Pharma Equity Group Board of Directors

Name:	Position:	Independency[1]:	Year of first appointment:	Expiration of term:
Claus Abildstrøm	Chairman	Independent	2014	2023
Peter Mørch Eriksen	Board member	Independent	2022	2023
Peter Ole Jensen	Board member	Not independent	2020	2023

[1]Independency assessment is made by the Pharma Equity Group Board of Directors based on the Corporate Governance Recommendations. Board member listed as "not independent" above is considered non-independent due to also being the CEO in Pharma Equity Group.

46.1 Biographies

Other than as presented below, none of the members of the Pharma Equity Group Board of Directors has been a member of the administrative, management or supervisory bodies of a company or a partnership or been a partner in a partnership outside Pharma Equity Group within the past five years.

Claus Abildstrøm, (born 1964, Danish nationality) has been a member of the Pharma Equity Group Board of Directors since 2014. Claus Abildstrøm is a partner in Danders & More Law Firm. Claus Abildstrøm has many years of transaction experience, both in Denmark and cross-border. Primarily, Claus Abildstrøm is involved in M&A, restructuring, real estate transactions, private equity, capital markets and contractual relations, and he has a very diverse mix of clients, to which his exceptionally commercial focus always makes a difference.

Claus Abildstrøm is a member of a number of board of directors in different types of companies, such as Fanum A/S, Kolind A/S, SPC Holding A/S, PII A/S, Danders & More Adovokatpartnerselskab, DM Komplemantar Advokatpartnerselskab, Kolind Invest A/S and Nordholm ApS.

Claus Abildstrøm holds a master's degree in law from University of Copenhagen and was admitted to the bar in 1992.

Current management positions	Previous management positions in the past 5 years
• Chairman of BoD in Pharma Equity Group • Member of the BoD in Fanum A/S • Member of the BoD in Kolind A/S • Member of the BoD in SPC Holdings A/S • CEO in CAAB CONSULTING ApS	• Member of BOD in ASG Forsikringsagentur A/S • Chairman of BoD in EJENDOMSGRUPPEN DANMARK ApS • CEO in Nectar Søborg HoldCo ApS • CEO in Nectar Søborg ApS

- Member of the BoD in PII A/S
- Chairman of the BoD in Danders & Moore Advokatpartnerselskab
- Member of the BoD in DM Komplementar advokatanpartsselskab
- Member of the BoD in Kolind Invest A/S
- Member of the BoD in Nordholm
- ApS
- Member of BoD in FrontFuel ApS
- Member of BoD in KOLIND VENTURE A/S Member of BoD in SAHIBA A/S
- Chairman of BoD in Holy Invest Holding A/S
- Member if BoD in 04.07.2022 ApS
- Member of BoD in Real Estate Management ApS Chairman of the BoD in Holy Food A/S
- Member of the BoD in RHB Havnehuset A/S

Peter Mørch Eriksen, (born 1960, Danish nationality) has been a member of the Pharma Equity Group Board of Directors since 2022. Peter Mørch Eriksen has spent more than 20 years in the MedTech/life science industries, including as chief executive officer of BioPorto A/S from 2013 – 2021, chief executive officer of Sense A/S and vice president of Medtronic Danmark A/S. From these positions, Peter Mørch Eriksen has extensive experience in creating growth, restructuring and funding in technology-intensive and complex companies. Peter Mørch Eriksen is an experienced leader with a record of business within the medical device industry and has broad experience selling and developing medical devices for both small and large MedTech companies. Peter Mørch Eriksen has an accounting background, supplemented with management experience. He is chairman of the board of directors in FluoGuide A/S, Monsenso A/S, MyBlueLabel Compliance Services A/S and member of the advisory board at Lund University Diabetes Centre, member of the advisory board at the Medical Device and Diagnostics Advisory Committee of Cincinnati Children's Hospital Center in Cincinnati, Ohio (US) and member of the executive management in PME Holding ApS.

Peter Mørch Eriksen holds a bachelor's degree in management accounting from CBS.

Current management positions	**Previous management positions in the past 5 years**
• Chairman of the BoD in FluoGuide A/S • Chairman of the BoD in Monsenso A/S • Chairman of the BoD in MyBlueLabel Compliance Services A/S • Member of the BoD in Pharma Equity Group • CEO in PME Holding ApS • Member of the BoD in BioPorto A/S • Member of the BoD in BioPorto Diagnostics A/S • Member of the BoD in BioPorto Diagnostics A/S	• Member of BoD in BioPorto Diagnostics A/S • CEO in BioPorto Diagnostics A/S • CEO in BioPorto A/S • Member of the BoD in Veterinary Diagnostics A/S • Chairman of the BoD in Biostrip ApS •

Peter Ole Jensen, (born 1961, Danish nationality) has been a member of the Pharma Equity Group Board of Directors since 2020 and director in Pharma Equity Group since 2022. Peter Ole Jensen has

spent more than 30 years in the IT and Telco industry with senior positions in companies like Nortel Networks, IBM and Avaya. Peter Ole Jensen is a customer focused, team player who is keen on results and motivated by business growth, personal growth and ensuring his team's success. Peter Ole Jensen has a sales and marketing background supplemented with management experience. He has always worked with a customer and partner focus, building CXO relations, always with the key focus on getting the best solution implemented for the success of his customers.

Peter Ole Jensen holds a specialized AT&T MBA in marketing and sales from Cranfield University, England.

Current management positions	Previous management positions in the past 5 years
• CEO and Board Member in Pharma Equity Group A/S • CEO in Pole Holding ApS	• CEO in SG24D ApS • Chairman of BoD in Avaya Denmark ApS

47 Pharma Equity Group Executive Management

The Pharma Equity Group Executive Management is appointed by the Pharma Equity Group Board of Directors and responsible for the day-to-day management. As of the Prospectus Date, the Pharma Equity Group Executive Management is composed of one member being the CEO of Pharma Equity Group.

Table no. 23: Pharma Equity Group Executive Management

Name:	Position:	Year of first appointment in Pharma Equity Group:	Year of appointment of current position
Peter Ole Jensen	CEO	2022	1

47.1 Biography

Other than as presented in Section 46.1, the CEO has not been a member of the administrative, management or supervisory bodies of a company or a partnership or been a partner in a partnership outside Pharma Equity Group within the past five years.

48 Statement of kinship

There are no family relations among the members of the Pharma Equity Group Board of Directors and/or the Pharma Equity Group Executive Management.

49 Statement on past records

None of the members of the Pharma Equity Group Board of Directors and the Pharma Equity Group Executive Management has been (i) convicted of fraudulent offenses; (ii) directors or officers of

companies that have entered into bankruptcy, receivership, liquidation or companies put under administration, except as set out immediately below; or (iii) subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), and have not been disqualified by a court from acting as a member of an issuer's board of directors, executive management or supervisory body or from acting in the management or conduct of the affairs of any issuer.

Members of the Pharma Equity Group Board of Directors and the Pharma Equity Group Executive Management have been directors or officers of companies that have entered into bankruptcy, receivership, liquidation or companies put under administration as set out below:

Claus Abildstrøm

- Member of BoD in FrontFuel ApS (under bankruptcy as of 1 November 2020)
- Member of BoD in KOLIND VENTURE A/S (dissolved after declaration on 18 May 2018)
- Member of BoD in Real Estate Management ApS (under voluntary liquidation as of 19 December 2019)

Peter Ole Jensen

- CEO in SG24D ApS (dissolved after voluntary liquidation on 21 October 2022)

50 Conflicts of interest

50.1 Statement of conflicts of interest

No actual or potential conflicts of interest exist between any of the duties of the members of the Pharma Equity Group Board of Directors and the Pharma Equity Group Executive Management and their private interests or other duties.

No agreement or understanding with any major shareholders, customers, suppliers or others exists, pursuant to which a member of the Pharma Equity Group Board of Directors or the Pharma Equity Group Executive Management has been appointed to such position or any other supervisory or management position in Pharma Equity Group.

None of the members of the Pharma Equity Group Board of Directors or the Pharma Equity Group Executive Management have positions in other companies which could result in a conflict of interest vis-à-vis such companies, either because Pharma Equity Group has an equity interest in such company or because Pharma Equity Group has an ongoing business relationship. However, Pharma Equity Group may do business in the ordinary course with companies in which members of the Pharma Equity Group Board of Directors or the Pharma Equity Group Executive Management hold positions as directors or officers. No material engagements exist between Pharma Equity Group and entities where a member of the Pharma Equity Group Board of Directors/Pharma Equity Group Executive Management holds positions.

50.2 Restrictions on securities trading

Except for the lock-up obligations as described in Section 81.2, no trading restrictions have been applied to the shareholdings of members of the Pharma Equity Group Board of Directors or the Pharma Equity

Group Executive Management, except as provided by law and Pharma Equity Group's internal rules regarding Pharma Equity Group Management's trading in Shares.

51 Shareholdings and option holdings

51.1 Shareholdings

The shareholdings of the members of the Pharma Equity Group Board of Directors and the Pharma Equity Group Executive Management as of the Prospectus Date are listed in the table below. Pharma Equity Group has not issued any warrants or adopted any warrant programs.

Table no. 24: Pharma Equity Group Management's shareholdings

Name	No. of Shares held in Pharma Equity Group as of the date of the Prospectus	No. of warrants held in Pharma Equity Group as of the Prospectus Date
Pharma Equity Group Board of Directors [1)]		
Claus Abildstrøm, Chairman	0	0
Peter Mørch Eriksen	0	0
Peter Ole Jensen	8,440,220	0

[1)] includes Existing Shares held by members of the Pharma Equity Group Board of Directors personally or legal entities controlled by them, as well as persons closely associated with them.

51.2 Option holdings

As of the Prospectus Date, Pharma Equity Group does not have any obligations to increase the share capital.

52 Remuneration and benefits

52.1 Remuneration to the Pharma Equity Group Board of Directors

As of the Prospectus Date, members of the Pharma Equity Group Board of Directors do not receive any payment. Any future fees will be presented for approval by the Shareholders at Pharma Equity Group's, and following completion of the Transaction, the Company's annual general meeting.

No member of the Pharma Equity Group Board of Directors is entitled to any kind of compensation upon resignation as a member of the Pharma Equity Group Board of Directors. No funds have been allocated or provisions made for any pension benefits, severance scheme or the like for the members of the Pharma Equity Group Board of Directors.

For the financial year ended 31 December 2022, the compensation paid to the members of the Pharma Equity Group Board of Directors was DKK 0 to the chairman and DKK 0 to each of the other members of the Pharma Equity Group Board of Directors. The aggregate compensation paid to the Pharma Equity Group Board of Directors for the financial year ended 31 December 2022 was DKK 0.

Pharma Equity Group has not granted any loans, issued any guarantees or undertaken any other similar obligations to or on behalf of any member of the Pharma Equity Group Board of Directors.

52.2 Share-based incentive programs

As of the Prospectus Date, no share-based incentive programs have been adopted by Pharma Equity Group.

53 Practices and employment of the Pharma Equity Group Board of Directors and the Pharma Equity Group Executive Management

The Pharma Equity Group Board of Directors has adopted rules of procedures. Pursuant to these rules of procedures the Pharma Equity Group Board of Directors will convene at least 4 times a year, unless the Pharma Equity Group Board of Directors unanimously resolves that fewer meetings during a calendar year will suffice. Extraordinary board meetings shall be convened when deemed necessary by the chairman or requested by a member of the Pharma Equity Group Board of Directors, a member of the Pharma Equity Group Executive Management or by the auditor.

The members of the Pharma Equity Group Executive Management have a right to be present and to speak at meetings of the Pharma Equity Group Board of Directors, unless otherwise resolved by the Pharma Equity Group Board of Directors. The Pharma Equity Group Executive Management must provide the Pharma Equity Group Board of Directors with financial and operational reporting packages and information concerning Pharma Equity Group's activities in the period under review, including (i) a review of any interim financial statements prepared since the latest meeting of the Pharma Equity Group Board of Directors with an report on any budget deviations etc. and an estimate for the remainder of the financial year; (ii) information on Pharma Equity Group's liquidity; and (iii) information on other issues being of interest to the Pharma Equity Group Board of Directors.

The Pharma Equity Group Board of Directors performs the overall and strategic management duties of Pharma Equity Group and must annually revise and update the overall strategy, business and action plan and approve the annual budget for the next financial year. In addition, the Pharma Equity Group Board of Directors must ensure the proper organization of Pharma Equity Group by ensuring, among other things, (i) that the bookkeeping and financial reporting procedures are satisfactory, having regard to the circumstances of Pharma Equity Group, (ii) that adequate risk management and internal control procedures have been established (iii) that the Pharma Equity Group Executive Management performs its duties properly and in accordance with the guidelines issued by the Pharma Equity Group Board of Directors and (iv) that Pharma Equity Group's financial resources are adequate at all times, and that Pharma Equity Group has sufficient liquidity to meet its current and future liabilities as they fall due.

The Pharma Equity Group Board of Directors must annually perform a self-assessment to assess the competencies of the Pharma Equity Group Board of Directors and its individual members and assess the Pharma Equity Group Board of Directors' performance and achievements.

The Pharma Equity Group Board of Directors forms a quorum when more than half of its members are represented. No resolution can be passed unless more than half of all members are represented. Any decisions are made by simple majority. In the event of equality of votes, the chairman shall have the casting vote.

The term of expiration of the current members of the Pharma Equity Group Board of Directors is 2023.

The Pharma Equity Group Board of Directors appoints and dismisses the Pharma Equity Group Executive Management consisting of 1 member being responsible for the day-to-day management. The Pharma Equity Group Executive Management must follow the guidelines issued by the Pharma Equity Group Board of Directors. The day-to-day management does not include decisions of an unusual nature or of major importance, having regard to the circumstances of Pharma Equity Group. The Pharma Equity Group Executive Management is entitled, however, to make such decisions if it will cause considerable inconvenience to Pharma Equity Group to wait for authorization from the Pharma Equity Group Board of Directors. If possible, the Pharma Equity Group Executive Management must seek to obtain a specific authorization from the chairman of the Pharma Equity Group Board of Directors. The Pharma Equity Group Board of Directors must be notified of the decision as soon as possible.

The Pharma Equity Group Executive Management is not subject to a fixed term of expiration.

None of the members of the Pharma Equity Group Management's contracts with Pharma Equity Group provides for benefits upon termination of employment.

No member of the Pharma Equity Group Executive Management is subject to any non-competition or non-solicitation clauses pursuant to its employment with Pharma Equity Group.

Reference is made to Section 55 for details on compliance with the Corporate Governance Recommendations.

Reference is made to Section XI for further details on expected material impacts on the corporate governance, including future changes in the composition of the Pharma Equity Group Management upon completion of the Transaction.

54 Board committees

Due to the very limited activities and business in Pharma Equity Group, the current Pharma Equity Group Board of Directors has, as of the Prospectus Date, not established any committees.

Reference is made to Section 61 for details on expected future board committees of the Enlarged Group, upon completion of the Transaction.

55 Corporate governance

The Pharma Equity Group Board of Directors has adopted a set of corporate governance principles that make up Pharma Equity Group's corporate governance policy. Pharma Equity Group's corporate governance statement for the FY 2022 (the "Corporate Governance Statement") is available on its website www.pharmaequitygroup.com. Information included on Pharma Equity Group's website does not form part of and is not incorporated by reference into this Prospectus, unless otherwise specifically stated herein.

In connection with the Transaction, the Pharma Equity Group Board of Directors has updated the Corporate Governance Statement to also reflect the expected future corporate governance applicable to the Enlarged Group, upon completion of the Transaction. Reference is made to Section 63 for further details on expected corporate governance.

XI. NEW COMPANY BOARD OF DIRECTORS AND NEW COMPANY EXECUTIVE MANAGEMENT

56 Overview

In compliance with Danish legislation, upon completion of the Transaction, the Company is expected to have a two-tier management system consisting of the New Company Board of Directors and the New Company Executive Management.

Pharma Equity Group will convene the Post-Completion General Meeting expected to be held on 31 March 2023 for the purpose of, among others, electing new members to the New Company Board of Directors. The Pharma Equity Group Board of Directors is expected to propose that all of the existing members of the Pharma Equity Group Board of Directors, except for Peter Mørch Eriksen, will resign, and that the members as set out in Section 57 below are elected. The results of the Post-Completion General Meeting will be published through Nasdaq Copenhagen and be made available on Pharma Equity Group's, operating as the Company's, website, which does not form part of and is not incorporated by reference into this Prospectus.

Pharma Equity Group believes that the members of the New Company Board of Directors proposed for election possess the professional skills and experience required to serve as members of the New Company Board of Directors and to supervise and manage a company with shares admitted to trading and official listing on Nasdaq Copenhagen.

The following table presents an overview of the expected composition of the New Company Board of Directors.

Table no. 25: New Company Board of Directors

Name:	Position:	Independency[1]:	Expected year of first appointment:	Expected year of expiration of term:
Peter Mørch Eriksen	Chairman	Independent	2023	2024
Ole Larsen	Board member	Independent	2023	2024
Lars Gundorph	Board member	Independent	2023	2024
Mette Zacho	Board member	Independent	2023	2024
Christian Vinding Thomsen	Board member	Independent	2023	2024

[1]Independency assessment is made by the Pharma Equity Group Board of Directors based on the Corporate Governance Recommendations.

57 New Company Board of Directors

Upon completion of the Transaction, the candidates below have agreed to put him/her up for election.

Peter Mørch Eriksen, (born 1960, Danish nationality) has been a member of the Pharma Equity Group Board of Directors since 2022. Peter Mørch Eriksen has spent more than 20 years in the MedTech/life science industries, including as chief executive officer of BioPorto A/S from 2013 – 2021, chief executive officer of Sense A/S and vice president of Medtronic Danmark A/S. From these positions, Peter Mørch Eriksen has extensive experience in creating growth, restructuring and funding in technology-intensive and complex companies. Peter Mørch Eriksen is an experienced leader with a record of business within

the medical device industry and has broad experience selling and developing medical devices for both small and large MedTech companies. Peter Mørch Eriksen has an accounting background, supplemented with management experience. He is chairman of the board of directors in FluoGuide A/S, Monsenso A/S, MyBlueLabel Compliance Services A/S and member of the advisory board at Lund University Diabetes Centre, member of the advisory board at the Medical Device and Diagnostics Advisory Committee of Cincinnati Children's Hospital Center in Cincinnati, Ohio (US) and member of the executive management in PME Holding ApS.

Peter Mørch Eriksen holds a bachelor's degree in management accounting from CBS.

Current management positions	Previous management positions in the past 5 years
• Chairman of the BoD in FluoGuide A/S • Chairman of the BoD in Monsenso A/S • Chairman of the BoD in MyBlueLabel Compliance Services A/S • Member of the BoD in Pharma Equity Group A/S • CEO in PME Holding ApS • Member of the BoD in BioPorto A/S • Member of BoD in BioPorto Diagnostics A/S.	• Member of BoD in BioPorto Diagnostics A/S • CEO in BioPorto Diagnostics A/S • CEO in BioPorto A/S • Member of the BoD in Veterinary Diagnostics A/S • Chairman of the BoD in Biostrip ApS.

Ole Larsen (born 1965, Danish nationality) is an experienced CFO with a demonstrated history of working in various industries in both listed and unlisted companies. Ole Larsen is expected to bring comprehensive industrial and financial knowledge to the Company as an experienced executive in international health care and media companies.

Ole Larsen is the founder and CEO of Nuso ApS, who provides CFO services. Previously, Ole Larsen has been CFO of BioPorto A/S and Bavarian Nordic A/S, two listed Danish biotechnology companies.

Ole Larsen holds a MSc in Economics from Copenhagen Business School.

Current management positions	Previous management positions in the past five years
• CEO in Nuso ApS • Member of the BoD in Linkfire A/S • Chairman of BoD in Rikke Gravengaard - Copenhagen A/S	• Member of BoD and CEO in Aktieselskabet af 1. juni 2011 I • Member of BoD and CEO in Aktieselskabet af 1. juni 2011 II • Member of BoD in BIOPORTO DIAGNOSTICS A/S • CFO in BAVARIAN NORDIC A/S • Member of BoD in Veterinary Diagnostics A/S

Lars Gundorph (born 1960, Danish nationality) has worked with sales and risk management for several years and has successfully started several companies. In 2021, he plaid a key role in the new advisory house, North Risk A/S, which consists of the companies, Contea Consulting ApS (risk management & insurance), North Pensionsagentur A/S, Jysk Pension Rådgivning A/S, (health and pension), North Risk Realkreditrådgivning ApS, Status ApS, (mortgage advice) and North Risk Financial Procurement ApS, FinPro ApS (financial procurement). North Risk A/S has since 2021 acquired more companies and had a revenue in 2022 of approximately 220 million DKK and approximately 170 employees.

Lars previously co-founded the Assurandør group in 1987, which in 1998 became Willis and in 2016 became Willis Towers Watson. He has been a partner since 1987 and director from 1993 until 2005, when Lars was appointed CEO of Willis and later of Willis Towers Watson. During the period, Lars helped to develop the company from 8 employees to 510 employees.

Lars Grundorph is currently chairman of the board of K/S City Hotels, which he has been since 2008. Previously, Lars Grundorph has served on the board of Willis Towers Watson, Sam Headhunting Group A/S and Falck Healthcare A/S, among others.

Lars Grundorph is a Certified Insurancebroker.

Current management positions	Previous management positions in the past five years
• CEO in North Risk A/S • CEO in North Risk A/S • Chairman of BoD in North Risk Realkreditrådgivning ApS • Chairman of BoD in HD Forsikring Assurance Agentur ApS • Chairman of the BoD in North Risk Forsikringsmægler A/S • CEO in Gundorph Holding ApS • Chairman of BoD in K/S City-Hoteller, Tyskland • Chairman of BoD in Forsikringsmæglerselskabet Assurance Partner A/S • Chairman of BoD in Erhvervsforsikring Danmark Agentur A/S • Chairman of BoD in North Danrisk Aps • CEO in North Risk Holding A/S • Chairman of BoD in North Pensionsagentur A/S • Chairman of the BoD in TLC Fashion P/S • CEO in City-Hoteller, Tyskland ApS • Chairman of BoD in North Risk Financial Procurement ApS • Chairman of BoD in North Forsikringsagentur ApS	• Chairman of BoD in Contea Holding A/S (Dissolved after fusion) • Member of BoD and CEO in Willis Towers Watson A/S • Chairman of BoD in GRAIN ApS (dissolved after bankruptcy) • Chairman of BoD in Komplementarselskabet North Risk ApS (under voluntary liquidation)

Mette Zacho (born 1975, Danish nationality) is corporate vice president in Commercial Cell Therapy department of Novo Nordisk A/S and has held similar leadership positions in Novo Nordisk across the entire portfolio since 2012. Mette Zacho has broad experience from the pharmaceutical industry. Mette Zacho holds a medical background combined with strategy, business model development and commercial skills that enable Mette to support and challenge most companies.

Mette Zacho is a medical doctor and holds a PhD from University of Copenhagen.

Mette Zacho does not hold any other current management positions and has not held any previous management positions in the past five years.

Christian Vinding Thomsen (born 1975, Danish nationality) has been a member of the Reponex Board of Directors since 2021 and chairman since 2022. Christian Vinding Thomsen also serves as board member in Repoceuticals A/S and AKI Therapeutics A/S.

Christian holds a master's degree in law and graduated law school from University of Copenhagen in 2001. Following his 3 years as junior associate, Christian joined Nomeco A/S (distributor of medicines) as in-house lawyer. Since then, Christian has been equity partner in both large and medium sized law firms. Christian is now equity partner, attorney-at-law, at Loeven Law Firm P/S. His practice area is – and has always been – the Life Science sector, focusing on pharma and healthcare.

Current management positions	Previous management positions in the past five years
• Chairman of BoD in KT Stålindustri A/S. • Chairman of BoD in Reponex. • Chairman of BoD in Black Sun ApS. • Chairman of BoD in Untold Productions ApS. • Member of BoD in Loeven Advokatpartnerselskab. • Member of BoD in Repoceuticals A/S. Member of BoD in AKI Therapeutics A/S. CEO in StormVinding ApS	• Member of the BoD in Scandion Oncology A/S. • Member of BoD in Practio ApS. • Member of the BoD in Serenova A/S. • Member of the BoD in Skandium IPR ApS.

57.1 Remuneration to the New Company Board of Directors

Upon completion of the Transaction, and subject to election of the New Company Board of Directors and adoption of the Remuneration Policy on the Post-Closing General Meeting, the compensation to the ordinary members of the New Company Board of Directors is for board members expected to be DKK 150,000 on an annual basis for the financial year 2023, whereas the vice chairman will receive DKK 250,000 on an annual basis and the chairman DKK 350,000 on an annual basis.

58 New Company Executive Management

Upon election by the New Company Board of Directors after holding of the Post-Completion General Meeting on 31 March 2023, the New Company Executive Management will consist of the following individual:

Thomas Kaas Selsø, (born 1973, Danish nationality) will be serving as registered chief executive officer (CEO) of the Company. Thomas Kaas Selsø currently serves as CFO and has been a part of the executive management of Reponex since 1 March 2022. Thomas Kaas Selsø currently serves as CFO of Finansmanagement Aps, an investment company with broad investments in, among others, biotech companies. Upon completion of the Transaction, Thomas Kaas Selsø will resign as CFO of Finansmanagement ApS. Thomas Kaas Selsø is co-founder and chief executive officer of Ideal Finans ApS since 8.th. of May 2013 and Ideal Finans Holding ApS since 17.th. of October 2005. Thomas Kaas Selsø does not currently have an active role in Ideal Finans ApS.

Thomas Kaas Selsø has more than 20 years of experience as CFO of various companies. He has extensive experience in financial management, financial accounting (IFRS and the Danish Financial Statements Act), strategic analysis, M&A, valuation and due diligence. Thomas Kaas Selsø has previously been CFO at North Risk A/S, a private equity fund. He has more than 16 years of experience as associate professor at the Copenhagen Business School (CBS), teaching in accountancy (IFRS and the Danish Financial Statements Act) and M&A, among others, at different levels (MBA, CMA, HA, HD(R)).

Thomas Kaas Selsø holds a M.Sc. in Financing and Accountancy (Cand. Merc. FIR) and a HD(R).

• **Current management positions**	• **Previous management positions in the past 5 years**
• CFO in Reponex • Group CFO in Finansmanagement ApS • CEO in IDEAL FINANS HOLDING ApS • CEO in IDEAL FINANS ApS	• Member of BoD in North Risk Realkreditrådgivning ApS • Member of the BoD in Contea Holding A/S • Member of BOD North Risk Forsikringsmægler A/S • Member of BoD in Komplementarselskabet North Risk ApS • Member of BoD in ERHVERVSFORSIKRING DANMARK AGENTUR A/S • Member of BOD in North DanRisk ApS • Member of BoD North Pensionsagentur A/S • Member of BoD in North Risk Financial Procurement ApS • Member of BoD in North Forsikringsargentur ApS • Chairman of BoD in ALPHA VVS-Teknik ApS • Chairman of BoD in DOIL Ejendomme ApS • Member of the BoD in Reali ApS • CFO of NHH Management ApS • CFO in N. H. HANSEN & SØN A/S • CFO in NHH Service A/S.

- CFO in HEGELUND CHRISTENSEN A/S
- Member of BoD in Logic Banker ApS

58.1 Remuneration to the New Company Executive Management

The compensation paid to the New Company Executive Management is expected to consist of a fixed salary and usual fringe benefits (mobile phone, refunds of travel expenses etc.).

As base salary, Thomas Kaas Selsø is expected to receive a monthly paid salary of DKK 50,000 and is also expected to be entitled to a bonus corresponding to 50% of his annual base salary. The Company may terminate the employment of Thomas Kaas Selsø with 12 months' notice to the end of a month, and Thomas Kaas Selsø may terminate his position with 6 months' notice to the end of a month. Thomas Kaas Selsø is not entitled to severance pay or any other benefits upon termination of his employment.

59 Statement of kinship

Provided that the candidates outlined above are elected as members to the New Company Board of Directors and employed as members of the New Company Executive Management, there are no family relations among the members of the New Company Board of Directors and/or the New Company Executive Management.

60 Statement on past records

Other than as presented below, none of the members of the New Company Board of Directors or the New Company Management has been (i) convicted of fraudulent offenses; (ii) directors or officers of companies that have entered into bankruptcy, receivership, liquidation or companies put under administration, except as set out immediately below; or (iii) subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), and have not been disqualified by a court from acting as a member of an issuer's board of directors, executive management or supervisory body or from acting in the management or conduct of the affairs of any issuer.

Lars Gundorph

- Chairman of BoD in Contea Holding A/S (Dissolved after fusion on 15 February 2022)
- Chairman of BoD in Komplementarselskabet North Risk ApS (under voluntary liquidation as of 6 January 2022)

Thomas Kaas Selsø:

- Member of BoD in Komplementarselskabet North Risk ApS (under voluntary liquidation as of 6 January 2022)

61 Shareholdings and option holdings

61.1 Shareholdings

The shareholdings of the members of the New Company Management in relation to the Company upon completion of the Transaction are listed in the table below.

Table no. 26: New Company Management's shareholdings

Name	No. of Shares held in the Company upon completion of the Transaction
New Company Board of Directors[1)]	
Christian Vinding Thomsen	1,233,605
New Company Executive Management[2)]	
Thomas Kaas Selsø	1,270,750

1) Includes shares held by members of the New Company Board of Directors personally or legal entities controlled by them, as well as persons closely associated with them.

2) Includes shares held by members of the New Company Executive Management personally or legal entities controlled by them, as well as persons closely associated with them.

61.2 Option holdings

Upon completion of the Transaction, the Company is not expected to have any obligations to increase the share capital.

62 Expected board committees

The New Company Board of Directors, expected to be elected upon completion of the Transaction, is expected to set up the following committees:

- An Audit Committee
- A Remuneration and Nomination Committee
- A Business, Research and Development Committee

All of the committees will report to the New Company Board of Directors. All of the committees will be charged solely with preparing resolutions to be taken by the New Company Board of Directors and work in accordance with their terms of reference, as further described below.

The total remuneration for all committee memberships is expected to be DKK 25,000 on an annual basis, except for the chairman of the New Company Board of Directors where the remuneration is expected to be DKK 0 on an annual basis.

62.1 Audit Committee

The Audit Committee is expected to be established with the purpose of assisting the New Company Board of Directors with the monitoring of the financial reporting process, the statutory audit of the Company's financial reports (including the process for presentation of accounts), internal control and risk management systems and the Company's whistleblowing procedures and complaints. The Audit Committee shall also assess the external auditor's independence and provision of services and the procedure for the election of the external auditor, and annually consider whether there is a need for an internal audit and if so, submit a recommendation to the New Company Board of Directors in this respect including recommendations regarding appointment, employment and dismissal of the chairman of any internal audit and the budget of the internal audit.

The Audit Committee is expected to comply with the Danish Corporate Governance Recommendations Section 3.4.2 and 3.4.3.

Assuming that the shareholders at the Post-Completion General Meeting adopt the proposal to elect the New Company Board of Directors, the Audit Committee is expected to consist of the following members: Ole Larsen as chairman of the committee and Christian Vinding Thomsen as member.

62.2 Remuneration and Nomination Committee

The Remuneration and Nomination Committee is expected to be established to assist the New Company Board of Directors in, among others, the preparation of the Company's remuneration policy, including any incentive pay for the New Company Board of Directors and the New Company Executive Management, and ensure that any remuneration is consistent with such policy and with the assessment of the individual's contribution. Moreover, the Remuneration and Nomination Committee will evaluate and make recommendations for the remuneration of the members of the New Company Board of Directors and the New Company Executive Management.

The Remuneration and Nomination Committee is also to assist the New Company Board of Directors in ensuring that appropriate plans and processes are in place for the nomination of candidates to future members of the New Company Board of Directors and New Company Executive Management, including to continuously assess competencies and the performance and results, as well as the composition, expert knowledge and experience of the New Company Board of Directors and New Company Executive Management. Moreover, the Remuneration and Nomination Committee must ensure that proposals for any specific changes to the New Company Board of Directors and the New Company Executive Management exist, if relevant.

The Remuneration and Nomination Committee is expected to comply with the Danish Corporate Governance Recommendations Sections 3.4.2, 3.4.4 and 3.4.5.

Assuming that the shareholders at the Post-Completion General Meeting adopt the proposal to elect the New Company Board of Directors, the Remuneration and Nomination Committee is expected to consist of the following members: Peter M. Eriksen as chairman of the committee and Lars Gundorph as member.

62.3 Business, Research and Development Committee

The committee is expected to be established to assist the New Company Board of Directors in monitoring and reviewing the company's research, technologies, products, pipeline, clinical trials, supply chain management and business strategies.

Assuming that the shareholders at the Post-Completion General Meeting adopt the proposal to elect the New Company Board of Directors, the Nomination Committee is expected to consist of the following members: Mette Zacho as chairman of the committee and Peter M. Eriksen as member.

63 Expected corporate governance

The Company is subject to the recommendations prepared by the Committee on Corporate Governance (the "Corporate Governance Recommendations"). Nasdaq Copenhagen has incorporated the Corporate Governance Recommendations in the Nasdaq Issuer Rules.

With shares admitted to trading and official listing on Nasdaq Copenhagen, the Company is therefore required to comply with or explain deviations from the Corporate Governance Recommendations as is also required pursuant to section 107b of the Danish Consolidated Act no. 838 of 8 August 2019 the Financial Statements Act.

Pharma Equity Group has prepared a Corporate Governance Statement for the FY 2022 as described in Section 55. As the New Company Board of Directors has not yet been elected as of the Prospectus Date, and due to substantial changes of Pharma Equity Group upon completion of the Transaction, the Corporate Governance Statement further covers initiatives expected to be performed in the FY 2023 to ensure increased compliance with the Corporate Governance recommendations following completion of the Transaction.

Once the New Company Board of Directors has been elected, the New Company Board of Directors will review and update the Corporate Governance Statement as relevant, which will then subsequently be published on the Company's website. Drafts of the relevant documents to be decided upon by the New Company Board of Directors will also be made available on the website of the Company together with the Corporate Governance Statement.

As part of its management process, the New Company Board of Directors focuses on investor relations, and the New Company Board of Directors is expected to give priority to exercising good corporate governance, which is defined based on the Company's articles of association (as amended upon holding of the Post-Completion General Meeting), values and policies as well as the Nasdaq Issuer Rules.

The Board of Directors regularly assesses how the Corporate Governance Recommendations may contribute to strengthening the management of the Company and ensure maximum value creation for the Shareholders. Once a year, the New Company Board of Directors will review the Corporate Governance Recommendations and evaluate the Company's compliance with the Corporate Governance Recommendations. Following completion of the Transaction, and subject to decision by the New Company Board of Directors, the Pharma Equity Group Board of Directors expects that the Company for the FY 2023 will comply with all but number 5.1.2 of the Corporate Governance Recommendations, and that the recommendations numbers 1.2.1 and 1.4.1 are expected to be complied with partially as set out below:

- **1.2.1: Organization of general meetings in a manner that allows shareholders who are unable to attend the meeting in person or are represented by proxy at the general meeting, to vote and raise questions to the management prior to or at the general meeting via webcast or other digital transmissions.** The Company encourages Shareholders to use their influence, especially by voting at

the annual general meetings of the Company, on the website, in each annual report and in the notice convening annual general meetings. As of the Prospectus Date, Pharma Equity Group does not webcast all of its general meetings (except where an annual general meeting is held as a fully electronic meeting) and thus only partially compliance is present in respect of this recommendation. Subject to decision by the New Company Board of Directors, this is not expected to change in the FY 2023, after which year the New Company Board of Directors will evaluate its practice in this area.

- **1.4.1: Policy on corporate social responsibility, including social responsibility and sustainability**. Due to the size and activities of Pharma Equity Group, no such policy has previously been prepared. Subject to approval by the New Company Board of Directors, the Company expects to adopt a Code of Conduct but does not expect to have a separate policy for social responsibility. However, this is expected to be re-evaluated in the FY 2023 after incorporation of Reponex and, thus, take effect in 2024 if considered necessary.

- **5.1.2: Establishment of a whistleblower scheme**. Due to the size of the Pharma Equity Group, and the expected size of the Company upon completion of the Transaction, Pharma Equity Group has not, and the Company does not expect in the FY 2023, to establish a whistleblower scheme.

XII. NEW REPONEX BOARD OF DIRECTORS AND NEW REPONEX EXECUTIVE MANAGEMENT

64 Overview

In compliance with Danish legislation, upon completion of the Transaction, Reponex is expected to have a two-tier management system consisting of the New Reponex Board of Directors and the New Reponex Executive Management.

Reponex will convene an extraordinary general meeting upon completion of the Transaction expected to be held on 24 March 2023 for the purpose of, among others, electing new members to the New Reponex Board of Directors. The Reponex Board of Directors is expected to propose that Troels Peter Troelsen, Charlotte Pahl, Lisbeth Thyregod, Christian Vinding Thomsen, are re-elected as members of the New Reponex Board of Directors, and that the members as set out in Section 65 below are elected.

Reponex and Pharma Equity Group believe that the members of the New Reponex Board of Directors proposed for election possess the professional skills and experience required to serve as members of the New Reponex Board of Directors and to supervise and manage Reponex being a subsidiary of the Company with shares admitted to trading and official listing on a regulated market.

65 New Reponex Board of Directors

Upon completion of the Transaction, the candidates below have agreed to put him/her up for election.

Peter Mørch Eriksen, who is expected to be appointed as chairman of the New Reponex Board of Directors upon election, Christian Vinding Thomsen, who is expected to be appointed as vice chairman of the New Reponex Board of Directors upon election, Troels Peter Troelsen, Charlotte Pahl, Lisbeth Thyregod and Mette Zacho.

The following table presents an overview of the expected composition of the New Reponex Board of Directors.

Table no. 27: New Reponex Board of Directors

Name:	Position:	Independency[1]:	Expected year of first appointment:	Expected year of expiration of term:
Peter Mørch Eriksen	Chairman	Independent	2023	2024
Christian Vinding Thomsen	Vice chairman	Independent	2023	2024
Troels Peter Troelsen	Board member	Independent	2023	2024
Charlotte Pahl	Board member	Independent	2023	2024
Lisbeth Thyregod	Board member	Independent	2023	2024
Mette Zacho	Board member	Independent	2023	2024

[1]Independency assessment is made by the New Reponex Board of Directors based on the Corporate Governance Recommendations.

Reference is made to Sections 57 and 34 for a description of the candidates of the expected New Reponex Board of Directors.

65.1 Remuneration to the New Reponex Board of Directors

Upon completion of the Transaction, and subject to election of the New Reponex Board of Directors, the compensation to the ordinary members of the New Reponex Board of Directors is for all board members expected to be DKK 50,000 on an annual basis for the financial year 2023.

66 New Reponex Executive Management

Upon election by the New Reponex Board of Directors, the New Reponex Executive Management will consist of Søren Nielsen as CEO and Thomas Kaas Selsø as CFO.

Reference is made to s 34.2 and 58 for a description of Søren Nielsen and Thomas Kaas Selsø.

66.1 Remuneration to the New Reponex Executive Management

The compensation paid to the New Reponex Executive Management is expected to consist of a fixed salary and usual fringe benefits (mobile phone, refunds of travel expenses etc.).

As base salary, Søren Nielsen is expected to receive a monthly paid salary of DKK 110,000. Reponex may terminate the employment of Søren Nielsen with 12 months' notice to the end of a month, and Søren Nielsen may terminate his position with 6 months' notice to the end of a month. Søren Nielsen is not entitled to severance pay or any other benefits upon termination of his employment.

As base salary, Thomas Kaas Selsø, is expected to receive a monthly paid salary of DKK 100,000 and is also expected to be entitled to a bonus corresponding to 50% of his annual base salary. Reponex may terminate the employment of Thomas Kaas Selsø with 12 months' notice to the end of a month, and Thomas Kaas Selsø may terminate his position with 6 months' notice to the end of a month. Thomas Kaas Selsø is not entitled to severance pay or any other benefits upon termination of his employment.

67 Statement on kinship

There are no family relations among the members of the expected New Reponex Board of Directors and/or the expected New Reponex Executive Management.

68 Statement on past records

Reference is made to Sections 34.4 and 60 for details on past records of the New Reponex Executive Management, which is only relevant in relation to Thomas Kaas Selsø.

69 Shareholdings and option holdings

69.1 Shareholdings

The shareholdings of the members of the New Reponex Management in relation to the Company upon completion of the Transaction are listed in the table below.

Table no. 28: New Reponex Management's shareholdings

Name	No. of Shares held in the Company upon completion of the Transaction
New Reponex Board of Directors [1)]	
Christian Vinding Thomsen	1,233,605
Troels Peter Troelsen	21,944,645
Charlotte Pahl	3,594,210
Lisbeth Thyregod	913,100
New Reponex Executive Management [2)]	
Søren Nielsen	475,180
Thomas Kaas Selsø	1,270,750

1) Includes shares held by members of the New Reponex Board of Directors personally or legal entities controlled by them, as well as persons closely associated with them.

2) Includes shares held by members of the New Reponex Executive Management personally or legal entities controlled by them, as well as persons closely associated with them.

69.2 Option holdings

Upon completion of the Transaction, the Company is not expected to have any obligations to increase the share capital.

XIII. MAJOR SHAREHOLDERS

70 Major Shareholders of Pharma Equity Group

Pursuant to Section 38 of the Danish Capital Markets Act and Section 55 of the Danish Companies Act, Pharma Equity Group has received notifications of holdings of 5% or more of the share capital or voting rights from the shareholders below.

Table no. 29: Major shareholders as of the Prospectus Date

Shareholder	Number of Shares as of latest announcement		Ownership as of latest announcement (%)	Voting rights as of latest announcement (%)
	Existing Shares	New Listing Shares		
Jeanette G. Borg		3,268,400	7.36	7.36
SIX SIS LTD (Jeanette G. Borg)	7,948,472		17.91	21.52
Baltic Investment Group ApS		400,000	0.90	0.90
Jeanette G. Borg Total	**7,948,472**	**3,668,400**	**26.17**	**26.17**
NK INVEST ApS		3,390,032	7.64	7.64
Selskabet af 25. marts 2015 II ApS, Ejet af NK Invest ApS		198,698	0.45	0.53
NK INVEST ApS Total		**3,588,730**	**8.09**	**8.09**
Peter Ole Jensen	1,868,274	502,000	5.34	5.34
POLE Holding ApS		6,069,946	13.68	13.68
Peter Ole Jensen Total	**1,868,274**	**6,571,946**	**19.02**	**19.02**

The percentage of voting rights described above is based on the entire registered share capital of Pharma Equity Group before completion of the Transaction, the offer of New Shares and the Rights Issue.

All Existing Shares carry the same voting rights and no special voting rights exist in terms of Pharma Equity Group's major shareholders.

Pharma Equity Group is not authorized to issue company announcements regarding major shareholdings unless Pharma Equity Group has received a prior notice to that effect from a shareholder. Thus, the number of shares and voting rights of major shareholders stated in the specification above may have changed.

Pharma Equity Group is not aware of being owned or controlled, directly or indirectly, by others, and Pharma Equity Group is not aware of any agreements that could later result in others taking over the control of Pharma Equity Group.

Pharma Equity Group's holding of treasury shares as of the Prospectus Date amounts to 14,722 Existing Shares, equivalent to approximately 0.03% of Pharma Equity Group's share capital.

XIV. DIVIDEND POLICY

71 Dividends and expected dividend policy of the Enlarged Group

71.1 General

Pharma Equity Group has one share class, and its share capital amounts to DKK 44,379,620 divided into 44,379,620 Existing Shares of nominal value DKK 1.00 each. The Existing Shares are issued in the name of the holder and are recorded in Pharma Equity Group's shareholders' register. The Existing Shares are negotiable instruments and issued in paperless form through Euronext Securities Copenhagen. Except for the New Listing Shares that were issued and allocated in connection with registration with the Danish Business Authority on 10 February 2023 and are expected to be admitted to trading and official listing on Nasdaq Copenhagen on or around 28 February 2023, all Existing Shares are admitted to trading and official listing on Nasdaq Copenhagen.

The New Shares and New Rights Issue Shares will be issued as negotiable instruments and rank pari passu with the Existing Shares. The New Listing Shares are issued as negotiable instruments and, upon the expected admission to trading and official listing on Nasdaq Copenhagen on or around 28 February 2023, rank pari passu with the Existing Shares.

Reponex has one share class totaling 8,536,317 shares of nominal value DKK 0.10 each. The shares are registered in the name of the holder in Reponex' shareholders' register. The shares are not admitted to trading and official listing on Nasdaq Copenhagen.

71.2 Dividend policy and share buybacks

As of the Prospectus Date, Pharma Equity Group has not adopted any dividend policy and historically, no dividend has been paid by Pharma Equity Group, and the Pharma Equity Group Board of Directors' current intention is to not propose dividends to the Shareholders unless and until Pharma Equity Group achieves long-term profitability.

As of the Prospectus Date, Reponex has not adopted any dividend policy and historically no dividend has been paid by Reponex, and the Reponex Board of Directors' current intention is to not propose dividends to the Shareholders unless and until Reponex achieves long-term profitability.

It is the intention to apply all available financial resources and revenue, if any, for the purposes of the Enlarged Group's future business. As of the Prospectus Date, the Pharma Equity Group Board of Directors and, following completion of the Transaction, the New Company Board of Directors does not expect to make dividend payments within the foreseeable future being the next couple of years. Any future determination related to the Company’s dividend policy and the declaration of any dividends will be made at the discretion of the New Company Board of Directors and will depend on a number of factors, including results of operations, financial condition, future prospects, contractual restrictions, restrictions imposed by applicable law and other factors that the New Company Board of Directors in its discretion deems relevant.

There can be no assurances that the Company’s operational and financial performance will facilitate dividend payments, and, in particular, the Company’s ability to pay dividends may be impaired if any of the risks described in this Prospectus were to occur. See “Risk Factors”.

As an alternative, or in addition to, making dividend payments, depending on the Enlarged Group's future financial performance, the New Company Board of Directors may initiate share buybacks. The

decision by the New Company Board of Directors to engage in share buybacks, if any, will be made in accordance with the factors applicable to dividend payments set forth above.

XV. MATERIAL CONTRACTS

As of the Date of this Prospectus, Pharma Equity Group has not entered into any material contracts, except for described below.

Reference is made to Section 77.4 for further details and development on Pharma Equity Group's capitalization and indebtedness as of 30 November 2022 and until the Prospectus Date.

72 Loan agreements and debt obligations

72.1 Loan agreement with Finansmanagement ApS

To secure operations and going concern in Pharma Equity Group, a loan agreement with Finansmanagement ApS was entered into in 2021. The agreement was amended on several occasions in the period from 2021 to 14 October 2022 by increasing the loan. As of 30 June 2022, the loan amounted to DKK 2.2 million, bearing an interest of 2% per quarter and providing security in Pharma Equity Group's receivable in Portinho S.A. The loan can be terminated by Finansmanagement ApS by three months written notice or in the event of a breach of the agreement. As of the Prospectus Date, the loan amounts to DKK 4.2 million.

Lasse Lindblad is the CEO of Finansmanagement ApS, and Thomas Kaas Selsø is CFO of Finansmanagement ApS until completion of the Transaction where he will resign as CFO of Finansmanagement ApS. As of the Prospectus Date, Thomas Kaas Selsø is CFO in Reponex and will be the CEO of the Company as described in Sections 58 and 66 subject to election of the New Reponex Board of Directors and New Company Board of Directors.

72.2 Loan agreements with Sparekassen Sjælland-Fyn A/S and Nykredit A/S

Pharma Equity Group has two loan agreements of DKK 4.4 million and DKK 3.1 million as per 30 June 2022 with Sparekassen Sjælland-Fyn A/S and Nykredit A/S, respectively, both with an average interest rate of 4.8% per anno. Pharma Equity Group has provided security in the receivable in Portinho S.A., and the due dates of the loans were originally agreed to be on 1 October 2022 but have previously been prolonged to 1 August 2023 to secure operations and going concern in Pharma Equity Group and to follow Pharma Equity Group's expected receipt of payment of the receivable in Portinho S.A, based on the receivable falling due on 1 July 2023.

On 23 January 2023, Sparekassen Sjælland-Fyn A/S has agreed, if relevant, to prolong the due date on 1 August 2023 in relation to repayment of the loan commitment totaling approximately DKK 4.4 million in exchange for a reduction of the commitment by effective payment of DKK 1.5 million no later than 1 August 2023 with the remaining commitment to be settled over 24 months with installments of DKK 150,000 per month with addition of accrued interests as of 1 September 2023.

Similarly, on 19 January 2023, Nykredit A/S has agreed, if relevant, to prolong the due date on 1 August 2023 in relation to repayment of the loan commitment totaling approximately DKK 3.0 million in exchange for a reduction of the commitment by effective payment of DKK 1 million no later than 1 August 2023 with the remaining commitment to be settled over 24 months with installments of DKK 85,000 per month with addition of accrued interests as of 1 September 2023.

The existing securities in Portinho S.A. remain, and if redemption is received from Portinho S.A., the remaining amount of the two loan commitments will fall due.

72.3 Debt obligation to Gulløv Holding ApS

As also described in Section 19, in 2019, Pharma Equity Group acquired Heartcare ApS and its subsidiaries, Contra A/S and Aktiv Integration ApS, a supplier of welfare services to the public sector in particular, including employment courses, company offers, physical courses, mentoring offers, etc. As part of the acquisition, Pharma Equity Group took over a debt obligation from Heartcare ApS to Gulløv Holding ApS, which originally was due for payment on 20 November 2023 with a total amount of DKK 6.5 million plus accrued interests. Pharma Equity Group has provided security in the receivable in Portinho S.A.

On 31 January 2023, Pharma Equity Group and Gulløv Holding ApS agreed to amend the repayment terms of the agreement to prolong payment of the debt obligation on the following terms:

- DKK 1.0 million is due for payment on 20 November 2023
- DKK 1.0 million is due for payment on 20 November 2024
- Remaining amount of DKK 4.5 million plus accrued interests is due for payment on 20 November 2025

The existing security in Portinho S.A. remains, and if redemption is received from Portinho S.A., the remaining commitment will fall due.

As of 30 June 2022, the total amount including accrued interests related to the debt to Gulløv Holding ApS amounted to approximately DKK 6.7 million.

72.4 Guarantee agreement with Finansmanagement ApS

To secure the future operations and going concern in terms of working capital of the Enlarged Group following completion of the Transaction, Finansmanagement ApS has on 17 February 2023 provided a guarantee to Pharma Equity Group with an installment-free credit line of up to DKK 7.5 million (excluding interest) and DKK 11.5 million in case Finansmanagement ApS requires the loan provided for as described in Section 72.1 repaid. The agreement is conditional on (i) completion of the Transaction, and (ii) that the receivable in Portinho S.A. has not been redeemed prior to completion of the Transaction.

According to the terms of the agreement, Finansmanagement ApS can terminate the agreement with 3 months' notice, however, at the earliest 15 months after the date of the agreement. The interest of the guarantee provided is agreed to be CIBOR 3 + 5% p.a. due for payment every quarter. As of the effective date of the agreement, Finansmanagement ApS is entitled to receive a commitment fee of 2% p.a. of the credit line of DKK 7.5 million.

Pharma Equity Group paid an establishment fee of DKK 50,000 in connection with establishing the credit line.

Pharma Equity Group has provided security in the receivable in Portinho S.A., and if redemption is received from Portinho S.A., the drawn amount of the credit line will fall due. The credit line is restricted on Pharma Equity Group repaying its existing debt according to the repayment plans as described in this Section 72, and it is agreed that Finansmanagement ApS will enter into the creditors priority in relation to the security in Portinho S.A. in line with Pharma Equity Group's reduction of existing debt.

As of the Prospectus Date, Pharma Equity Group has drawn DKK 0 million on the credit line.

72.5 Security in receivable in Portinho S.A.

As described above, Pharma Equity Group has provided security in the receivable in Portinho S.A. in relation to its debt obligations, and if redemption is received from Portinho S.A., the outstanding debt of Pharma Equity Group as described in this Section 72 will fall due.

In connection with entering into the guarantee agreement with Finansmanagement ApS, Pharma Equity Group has agreed not to provide any further security in the receivable.

The order of priority of the loan commitments and debt is:

- Sparekassen Sjælland-Fyn A/S with up to DKK 5 million and with outstanding debt as of 30 June 2022 of DKK 4.4 million.
- Nykredit A/S with up to DKK 3.5 million and with outstanding debt as of 30 June 2022 of DKK 3.1 million.
- Finansmanagement ApS with up to a total of DKK 10 million and with outstanding debt as of 30 June 2022 of approximately DKK 2.2 million.
- Gulløv Holding ApS with up to total of DKK 6.5 million plus accrued interests with outstanding debt as of 30 June 2022 of approximately DKK 6.7 million.
- Finansmanagement ApS with up to a total of DKK 7.5 million or DKK 11 million and with outstanding debt as of the Prospectus Date of DKK 0 million.

73 Investment and receivable

73.1 Investment in Portinho and receivable of EUR 9.55 million

On 29 December 2014, Pharma Equity Group acquired 30% of Portinho S.A's total issued and outstanding share capital of EUR 50,000. Portinho S.A.'s only and main activity is a Portinho real estate project located in Madeira, Portugal. On 23 January 2015, Pharma Equity Group further increased its shareholding in Portinho S.A by additional 49.3%, now owning a total of 79.3%.

In January 2019, Pharma Equity Group entered into a transaction agreement with Majinservices Lda and its parent company Interpatium S.A regarding the sale Portinho S.A for a total of EUR 11 million where Pharma Equity Group accepted to receive a receivable in Portinho S.A as part of a payment plan. Per 30 June 2022, the remaining receivable amounts to EUR 9.55 million, which has been agreed to be fully settled on 1 July 2023.

If the plot of land is sold to a third-party before 1 July 2023, the entire amount is due for payment, unless otherwise agreed. The receivable bears interest at 2% p.a., and Pharma Equity Group has a mortgage on 80% of the shares in Portinho S.A. Pharma Equity Group has the right to sell the claim in whole or in part to one or more third parties upon the general meeting's prior acceptance.

For further information, see Section 15.1.1.

74 Material Contracts for the Enlarged Group

Upon completion of the Transaction, the material contracts of the Enlarged Group will consist of contracts described under the business of Reponex and activities carried out by Pharma Equity Group described under Sections 27 and 39.

XVI. REGULATORY DISCLOSURES

The announcements that Pharma Equity Group during the past 12 months has made in accordance with the Market Abuse Regulation, and which are relevant as of the Prospectus Date are set forth below.

- 26 January 2023: Trading in Existing Shares in connection with allocation of bonus shares
- 25 January 2023: Allocation of 22,189,810 of bonus shares to the at the time Existing Shareholders of Pharma Equity Group and registration of capital increase in relation thereto.
- 17 January 2023: Conversion of debt to Peer Henning Borg and POLE Holding ApS (owned by Peter Ole Jensen) into 3,534,973 new shares in Pharma Equity Group and registration of capital increase in relation thereto.
- 25 November 2022: Further details on the transaction process of the conditional takeover offer of the total issued and outstanding share capital of Reponex.
- 31 August 2022: Ended due diligence exercised by Pharma Equity Group and Reponex in connection with the conditional takeover offer of the total issued and outstanding share capital of Reponex and fulfilment and waiving of certain conditions of the takeover offer as contained in the Offer Document and expected future process of the takeover offer.
- 4 May 2022: Positive response and acceptance from 95% of the shareholders of Reponex in relation to the conditional takeover offer of the total issued and outstanding share capital of Reponex according to the Offer Document.
- 27 April 2022: Changes to the Pharma Equity Group Executive Management and appointment of Peter Ole Jensen as new chief executive officer of Pharma Equity Group.
- 27 April 2022: Constitution of the Pharma Equity Group Board of Directors.
- 5 April 2022: Publication of conditional takeover offer to the shareholders of Reponex regarding the total issued and outstanding share capital of Reponex and publication of the Offer Document.
- 30 March 2022: Changes to the executive management of that time due to the chief executive officer's notice of resignation.

XVII. ADDITIONAL INFORMATION

75 Additional information related to Pharma Equity Group

75.1 Share capital

As at the Prospectus Date, Pharma Equity Group's registered share capital amounted to a nominal value of DKK 44,379,620 divided into 44,379,620 Existing Shares of nominal value of DKK 1.00 each.

Upon subscription of New Shares and excluding the New Rights Issue Shares, the share capital increase of 977,347,625 New Shares of nominal value DKK 1.00 each will be registered with the Danish Business Authority, and Pharma Equity Group's registered share capital will consequently be DKK 1,021,727,245 divided into 1,021,727,245 shares of nominal value DKK 1.00 each.

Assuming all New Rights Issue Shares are subscribed for and aggregated the capital increase related to the New Shares, upon completion of the offer of Rights Issue, the share capital increase of up to 22,189,810 New Rights Issue Shares of nominal value DKK 1.00 each will be registered with the Danish Business Authority, and Pharma Equity Group's registered share capital will consequently be DKK 1,043,917,055 divided into 1,043,917,055 shares of nominal value DKK 1.00 each.

On 17 January 2023, convertible debt of DKK 500,000 to Peer Henning Borg and DKK 3,034,973 to POLE Holding ApS (owned by Peter Ole Jensen) was converted into a total of 3,534,973 new shares of nominal value DKK 1.00 each divided into 1,517,487 at the time new class a-shares and 2,017,486 at the time new class b-shares in Pharma Equity Group, and the corresponding capital increase of nominally DKK 3,534,973 related thereto was registered with the Danish Business Authority on 17 January 2023. Upon the conversion on 17 January 2023, Pharma Equity Group has no further outstanding convertible debt to Peer Henning Bord and POLE Holding ApS.

Moreover, on 25 January 2023, the Pharma Equity Group Board of Directors decided to issue 22,189,810 bonus shares to the Existing Shareholders as part of the Transaction and to limit the dilution of the Existing Shareholders in connection with the offer of New Shares by increasing the Existing Shareholders' respective shareholdings in Pharma Equity Group. The bonus shares were issued free of cost for the Existing Shareholders and pursuant to an authorization granted to the Pharma Equity Group Board of Directors at Pharma Equity Group's extraordinary general meeting held on 27 October 2022 according to which the Pharma Equity Group Board of Directors is authorized to increase of the share capital by one or more issues of bonus shares of up to a nominal amount of DKK 22,449,450. The capital increase of nominally DKK 22,189,810 related to the bonus shares was registered with the Danish Business Authority on 25 January 2023 and was effected by Pharma Equity Group by transferring DKK 22,189,810 from the retained earnings recorded in FY 2021 Pharma Equity Group Financial Statements and regulated for the result of FY 2022 to Pharma Equity Group's share capital.

Finally, on 10 February 2023, following the adoption by the Existing Shareholders at Pharma Equity Group's extraordinary general meeting, 12,259,772 previously issued class b-shares were converted into 12,259,772 New Listing Shares to rank pari passu with the Existing Shares upon the expected admission to trading and official listing on Nasdaq Copenhagen, resulting in Pharma Equity Group having one share class prior to publication of the Prospectus. The capital change related to the conversion was registered with the Danish Business Authority on 10 February 2023. The New Listing Shares were issued as unlisted shares in an interim period to a fixed deposit account prior to publication of the Prospectus and are expected to be admitted to trading and official listing on Nasdaq Copenhagen on or around 28 February 2023, immediately following publication of the Prospectus.

The table presents an overview of the development of Pharma Equity Group's share capital for the 5 years prior to the Prospectus Date.

Table no. 30: Changes to Pharma Equity Group's share capital

Registration date	Capital change:	Nominal value of total share capital upon change (DKK):	No. of class a-shares:	No. of class b-shares
30 September 2019	Capital reduction for the purpose of covering loss	79,092,270	72,185,360	6,906,910
29 October 2019	Capital reduction for the purpose of transferring to a special reserve	11,909.227	10,869,227	1,040,000
01 November 2019	Capital increase by directed issue of new shares[1]	15,909,227	13,042,027	2,867,200
25 February 2020	Capital increase on the basis of decision by the Danish Business Authority[2]	83,092,270	74,358,160	8,734,110
02 March 2021	Capital reduction for the purpose of transferring to a special reserve	15,909,227	13,042,027	2,867,200
01 November 2021	Capital increase by way of debt conversion[3]	18,654,837	14,542,437	4,112,400
17 January 2023	Capital increase by way of debt conversion[4]	22,189,810	16,059,924	6,129,886
25 January 2023	Capital increase by way of issuance of bonus shares to the Existing Shareholders[5]	44,379,620	32,119,848	12,259,772

[1]Directed issue of new shares by contribution in kind of Heartcare ApS at subscription price DKK 400 corresponding to DKK 4.00 per one new share to the sellers of Heartcare ApS, Porteføljeselskabet ApS, Erhvervsinvest ApS, NK Invest ApS and Magnus Kjøller Holding ApS.

[2]Based on a claim from a creditor, the Danish Business Authority made a decision to cancel previous capital reductions in 2019. Shares in excess as a result of the share reductions and cancellation of previously executed capital increase were deemed as treasury shares of Pharma Equity Group (operating as Blue Vision A/S) and were allocated to the at the time Existing Shareholders on pro rata basis.

[3]Directed issue of new shares to Jeanette Borg (board member at the time), Peter Ole Jensen (board member at the time), Baltic investment Group ApS (with Jeanette Borg as registered CEO), Nikohl A/S (100% shares owned by Niklas Kohl and with Jeanette Borg as registered CEO at the time) and Claritas Consulting GmbH (with Jeanette Borg as registered CEO) in connection with conversion of debt. DKK 2,520,000 were subscribed for on par value (DKK 100) corresponding to DKK 1.00 per one new share, and DKK 370,000 were subscribed for at value DKK 164 corresponding to DKK 1.64 per one new share.

[4]Directed issue to POLE Holding ApS (owned by Peter Ole Jensen being CEO and board member of Pharma Equity Group) and Peer Henning Borg in connection with conversion of debt at par value (DKK 100) corresponding to DKK 1 per one new share issued.

[5]Issuance of bonus shares to Existing Shareholders issued and allocated free of costs.

The table below presents an overview of the development of Pharma Equity Group's share capital upon merger of the company's previously issued share classes and the expected changes to the share capital upon completion of the issue of New Shares and the Rights Issue.

Table no. 31: Changes to Pharma Equity Group's share capital

Registration date	Capital change:	Nominal value of total share capital upon change (DKK):	No. of Shares:
10 February 2023	Merger of share classes as adopted by the Existing Shareholders on the extraordinary general meeting held on 10 February 2023	44,379,620	44,379,620
24 March 2023	Capital increase by way of issuance of New Shares to Reponex' shareholders (excluding New Rights Issue Shares)	1,021,727,245	977,347,625
24 March 2023	Capital increase by way of issuance of New Rights Issue Shares to	1,043,917,055	22,189,810

	Existing Shareholder assuming subscription of all New Rights Issue Shares (including New Shares)

75.2 Warrants and acquisitions rights and obligations authorized by unissued share capital

Pharma Equity Group has not issued any convertible securities, exchangeable securities or securities with warrants.

Further, there exist no terms of any acquisition rights and/or obligation authorized by unissued share capital or an undertaking to increase the shares capital of Pharma Equity Group.

75.3 Treasury Shares

As at the Prospectus Date, Pharma Equity Group holds a total of 14,722 Existing Shares as treasury shares, equivalent to approximately 0.03% of the share capital before the offer of New Shares and the Rights Issue. In connection with the Rights Issue, Pharma Equity Group is entitled to receive 14,722 Pre-emptive Rights. However, as Pharma Equity Group is not permitted under Danish law to exercise any Pre-emptive Rights, Pharma Equity Group intends to sell to the extent possible all Pre-emptive Rights received in connection with the Rights Issue.

XVIII. DOCUMENTS ON DISPLAY

76 DOCUMENTS AVAILABLE FOR INSPECTION

For the term of the Prospectus, the following documents can be inspected on Pharma Equity Group's website: www.pharmaequitgroup.com:

- Pharma Equity Group's memorandum of association and Articles of Association
- Pharma Equity Group Financial Statements
- Reponex Financial Statements (F-pages)
- H1 2022 Pro Forma Financial Information
- The Prospectus

Except for the information incorporated herein by reference, the contents of the website do not form part of the Prospectus.

Reference is made to Section 10 for financial information incorporated in the Prospectus by reference.

XIX. TERMS AND CONDITIONS OF THE NEW SHARES AND THE ADMISSION, THE NEW RIGHTS ISSUE SHARES AND THE NEW LISTING SHARES

77 Essential information

77.1 Interest of natural and legal persons involved in the offer of New Shares, the Rights Issue and the New Listing Shares

Per Ole Jensen, being both a member of the Pharma Equity Group Board of Directors and the Pharma Equity Group Executive Management, is an Existing Shareholder in Pharma Equity Group.

Pharma Equity Group is not aware of any other potential interests, including conflicting ones, of natural or legal persons involved in the offer of New Shares, the Rights Issue and the admission to trading and official listing of the New Listing Shares that may have a material interest in the offer of New Shares, the Rights Issue and/or the New Listing Shares.

77.2 Reasons for the offer of New Shares, the Rights Issue and the New Listing Shares and use of proceeds

The reason for the offer of the New Shares and the Admission is to offer the New Shares as consideration to the shareholders of Reponex in connection with such shareholders' subscription of New Shares against contribution in kind of their respective shares in Reponex in accordance with the terms and conditions set forth in the Offer Document and elsewhere in this Prospectus.

The reason for the Rights Issue is to offer the Existing Shareholders the opportunity to subscribe for New Rights Issue Shares to limit such Existing Shareholders' dilution upon completion of the offer of New Shares. The proceeds of the Rights Issue are expected to be used to intensify the project development phases in the Enlarged Group, upon completion of the Transaction.

The New Listing Shares were issued and allocated in connection with the conversion of the previously issued class b-shares into shares to rank pari passu with the at the time class a-shares in Pharma Equity Group upon the expected admission to trading and official listing on Nasdaq Copenhagen, resulting in Pharma Equity Group having one share class as of the Prospectus Date, and the reason for the Prospectus in relation to the New Listing Shares is the admission to trading and official listing of such shares on Nasdaq Copenhagen.

77.3 Working capital statement

77.3.1 Enlarged Group

In the opinion of the Pharma Equity Group Board of Directors, the working capital available to the Enlarged Group at the time of completion of the issue of New Shares, the Rights Issue and the admission to trading and official listing of the New Listing Shares is sufficient for its present requirements for the next 12 months following the Prospectus Date.

77.4 Capitalization and indebtedness

77.4.1 Capitalization

For details on Pharma Equity Group's capitalization and indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as of 31 December 2021, 31

December 2020, 31 December 2019 and as of 30 June 2022, reference is made to the Pharma Equity Group's Financial Statements.

For details on Reponex' capitalization and indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as of 31 December 2021, 31 December 2020, 31 December 2019 and as of 30 June 2022, reference is made to Section 33.

Further, reference is made to Section 44.4 for pro forma financial capital resources of the Enlarged Group as of 30 June 2022 and 1 January 2022.

The following table presents capitalization of Pharma Equity Group as of 30 November 2022

Table no. 32: Capitalization as of 30 November 2022 – Pharma Equity Group

Capitalization – Pharma Equity Group	
DKK '000	**30/11 2022 (unaudited)**
Equity	
Share capital	18,655
Retained earnings	24,314
Total equity	**42,969**
Current debt	
Guaranteed	3,606
Secured	17,161
Unguaranteed/Unsecured	6,589
Total current debt	**27,356**
Total non-current debt	**0**
Total capitalization	**70,325**

The following table presents the net indebtedness of Pharma Equity Group as of 30 November 2022.

Table no. 33: Net indebtedness as of 30 November 2022 – Pharma Equity Group

Net indebtedness – Pharma Equity Group	
DKK '000	**30/11 2022 (unaudited)**
Long-term indebtedness	**0**
Short-term indebtedness	
Bank loans	7,412
Financial loans	9,749

Convertible loans	3,606
Total short-term indebtedness	**20,767**
Total indebtedness	**20,767**
Cash and cash equivalents	-0,182
Net indebtedness	**20,585**
Undrawn credit lines	**0**

The following table presents the capitalization of Reponex as of 30 November 2022

Table no. 34: Capitalization as of 30 November 2022 – Reponex

Capitalization for Reponex	
DKK '000	**30/11-2022 (unaudited)**
Equity	
Share capital	0,830
Retained earnings	8,832
Other reserves	9,411
Total equity	**19,073**
Current debt	
Unguaranteed/Unsecured	1,379
Total current debt	**1,379**
Non-current debt	
Unguaranteed/Unsecured	0,319
Total non-current debt	**0,319**
Total capitalization	**20,771**

The following table presents the net indebtedness of Reponex as of 30 November 2022.

Table no. 35: Net indebtedness as of 30 November 2022 – Reponex

Net indebtedness – Reponex	
DKK '000	**30/11 2022 (unaudited)**
Long-term indebtedness	
Lease liabilities	0,319
Total long-term indebtedness	**0,319**
Short-term indebtedness	

Lease liabilities	0,286
Total short-term indebtedness	**0,286**
Total indebtedness	**0,605**
Cash and cash equivalents	-3,683
Net indebtedness (net cash funds available)	**-3,078**
Undrawn credit lines	**0**

The following table presents on a pro forma basis the capitalization of The Enlarged Group as of 30 November 2022 prepared by applying the accounting policies, methods and assumptions described in Section 8.

Table no. 36: Pro forma capitalization as of 30 November 2022 – The Enlarged Group

Pro forma consolidated capitalization	
DKK '000	**30/11-2022 (unaudited)**
Equity	
Share capital	18,655
Retained earnings	33,976
Other reserves	9,411
Total equity	**62,042**
Current debt	
Guaranteed	3,606
Secured	17,161
Unguaranteed/Unsecured	7,968
Total current debt	**28,735**
Non-current debt	
Unguaranteed/Unsecured	0,319
Total non-current debt	**0,319**
Total capitalization	**91,096**

The following table presents on a pro forma basis the net indebtedness of The Enlarged Group as of 30 November 2022 prepared applying the accounting policies, methods and assumptions described in Section 8.

Table no. 37: Pro forma net indebtedness as of 30 November 2022 – the Enlarged Group

Pro forma consolidated net indebtedness

DKK '000	30/11 2022 (unaudited)
Long-term indebtedness	
Lease liabilities	0,319
Total long-term indebtedness	**0,319**
Short-term indebtedness	
Lease liabilities	0,286
Bank loan	7,412
Financial loans	9,749
Convertible loans	3,606
Total short-term indebtedness	**21,053**
Total indebtedness	**21,372**
Cash and cash equivalents	-3,683
Net indebtedness (net cash funds available)	**17,507**
Undrawn credit lines	**0**

77.4.2 Material changes to Pharma Equity Group's and Reponex' capitalization and indebtedness

Since 30 November 2022 and until the Prospectus Date, the following material changes have affected Pharma Equity Group's capitalization and indebtedness:

- **Loan agreement with Sparekasen Sjælland-Fyn A/S:** Sparekassen Sjælland-Fyn A/S has agreed, if relevant, to prolong the due date on 1 August 2023 in relation to repayment of the loan commitment totaling approximately DKK 4.4 million in exchange for a reduction of the commitment by effective payment of DKK 1.5 million no later than 1 August 2023 with the remaining commitment to be settled over 24 months with installments of DKK 150,000 per month with addition of accrued interests as of 1 September 2023. The existing security in Portinho S.A. remains, and if redemption is received from Portinho S.A., the remaining amount of the commitment will fall due. Reference is made to Section 72.2 for further details of the loan agreement.
- **Loan agreement with Nykredit A/S:** Nykredit A/S has agreed, if relevant, to prolong the due date on 1 August 2023 in relation to repayment of the loan commitment totaling approximately DKK 3.0 million in exchange for a reduction of the commitment by effective payment of DKK 1 million no later than 1 August 2023 with the remaining commitment to be settled over 24 months with installments of DKK 85,000 per month with addition of accrued interests as of 1 September 2023. The existing security in Portinho S.A. remains, and if redemption is received from Portinho S.A., the remaining amount of the commitment will fall due. Reference is made to Section 72.2 for further details of the loan agreement.

- **Debt to Gylløv Holding ApS:** Gulløv Holding ApS has agreed to prolong the due date on 20 November 2023 in relation to repayment of the debt commitment totaling approximately DKK 6.9 million in exchange for a reduction of the commitment by effective payment of DKK 1 million by no later than 20 November 2023 and DKK 1 million by no later than 20 November 2024 at the latest. The remaining amount including accrued interest is agreed to be paid no later than 20 November 2025. The existing security in Portinho S.A. remains, and if redemption is received from Portinho S.A., the remaining commitment will fall due. Reference is made to Section 72.3 for further details of the debt obligation.

- **Conversion of debt obligation to POLE Holding ApS (owned by Peter Ole Jensen) and Peer Henning Borg:** On 17 January 2023, convertible debt of DKK 500,000 to Peer Henning Borg and DKK 3,034,973 to POLE Holding ApS (owned by Peter Ole Jensen) was converted into a total of 3,534,973 new shares of nominal value DKK 1.00, and the corresponding capital increase of nominally DKK 3,534,973 related thereto was registered with the Danish Business Authority on 17 January 2023. Upon the conversion on 17 January 2023, Pharma Equity Group has no further outstanding convertible debt to Peer Henning Bord and POLE Holding ApS.

- **Guarantee agreement with Finansmanagement ApS:** To secure the future operations and going concern in terms of working capital of the Enlarged Group following completion of the Transaction, Finansmanagement ApS has on 17 February 2023 provided a guarantee to Pharma Equity Group with an installment-free credit line of up to DKK 7.5 million (excluding interest) and DKK 11.5 million in case Finansmanagement ApS requires the loan provided for as described in Section 72.1 repaid. The agreement is conditional on (i) completion of the Transaction, and (ii) that the receivable in Portinho S.A. has not been redeemed prior to completion of the Transaction. As of the Prospectus Date, Pharma Equity Group has drawn DKK 0 million on the credit line. Reference is made to Section 72.4 for further details of the guarantee agreement.

There have been no material changes affecting Reponex' capitalization and indebtedness between 30 November 2022 and the Prospectus Date.

78 Information concerning the New Shares, the New Rights Issue Shares, the Pre-emptive Rights and the New Listing Shares

78.1 Type, class and amount of New Shares

As of the Prospectus Date, Pharma Equity Group's share capital amounts to a total of nominally DKK 44,379,620, divided into 44,379,620 Existing Shares of nominally DKK 1.00 each.

Pharma Equity Group is offering 977,347,625 New Shares with a nominal value of DKK 1.00 each to the shareholders of Reponex. Further, the Prospectus comprises the Admission of the New Shares to trading and official listing on Nasdaq Copenhagen in connection with completion of the offer of New Shares.

Registration of the New Shares with the Danish Business Authority will take place following completion of the offer of New Shares which is expected to take place on 24 March 2023.

Nasdaq Copenhagen has pre-approved the New Shares for the Admission. Admittance to trading and official listing of the New Shares under the existing ISIN code, DK0061155009, and under the symbol of the Existing Shares, "PEG", which is expected to take place on or around 28 March 2023.

78.2 Type, class and amount of New Rights Issue Shares

Pharma Equity Group is offering up to 22,189,810 New Rights Issue Shares with a nominal value of DKK 1.00 each offered with Pre-emptive Rights to the Existing Shareholders. Further, the Prospectus comprises the admission to trading and official listing of the New Rights Issue Shares on Nasdaq Copenhagen in connection with completion of the Rights Issue.

Registration of the New Rights Issue Shares with the Danish Business Authority will take place following completion of the Rights Issue, expected to take place on 24 March 2023.

Nasdaq Copenhagen has pre-approved the New Rights Issue Shares for the admission to trading and official listing under the existing ISIN code, DK0061155009, and under the symbol of the Existing Shares, "PEG", which is expected to take place on or around 28 March 2023.

78.3 The Pre-emptive Rights

The New Rights Issue Shares are issued at the ratio of 1:2 which means that each Existing Shareholder will be entitled to and will be allocated 1 Pre-emptive Right for each Existing Share held at the Rights Issue Allocation Time, and that 2 Pre-emptive Rights will be required to subscribe for 1 New Rights Issue Share.

Pre-emptive Rights will be allocated free of charge to Pharma Equity Group's Existing Shareholders on 3 March 2023 at 5:59 p.m. CET and through Euronext Securities Copenhagen.

Existing Shares traded from 1 March 2023 at 9:00 a.m. CET will be traded without (ex) Pre-emptive Rights, assuming that such Existing Shares are traded with a customary two-day settlement period.

The Pre-emptive Rights allocated on the basis of Existing Shares have been approved for trading and official listing on Nasdaq Copenhagen under the interim ISIN code DK0062267605. An application has been made for the Pre-emptive Rights allocated on the basis of Existing Shares to be admitted to trading and official listing on Nasdaq Copenhagen to the effect that they can be traded on Nasdaq Copenhagen during the Rights Trading Period of 2 March 2023 at 9:00 a.m. CET to 15 March 2023 at 5:00 p.m. CET.

With the timetable as set out in the Prospectus in Section 79.5, any trading in the Existing Shares prior to the last trading day including Pre-emptive Rights on 1 March 2023 at 5:00 p.m. CET, will include rights to receive Pre-emptive Rights related to such Existing Shares in connection with the Rights Issue. However, this will not apply if the registration in Euronext Securities Copenhagen of a particular trade in Existing Shares does not take place until after the Rights Issue Allocation Time, which may be the case if one or both parties to the trade is or will become a shareholder in Pharma Equity Group registered through a nominee account and the trade in question, therefore, has to be registered through one or more custodian banks prior to the registration of the party in question in Euronext Securities Copenhagen. Investors are recommended to consult with their account-holding bank in relation to such trades.

Any trading in the Existing Shares after 1 March 2023 at 9:00 a.m. CET will be exclusive of rights to receive Pre-emptive Rights related to such Existing Shares for the buyer unless the parties to the trade in question have taken specific measures to settle the trade in Euronext Securities Copenhagen prior to the Rights Issue Allocation Time on 3 March 2023 at 5:59 p.m. CET and, thus, chosen not to settle

according to the customary settlement cycle with settlement two trading days after the transaction date. The party to the trade in question, who is the holder registered in Euronext Securities Copenhagen on the Rights Issue Allocation Time at 5:59 p.m. CET, will be considered an Existing Shareholder. The buyer and seller should in such trade be aware that the value of the right to receive Pre-emptive Rights related to Existing Shares for the buyer will likely not be reflected in the trading price of the Existing Shares after the last trading day in Existing Shares including Pre-emptive Rights, since such trading price is based on the customary two-day settlement cycle. Investors are recommended to consult with their account-holding bank in relation to trading in Pharma Equity Group's Existing Shares between the last trading day in Existing Shares including Pre-emptive Rights and the Rights Issue Allocation Time if such trade is not settled according to the customary two-day settlement cycle.

78.4 The New Listing Shares

Pharma Equity Group has on 10 February 2023 issued and allocated 12,259,772 New Listing Shares in connection with the conversion of the 12,259,772 previously issued class b-shares into 12,259,772 New Listing Shares to rank pari passu with the at the time class a-shares in Pharma Equity Group upon the expected admission to trading and official listing on Nasdaq Copenhagen. The New Listing Shares were issued and allocated to the at the time Existing Shareholders of class b-shares. The capital change related to the conversion was registered with the Danish Business Authority on 10 February 2023. The New Listing Shares were issued as unlisted shares in an interim period to a fixed deposit account prior to publication of the Prospectus.

Nasdaq Copenhagen has pre-approved the New Listing Shares for admission to trading and official listing under the existing ISIN code, DK0061155009, and under the symbol of the Existing Shares, "PEG", which is expected to take place on or around 28 February 2023.

As the New Listing Shares are expected to be admitted to trading and official listing prior to the Rights Issue Allocation Time, the New Listing Shares will entitle the Existing Shareholders of the New Listing Shares to receive Pre-emptive Rights allocated on the basis of the Existing Shares in the Rights Issue as described in Section 78.3.

78.5 Currency

The offer of New Shares and the New Rights Issue Shares will be carried out in DKK, and the New Shares, the New Rights Issue Shares and the New Listing Shares are denominated in DKK.

78.6 Resolutions, authorizations and approvals to issue New Shares

The New Shares will be issued pursuant to an authorization granted to the Pharma Equity Group Board of Directors according to which the Pharma Equity Group Board of Directors is authorized to increase the share capital by one or more issues of New Shares by up to a nominal amount of DKK 1,100,000,000 (corresponding to 1,100,000,000 shares of nominal value DKK 1.00 each) without pre-emptive rights for the Existing Shareholders in a directed share issue, including issue of new shares directed to the shareholders of Reponex. The subscription price of the New Shares issued as consideration to the shareholders of Reponex against contribution in kind of their respective shares in Reponex must be DKK 157 corresponding to DKK 1.57 per one New Share subject to confirmation of a final valuation report.

The authorization was adopted at Pharma Equity Group's extraordinary general meeting held on 10 November 2021 and amended on 10 February 2023 in connection with the merger of Pharma Equity Group's previously issued class a-shares and class b-shares.

Under the abovementioned authorization, the Pharma Equity Group Board of Directors adopted a resolution on 27 February 2023, immediately prior to publication of the Prospectus, to increase the Pharma Equity Group's nominal share capital by DKK 977,347,625 corresponding to 977,347,625 New Shares with a nominal value of DKK 1.00 each to the shareholders of Reponex against contribution in kind of their respective shares in Reponex in the Exchange Ratio 1:115 corresponding to a subscription price of DKK 1.57 per New Share. The New Shares will upon registration with the Danish Business Authority rank pari passu with the Existing Shares.

Assuming all New Rights Issue Shares are subscribed for and aggregated the capital increase related to the New Shares, the share capital increase related to the New Shares will together with the New Rights Issue Shares be registered upon subscription of New Shares and completion of the Rights Issue, following which Pharma Equity Group's registered share capital will amount to nominally DKK 1,043,917,055 corresponding to a total of 1,043,917,055 Shares of nominal value of DKK 1.00 each, assuming subscription of all New Shares excluding subscription of any of the New Rights Issue Shares.

78.7 Resolutions, authorizations and approvals to issue New Rights Issue Shares

The New Rights Issue Shares will be issued pursuant to an authorization granted to the Pharma Equity Group Board of Directors according to which the Pharma Equity Group Board of Directors is authorized to issue pre-emptive rights corresponding to a total increase of the share capital by up to a nominal amount of DKK 44,898,900 divided into up to 44,898,900 new shares of nominal value DKK 1.00 each with pre-emptive rights for the Existing Shareholders. The capital increase related to the issuance must be determined by the Pharma Equity Group Board of Directors whereby either each existing share held shall entitle the existing shareholders to subscribe for 1 new share or whereby 2 existing shares held shall entitle the existing shareholders to subscribe for 1 new share. The new shares issued pursuant to the authorization must be subscribed for at par by cash contribution of DKK 1.00 per subscription of one new share issued.

The authorization was adopted at Pharma Equity Group's extraordinary general meeting held on 27 October 2022 and amended on 10 February 2023 in connection with the merger of Pharma Equity Group's previously issued class a-shares and class b-shares.

Under the abovementioned authorization, the Pharma Equity Group Board of Directors adopted a resolution on 27 February 2023, immediately prior to publication of the Prospectus, to increase the Pharma Equity Group's nominal share capital by up to DKK 22,189,810 corresponding to 22,189,810 New Rights Issue Shares. The capital increase will be effected with Pre-emptive Rights to the Existing Shareholders at the ratio of 1:2. The New Rights Issue Shares will be issued at a Rights Issue Subscription Price of DKK 1.00 per New Rights Issue Share.

Assuming all New Rights Issue Shares are subscribed for and aggregated the capital increase related to the New Shares, the capital increase related to the offer of New Rights Issue Shares will together with the New Shares be registered upon completion of the Rights Issue and the issue of New Shares, following which Pharma Equity Group's registered share capital will amount to nominally DKK 1,043,917,055 corresponding to 1,043,917,055 Shares of nominal value of DKK 1.00 each, assuming subscription of all New Rights Issue Shares excluding subscription of any of the New Shares.

78.8 Resolutions, authorizations and approvals to admission to trading and official listing of the New Listing Shares

The New Listing Shares were issued and allocated in connection with the Existing Shareholders' adoption at Pharma Equity Group's extraordinary general meeting on 10 February 2023 of conversion of 12,259,772 previously issued class b-shares into 12,259,772 New Listing Shares to rank pari passu

with the at the time class a-shares in Pharma Equity Group prior to the conversion upon the expected admission to trading and official listing on Nasdaq Copenhagen. The capital change related to the conversion was registered with the Danish Business Authority on 10 February 2023. As a result hereof, Pharma Equity Group has one share class as of the Prospectus Date. The New Listing Shares were issued as unlisted shares in an interim period to a fixed deposit account prior to publication of the Prospectus.

Nasdaq Copenhagen has pre-approved the New Listing Shares for admission to trading and official listing under the existing ISIN code, DK0061155009, and under the symbol of the Existing Shares, "PEG", which is expected to take place on or around 28 February 2023.

78.9 Negotiability and transferability of the New Shares, the New Rights Issue Shares and the New Listing Shares

The Existing Shares, the New Shares, New Rights Issue Shares and New Listing Shares are negotiable instruments registered in book-entry form electronically with Euronext Securities Copenhagen.

The Articles of Association do not contain any transfer restrictions and no restrictions under Danish law will apply to the transferability of the Shares.

All rights attached to the Existing Shares, the New Shares, the New Rights Issue Shares and the New Listing Shares must be registered with Euronext Securities Copenhagen according to applicable rules. The Pharma Equity Group Board of Directors is entitled to declare any Existing Shares, New Shares, New Rights Issue Shares and/or New Listing Shares not registered with Euronext Securities Copenhagen null and void at the Shareholders' expense.

78.10 Tax warnings

The following section about Danish taxation is based on applicable Danish laws, rules and regulations as well as published case law, as exist as of the Prospectus Date. Such laws, rules, regulations and case law can be subject to change, possibly on a retroactive basis.

The section does not constitute an exhaustive description of the actual or potential tax consequences and is only intended to provide general guidelines and does not deal with all aspects that could be important for potential investors. The section does not constitute tax advice or legal advice. The tax treatment of each investor may depend on the individual investor's specific situation. Potential investors are encouraged to consult their own tax advisers in order to assess specific taxation consequences associated with investment in Pharma Equity Group, and, following completion of the Transaction, the Company and how taxation issues might possibly apply locally and abroad, or what the implications involved are, inter alia, possible changes in applicable taxation.

Any reference to a "Danish shareholder" or a "foreign shareholder" in the description below refers to the tax residency and not the nationality of such shareholder.

78.10.1 Taxation of shareholders resident in Denmark for tax purposes

Individuals who have a permanent place of residence in Denmark and companies registered in Denmark, or foreign registered companies whose effective seat of management is in Denmark, are normally fully liable to pay tax in Denmark. The income of foreign individuals and companies allocated to a Danish permanent establishment will generally also be subject to Danish tax.

Further, the income of foreign companies controlled from Denmark having income mainly of a financial nature may be taxable in Denmark. The income of foreign companies will generally also be subject to

Danish tax if a Danish affiliated company has opted for international joint taxation under Danish tax rules.

In case the individual or company is also fully liable to pay tax in another country, specific rules not mentioned in this section may apply.

78.10.1.1 Capital gains taxation

Individuals' sale of shares

In 2023, gains from the sale of shares are taxed as share income at a rate of 27% on the first DKK 58,900 (for cohabiting spouses, a total of DKK 117,800) and at a rate of 42% on share income exceeding DKK 58,900 (for cohabiting spouses above DKK 117,800). Such amounts are subject to annual adjustments and include all share income (i.e., all capital gains and dividends derived by the individual or cohabiting spouses, respectively).

Gains and losses on the sale of shares admitted to trading on a regulated market are calculated as the difference between the purchase price and the sales price. The purchase price is generally determined using the average method as a proportionate part of the aggregate purchase price for all the shareholder's shares in the issuing company.

Losses on the sale of shares admitted to trading on a regulated market can only be offset against other share income deriving from shares admitted to trading on a regulated market, (i.e., received dividends and capital gains on the sale of shares admitted to trading on a regulated market). Unused losses will automatically be offset against a cohabiting spouse's share income deriving from shares admitted to trading on a regulated market and additional losses can be carried forward indefinitely and offset against future share income deriving from shares admitted to trading on a regulated market.

Losses on shares admitted to trading on a regulated market may only be set off against gains and dividends on other shares admitted to trading on a regulated market as outlined above if the Danish tax authorities have received certain information relating to the acquisition of the shares specifying the identity of the shares, the number of shares, the acquisition date and the acquisition price before expiry of the tax return filing deadline for the income year in which the shares were acquired. This information is normally provided to the Danish tax authorities by the depository intermediaries.

Individuals, gains and losses dividends in respect of investment through an investment savings account (Aktiesparekonto)

Individuals fully liable to tax in Denmark may invest in shares admitted to trading on a regulated market through an investment savings account.

Gains and losses on shares owned through an investment savings account are taxable according to the mark-to-market principle. According to the mark-to-market principle, each year's taxable gain or loss is calculated as the difference between the market value of the shares at the beginning of the tax year and the market value of the shares at the end of the tax year plus any dividend received on shares owned through the investment savings account. Any annual gain will be subject to 17% taxation, and any loss will be carried forward indefinitely to be offset against future gains on the shares in the investment savings account. In 2023, the account is limited to a deposit of DKK 106,600.

Taxation will take place on an accrual basis even if no shares have been disposed of and no gains or losses have been realized. If the shares owned through an investment savings account are sold or otherwise disposed of before the end of the income year, the taxable income of that income year equals the difference between the value of the shares at the beginning of the income year and the realization sum. If the shares owned through an investment savings account are acquired and realized in the same

income year, the taxable income equals the difference between the acquisition sum and the realization sum. If the shares are acquired in the income year and not realized in the same income year, the taxable income equals the difference between the acquisition sum and the value of the shares at the end of the income year.

Individuals' receipt, exercise, sale and disposal of subscription rights

The receipt of subscription rights by the existing shareholders in proportion to their shareholdings does not result in a tax liability for the individuals receiving the subscription rights. Further, the exercise of subscription rights for shares is not subject to taxation. For tax purposes, subscription rights received against no consideration are deemed to have been acquired at DKK 0. A sale or disposal of subscription rights is, however, taxable.

Gains on the sale of subscription rights concerning shares admitted to trading on a regulated market are calculated as the difference between the purchase price and the sales price (the share-by-share method). The gains are taxed as share income. As described above, share income is taxed at a rate of 27% on the first DKK 58,900 in 2023 (for cohabiting spouses, a total of DKK 117,800) and at a rate of 42% on share income above DKK 58,900 (for cohabiting spouses over DKK 117,800). Such amounts are subject to annual adjustments and include all share income derived by the individual or cohabiting spouses, respectively. Special taxation schemes may be applicable where subscription rights are granted as salary or a salary element in the course of employment. These schemes are not discussed further in the Prospectus.

Individuals' receipt and sale of bonus shares

The receipt of bonus shares by the existing shareholders in proportion to their shareholdings does not result in tax liability for the individuals receiving the bonus shares. For tax purposes, bonus shares received against no consideration are deemed to have been acquired at DKK 0.

For taxation of capital gains on bonus shares, reference is made to the section "*Individuals' sale of shares"* above.

Individuals' investment of pension funds

Investors may, subject to certain limitations, place their pension funds in shares, whereby the net gains will be taxed pursuant to the Danish Pension Investment Return Tax Act ("Pensionsafkastbeskatningsloven"). The net gains are calculated using the mark-to-market principle as the annual realized and unrealized gains and losses as well as other gains (i.e., dividends). The net gains are taxed at 15.3 %. Taxes are normally collected and settled by the pension provider.

Companies' ownership and sale of shares

Irrespective of the period of ownership, companies as well as foundations encompassed by the Danish Taxation of Foundations Act ("Fondsbeskatningsloven") are liable to tax on capital gains and losses on shares admitted to trading on a regulated market except in case of subsidiary shares and group company shares as described below. The annual realized and unrealized capital gains are taxed pursuant to the mark-to-market principle and are included in the statement of taxable income. Losses calculated pursuant to the mark-to-market principle may be deducted in the statement of taxable income, including in other corporate income. The taxable corporate income is taxed at a rate of 22% (2023).

Certain foundations encompassed by the Danish Taxation of Foundations Act may, subject to certain conditions, elect that those gains and losses on shares admitted to trading on a regulated market are

taxed in the income year in which the loss or gain is realized, for instance upon sale of the shares. In order for these foundations to be able to apply for this realization principle, it is a condition that the foundation distributes an amount corresponding to the sum of the taxable income before deduction of distributions, provisions consolidations deductions and tax-exempt income.

Capital gains and losses incurred in connection with the sale of subsidiary shares and group company shares are not included in the statement of taxable income of companies. "Subsidiary shares" is generally defined as shares owned by a company holding at least 10% of the share capital of the company issuing the shares. "Group company shares" is generally defined as shares owned by a company, which is jointly taxed (pursuant to Section 31 of the Danish Corporation Tax Act) with the company in which shares are owned or which may be internationally jointly taxed (pursuant to Section 31 of the Danish Corporation Tax Act) with the company in which shares are owned.

Gains or losses on disposals of subsidiary shares and group company shares are not included in the taxable income of the shareholder.

A further exemption regarding "tax-exempt portfolio shares" exists, however, this only encompasses shares not admitted to trading on a regulated market. As the New Shares will be listed in connection with the Offering and the Existing Shares are listed, the rules on tax-exempt portfolio shares are not applicable to the Shares and not discussed in further detail.

For foundations under the Danish Taxation of Foundations Act tax-exempt gains on the sale of shares may be encompassed by the so-called "prioritization rule" entailing that the foundations are only allowed to deduct distributions and provisions in their taxable income to the extent that these exceed the tax-exempt forms of income of the foundations. Amongst the tax-exempt forms of income which limit the tax deduction right are fully or partially tax-exempt dividends.

Special rules apply with respect to subsidiary shares and group company shares in order to prevent exemption through certain holding company structures just as other anti-avoidance rules may apply. These rules will not be described in further detail in the present prospectus.

For tax purposes, the transition from subsidiary share status and group company share status to taxable portfolio share status and, vice versa, is treated as a disposal of shares and acquisition at market value at the time of the transition of status. These rules will not be described in further detail.

Companies' receipt, exercise, sale and disposal of subscription rights

The receipt of subscription rights does not result in a tax liability for a limited liability company receiving the subscription rights. The exercise of subscription rights for shares is not subject to taxation. For tax purposes, subscription rights received against no consideration are deemed to have been acquired at DKK 0.

Gains on subscription rights are taxable at a rate of 22% provided that the investor owns taxable portfolio shares in the Company. In this case taxation is levied according to the mark-to-market principle. If the investor owns subsidiary shares or group shares in a company, gains from the sale of subscription rights are tax exempt.

Companies' receipt and sale of bonus shares

The receipt of bonus shares in proportion to their shareholdings does not result in a tax liability for a limited liability company receiving the bonus shares. For tax purposes, bonus shares received against no consideration are deemed to have been acquired at DKK 0.

For taxation of capital gains on bonus shares, reference is made to the section "*Companies' ownership and sale of shares*" above,

78.10.1.2 Dividend taxation

Individuals' dividends

For individuals, dividends are taxed as share income. In the income year 2023, a tax rate of 27% must be paid on the annual share income up to DKK 58,900 (DKK 117,800 for cohabiting spouses at the end of the income year) and 42% of the annual share income exceeding DKK 58,900 (DKK 117,800 for married couples cohabiting at the end of the income year).

The thresholds are adjusted annually and include all share income of the individual/couple concerned during the year. In case of dividend payments, 27% dividend tax is normally withheld by the company.

Individuals' dividends in respect of investment through an investment savings account (Aktiesparekonto)

Dividends paid to individuals related to shares held through an investment savings account will be taxed according to the same rules as for sale of shares held by individual shareholders investing through an investment savings account.

Companies' dividends

A company or a foundation holding shares in another company admitted to trading on a regulated market is, as a point of departure, liable for tax on dividends received on the shares. The dividends are taxable at the corporate income tax rate of 22% (2023), which is withheld by the company distributing the dividends in connection with the payment of dividends.

Foundations under the Danish Taxation of Foundations Act are only taxed on "non-commercial" income, which includes dividends, if the income exceeds DKK 25,000.

Regardless of ownership period, companies may receive tax-exempt dividends in case the shares are subsidiary shares or group company shares while dividends received on tax-exempt portfolio shares are included in the taxable income with a value of 70% of the dividend, resulting in an effective tax rate on these dividends of 15,4% (2023). See the section above regarding the definition of subsidiary shares, group company shares and tax-exempt portfolio shares.

78.10.2 Anti-avoidance rules

As a general note, Danish tax law has both specific and general anti avoidance rules ("GAAR"), which will not be described in detail. Under the GAAR, arrangements or series of arrangements are disregarded for tax purposes if they are established with the main purpose (or as one of the main purposes) of obtaining a tax advantage that, considering all facts and circumstances, is contrary to the purpose and spirit of tax legislation.

The GAAR applies a substance over form approach, implying that a scheme is disregarded if it is not established on basis of business reasons reflecting economic realities.

Subject to the conditions of the GAAR, an investor might be denied the benefits of the Council Directive 2011/96/EU of 30 November 2011, as amended (the “Parent-Subsidiary Directive”) or any tax treaties entered into by Denmark, and Danish withholding tax of 27% will in such cases be levied.

78.10.3 Danish taxation of investors not fully liable to pay tax in Denmark

78.10.3.1 Capital gains taxation

Individuals' sale of shares and subscription rights

As a main rule, individuals who are not Danish tax residents are not liable to pay tax in Denmark on capital gains on the sale of shares and subscription rights in Danish companies. However, capital gains and losses on shares in Danish companies are taxable in Denmark pursuant to the same rules that apply to individuals resident in Denmark in case the shares are attributable to a permanent establishment in Denmark.

Special rules may apply to distributions in connection with capital reductions or the resale of shares to the issuing company. In case of a resale of shares admitted to trading on a regulated market, the special rules should generally not apply.

Companies' sale of shares and subscription rights

As a main rule, companies that are not Danish tax residents are not liable to pay tax in Denmark on capital gains on the sale of shares and subscription rights in Danish companies. However, capital gains and losses related to shares in Danish companies are taxable in Denmark pursuant to the same rules that apply to corporate investors resident in Denmark in case the shares are attributable to a permanent establishment in Denmark.

Special rules may apply to distributions in connection with capital reductions or the resale of shares to the issuing company as well as sale of shares to a group company. In case of a resale of shares admitted to trading on a regulated market, the special rules should generally not apply.

78.10.3.2 Withholding taxation on dividends

Dividends received by individuals

As a main rule, individuals who are not Danish tax residents are subject to a 27% withholding tax on dividends distributed from Danish companies.

However, it is possible to apply for partial reimbursement of Danish withholding tax if the individual (i) is entitled to a reduction of the Danish tax under a double taxation treaty concluded between Denmark and the tax jurisdiction in which the shareholder is resident; or (ii) holds less than 10% of the Danish company and the competent authority in the state, or in Greenland or in the Faroe Islands, where the person is resident is required to exchange information with the Danish tax authorities according to a double taxation treaty, another international agreement or an administrative agreement of assistance in tax issues. If the shareholder is resident in a country outside the EU in such case, it is also a condition that the shareholder, together with related parties, holds less than 10% of the Danish company.

The amount of the reimbursement in question under scenario (i) depends on the provisions of the specific double taxation treaty in question. In scenario (ii) the final withholding tax rate (which also determines the amount of reimbursement) constitutes 15%.

Regardless of whether the (final) taxation is reduced as described above, the Danish dividend-distributing company is, as a main rule, obliged to withhold 27% dividend tax. Consequently, the said

foreign shareholders subject to a reduced taxation need to file an online application to the Danish tax authorities for the repayment of the excess amount of withholding tax.

Dividends received by companies

Companies etc.

As a main rule, companies that are not Danish tax residents are subject to a 27% withholding tax on dividends from Danish companies, unless the recipient is resident in a jurisdiction on the EU list of non-cooperative third countries ("EU Blacklist") in which case the withholding tax rate is 44% (2023). Please refer below.

In general, foreign companies not resident in jurisdictions on the EU Blacklist may, however, always apply for partial reimbursement of Danish withholding tax down to 22% (similar to the Danish corporate income taxation).

Moreover, a shareholder that is a foreign company may apply for reimbursement if the shareholder (i) is entitled to a reduction of tax under the double taxation treaty concluded between Denmark and the tax jurisdiction in which the shareholder is resident; or (ii) holds less than 10% of the Danish company and the competent authority in the state, or in Greenland or in the Faroe Islands, where the shareholder is resident is required to exchange information with the Danish tax authorities according to a double taxation treaty, another international agreement or an administrative agreement of assistance in tax issues. If the shareholder is resident in a country outside the EU it is also a condition that the shareholder, together with related parties, holds less than 10% of the Danish company.

The amount of the reimbursement in question depends on the provisions of the specific double taxation treaty in question. In scenario (ii) the final withholding tax rate (which also determines the amount of reimbursement) constitutes 15%.

Regardless of whether the (final) taxation is reduced as described above, the Danish dividend-distributing company is, as a main rule, obliged to withhold 27% dividend tax. Consequently, the said foreign shareholders subject to reduced taxation need to file an online application with the Danish tax authorities for the repayment of the excess amount of withholding tax.

A foreign company is exempted from withholding tax on dividends received from a Danish company if the foreign company:

i) receives dividends on subsidiary shares as defined above and may rely on either reduction or elimination of Danish dividend tax according to the Parent-Subsidiary Directive or according to a double taxation convention between the foreign company's tax jurisdiction and Denmark; or

ii) receives dividends on group company shares as defined above, which are not shares in subsidiaries, when the company receiving the dividends is resident in a member state in the EU or the EEA, and the taxation of dividends should be waived or reduced according to the provisions of the Parent-Subsidiary Directive or a double taxation convention between the foreign company's tax jurisdiction and Denmark if the shares had qualified as subsidiary shares. Accordingly, dividend tax will not be withheld in those two cases.

Investors in non-cooperative jurisdictions

Denmark has per 1 July 2021 introduced provisions in respect of certain payments from a Danish taxpayer to a resident in a jurisdiction on the EU list of non-cooperative third countries as well as stricter dividend taxation rules in respect of dividends to recipients in such jurisdictions.

Presently, these jurisdictions comprise all jurisdictions on the EU's list of non-cooperative jurisdiction which are: American Samoa, Anguilla, Bahamas, Fiji, Guam, Palau, Panama, Samoa, Trinidad and Tobago, Turks and Caicos Islands, US Virgin Islands, and Vanuatu.

The sanctions entail a 44% withholding tax on dividends distributed to recipients which are resident or established in these jurisdictions or to recipients which are resident or established outside the jurisdictions but where the ultimate beneficial owner is resident in one of these jurisdictions.

The rules apply to subsidiary shares and group company shares as well as shares held by individuals where the individual either holds 25% or more of the share capital or more than 50% of the voting rights or has done so within the 5 preceding years.

Companies which are the ultimate beneficial owner of the dividends in question, and which are also established within a jurisdiction which entitles to exemption or relief under the EU Parent-subsidiary directive (Directive 2011/96) or pursuant to a double taxation treaty between Denmark and the jurisdiction of establishment are exempt from taxation under the said rules with respect to subsidiary and group company shares.

78.10.4 Share transfer duty

No Danish share transfer tax or stamp duties are payable on transfer of the Shares.

78.10.5 Announced amendments of the Danish tax law

Net-withholding mechanism in relation to dividends

The Danish Government has announced the intention to adopt a so-called ‘net-withholding mechanism’ for the handling of dividend withholding taxation of certain non-resident individuals and corporate entities.

The key point in the mechanism is the elimination of the dividend tax reclaims, as dividend payments from Danish listed companies to non-resident shareholders will be distributed on a net basis and no longer on a gross basis.

From a technical perspective, this requires that non-resident shareholders must register with the Danish tax authorities and that the custodian banks are liable for any applicable withholding taxes.

The Danish Tax Authorities will issue a unique taxpayer identification number, which grants a right to receive dividends net of the rate of withholding tax applicable in the relevant tax treaty, e.g., most often 15% (if applicable).

The net withholding scheme has not been formally proposed to the parliament and it is currently uncertain when, or if, it will be implemented.

78.11 Rights attaching to the New Shares, the New Rights Issue Shares and the New Listing Shares

78.11.1 Dividend rights

The New Shares will, when fully paid up and registered with the Danish Business Authority, rank pari passu with the Existing Shares. With respect to any dividends and other rights in Pharma Equity Group, and, upon completion of the Transaction, the Company, the New Shares will confer the holders the right to receive dividends and such other rights as decided by the Pharma Equity Group Board of Directors, and, upon completion of the Transaction, the New Company Board of Directors, however at the latest on the first financial year after and no later than 12 months from registration of the capital increase related to the New Shares with the Danish Business Authority. In accordance with its authorization, the Pharma Equity Group Board of Directors has decided that the New Shares are eligible for dividends for the FY 2022 as the Existing Shares.

The New Rights Issue Shares will, when fully paid up and registered with the Danish Business Authority, rank pari passu with the Existing Shares. With respect to any dividends and other rights in Pharma Equity Group, and, upon completion of the Transaction, the Company, the New Rights Issue Shares will confer the holders the right to receive dividends and such other rights as decided by the Pharma Equity Group Board of Directors, and, upon completion of the Transaction, the New Company Board of Directors, however at the latest on the first financial year after and no later than 12 months from registration of the capital increase related to the New Rights Issue Shares with the Danish Business Authority. In accordance with its authorization, the Pharma Equity Group Board of Directors has decided that the New Rights Issue Shares are eligible for dividends for the FY 2022 as the Existing Shares.

The New Listing Shares were registered with the Danish Business Authority on 10 February 2023 and will rank pari passu with the Existing Shares upon the expected admission to trading and official listing on Nasdaq Copenhagen. With respect to any dividends and other rights in Pharma Equity Group, and, upon completion of the Transaction, the Company, the New Listing Shares will confer the holders the right to receive dividends for the FY 2022 as the Existing Shares.

Reference is made to Section 4 for further details on the risks relating to the New Shares, the New Rights Issue Shares and the New Listing Shares.

As of the Prospectus Date, the Pharma Equity Group Board of Directors and, following completion of the Transaction, the New Company Board of Directors does not expect to make dividend payments within the foreseeable future, being the next couple of years. Any future determination related to the Company's dividend policy and the declaration of any dividends will be made at the discretion of the New Company Board of Directors. Any dividends will be paid in DKK to the Shareholders' account with Euronext Securities Copenhagen. No restrictions on dividends or special procedures apply to holders of New Shares, New Rights Issue Shares and the New Listing Shares who are not residing in Denmark.

Dividend withholding tax may be withhold by Pharma Equity Group, and, following of the Transaction, the Company in accordance with applicable Danish law.

Dividends which have not been claimed by Shareholders within three years from the time they are payable will in accordance with applicable Danish law be forfeited and will accrue to Pharma Equity Group, and, following completion of the Transaction, the Company.

See also Section XIV for further information on dividends.

78.11.2 Voting rights

Each New Share, New Rights Issue Share and New Listing Share will carry 1 vote per nominal value DKK 1.00.

78.11.3 Dissolution and liquidation

In case of the dissolution or winding-up of Pharma Equity Group and, following completion of the Transaction, the Company, the Shares will be entitled to a proportionate part of Pharma Equity Group's and, following completion of the Transaction, the Company's assets after payment of Pharma Equity Group's and, following completion of the Transaction, the Company's creditors.

All Shares shall have the same rights and rank pari passu, meaning that the Shares will rank with the same seniority and after all creditor interests in Pharma Equity Group's capital structure in the event of Pharma Equity Group's insolvency.

78.11.4 Pre-emptive Rights

Under Danish law, shareholders generally have pre-emptive rights if the general meeting of a company resolves to increase the share capital by cash payment. However, the pre-emptive rights of the shareholders may be derogated from by a majority comprising at least two-third of the votes cast and of the share capital represented at the general meeting if the share capital increase is made at market price.

According to the Articles of Association, the Pharma Equity Group Board of Directors is authorized to increase Pharma Equity Group's share capital in one or more issues with and without pre-emptive rights to the Shareholders.

78.11.5 Redemption and conversion rights

Except for as provided for in the Danish Companies Act, no shareholder is under an obligation to have his or her Shares redeemed in whole or in part by Pharma Equity Group or, following completion of the Transaction, the Company or by any third-party, and none of the Shares carry any redemption or conversion rights or any other special rights.

78.11.6 Rights attaching to the Pre-emptive Rights

2 Pre-emptive Rights carry the right to subscribe 1 New Rights Issue Share.

If any of the Pre-emptive Rights are not exercised during the Rights Issue Subscription Period, those Pre-emptive Rights will lapse with no value, and the holder of such Pre-emptive Rights will not be entitled to any kind of compensation. See Section 4 for further details on the risks relating to the Rights Issue. If the holder of Pre-emptive Rights does not wish to exercise the Pre-emptive Rights to subscribe for New Rights Issue Shares, the holder may sell the Pre-emptive Rights during the Rights Trading Period.

Pre-emptive Rights allocated on the basis of Existing Shares can be traded on Nasdaq Copenhagen during the Rights Trading Period in the interim ISIN code DK0062267605.

The exercise of Pre-emptive Rights may be restricted for Existing Shareholders resident in certain jurisdictions, including but not limited to the United States, unless Pharma Equity Group decides to comply with applicable local requirements. Consequently, Existing Shareholders resident in the United States and certain other holders of Existing Shares may not be able to exercise their Pre-emptive Rights or participate in a rights offer, as the case may be, unless a registration statement under the U.S. Securities Act is effective with respect to such rights or an exemption from the registration requirements is available.

78.12 Danish legislation concerning takeovers

Applicable rules on mandatory takeover bids are set out in part 8 of the Danish Capital Markets Act and the Executive Order no. 636 of 15 May 2020 on takeover bids issued pursuant thereto.

If a shareholding is transferred, directly or indirectly, to an acquirer or to persons acting in concert with such acquirer (the concert parties), the acquirer and the concert parties must enable all shareholders of the company the option to dispose of their shares on identical terms if such transfer involves the acquirer or the concert parties obtaining control.

Control exists if the acquirer or persons acting in concert with the acquirer, directly or indirectly, holds more than one-third of the voting rights in a company, unless it can be clearly proven in special cases that such ownership does not constitute control. An acquirer or persons acting in concert with the acquirer who does not hold more than one-third of the voting rights in a company nevertheless has control over a company when the acquirer or the persons acting in concert with the acquirer has:

- the right to control more than one-third of the voting rights in an issuer according to an agreement with other investors; or
- the right to appoint or dismiss a majority of the members of the central management body.

Voting rights attached to treasury shares must be included in the calculation of voting rights.

If special conditions apply, the Danish Financial Supervisory Authority may grant an exemption from the obligation to make a mandatory offer.

78.12.1 Public takeover by third parties in respect of Pharma Equity Group's Existing Shares

No public takeover bids have been made by any third-party in respect of the Existing Shares during the past or the current financial year.

The Articles of Association do not contain provisions that are likely to have the effect of delaying, deferring or preventing a change in the control of Pharma Equity Group.

78.13 Squeeze out rules

Where a shareholder holds more than 90% of the shares in a company and a corresponding proportion of the voting rights, such shareholder may, pursuant to Section 70 of the Danish Companies Act, decide that the other shareholders have their shares redeemed by that shareholder. In this case, the other shareholders must be requested, under the rules governing notices for general meetings, to transfer their shares to the shareholder within four weeks. If the redemption price cannot be agreed upon, the redemption price must be determined by an independent expert appointed by the court in the jurisdiction of the company's registered office in accordance with the provisions of the Danish Companies Act. Specific requirements apply to the contents of the notice to the other shareholders regarding the redemption. If not all minority shareholders have transferred their shares to the acquiring shareholder within the four-week deadline, the acquiring shareholder shall, as soon as possible, make effective payment to the minority shareholders.

Further, where a shareholder holds more than 90% of the shares in a company and a corresponding proportion of the voting rights, the other shareholders may require such shareholder to acquire their shares pursuant to Section 73 of the Danish Companies Act. If the redemption price cannot be agreed upon, the redemption price is determined by an independent expert appointed by the court in the jurisdiction of the company's registered office in accordance with the provisions of the Danish Companies Act. The redemption offer is, inter alia, required to be communicated through the Danish Business Authority's IT system at the time of notification of the four-week period.

Redemption of the remaining shareholders will be carried out at the time of the expiry of the four-week period even if the redemption price remains subject to final determination by an expert, provided that funds representing the redemption price have been deposited by the majority shareholder.

78.14 Major shareholdings

Pursuant to Section 38 of the Danish Capital Markets Act, a shareholder of a company whose shares or financial instruments are admitted to trading on a regulated market within the EU is required to notify the listed company and the Danish Financial Supervisory Authority as soon as possible if the shareholder's shareholding directly or indirectly represents 5% or more of the voting rights or the share capital, and if the shareholders' shareholding directly or indirectly entails that the 5%, 10%, 15%, 20%, 25%, 50% or 90% thresholds and the thresholds of one-third or two-thirds of the voting rights or the share capital are reached or no longer reached.

The notification must comply with the requirements for the contents thereof set out in Sections 15 and 16 of the Danish Executive Order no. 1172 of 31 October 2017 on Major Shareholders, including the identity of the shareholder and the date when the threshold is reached or no longer reached. Failure to comply with the disclosure requirements is punishable by a fine. When Pharma Equity Group, and following completion of the Transaction, the Company has received such notification, it must publish the contents of such notification no later than within three trading days.

Further, the general duty of notification under the Danish Capital Markets Act applies as well as special duties of notification in respect of Pharma Equity Group's and, following completion of the Transaction, the Company's insider group pursuant to the Market Abuse Regulation.

79 Terms and conditions of the New Shares, the Rights Issue and the New Listing Shares

79.1 Conditions, offer statistics and actions required to subscribe for the New Shares

79.1.1 Conditions to which the New Shares and the Admission are subject

The offer of New Shares is offered as a condition to the Transaction as described in the Offer Document and as consideration to the shareholders of Reponex against contribution in kind of their respective shares in Reponex.

The offer comprises 977,347,625 New Shares of nominal value DKK 1.00 each, offered to the shareholders of Reponex in the Exchange Ratio 1:115, whereby each issued and outstanding share of Reponex, shall be exchanged for 115 New Shares of nominal value DKK 1.00 each.

The Subscription Price per one New Share of nominal value DKK 1.00 corresponds to DKK 1.57 against contribution in kind of each issued and outstanding share of Reponex.

Subscription of New Shares is expected to take place on 20 March 2023 according to authorization granted to the Reponex Board of Directors as described in Section 79.1.3 below.

Registration of the New Shares with the Danish Business Authority will take place following subscription of the New Shares, which is expected to take place simultaneously with registration of the capital increase regarding the New Rights Issue Shares on 24 March 2023. Nasdaq Copenhagen pre-approved the New Shares for admission to trading and official listing.

Admittance to trading and official listing of the New Shares under the existing ISIN code, DK0061155009, is expected to take place on or around 28 March 2023. Upon admission to trading and official listing of

the New Shares, the New Shares will be accepted for clearance through Euronext Securities Copenhagen. The New Shares will be delivered in book-entry form through allocation to accounts with Euronext Securities Copenhagen.

The New Shares shall be fully paid up, issued in the name of the holder and recorded in the holder's name in Pharma Equity Group's and, following completion of the Transaction, the Company's shareholders' register through the holder's custodian bank.

Pharma Equity Group's and, following completion of the Transaction, the Company's shareholders' register is kept by Euronext Securities Copenhagen.

79.1.2 Subscription of the New Shares

The Subscription of the New Shares is expected to take place on 20 March 2023 according to authorization granted to the Reponex Board of Directors as described in Section 79.1.3 below.

79.1.3 Procedure for the subscription of New Shares

Prior to publication of the Prospectus, all of the shareholders of Reponex has granted the Reponex Board of Directors an authorization to (i) approve and sign any document related to Pharma Equity Group's takeover offer of the total issued and outstanding share capital of Reponex pursuant to the Offer Document necessary to complete the takeover offer or the Offer Document, including any subscription lists related thereto, (ii) approve or waive any condition as listed under Section 4.10 of the Offer Document, (iii) approve any amendments to the Offer Document provided that such changes apply to all shareholders of Reponex and does not materially change the terms of the takeover offer and (iv) approve and sign any lock-up agreements on terms as set out in the Offer Document.

On 27 February 2023, immediately prior to the Prospectus Date, the Pharma Equity Group Board of Directors approved the Prospectus and documents related to the issue of New Shares, in order to complete Pharma Equity Group's conditional takeover offer for the total issued and outstanding share capital of Reponex. In addition, on 27 February 2023, the Reponex Board of Directors approved the subscription of 977,347,625 New Shares on behalf of 100% of the shareholders in Reponex. The New Shares are expected to be issued and allocated upon registration of the capital increase with the Danish Business Authority simultaneously with registration of the capital increase regarding the New Rights Issue Shares, expectedly on 24 March 2023.

The New Shares have not been registered under the U.S. Securities Act.

Exercise or subscription instructions, without the required supporting documentation, sent from a person located in the United States or instructions postmarked in the United States or such other jurisdiction in which it would not be permissible to subscribe for the New Shares will be deemed to be invalid, and no New Shares will be credited to institutions with addresses inside the United States or such other jurisdictions in which it would not be permissible to subscribe for the New Shares without the required supporting documentation. Pharma Equity Group reserves the right to reject any subscription of New Shares in the name of any person who (i) provides for acceptance or delivery of New Shares to a securities deposit account held by a person registered with an address in the United States or such other jurisdiction in which it would not be permissible to subscribe for the New Shares, (ii) is unable to represent or warrant or is otherwise unable to show or prove that such person is not in the United States or such other jurisdiction in which it would not be permissible to subscribe for the New Shares, (iii) is acting for persons in the United States or such other jurisdiction in which it would not be permissible to subscribe for the New Shares other than on a discretionary basis, or (iv) appears to Pharma Equity Group or its agents to have executed its exercise instructions or certifications in, or dispatched them

from, the United States or such other jurisdiction in which it would not be permissible to subscribe for the New Shares.

79.1.4 Reduction of subscriptions

Reduction of subscription is not applicable in connection with the offer of New Shares.

79.1.5 Minimum and/or maximum amount of application

In connection with the offer of New Shares, the minimum number of New Shares that a holder of shares in Reponex may subscribe for will be 115 New Shares exchanged for one share of nominal value DKK 0.10 in Reponex.

The number of New Shares that a shareholder in Reponex may subscribe for is not capped. However, the number of New Shares that a shareholder in Reponex may subscribe for is limited to the number of New Shares allocated to such on the basis of the Exchange Ratio and the shares held in Reponex.

79.1.6 Payment and delivery of New Shares

The New Shares are offered as consideration to the shareholders of Reponex in connection with such shareholders' subscription of New Shares against contribution in kind of their respective shares in Reponex.

The New Shares will be delivered in book-entry form through allocation to accounts with Euronext Securities Copenhagen to the shareholders of Reponex upon their subscription of the New Shares.

79.1.7 Publication of results of the offering of New Shares and the Admission

The results of the offer of New Shares will be communicated in a company announcement together with the result of the Rights Issue expected to be published through Nasdaq Copenhagen no later than two trading days after subscription of the New Shares and expected to be announced 21 March 2023.

79.1.8 Total amount of offer of New Shares

The total amount of offer of New Shares is 977,347,625 new shares of nominal value DKK 1.00 each.

79.1.9 Withdrawal or suspension of the offer of New Shares

The offer of New Shares may be withdrawn or suspended by Pharma Equity Group before registration of the capital increase relating to the New Shares with the Danish Business Authority in accordance with the Danish Companies Act.

The Reponex Board of Directors' subscription of New Shares does not bind Pharma Equity Group to complete the offer of New Shares.

If the offer of New Shares is withdrawn, no New Shares will be issued, and the Transaction will not be completed. Trades in Existing Shares will not be affected if the offer of New Shares is not completed.

Pharma Equity Group is not liable for any losses that investors may suffer as a result of withdrawal of the offer of New Shares including but not limited to, any transaction costs or lost interest.

A withdrawal of the offer of New Shares will be announced as a company announcement through Nasdaq Copenhagen.

79.1.10 Withdrawal rights in relation to subscription of New Shares

Instructions to subscribe for New Shares are irrevocable, except that in the event of any material changes in connection with the information in this Prospectus which may affect the evaluation of the New Shares or the Existing Shares, which occurs or is ascertained between the time of approval of this Prospectus and the final completion of the offer of New Shares (date of the Subscription) or the delivery of the New Shares, whichever occurs first. In such case, Pharma Equity Group will publish a supplement pursuant to applicable rules and legislation in Denmark. Such period may be extended by Pharma Equity Group and will be stated in the relevant supplement. Investors who have accepted to subscribe for New Shares prior to publication of the supplement will be entitled to withdraw their acceptance for two working days after the publication of such supplement.

The procedure regarding the withdrawal of the subscriptions will be announced together with the relevant supplement to the Prospectus in a company announcement through Nasdaq Copenhagen.

79.1.11 Plan of distribution and allotment and process for notifying applicants

There is no pre-allotment of New Shares. The New Shares may be subscribed for by the shareholders of Reponex according to the New Shares allocated to them on the basis of their shares in Reponex and the Exchange Ratio.

The New Shares will be subscribed for according to the authorization granted to the Pharma Equity Group Board of Directors as described in Section 78.6 expectedly on 20 March 2023.

79.1.12 Intentions of major shareholders and members of the Pharma Equity Group Board of Directors and the Pharma Equity Group Executive Management with regard to subscription of the New Shares

As the New Shares are offered to the shareholders of Reponex, no major shareholder or members of the Pharma Equity Group Management will subscribe for the New Shares.

79.1.13 Pricing and subscription price of the New Shares

The New Shares are offered as consideration to the shareholders of Reponex against contribution in kind of their respective shares in Reponex in the Exchange Ratio corresponding to a Subscription Price of DKK 1.57 per one New Share of nominal value DKK 1.00.

Reference is made to Section 12 for further details on the basis of assessment of Reponex and the Subscription Price and Exchange Ratio.

Reference is made to Section 78.10 for further details on taxation.

79.2 Conditions, offer statistics and actions required to apply for the Rights Issue

79.2.1 Conditions to which the New Rights Issue Shares are subject to

The Rights Issue consists of a public offering in Denmark with Pre-emptive Rights for the Existing Shareholders subject to the restrictions as set out in Section 79.4.

Pharma Equity Group is offering a total of 44,379,620 Pre-emptive Rights to the Existing Shareholders corresponding to a total of 22,189,810 New Rights Issue Shares at the Rights Issue Subscription Price.

Each holder of Existing Shares registered with Euronext Securities Copenhagen on 3 March 2023 at 5:59 p.m. CET as a shareholder in Pharma Equity Group will be allocated 1 Pre-emptive Right for each Existing Share.

For 2 Pre-emptive Rights, the holder is entitled to subscribe for 1 New Rights Issue Share of a nominal value of DKK 1.00 at the Rights Issue Subscription Price of DKK 1.00 per New Share.

The Rights Trading Period of Pre-emptive Rights commences on 2 March 2023 at 9:00 a.m. CET and closes on 15 March 2023 at 5:00 p.m. CET.

The Pre-emptive Rights allocated on the basis of Existing Shares have been approved for trading and official listing on Nasdaq Copenhagen to the effect that they can be traded on Nasdaq Copenhagen during the Rights Trading Period in the interim ISIN code DK0062267605.

The Rights Issue Subscription Period for the New Rights Issue Shares commences on 6 March 2023 at 9:00 a.m. CET and closes on 17 March 2023 at 5:00 p.m. CET. Any Pre-emptive Rights not exercised during the Rights Issue Subscription Period will lapse with no value, and the holder of such Pre-emptive Rights will not be entitled to compensation. Once a holder of Pre-emptive Rights has exercised such rights and subscribed for New Rights Issue Shares, such subscription cannot be withdrawn or modified by the holder.

The Pre-emptive Rights allocated on the basis of Existing Shares and the New Rights Issue Shares will be delivered in book-entry form through allocation to accounts with Euronext Securities Copenhagen. The New Rights Issue Shares have been accepted for clearance through Euronext Securities Copenhagen.

New Rights Issue Shares which have been subscribed for based on Pre-emptive Rights and which will be recorded on subscribers for New Rights Issue Shares' accounts with Euronext Securities Copenhagen after the subscription has been effected will be issued under an interim ISIN code DK0062267522 that will not be admitted to trading and official listing on Nasdaq Copenhagen and is registered with Euronext Securities Copenhagen solely for the subscription of the New Rights Issue Shares.

The New Rights Issue Shares shall be fully paid up, issued in the name of the holder and recorded in the holder's name in Pharma Equity Group's shareholders' register through the holder's custodian bank.

Pharma Equity Group's shareholders' register is kept by Euronext Securities Copenhagen.

Existing Shares traded from 1 March 2023 at 9:00 a.m. CET will be traded without Pre-emptive Rights, provided that the Existing Shares are traded with customary two-day settlement.

As at the Prospectus Date, Pharma Equity Group holds a total of 14,722 Existing Shares as treasury shares, equivalent to approximately 0.03% of the share capital, which entitles Pharma Equity Group to receive 14,722 Pre-emptive Rights. However, as Pharma Equity Group is not permitted under Danish law to exercise any Pre-emptive Rights, Pharma Equity Group intends to sell to the extent possible all Pre-emptive Rights received in connection with the Rights Issue.

Registration of the New Rights Issue Shares with the Danish Business Authority will take place following completion of the Rights Issue, expected to take place simultaneously as registration of the capital increase related to the New Shares on 24 March 2023. Nasdaq Copenhagen has pre-approved the New Rights Issue Shares for admission to trading and official listing. After registration of the New Rights Issue Shares with the Danish Business Authority, the New Rights Issue Shares are expected to be admitted to trading and official listing on Nasdaq Copenhagen under the existing ISIN code, DK0061155009, which is expected to take place on or around 28 March 2023. As soon as possible thereafter, the interim

ISIN code, DK0062267522, will be merged with the ISIN code of the Existing Shares, expected to take place on 29 March 2023.

Upon admission to trading and official listing of the New Rights Issue Shares, the New Rights Issue Shares will be accepted for clearance through Euronext Securities Copenhagen.

79.2.2 Rights Issue Subscription Period

The Rights Issue Subscription Period of the New Rights Issue Shares will commence on 6 March 2023 at 9:00 a.m. CET and will close on 17 March 2023 at 5:00 p.m. CET.

New Rights Issue Shares which have been subscribed for based on Pre-emptive Rights and which will be recorded on subscribers for New Rights Issue Shares' accounts with Euronext Securities Copenhagen after the subscription has been effected will be issued under an interim ISIN code DK0062267522 that will not be admitted to trading and official listing on Nasdaq Copenhagen and is registered with Euronext Securities Copenhagen solely for the subscription of the New Rights Issue Shares.

Existing Shareholders can subscribe for New Rights Issue Shares by submitting the application form in Appendix I to their own custodian institution or financial intermediary at the latest on 17 March 2023 at 5:00 p.m. CET.

79.2.3 Procedure for the exercise of and trading in Pre-emptive Rights

The Pre-emptive Rights related to Existing Shares have been approved for trading and official listing on Nasdaq Copenhagen under the interim ISIN code DK0062267605 and will be traded in the interim ISIN code under the symbol "PEG T" during the Rights Trading Period.

Holders of Pre-emptive Rights allocated on the basis of Existing Shares wishing to subscribe for New Rights Issue Shares must do so through their own custodian institution, in accordance with the rules of such institution. The deadline for notification of exercise depends on the holder's agreement with, and the rules and procedures of, the relevant custodian institution or other financial intermediary and may be earlier than the end of the Rights Issue Subscription Period. Once a holder has exercised its Pre-emptive Rights, the exercise may not be revoked or modified.

During the Rights Trading Period, holders of Pre-emptive Rights who do not wish to exercise their Pre-emptive Rights to subscribe for New Rights Issue Shares may sell their Pre-emptive Rights on Nasdaq Copenhagen or elsewhere, and a purchaser may use the acquired Pre-emptive Rights to subscribe for New Rights Issue Shares. Holders wishing to sell their Pre-emptive Rights allocated on the basis of Existing Shares should instruct their custodian institution or other financial intermediary accordingly.

Any holders of Pre-emptive Rights that exercise any of their Pre-emptive Rights shall be deemed to have represented that they have complied with all applicable laws. Custodian banks exercising Pre-emptive Rights allocated on the basis of Existing Shares on behalf of beneficial holders shall be deemed to have represented that they have complied with the offering procedures set forth in this Prospectus.

Neither the Pre-emptive Rights nor the New Rights Issue Shares have been registered under the U.S. Securities Act. Reference is made to restrictions set out in Section 79.4.

Upon exercise of Pre-emptive Rights and payment of the Rights Issue Subscription Price, the New Rights Issue Shares will be delivered through Euronext Securities Copenhagen by being recorded on subscribers for New Rights Issue Shares' accounts with Euronext Securities Copenhagen.

Upon expiry of the Rights Issue Subscription Period, any Pre-emptive Rights not exercised will lapse without value, and the holders of lapsed Pre-emptive Rights will not be entitled to any compensation.

Nasdaq Copenhagen has pre-approved the New Rights Issue Shares for admission to trading and official listing under the existing ISIN code, DK0061155009, which is expected to take place on or around 28 March 2023. As soon as possible thereafter, the interim ISIN code, DK0062267522, will be merged with the ISIN code of the Existing Shares, DK0061155009, which is expected to take place on 29 March 2023.

Exercise instructions, without the required supporting documentation, sent from a person located in the United States or instructions postmarked in the United States or such other jurisdiction in which it would not be permissible to subscribe for the New Rights Issue Shares will be deemed to be invalid, and no New Rights Issue Shares will be credited to institutions with addresses inside the United States or such other jurisdictions in which it would not be permissible to subscribe for the New Rights Issue Shares without the required supporting documentation. Pharma Equity Group reserves the right to reject any exercise of Pre-emptive Rights and/or subscription of New Rights Issue Shares in the name of any person who (i) provides for acceptance or delivery of New Rights Issue Shares to a securities deposit account held by a person registered with an address in the United States or such other jurisdiction in which it would not be permissible to subscribe for the New Rights Issue Shares, (ii) is unable to represent or warrant or is otherwise unable to show or prove that such person is not in the United States or such other jurisdiction in which it would not be permissible to subscribe for the New Rights Issue Shares, (iii) is acting for persons in the United States or such other jurisdiction in which it would not be permissible to subscribe for the New Rights Issue Shares other than on a discretionary basis, or (iv) appears to Pharma Equity Group or its agents to have executed its exercise instructions or certifications in, or dispatched them from, the United States or such other jurisdiction in which it would not be permissible to subscribe for the New Rights Issue Shares.

Any holders who exercise their Pre-emptive Rights will be deemed to have represented that they have complied with all applicable legislation. Custodian institutions exercising Pre-emptive Rights on behalf of beneficial owners will be deemed to have represented that they have complied with procedures set out in this Prospectus. Neither the Pre-emptive Rights nor the New Rights Issue Shares have been registered under the U.S. Securities Act or any state securities legislation in the United States. Reference is made to restrictions set out in Section 79.4.

79.2.4 Reduction of subscriptions

Reduction of subscription is not applicable in connection with the Rights Issue.

79.2.5 Minimum and/or maximum amount of application

In connection with the Rights Issue, the minimum number of New Rights Issue Shares that a holder of Pre-emptive Rights may subscribe for will 1 New Rights Issue Share, requiring the exercise of 2 Pre-emptive Rights and the payment of the Rights Issue Subscription Price.

The number of New Rights Issue Shares that a holder of Pre-emptive Rights may subscribe for is not capped. However, the number is limited to the number of New Rights Issue Shares that may be subscribed for through the exercise of the Pre-emptive Rights allocated or acquired.

Remaining Rights Issue Shares may, without compensation to the holders of unexercised Pre-emptive Rights, be subscribed for by Existing Shareholders, holders of Pre-emptive Rights or Qualified Investors, who have made binding undertakings to subscribe for Remaining Rights Issue Shares before the expiry of the Rights Issue Subscription Period.

In case of oversubscription of Remaining Rights Issue Shares in connection with binding undertakings, such Remaining Rights Issue Shares will be allocated according to an apportionment key determined by the Pharma Equity Group Board of Directors, whereas such allocation will be based on received binding undertakings, provided, however, that the Remaining Rights Issue Shares will be allocated irrespective of whether such undertakings were made by Existing Shareholders, holders of Pre-emptive Rights or Qualified Investors.

If the subscription orders from Existing Shareholders, holders of Pre-emptive Rights and Qualified Investors do not exceed the number of Remaining Rights Issue Shares, the Pharma Equity Group will issue the number of Remaining Rights Issue Shares subscribed for.

Existing Shareholders, holders of Pre-emptive Rights and Qualified Investors wishing to subscribe for Remaining Rights Issue Shares must submit the application form in Appendix I to their own custodian institution or financial intermediary. The application form must be submitted within an appropriate amount of time for the custodian institution or the financial intermediary to process and forward the application form to Danske Bank Issuer Services, so that the application form is received by Danske Bank Issuer Services no later than on 17 March 2023 at 5:00 p.m. CET.

The date of payment of Remaining Rights Issue Shares is 22 March 2023.

79.2.6 Payment and delivery of New Rights Issue Shares

Upon exercise of the Pre-emptive Rights, the holder must pay an amount equal to the Rights Issue Subscription Price multiplied by the number of New Rights Issue Shares subscribed for.

Payment for the New Rights Issue Shares shall be made in DKK and shall be made upon subscription against registration of the New Rights Issue Shares in the transferee's account with Euronext Securities Copenhagen not later than 24 March 2023. Holders of Pre-emptive Rights shall adhere to the account agreement with their own Danish custodian institution or other financial intermediary, through which they hold Existing Shares.

Financial intermediaries through which a holder holds Pre-emptive Rights allocated on the basis of Existing Shares may require payment on an earlier date.

79.2.7 Publication of results of the Rights Issue

The results of the Rights Issue will be communicated in a company announcement expected to be published together with the results of subscription of New Shares through Nasdaq Copenhagen no later than two trading days after the expiry of the Rights Issue Subscription Period, and therefore expected to be announced 21 March 2023.

79.2.8 Total amount of offer of New Rights Issue Shares

The total amount of Pre-emptive Rights is 44,379,620 corresponding to a total of 22,189,810 New Rights Issue Shares.

79.2.9 Withdrawal or suspension of the Rights Issue

The Rights Issue may be withdrawn or suspended by Pharma Equity Group before registration of the capital increase relating to the New Rights Issue Shares with the Danish Business Authority in accordance with the Danish Companies Act.

The Existing Shareholders' subscription of New Rights Issue Shares does not bind Pharma Equity Group to complete the Rights Issue.

If the Rights Issue is withdrawn, any exercise of Pre-emptive Rights that has already taken place will be cancelled automatically. The subscription amount for the New Rights Issue Shares will be refunded (less any transaction costs) to the last registered owner of the New Rights Issue Shares as at the date of such withdrawal. All Pre-emptive Rights will lapse, and no New Rights Issue Shares will be issued.

Trades of Pre-emptive Rights during the Rights Trading Period will, however, not be affected. Consequently, investors who have acquired Pre-emptive Rights will incur a loss corresponding to the purchase price of the Pre-emptive Rights and any transaction costs.

Trades in Existing Shares and the New Rights Issue Shares will also not be affected if the Rights Issue does not complete, and Shareholders and investors that have acquired any New Rights Issue Shares will receive a refund corresponding to the purchase price of the Pre-emptive Rights acquired and the subscription amount for the New Rights Issue Shares (less any transaction costs).

Pharma Equity Group is not liable for any losses that investors may suffer as a result of withdrawal of the Rights Issue including but not limited to, any transaction costs or lost interest.

A withdrawal of the Rights Issue will be announced as a company announcement through Nasdaq Copenhagen.

79.2.10 Withdrawal rights in relation to subscription of New Rights Issue Shares

Instructions to exercise Pre-emptive Rights related to the New Rights Issue Shares are irrevocable, except in the event of any material changes in connection with the information in this Prospectus which may affect the evaluation of the Pre-emptive Rights, the New Rights Issue Shares or the Existing Shares, which occurs or is ascertained between the time of approval of this Prospectus and the final completion of the Rights Issue (closing of the offer period) or the delivery of the New Rights Issue Shares, whichever occurs first. In such case, Pharma Equity Group will publish a supplement pursuant to applicable rules and legislation in Denmark. Such period may be extended by Pharma Equity Group and will be stated in the relevant supplement. Investors who have accepted to exercise Pre-emptive Rights prior to publication of the supplement will be entitled to withdraw their acceptance for two working days after the publication of such supplement.

The procedure regarding the withdrawal of the subscriptions will be announced together with the relevant supplement to the Prospectus.

79.2.11 Plan of distribution and allotment and process for notifying applicants

There is no pre-allotment of the New Rights Issue Shares. The New Rights Issue Shares may be subscribed for by the Existing Shareholders of Pharma Equity Group according to the Pre-emptive Rights allocated.

New Rights Issue Shares which have not been subscribed for by Existing Shareholders before the expiry of the Rights Issue Subscription Period will not be issued by Pharma Equity Group.

79.2.12 Intentions of major shareholders and members of the Pharma Equity Group Board of Directors and the Pharma Equity Group Executive Management with regard to subscription of New Rights Issue Shares

No major shareholders or members of the Pharma Equity Group Board of Directors or the Pharma Equity Group Executive Management have given any subscription undertakings to subscribe for New Rights Issue Shares by exercise of Pre-emptive Rights in connection with the Rights Issue.

79.2.13 Pricing and subscription price of the New Rights Issue Shares

The New Rights Issue Shares are offered at par corresponding to a cash contribution of DKK 1.00 per one New Rights Issue Share of nominal value DKK 1.00.

Reference is made to Section 78.10 for further details on taxation.

79.3 Conditions of the New Listing Shares

79.3.1 Conditions to with the admission to trading and official listing of the New Listing Shares are subject to

On 10 February 2023, 12,259,772 previously issued class b-shares in Pharma Equity Group were converted into 12,259,772 New Listing Shares. The New Listing Shares were issued and allocated to the at the time Existing Shareholders of class b-shares to rank pari passu with the at the time issued class a-shares in Pharma Equity Group prior to the conversion upon the expected admission to trading and official listing on Nasdaq Copenhagen. The capital change related to the conversion was registered with the Danish Business Authority on 10 February 2023.

The New Listing Shares were issued as unlisted shares in an interim period to a fixed deposit account prior to publication of the Prospectus.

The admission to trading and official listing of the New Listing Shares are conditional upon the Danish Financial Supervisory Authority's approval and Pharma Equity Group's publication of this Prospectus.

Nasdaq Copenhagen has pre-approved the New Listing Shares for admission to trading and official listing so that they can be traded on Nasdaq Copenhagen under the existing ISIN code, DK0061155009, and under the symbol of the Existing Shares, "PEG", which is expected to take place on or around 28 February 2023.

The New Listing Shares will be delivered in book-entry form under the existing ISIN code, DK0061155009, through allocation to the relevant Existing Shareholders' accounts with Euronext Securities Copenhagen following registration of the capital changes related to the conversion with the Danish Business Authority and have been accepted for clearance through Euronext Securities Copenhagen.

The New Listing Shares will be delivered in the name of the holder and recorded in the holder's name in Pharma Equity Group's shareholders' register through the holder's custodian bank.

Pharma Equity Group's shareholders' register is kept by Euronext Securities Copenhagen.

79.3.2 Reduction of subscriptions

Reduction of subscription is not applicable in connection with admission to trading and official listing of the New Listing Shares.

79.3.3 Minimum and/or maximum amount of application

Minimum and/or maximum amount of application is not applicable in connection with admission to trading and official listing of the New Listing Shares.

79.3.4 Payment and delivery of New Listing Shares

The New Listing Shares were issued and allocated to the at the time Existing Shareholders of previously issued class b-shares in Pharma Equity Group in connection with conversion of such shares into the New Listing Shares to a fixed deposit account prior to publication of the Prospectus.

The New Listing Shares are registered in the transferee's account with Euronext Securities Copenhagen.

79.3.5 Publication of admission to trading and official listing of the New Listing Shares

The admission to trading and official listing of the New Listing Shares are expected to take place on or around 28 February 2023.

79.3.6 Total amount of New Listing Shares

The total amount of New Listing Shares is 12,259,772 shares of nominal amount DKK 1.00 each.

79.3.7 Withdrawal or suspension of the admission to trading and official listing of New Listing Shares

The admission to trading and official listing of New Listing Shares may not be withdrawn or suspended by Pharma Equity Group.

79.3.8 Withdrawal rights in relation to the New Listing Shares

As the New Listing Shares were issued and allocated and registered with the Danish Business Authority in connection with the conversion of the previously issued class b-shares on 10 February 2023 as adopted by the Existing Shareholders at Pharma Equity Group's extraordinary general meeting on 10 February January 2023, there are no withdrawal rights for the Existing Shareholders in relation to the New Listing Shares.

79.3.9 Plan of distribution and allotment and process for notifying applicants

The New Listing Shares were issued and allocated to the at the time Existing Shareholders of previously issued class b-shares on 10 February 2023 in connection with the conversion of such shares into the New Listing Shares to rank pari passu with the at the time class a-shares in Pharma Equity Group prior to the conversion upon admission to trading and official listing on Nasdaq Copenhagen.

79.3.10 Pricing and subscription price of the New Listing Shares

The New Listing Shares were issued and allocated on 10 February 2023 in connection with the conversion of previously issued class b-shares into the New Listing Shares to rank pari passu with the at the time class a-shares in Pharma Equity Group prior to the conversion upon admission to trading and official listing on Nasdaq Copenhagen. As such, no separate payment was received in connection with the issue of the New Listing Shares.

Reference is made to Section 78.10 for further details on taxation.

79.4 Jurisdictions in which the offer of New Shares, the Rights Issue and the New Listing Shares will be announced and transfer restrictions

79.4.1 General

The Rights Issue consist of a public offering to retail and institutional investors in Denmark.

No action has been or will be taken, other than in Denmark, in any country or jurisdiction that would or is intended to permit a public offering of the New Shares, the New Rights Issue Shares and the New Listing Shares or the possession, circulation nor distribution of this Prospectus or any other offering material relating to Pharma Equity Group, Reponex or the New Shares, the New Rights Issue Shares and/or the New Listing Shares, in any jurisdiction where action for any such purpose may be required. Accordingly, the New Shares, the New Rights Issue Shares and the New Listing Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other material or advertisements made public in connection with the offer of New Shares, the New Rights Issue Shares and the New Listing Shares may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

79.4.2 United States

The New Shares, the New Rights Issue Shares and the New Listing Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense in the United States.

The New Shares, the New Rights Issue Shares and the New Listing Shares have not been and will not be registered under the U.S. Securities Act and are being offered and sold outside the United States in compliance with Regulation S.

79.4.3 European Economic Area ("EEA")

In relation to each member state of the EEA other than Denmark (a "Relevant Member State"), this Prospectus is only addressed to, and is only directed at, investors in that Relevant Member State who fulfil the criteria for exemption from the obligation to publish a prospectus, including Qualified Investors, within the meaning of the Prospectus Regulation.

This Prospectus has been prepared on the basis that all offers of New Shares, the New Rights Issue Shares and the New Listing Shares, other than the offer contemplated in Denmark, will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus for offers of New Shares, the New Rights Issue Shares and the New Listing Shares. Accordingly, any person making or intending to make any offer within the EEA of the New Shares, the New Rights Issue Shares and the New Listing Shares which is the subject of the placement contemplated in this Prospectus should only do so in circumstances in which no obligation arises for Pharma Equity Group to produce a prospectus for such offer. Pharma Equity Group has not authorized, and Pharma Equity Group does not authorize, the making of any offer offers of New Shares, the New Rights Issue Shares and the New Listing Shares through any financial intermediary.

The New Shares, the New Rights Issue Shares and the New Listing Shares have not been, and will not be, offered to the public in any Relevant Member State, excluding Denmark. Notwithstanding the foregoing, an offering of the New Shares, the New Rights Issue Shares and the New Listing Shares may be made in a Relevant Member State: (i) to any Qualified Investor as defined in the Prospectus

Regulation (ii) to fewer than 150 natural or legal persons (other than Qualified Investors as defined in the Prospectus Regulation subject to obtaining the prior consent of Pharma Equity Group); (iii) to investors who acquire securities for a total consideration of at least EUR 100,000 per investor, for each separate offer; (iv) if the denomination per unit amounts to at least EUR 100,000; or (v) in any other circumstances falling within Article 1(4) of the Prospectus Regulation provided that no such offer the New Shares, the New Rights Issue Shares and the New Listing Shares shall result in a requirement for the publication by Pharma Equity Group of a prospectus pursuant to article 3 of the Prospectus Regulation nor a supplementary prospectus pursuant to article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any New Shares, the New Rights Issue Shares and the New Listing Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer of New Shares, the New Rights Issue Shares and the New Listing Shares to enable an investor to decide to purchase Offer Shares.

79.4.4 United Kingdom

Offers of the New Shares, the New Rights Issue Shares and the New Listing Shares pursuant to the offering of such shares are only being made to persons in the United Kingdom who are “qualified investors” or otherwise in circumstances which do not require publication by Pharma Equity Group of a prospectus pursuant to Section 85(1) of the U.K. Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 ("Order 2005").

This Prospectus is only being distributed to, and is only directed at, and any investment or investment activity to which the Prospectus relates, is available only to, and will be engaged in only with Relevant Persons whereby is meant persons who (i) have professional experience in matters relating to investments falling within the definition of “investment professionals” in Article 19(5) of the Order 2005; (ii) are high net worth bodies corporate, unincorporated associations and partnerships and the trustees of high value trusts, as described in article 49(2) of the Order 2005; (iii) the Company believes on reasonable grounds to be persons to whom Article 43(2) of the Order 2005 applies for these purposes; or (iv) other persons to whom such investment or investment activity may lawfully be made available. Persons who are not Relevant Persons should not take any action on the basis of the Prospectus and should not act or rely on it.

79.5 Expected timetable of the issue of New Shares, the Rights Issue and the admission to trading and official listing of New Listing Shares

The following table presents the expected timetable of principal events related to the offer of New Shares, the Rights Issue and the admission to trading and official listing of the New Listing Shares:

Table no. 38: Expected timetable of principal events

Publication of Prospectus	27 February 2023
Admission to trading and official listing of New Listing Shares on Nasdaq Copenhagen	28 February 2023
New Listing Shares are issued through Euronext Securities Copenhagen	28 February 2023
Last day of trading in Existing Shares including Pre-emptive Rights	1 March 2023 at 5:00 p.m. CET

First day of trading in Existing Shares without Pre-emptive Rights	2 March 2023 at 9:00 a.m. CET
Rights Trading Period for Pre-emptive Rights commences	2 March 2023 at 9:00 a.m. CET
Allocation time of Pre-emptive Rights	3 March 2023 at 5:59 p.m. CET
Subscription period for New Rights Issue Shares commences	6 March 2023 at 9:00 a.m. CET
Rights Trading Period for Pre-emptive Rights Closes	15 March 2023 at 5:00 p.m. CET
Subscription period for New Rights Issue Shares closes	17 March 2023 at 5:00 p.m. CET
Subscription of New Shares	20 March 2023
Publication of the results of the offer of Rights Issue and subscription of New Shares	21 March 2023
Allocation of Remaining Rights Issue Shares	21 March before 12:00 (noon)
Registration of the capital increase regarding the New Rights Issue Shares and the New Shares with the Danish Business Authority and issuance of New Rights Issue Shares through Euronext Securities Copenhagen	24 March 2023
Expected completion of Rights Issue and the issue of New Shares	24 March 2023
New Shares are issued through Euronext Securities Copenhagen and placed in a separate custody account for delivery to Reponex' shareholders as soon as possible hereafter	24 March 2023
Official listing of and trading of the New Shares and the New Rights Issue Shares under the existing ISIN code	28 March 2023
Merger of the interim ISIN codes for New Rights Issue Shares and the ISIN code for the Existing Shares in Euronext Securities Copenhagen	29 March 2023
Post-Completion General Meeting	31 March 2023

The above timetable is subject to change. Any changes will be announced via Nasdaq Copenhagen.

79.6 Placing and underwriting

79.6.1 Subscription and paying agents

Reponex' shareholders' instructions to subscribe for the New Shares has been granted in an authorization to the Reponex Board of Directors as described in Section 79.1.

Existing Shareholders' instructions to subscribe for the New Rights Issue Shares must be given to each Existing Shareholders' custodian institution or financial intermediary.

No instructions are required in relation to admission to trading and official listing of the New Listing Shares.

In addition to Euronext Securities Copenhagen, Euroclear and Clearstream are acting as international payment intermediaries in relation to the Shares:

- Euroclear Bank S.A./N.V.: 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium.
- Clearstream Banking S.A.: 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg.

79.6.2 Settlement agents and share issuing agent

Danske Bank Issuer Services acts as settlement agent for the offer of New Shares, the New Rights Issue Shares and the New Listing Shares. Any questions from Existing Shareholders, shareholders of Reponex or investors related to the offer of New Shares, the New Rights Issue Shares and/or the New Listing Shares should be directed to such shareholder's or investor's own account holding financial institution or nominee.

If the account holding financial institutions have questions regarding the offer of New Shares, the New Rights Issue Shares or the New Listing Shares any questions may, on business days between 9:00 a.m. CET and 16:00 p.m. CET, be directed to:

Danske Bank Issuer Services
Holmens Kanal 2-12
DK-1092 Copenhagen K
Denmark

Pharma Equity Group's share issuing agent is:

Danske Bank
Holmens Kanal 2-12
DK-1092 Copenhagen K
Denmark

79.6.3 Underwriting

The issue of New Shares, the Rights Issue and the admission to trading and official listing of the New Listing Shares are not subject to underwriting.

80 Admission to trading and dealing arrangements

80.1 Regulated market of Existing Shares and admission to trading and official listing of the New Shares, New Rights Issue Shares and the New Listing Shares

Pharma Equity Group's Existing Shares are admitted to trading and official listing on Nasdaq Copenhagen under the ISIN code DK0061155009.

Registration of the New Shares with the Danish Business Authority will take place following subscription of the New Shares, expected to take place simultaneously with registration of the capital increase related to the Rights Issue, on 24 March 2023. Nasdaq Copenhagen has pre-approved the New Shares for admission to trading and official listing. Admittance to trading and official listing of the New Shares under the existing ISIN code of the Existing Shares, DK0061155009, is expected to take place on or around 28 March 2023.

Registration of the New Rights Issue Shares with the Danish Business Authority will take place following completion of the Rights Issue, expected to take place simultaneously with registration of the capital increase related to the New Shares, on 24 March 2023. Nasdaq Copenhagen has pre-approved the New Rights Issue Shares for admission to trading and official listing. Admittance to trading and official listing of the New Rights Issue Shares under the existing ISIN code, DK0061155009, is expected to take place on or around 28 March 2023.

Nasdaq Copenhagen has pre-approved the New Listing Shares for admission to trading and official listing. Admittance to trading and official listing of the New Listing Shares under the existing ISIN code, DK0061155009, is expected to take place on or around 28 February 2023.

80.2 Private Placements

No securities of the same class as the Existing Shares are privately placed simultaneously or almost simultaneously with the offer of New Shares and the Rights Issue and the admission for trading and official listing of such new shares and the New Listing Shares.

80.3 Stabilization and market making

Pharma Equity Group has not entered into any market maker agreement or any agreement regarding stabilization in connection with the offer of New Shares, the Rights Issue or the New Listing Shares.

81 Selling Existing Shareholders

81.1 Selling Existing Shareholders

There are no selling Shareholders in connection with the offering of New Shares, the Rights Issue or the admission to trading and official listing of the New Listing Shares.

As at the Prospectus Date, Pharma Equity Group holds a total of 14,722 Existing Shares as treasury shares, equivalent to approximately 0.03% of the share capital, which entitles Pharma Equity Group to receive 14,722 Pre-emptive Rights. However, as Pharma Equity Group is not permitted under Danish law to exercise any Pre-emptive Rights, Pharma Equity Group intends to sell to the extent possible all Pre-emptive Rights received in connection with the Rights Issue.

81.2 Lock-up agreements

Shareholders of Reponex with an ownership of minimum 0.50% of the shares in Reponex as of the Prospectus Date will be subject to a lock-up in relation to the New Shares. Pursuant to the lock-up, until the date falling 12 months from 28 March 2023 (inclusive) being the expected date of Admission, such shareholder of Reponex, is prohibited from acquiring, selling or in any other way trading in New Shares, except in case the receiving party of the New Shares subject to lock-up restrictions prior to any such transaction in writing accepts and undertakes to be bound by the lock-up undertaking relating to the New Shares in such transaction, or if such receiving party does not accept and undertake to be bound by the lock-up undertaking relating to the New Shares in such transaction, such transaction may take place with the prior written consent of the Pharma Equity Group Board of Directors. Every three (3) months of the lock-up period, New Shares corresponding to 40% of the freely tradable Shares of the Company at the given time are released from the lock-up commitment.

The table below sets out an overview of New Shares subject to lock-up and the free float of the Shares upon release of such New Shares in the 12 months from 28 March 2023 upon completion of the issue of New Shares and the Rights Issue based on three scenarios.

Table no. 39: Overview of lock-up restrictions on New Shares (including subscription of all New Rights Issue Shares)

Full subscription of New Rights Issue Shares

	Shares not subject lock-up restrictions	Shares released from lock-up	Shares not subject to lock-up restrictions upon release	Total shares in free float according to Nasdaq Copenhagen's requirement*	
0 Months	320,696,775	0	320,696,775	312,241,833	29.9%
3 Months	320,696,775	128,278,710	448,975,485	407,206,629	39.0%
6 Months	448,975,485	179,590,194	628,565,679	530,559,132	50.8%
9 Months	628,565,679	251,426,272	879,991,951	703,252,637	67.4%
12 Months	879,991,951	163,925,104	1,043,917,055	815,845,488	78.2%

*free float has the meaning as the conditions for sufficient demand and supply (liquidity) of the Shares as defined in section 2.13 in Nasdaq Issuer Rules, whereby free float is calculated as all Shares excluding those already subject to lock-up restrictions, shareholders with shareholdings of more than 10% of the Shares or voting rights, shareholdings of members of the New Company Management (as well as any closely affiliated legal entities) and Pharma Equity Group's and, following completion of the Transaction, the Company's holding of treasury shares.

Table no. 40: Overview of lock-up restrictions on New Shares (including subscription of half of the New Rights Issue Shares)

50% subscription of New Rights Issue Shares

	Shares not subject lock-up restrictions	Shares released from lock-up	Shares not subject to lock-up restrictions upon release	Total shares in free float according to Nasdaq Copenhagen's requirement*	
0 Months	309,601,870	0	309,601,870	301,146,928	29.2%
3 Months	309,601,870	123,840,748	433,442,618	393,063,486	38.1%

6 Months	433,442,618	173,377,047	606,819,665	512,148,455	49.6%
9 Months	606,819,665	242,727,866	849,547,531	678,867,413	65.7%
12 Months	849,547,531	183,274,619	1,032,822,150	804,750,583	77.9%

*free float has the meaning as the conditions for sufficient demand and supply (liquidity) of the Shares as defined in section 2.13 in Nasdaq Issuer Rules, whereby free float is calculated as all Shares excluding those already subject to lock-up restrictions, shareholders with shareholdings of more than 10% of the Shares or voting rights, shareholdings of members of the New Company Management (as well as any closely affiliated legal entities) and Pharma Equity Group's and, following completion of the Transaction, the Company's holding of treasury shares.

Table no. 41: Overview of lock-up restrictions on New Shares (subscription of New Rights Issue Shares not included)

No subscription of New Rights Issue Shares

	Shares not subject lock-up restrictions	**Shares not subject lock-up restrictions**	**Shares not subject to lock-up restrictions upon release**	**Total shares in free float according to Nasdaq Copenhagen's requirement***	
0 Months	298,506,965	0	298,506,965	290,052,023	28.4%
3 Months	298,506,965	119,402,786	417,909,751	378,920,342	37.1%
6 Months	417,909,751	167,163,900	585,073,651	493,737,778	48.3%
9 Months	585,073,651	234,029,461	819,103,112	654,482,188	64.1%
12 Months	819,103,112	202,624,133	1,021,727,245	793,655,678	77.7%

*free float has the meaning as the conditions for sufficient demand and supply (liquidity) of the Shares as defined in section 2.13 in Nasdaq Issuer Rules, whereby free float is calculated as all Shares excluding those already subject to lock-up restrictions, shareholders with shareholdings of more than 10% of the Shares or voting rights, shareholdings of members of the New Company Management (as well as any closely affiliated legal entities) and Pharma Equity Group's and, following completion of the Transaction, the Company's holding of treasury shares.

The parties involved in relation to lock up agreements are the following shareholders in Reponex with shareholdings of at least 0.50% and more than 5% of the share capital and voting rights in Reponex prior to completion of the Transaction:

- BioPharma Holding ApS
- N.H.L. Entreprise ApS
- Niels Erik Jespersen Holding ApS

In addition, 26 shareholders in Reponex with shareholdings of at least 0.50% and less than 5% of the share capital and voting rights in Reponex prior to completion of the Transaction are subject to the lock-up restrictions.

81.3 Total net proceeds and estimate of total expenses of the offer of New Shares, the Rights Issue and the New Listing Shares

Based on the latest development of the share prices of the Existing Shares, the total gross proceeds of the Rights Issue are expected to amount to approximately DKK 11,094,905, and the total net proceeds in relation to the Rights Issue are estimated to be approximately a total of DKK 6,094,905 assuming at least half of the New Rights Issue Shares being subscribed for based on the Pharma Equity Group Board of Directors' expectations. Such expectations are of their nature subject to uncertainties and are also based on the reason for the Rights Issue that is made as part of the terms and conditions of the Offer Document to limit the dilution of the Existing Shareholders to a certain extent upon completion of the offer of New Shares and the Transaction.

The total estimated costs and expenses in relation to the offer of New Shares, the Rights Issue and the admission to trading and official listing of the New Listing Shares payable by Pharma Equity Group to its advisors and other expenses and fees related thereto, are estimated to be approximately DKK 4-5 million.

Further, Pharma Equity Group has agreed to pay a subscription commission to Danish account holding financial institutions equivalent to 0.10% of the aggregate Rights Issue Subscription Price of the New Rights Issue Shares subscribed for through the relevant account holding financial institution in connection with the offer of New Shares and the Rights Issue.

Pharma Equity Group will not charge expenses to investors. Investors will have to bear customary transaction and handling fees charged by their account holding financial institution.

82 Dilution

82.1 Dilution of Existing Shareholders before and after the offer of New Shares and the Rights Issue, net asset value per share as of the latest balance sheet prior to the offer of New Shares and the Rights Issue and subscription price per New Share and per New Rights Issue Share

As at the Prospectus Date, Pharma Equity Group's registered share capital amounted to a nominal value of DKK 44,379,620 Existing Shares of nominal value of DKK 1.00 each. All Existing Shares are issued and fully paid up, and each Existing Share represents 1 vote.

Except for the New Listing Shares that were issued and allocated on in connection with registration with the Danish Business Authority on 10 February 2023 and are expected to be admitted to trading and official listing on Nasdaq Copenhagen on or around 28 February 2023, the Existing Shares are admitted to trading and official listing on Nasdaq Copenhagen.

The New Shares are offered to the shareholders of Reponex as consideration of their respective shares in Reponex, and the Existing Shareholders are not offered to participate in the offer of New Shares. Provided that the Transaction and the offer of New Shares are completed, given the size of the offer of New Shares compared to the existing share capital of Pharma Equity Group, Existing Shareholders' proportionate ownership and voting interests in Pharma Equity Group, and, following completion of the Transaction, in the Company, will be reduced significantly.

The possibility for the Existing Shareholders to participate in the Rights Issue will not be sufficient to compensate the Existing Shareholders fully for the dilution of their percentage ownership in Pharma Equity Group's and, subject to completion of the Transaction and the offer of New Shares, the Company's, share capital that will be caused as a result of the offer of New Shares.

Any consideration received in connection with selling Pre-emptive Rights may not be sufficient to compensate the Existing Shareholders fully for the dilution of their percentage ownership of Pharma

Equity Group's and, following completion of the Transaction, the Company's, share capital that may be caused as a result of the offer of New Shares.

As such, upon issue and subscription of the New Shares and New Rights Issue Shares, and assuming subscription of all the New Shares and New Rights Issue Shares, the percentage of ownership of the Existing Shareholders will be reduced. If the Existing Shareholders refrain from exercising Pre-emptive Rights allocated to them in connection with the Rights Issue, each Existing Shareholder's ownership will be diluted by 95.66% upon completion of the offering of the New Shares and the Rights Issue. If the Existing Shareholders elect to partly exercise the Pre-emptive Rights allocated to them in the Rights Issue, the rate of dilution will be between 94.63% depending on the exercise. If the Existing Shareholders exercise their Pre-emptive Rights in full, the Existing Shareholders' ownership will be diluted by 93.62% upon completion of the offering of New Shares and the Rights Issue.

Pharma Equity Group's net asset value as of 30 June 2022 was DKK 67.6 million or DKK 3.47 per Existing Share. The net asset value per Existing Share is determined by dividing the net asset value by the total number of Existing Shares.

The New Shares can be subscribed for against contribution in kind of their respective shares in Reponex corresponding to DKK 1.57 per one New Share of nominal value DKK 1.00.

The Rights Issue Subscription Price of the New Rights Issue Shares is DKK 1.00 per one New Rights Issue Share of nominal value DKK 1.00.

In addition to the above, Pharma Equity Group and, following completion of the Transaction, the Company may in the future, subject to appropriate corporate approvals, freely issue additional new shares and other securities, which may cause a decrease in the price of the Shares and further dilution of the shareholdings of Shareholders.

Further, Reponex expects to raise additional capital in the future as needed in order to develop the product candidates into marketable products. Depending on the terms of such additional capital raising, Shareholders may be further diluted in the future if such capital funding is executed by way of offering of new shares in the Company, subject to completion of the Transaction. Depending on the structure of any such offering, Shareholders may not have the opportunity to subscribe for or purchase any additional new shares.

83 Additional information

83.1 Advisors

Legal advisor to Pharma Equity Group in connection with the offer of New Shares, the Rights Issue and the New Listing Shares:

Accura Advokatpartnerselskab
Tuborg Boulevard 1
DK-2900 Hellerup
Denmark

Auditors to Pharma Equity Group as at the Prospectus Date and in relation to the historical financial information included in this Prospectus:

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 Copenhagen S
Denmark

83.2 Other information audited or reviewed by auditors

No other information other than as explicitly stated has been audited or reviewed by statutory auditors or has been produced as a report.

XX. DEFINITIONS

Definitions

In the Prospectus, the following words and expressions have the meanings stated below, unless the context requires otherwise.

Term	Description
Admission	Official listing and admission to trading of the New Shares on Nasdaq Copenhagen.
Articles of Association	Pharma Equity Group's articles of association of 10 February 2023.
CET	Central European Time.
Chairman	The chairman of the Pharma Equity Group Board of Directors.
Company	The listed entity Pharma Equity Group A/S, company reg. (CVR) no. 26791413, operating as a parent company to Reponex following completion of the Transaction.
COVID-19	When used in this Prospectus, "COVID-19" is used as a general reference to the pandemic involving the pathogen Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2, also referred to as the "Coronavirus") (as well as any related strings of this virus both current and future), to the various political, legislative and behavioral reactions to the pandemic, and to the resulting wide range of severe consequences many of which are unfolding and therefore still subject to considerable uncertainty as to their scope and impact, including without limitation the impact on the macroeconomic environment, on industries and markets, on individual businesses, on individuals and their behavior and on society in general.
CVR no.	The Danish Central Business Register number.
Danish Business Authority	The Danish Business Authority (in Danish: "Erhvervsstyrelsen").
Danish Capital Markets Act	The Danish Consolidated Act no. 41 of 13 January 2023 on capital markets (in Danish: "kapitalmarkedsloven"), as amended.
Danish Companies Act	The Danish Consolidated Act no. 1451 of 9 November 2022 on public and private limited companies (in Danish: "selskabsloven"), as amended.
Danish Financial Statements Act	The Danish Consolidated Act no. 406 of 29 March 2022 on financial statements (in Danish: "årsregnskabsloven"), as amended.
Danish Financial	The Danish Financial Supervisory Authority (in Danish: "Finanstilsynet").

Supervisory Authority	
Delegated Prospectus Regulation	Commission Delegated Regulation (EU) no. 2019/980 of 14 March 2019.
DKK	The official currency of the Kingdom of Denmark.
EEA	The European Economic Area.
Enlarged Group	The Company and Reponex following completion of the Transaction.
EU	The European Union.
Euronext Securities Copenhagen	VP Securities A/S, company reg. (CVR) no. 21 59 93 36, Nicolai Eigtveds Gade 8, DK-1402 Copenhagen, Denmark.
Exchange Ratio	New Shares issued to the shareholders in Reponex whereby each issued and outstanding share of Reponex, shall be exchanged for 115 New Shares.
Existing Shareholders	Any person registered with Euronext Securities Copenhagen as a shareholder of Existing Shares of Pharma Equity Group at the Rights Issue Allocation Time.
Existing Shares	44,379,620 issued shares in Pharma Equity Group of nominal value DKK 1.00 each comprising Pharma Equity Group's entire outstanding share capital.
FDA	The U.S. Food and Drug Administration.
FTE	Full time equivalent employee.
FY 2019	The financial year from 1 January 2019 to 31 December 2019.
FY 2019 Pharma Equity Group Financial Statements	The audited financial statements and notes thereto of Pharma Equity Group for the financial year ended 31 December 2019.
FY 2019 Reponex Financial Statements	The audited financial statements and notes thereto of Reponex for the financial year ended 31 December 2019.
FY 2020	The financial year from 1 January 2020 to 31 December 2020.
FY 2020 Pharma Equity Group Financial Statements	The audited financial statements of and notes thereto of Pharma Equity Group for the financial year ended 31 December 2020.

FY 2020 Reponex Financial Statements	The audited financial statements and notes thereto of Reponex for the financial year ended 31 December 2020.
FY 2021	The financial year from 1 January 2021 to 31 December 2021.
FY 2021 Pharma Equity Group Financial Statements	The audited financial statements and notes thereto of Pharma Equity Group for the financial year ended 31 December 2021.
FY 2021 Reponex Financial Statements	The audited financial statements and notes thereto of Reponex for the financial year ended 31 December 2021.
FY 2022	The financial year from 1 January 2022 to 31 December 2022.
FY 2023	The financial year from 1 January 2023 to 31 December 2023.
GDPR	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2020 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).
H1 2021	The financial period from 1 January 2022 to 30 June 2021.
H1 2022	The financial period from 1 January 2022 to 30 June 2022.
H1 2022 Pharma Equity Group Financial Statements	The unaudited but reviewed financial statements of Pharma Equity Group for the period 1 January 2022 – 30 June 2022.
H1 2022 Pro Forma Financial Information	The unaudited pro forma consolidated financial information for the Enlarged Group prepared and presented for illustrative purposes illustrating the impact of the Transaction as if the Transaction had been undertaking as of 30 June 2022 for purposes of the unaudited pro forma consolidated balance sheet and on 1 January 2022 for purposes of the unaudited pro forma consolidated income statement.
H1 2022 Reponex Financial Statements	The unaudited but reviewed financial statements of Reponex for the period 1 January 2022 – 30 June 2022.
IFRS	International Financial Reporting Standards as adopted by the EU.
IRB	The Institutional Review Board.
ISIN	International Security Identification Number.

Major Shareholders	Shareholders who have notified Pharma Equity Group that they hold more than 5% of Pharma Equity Group's registered share capital pursuant to the Danish Companies Act and the Danish Capital Markets Act.
Market Abuse Regulation	Regulation (EU) No. 596/2014 of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.
MiFID II	EU Directive 2014/65/EU on markets in financial instruments, as amended.
MiFID II Product Governance Requirements	MiFID II, Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and local implementing measures.
Nasdaq Copenhagen	Nasdaq Copenhagen A/S, company reg. (CVR) no. 19 04 26 77, Nikolaj Plads 6, DK-1067 Copenhagen K, Denmark.
Nasdaq Issuer Rules	Nordic Main Market Rulebook for Issuers of Shares effective from 1 February 2021, including supplement A relating to Nasdaq Copenhagen effective from 1 October 2021.
New Company Board of Directors	The board of directors of the Company upon completion of the Transaction expected to be elected at the Post-Completion General Meeting.
New Company Executive Management	The executive management of the Company upon completion of the Transaction expected to be elected at the Post-Completion General Meeting.
New Company Management	The New Company Board of Directors and the New Company Executive Management.
New Listing Shares	12,259,772 shares of nominal value DKK 1.00 each in Pharma Equity Group issued and allocated in connection with the conversion of 12,259,772 previously issued class b-shares in Pharma Equity Group and the merger of Pharma Equity Group's previously issued class a-shares and class b-shares as adopted by the Existing Shareholders at the extraordinary general meeting held on 10 February 2023.
New Reponex Board of Directors	The board of directors of the Reponex upon completion of the Transaction expected to be elected at an extraordinary general meeting to be held by Reponex upon completion of the Transaction.
New Reponex Executive Management	The executive management of the Reponex upon completion of the Transaction expected to be elected at an extraordinary general meeting to be held by Reponex upon completion of the Transaction.
New Reponex Management	The New Reponex Board of Directors and the New Reponex Executive Management.

New Rights Issue Shares	Up to 22,189,810 new shares of nominal value DKK 1.00 each issued by Pharma Equity Group and admitted to trading and official listing on Nasdaq Copenhagen in connection with the Rights Issue.
New Shares	977,347,625 new shares of nominal value DKK 1.00 each issued by Pharma Equity Group to the shareholders of Reponex in connection with Transaction and admitted to trading and official listing in connection with completion of the issue of New Shares and the Transaction.
Offer Document	The offer document as of 5 April 2022 to the shareholders of Reponex comprising Pharma Equity Group's voluntary conditional public offer for the total issued and outstanding share capital of Reponex.
Parent-Subsidiary Directive	Council Directive 2011/96/EU of 30 November 2011 on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States.
PCT	International Patent Cooperation Treaty.
Pharma Equity Group	The listed entity Pharma Equity Group A/S (formerly "Blue Vision A/S"), company reg. (CVR) no. 26791413, Strandgade 24C, st. tv, 1401 Copenhagen K, prior to completion of Transaction
Pharma Equity Group	The listed entity Pharma Equity Group A/S (formerly "Blue Vision A/S"), company reg. (CVR) no. 26791413, Strandgade 24C, st. tv, 1401 Copenhagen K, prior to completion of Transaction.
Pharma Equity Group Board of Directors	The board of directors of Pharma Equity Group as registered with the Danish Business Authority as of the Prospectus Date.
Pharma Equity Group Board of Directors	The board of directors of Pharma Equity Group as registered with the Danish Business Authority as of the Prospectus Date.
Pharma Equity Group Executive Management	The executive management of Pharma Equity Group as registered with the Danish Business Authority as of the Prospectus Date.
Pharma Equity Group Executive Management	The executive management of Pharma Equity Group as registered with the Danish Business Authority as of the Prospectus Date.
Pharma Equity Group Financial Statements	The FY 2021 Pharma Equity Group Financial Statements, FY 2020 Pharma Equity Group Financial Statements, FY 2019 Pharma Equity Group Financial Statements and the H1 2022 Pharma Equity Group Financial Statements.

Pharma Equity Group Financial Statements	The FY 2021 Pharma Equity Group Financial Statements, FY 2020 Pharma Equity Group Financial Statements, FY 2019 Pharma Equity Group Financial Statements and the H1 2022 Pharma Equity Group Financial Statements.
Pharma Equity Group Management	The Pharma Equity Group Board of Directors and the Pharma Equity Group Executive Management.
Pharma Equity Group Management	The Pharma Equity Group Board of Directors and the Pharma Equity Group Executive Management.
Post-Completion General Meeting	The extraordinary general meeting to be held upon completion of the Transaction and completion of the offer of New Shares, the Rights Issue and admission to trading and official listing of New Listing Shares expectedly on 31 March 2023.
Pre-emptive Rights	44,379,620 pre-emptive rights allocated for each Existing Share on the Rights Issue Allocation Time.
Prospectus Date	27 February 2023.
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC.
Prospectus Regulation	Regulation (EU) No. 2017/1129 of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
Qualified Investors	As defined in the Prospectus Regulation.
Relevant Member State	Each member state of the European Economic Area, where the Prospectus Regulation applies.
Relevant Persons	Persons who: (i) are investment professionals falling within Article 19(5); or (ii) fall within Article 49(2)(a) to (d) ("high net worth companies; unincorporated associations, etc."), of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or other persons to whom such investment or investment activity may lawfully be made available.
Remaining Rights Issue Shares	New Rights Issue Shares which have not been subscribed for by the Existing Shareholders before the expiry of the Rights Issue Subscription Period.
Reponex	Reponex Pharmaceuticals A/S, company reg. (CVR) no. 30082346.
Reponex Articles of Association	Reponex' articles of association as of 10 February 2023.

Reponex Board of Directors	The board of directors of Reponex as registered with the Danish Business Authority as of the Prospectus Date.
Reponex Executive Management	The executive management of Reponex as registered with the Danish Business Authority as of the Prospectus Date.
Reponex Financial Statements	The FY 2021 Reponex Financial Statements, FY 2020 Reponex Financial Statements, FY 2019 Reponex Financial Statements and the H1 2022 Reponex Financial Statements.
Reponex Management	The Reponex Board of Directors and the Reponex Executive Management.
Rights Issue	Up to 22,189,810 New Rights Issue Shares offered to Existing Shareholders on the basis of exercised Pre-emptive Rights in connection with a rights issue in Pharma Equity Group.
Rights Issue Allocation Time	3 March 2023 at 5:59 CET at which any person registered with Euronext Securities Copenhagen as a shareholder of Existing Shares will be entitled to be allocated 1 Pre-emptive Right for each Existing Share held.
Rights Issue Subscription Period	Period for subscribing New Rights Issue Shares running from 6 March 2023 at 9:00 a.m. CET to 17 March 2023 at 5:59 p.m. CET.
Rights Issue Subscription Price	The subscription price of DKK 1.00 per one New Rights Issue Share of nominal value DKK 1.00.
Rights Trading Period	Period for trading Pre-emptive Rights related to Existing Shares running from 2 March 2023 at 9:00 a.m. CET to 15 March 2023 at 5:00 p.m. CET
Shareholders	Existing Shareholders and any new shareholders of Pharma Equity Group, and, following completion of the Transaction and the offer of New Shares, the Company.
Shares	The Existing Shares, the New Shares, the New Rights Issue Shares and the New Listing Shares.
Subscription Price	The subscription price of DKK 1.57 per one New Share of nominal value DKK 1.00.
Transaction	The contribution of the entire issued and outstanding share capital of Reponex against the issue of New Shares in Pharma Equity Group to the shareholders of Reponex.
US	The United States of America.

APPENDICES

84 APPENDIX I

SUBSCRIPTION OF REMAINING RIGHTS ISSUE SHARES IN PHARMA EQUITY GROUP A/S

In this subscription form, capitalised terms and expressions used herein shall have the same meaning as defined in the Prospectus published. Also, the restrictions related to the Rights Issue set out in the Prospectus apply to this subscription form. ***Instructions on the use of Pre-emptive Rights shall not be given by using this form, but by contacting the Existing Shareholder's/Qualified Investor's custodian bank in the usual manner.***

This subscription form is for the sole use of:

1. Existing Shareholders and holders of Pre-emptive Rights wishing to subscribe for more New Rights Issue Shares
2. Qualified Investors wishing to subscribe for Remaining Rights Issue Shares

To be submitted to the Existing Shareholder's/Qualified Investor's own custodian bank for endorsement and processing.

Securities code:	New Rights Issue Shares	DK0062267522	Subscription price:	DKK 1.00

Rights Issue Subscription Period:	6 March 2023 – 17 March 2023	First day of listing, New Rights issue Shares:	28 March 2023
Date of payment:	22 March 2023		

This subscription form must be received by the Existing Shareholder's/Qualified Investor's custodian bank on or before the last day of the Rights Issue Subscription Period, which is 17 March 2023 at 5.00 p.m. (CET).

In case of oversubscription of Remaining Rights Issue Shares in connection with binding undertakings, such Remaining Rights Issue Shares will be allocated according to apportionment keys determined by the Pharma Equity Board of Directors.

If the subscription orders from Existing Shareholders and Qualified Investors do not exceed the number of Remaining Rights Issue Shares, Pharma Equity Group will issue the number of Remaining Rights Issue Shares subscribed for.

For Existing Shareholders and holders of Pre-emptive Rights

I/we hereby confirm that I/we am/are holder(s) of Existing Shares or Pre-emptive Rights.

I/we hereby submit a binding order to subscribe for _____ (whole number) Remaining Rights Issue Shares in Pharma Equity Group.

For Qualified Investors

I/we hereby confirm that I/we am/are a Qualified Investor.

I/we submit a binding order for subscription of _____ (whole number) Remaining Rights Issue Shares in Pharma Equity Group.

Statement by Existing Shareholders and Qualified Investors

This subscription form is submitted on the terms and conditions set out in this Prospectus dated 27 February 2023.

The submission of a subscription order is binding.

I/we undertake to pay the countervalue of the New Rights Issue Shares allocated at the Rights Issue Subscription Price. Payment will be effected on 22 March 2023 pursuant to the contract note submitted to me/us against registration of the allocated New Rights Issue Shares with the Danish Business Authority. If the number of subscription orders exceeds the number of New Rights Issue Shares offered, the shares will be allocated as set out in this Prospectus. I/we understand that Danske Bank Issuer Services may require information about my/our name(s), address, deposit and account details, and that Danske Bank A/S Issuer Services is entitled to share this information with Pharma Equity Group, Pharma Equity Group's advisors and my/our custodian bank in connection with subscription of Remaining Rights Issue Shares.

Information and signature

Name:	VP account:
Address:	Account used for settlement:
Post code and city:	Custodian bank:
Date:	I/we wish to be listed in Pharma Equity Group's register of shareholders, please tick:
Telephone:	

The New Rights Issue Shares will be registered in the relevant Existing Shareholder's/ Qualified Investor's account with Euronext Securities Copenhagen.

Registration no.:	CD identification:
Stamp and signature:	

85 APPENDIX II

SUPPORTIVE CLINICAL LITERATURE

RNX-011

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MARKET REFERENCES

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MARKET TRENDS

RNX-011

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- https://www.statista.com/statistics/263102/pharmaceutical-market-worldwide-revenue-since-2001/
- https://www.who.int/china/health-topics/ageing

Reponex Pharmaceuticals A/S

Interim financial report

for the period January 1 to 30 juni 2022

Reponex Pharmaceuticals A/S

Slotsmarken 12, 1., 2970 Hørsholm, Denmark
Registered number: 30 08 23 46

Contents

Company information

Executive management	Klaus Snej Jensen Thomas Kaas Selsø
Board of directors	Søren Nielsen, chairman Troels Peter Troelsen Charlotte Pahl Lisbeth Thyregod Christian Vinding Thomsen
Registered number	30 08 23 46
Registered office	Slotsmarken 12, 1. th. 2970 Hørsholm Denmark
Independent auditor	Grant Thornton Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø

The Company's principal activities

Reponex Pharmaceuticals A/S 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's ambition to create value through the company's 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 the company's 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 create relevant humane resources fast, which is considered a key factor and driver of success.

It is Reponex's 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 financial statements requires the making of estimates and judgements that effects the reporting of assets, liabilities and expenses. The estimates and judgments are reviewed on an ongoing basis. Estimates and judgements are based on historical results and on various other assumptions, which Reponex believes to be resonable under the circumstances. However, the actual result may differ significantly from the estimates. We believe that the accounting policies relating to intangible assets involve estimates or judgements that could affect the reported financial position and results.

Development in activities and financial matters

Financials

The result for the period, a deficit of DKK 4.314 thousand, is in line with the management's expectations in view of the Company's level of activity.

Reponex do not expect commercial revenue until the fiscal year 2023. Therefore it is vital that the company always has sufficient financial resources.

The Company has a satisfactory funding until the end of June 2023 to continue the operation of the Company as planned.

On April 5th, 2022, Blue Vision A/S submitted a conditional purchase offer for 100% of the issued share capital in Reponex Pharmaceuticals A/S.

The offer in its entirety can be read on Blue Vision A/S's website www.blue-vision.dk.

Blue Vision A/S is a Danish limited liability company. The company's A-shares are admitted to trading and official listing on Nasdaq OMX Copenhagen, Main Market.

Organization

Reponex has per March 1st, 2022 employed Thomas Kaas Selsø as new CFO of the Company.

Clinical programs

Reponex's phase II clinical trial on the local treatment of cancer-promoting colon bacteria in patients with colorectal cancer and adenomas finalized enrollment of patients during the period.

Reponex's phase II clinical trial on the local treatment of pouchitis (Inflamatory Bowel Disease - IBD) continued enrollment of patients during the period.

Reponex's initial testing on the Company's advanced drug delivery project has shown positive data on recovery of biological agents after exposure to stomach environment (pH 1.6).

Events after 30th. of June 2022

No significant events have happened since 30th. of June 2022.

Management's Report

The Board of Directors and the Executive management have today considered and approved the interim financial report of Reponex Pharmaceuticals A/S for the period of 1 January 2022 - 30 June 2022.

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and further requirements in the Danish Financial Statement Act.

We consider the accounting policies used appropriate, and in our opinion the financial statements provide a true and fair view of the company's assets and liabilities and its financial position at 30 June 2022 and of the company's results of its activities and cash flow for the period of 1 January to 30 June 2022.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The interim financial report is submittet for adoption by the general meeting.

Hørsholm, October 6th, 2022

Executive management

Klaus Snej Jensen, CEO

Thomas Kaas Selsø, CFO

Board of directors

Søren Nielsen
Chairman

Troels Peter Troelsen

Lisbeth Thyregod

Charlotte Pahl

Christian Vinding Thomsen

To the shareholders of Reponex Pharmaceuticals A/S

Introduction
We have reviewed the interim financial statements of Reponex Pharmaceuticals A/S for the period 1 January 2022 – 30 June 2022 comprising income statement, statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes, including summary of significant accounting policies.

The Board of Directors and the Executive Management is responsible for the preparation and fair presentation of the interim financial statements in accordance with International Reporting Standards, as adopted by the EU and additional requirements of the Danish Financial Statements Act. Our responsibility is to express a conclusion on the interim financial statements based on our review

Scope of review
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the entity as at June 30, 2022, and of its financial performance and its cash flows for the six month period then ended in accordance with International Reporting Standards, as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements does not give a true and fair view of the financial position of the entity as at June 30, 2022, and of its financial performance and its cash flows for the six month period then ended in accordance with International Reporting Standards, as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Copenhagen, October 6th, 2022

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

Ulrik Bloch-Sørensen
State Authorised Public Accountant
mne 2913

Martin Bomholtz
State Authorised Public Accountant
mne34117

Statement of comprehensive income

Note		1/1-30/6-2022 DKK	1/1-30/6-2021 DKK
	Revenue	**0**	**0**
	Cost of sales	0	0
	Gross profit	**0**	**0**
3	Research and development costs	-2.230.052	-2.290.144
3	Administrative costs	-2.224.253	-1.552.935
	Profit before depreciation, amortisation and impairment losses (EBITDA)	**-4.454.305**	**-3.843.079**
6,7	Depreciation, amortisation and impairment of tangible and intangible assets	-651.643	-3.169.855
	Operating profit (EBIT)	**-5.105.948**	**-7.012.934**
	Financial income	0	32
4	Financial expenses	-12.202	-223.911
	Profit before tax	**-5.118.151**	**-7.236.812**
5	Tax on profit for the period	804.102	1.738.190
	Net profit for the period	**-4.314.048**	**-5.498.622**
	Other comprehensive income	0	0
	Total comprehensive income	**-4.314.048**	**-5.498.622**

Statement of financial position

ASSETS

Note		30-06-2022 DKK	2021 DKK
	Non-current assets		
6	Intangible assets	12.841.912	13.355.588
7	Tangible assets	0	0
7	Right-of-use assets	721.597	320.542
	Total non-current assets	**13.563.509**	**13.676.130**
	Current assets		
9	Inventories	1.632.602	1.160.859
10	Other receivables	812.489	961.898
10	Prepaid expenses	106.048	22.558
5	Current tax receivable	2.287.588	1.483.485
11	Cash and cash equivalents	6.689.768	11.403.247
	Total current assets	**11.528.495**	**15.032.046**
	Total assets	**25.092.004**	**28.708.175**

EQUITY AND LIABILITIES

Note		30-06-2022 DKK	2021 DKK
	Share capital	829.541	829.541
	Share premium account	0	0
	Reserve for capitalised development costs	9.660.011	9.958.682
	Retained earnings	12.730.610	16.583.012
12	**Total equity**	**23.220.162**	**27.371.235**
5	Provision for deferred tax	0	0
	Total provisions	**0**	**0**
7	Lease liabilities	439.386	162.643
	Total long-term liabilities	**439.386**	**162.643**
14	Trade payables	721.850	745.678
15	Other liabilities	710.605	428.619
	Total current liabilities	**1.432.456**	**1.174.297**
	Total liabilities other than provisions	**1.871.842**	**1.336.940**
	Total equity and liabilities	**25.092.004**	**28.708.175**

	Share capital	Share premium account	Reserve for capitalised development costs	Retained earnings	**Total equity**
Statement of changes in equity 01-01-2021 - 31-12-2021					
Equity as at 01-01-2021	602.268	20.861.391	12.423.973	-20.459.191	13.428.441
Net profit for the year	0	0	0	-9.883.156	-9.883.156
Share based payments	0	0	0	325.952	325.952
Share capital	227.273	-20.861.391	0	45.634.115	24.999.997
Transaction costs	0	0	0	-1.500.000	-1.500.000
Capitalised development costs	0	0	-2.465.291	2.465.291	0
	227.273	**-20.861.391**	**-2.465.291**	**37.042.202**	**13.942.793**
Dividends	0	0	0	0	0
Transactions with owners	**0**	**0**	**0**	**0**	**0**
Equity as at 31-12-2021	**829.541**	**0**	**9.958.682**	**16.583.012**	**27.371.235**
Statement of changes in equity 01-01-2022 - 30-06-2022					
Equity as at 01-01-2022	829.541	0	9.958.682	16.583.012	27.371.235
Net profit for the year	0	0	0	-4.314.048	-4.314.048
Share based payments	0	0	0	162.976	162.976
Share capital	0	0	0	0	0
Transaction costs	0	0	0	0	0
Capitalised development costs	0	0	-298.671	298.671	0
	0	**0**	**-298.671**	**-3.852.401**	**-4.151.072**
Dividends	0	0	0	0	0
Transactions with owners	**0**	**0**	**0**	**0**	**0**
Equity as at 30-06-2022	**829.541**	**0**	**9.660.011**	**12.730.610**	**23.220.162**

Cash flow statement

	30-06-2022 DKK	30-06-2021 DKK
Loss before tax	-5.118.151	-7.236.812
Adjustment of non-cash transactions:		
Depreciation, amortisation and impairment losses	651.643	3.169.855
Share based payments	162.976	162.976
Financial income	0	-32
Financial expenses	12.202	223.911
Change in working capital:		
Inventories	-471.743	-79.906
Receivables	149.409	-207.947
Trade payables	-23.827	-1.076.066
Prepaid expenses	-83.490	-41.344
Other liabilities	19.705	258.802
Corporate tax	0	0
Net cash from operating activities before net financials	**-4.701.276**	**-4.826.563**
Financial income received	0	32
Financial expenses paid	-12.202	-223.911
Net cash from operating activities	**-4.713.478**	**-5.050.442**
Purchase of other intangible assets	0	0
Purchase of tangible assets	0	0
Net cash used in investing activities	**0**	**0**
Loans from shareholders	0	-3.106.029
Capital increase, net	0	23.499.997
Net cash received from financing activities	**0**	**20.393.968**
Total cash flows for the year	**-4.713.478**	**15.343.526**
Cash and cash equivalents beginning of year	11.403.247	135.749
Cash equivalents end of year	**6.689.768**	**15.479.275**
Cash and cash equivalents, end of year, comprises:		
Cash and cash equivalents	6.689.768	15.479.275
Total	**6.689.768**	**15.479.275**

1. Accounting policies

1.1 Basis of preparation
The Financial Statements of Reponex Pharmaceuticals A/S have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the EU, IFRIC interpretations and with those parts of the Danish Financial Statements Act applicable to companies reporting under IFRS.

IFRS is subject to amendment and interpretation by the IASB and the IFRS Interpretations Committee, and there is an on-going process of review and endorsement by the European Commission. These accounting policies comply with each IFRS that is mandatory for accounting periods ending on 30 June 2022.

The financial statements have been prepared on the going concern basis and have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities including derivative financial instruments. The principal accounting policies set out below have been consistently applied to all periods presented.

1.2 Foreign currency translation

Functional and presentation currency

The financial statements are presented in currency DKK, which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.
Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

1.3 Revenue
No revenue is recognized in the financial statements.

1.4 Research and development costs
Research and development costs primarily comprise internal and external costs related to development studies, employee costs and materials.

1.5 Administrative costs
Administrative costs comprise costs incurred during the year concerning management and administration, including costs concerning administrative staff, the executive board, office premises, stationery and office supplies.

1.6 Net financials
Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial

1.7 Share based employee remuneration

The Company operates equity-settled share-based remuneration plans for its employees and member of the board of directors. None of the Company's plans are cash-settled.
Where employees and member of the board of directors are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets and performance conditions).

1. Accounting policies - continued -

All share-based remuneration is ultimately recognized as an expense in profit or loss with a corresponding credit to retained earnings. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.
Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication the number of warrants expected to vest differs from previous estimates. Any adjustments to cumulative share-based compensation resulting from a revision is recognized in the current period. The number of vested warrants ultimately exercised by holders does not impact the expense recorded in any period.
Upon exercise of warrants, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

1.8 Intangible assets

Finalized development projects
Capitalized development costs comprise e.g. salaries and wages, raw materials and other external costs such as fees to hospitals etc. which are directly attributable to development activities.

Patents and development costs recognised in the balance sheet are measured at cost less accrued amortization and writedowns for impairment. Development projects are amortized according to the straight-line method over their estimated useful lives from the time when the asset is ready for use. Patents and finalized development projects are amortized over 14 year based on the remaining lifetime of the patent. Amortization methods, useful years and residual values are reviewed every year.

Gain and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Gain or loss are recognised in the profit and loss account as other operating income or other operating expenses respectively.

Development projects in progress
The assesment of development projects in progress are based on the expected regulatory approval to market the product under development. Given the base of the products is already approved for other indications, management believe it is highly likely that the regulatory approval will be obtained.

Costs that are directly attributable to a project's development phase are recognized as intangible assets, provided they meet all of the following recognition requirements as set out in IAS 38.57:
- the development costs can be measured reliable
- the project is technically and commercially feasible
- the Company intents to and has sufficient resources to complete the project
- the Company has the ability to use or sell the projects
- the project will generate probable future economic benefits.

Intangible assets are tested for impairment according to note 1.10.

Development costs not meeting these criteria for capitalization are expensed as incurred.

1.9 Tangible assets

Equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

1. Accounting policies - continued -

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

1.9 Leased assets

Operating leases
The Company assesses whether a contract is or contains a lease at inception of the contract. The Company recognizes right-of-use assets and corresponding lease liabilities at the lease commencement date, except for short-term leases and leases of low value. For these leases, lease payments is recognized as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus initial costs incurred.

The right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are from the commencement date depreciated over the shorter period of lease term and useful life of the underlying asset. The estimated useful lives of right-of-use asstest are determined on the same basis as those of the Company's corresponding assests such as property, plants and equipment. In additio, right-of-use assets are periodically reduced by impairment losses, if any, and adjusted in accordance with lease liabilities.

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate connot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liabilities comprise the following:
- Fixed payments.
- Variable payments, dependent on an index or rate.
- The exercise price of a purchase option if it is reasonably certain that the option will be exercized.
- Amounts expected to be payable under residual value guarantees.

The lease liabilities are subsequently measured at amortized cost using the effectiv interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if management changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets, or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

1. Accounting policies - continued -

1.10 Impairment testing of intangible assets and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Development projects in progres are tested for impairment, project by project, at least annually. All other individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

1.11 Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management. Borrowing costs are not recognised in cost.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

1.12 Financial instruments

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables (amortisized costs)
- financial assets at fair value through profit or loss (FVTPL)
- held-to-maturity (HTM) investments.

1. Accounting policies - continued -

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.
All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Financial assets at FVTPL
A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Comapny manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

HTM investments
HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the Company has the intention and ability to hold them until maturity. The Company do not currently hold any items designated into this category.

HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

1.13 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

1. Accounting policies - continued -

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company`s forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income, or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

1.14 Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

1.15 Equity, reserves and dividend payments
Share capital represents the nominal value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Other components of equity include the following:
Reserve for capitalised development costs - comprises other development projects.

Retained earnings includes all current and prior period retained profits and share-based employee remuneration.

All transactions with owners are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

1.16 Provisions, contingent assets and contingent liabilities
Provisions for legal disputes, onerous contracts or other claims are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

1. Accounting policies - continued -

1.17 Significant management judgement in applying accounting policies and estimation uncertainty
When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement
The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Capitalization of development costs
Reponex Pharmaceuticals A/S is confident it will obtain approval of its pipeline products, as the products are based on an existing approved drug, and hold the evidence to support this. Reponex Pharmaceuticals A/S is also confident, that it will acquire the necessary resources through installments, pay off´s or milestonepayment to complete its development projects. Thus, management judge that the technical feasilibity and other criterias set out in section 1.8 of the accounting policies are met.

The management has historically recognised certain development costs in the balance sheet under intangible non-current assets, based on the assumption that it is assesed likely that they will generate future positive cash flow, and amortised there costs over the lifetime of the related patent. Due to the inherent risk related to the development of drugs for treatment of diseases, the accounting estimates related to the development of drugs are in nature subject to material uncertainty.

Estimation uncertainty
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment
In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see note 1.10).

Useful lives of depreciable assets
Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software application systems and development projects.

2. Nature of operations

Reponex Pharmaceuticals A/S 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.

3. Employee remuneration	1/1-30/6-2022 DKK	1/1-30/6-2021 DKK
Wages and salaries	1.060.864	787.387
Share based payments	162.976	163.977
Pensions	0	0
Social security costs	8.314	0
Total	**1.232.154**	**951.363**

Renumeration are recognized as follows in the income statement

Research and development costs	0	620.000
Administrative costs	1.232.154	331.363
Total	**1.232.154**	**951.363**

	1/1-30/6-2022 Number	1/1-30/6-2021 Number
Average number of employees in the period	2	2
Total	**2**	**2**

Remuneration of Directors	1/1-30/6-2022 DKK	1/1-30/6-2021 DKK
Remuneration	761.432	487.387
Share based payments	142.605	129.024
Total remuneration for Directors	**904.037**	**616.410**

As at 30. June 2022, the company maintained a share-based payment scheme for employee remuneration. The program will be settled in equity.

Exercise of warrants

The Warrant Holder may only exercise the Warrants in connection with an Exit, as defined below, or, in the event that no Exit occurs, within the last 4 weeks prior to expiry of the Warrants.

An "Exit" shall mean (i) an initial public offering (IPO) of the Company's shares; (ii) a trade sale of the majority of the Company's shares (for cash or share consideration); (iii) the entering into a partnership or joint venture agreement stipulating a future acquisition of the Company by the partner; (iv) a merger whereby the Company is the discontinuing entity, (v) a sale of the Company's activities, including a sale of all or a material part of the Company's assets or all or a material part of the Company's intellectual property rights; (vi) licensing of all or a material part of the intellectual property rights of the Company in a way, which can be considered equal to an Exit; (vii) dissolution or liquidation of the The Warrant Holder may only exercise the Warrants in connection with an Exit, as defined below, or, in the vent that no Exit occurs, within the last 4 weeks prior to expiry of the Warrants.

An "Exit" shall mean (i) an initial public offering (IPO) of the Company's shares; (ii) a trade sale of the majority of the Company's shares (for cash or share consideration); (iii) the entering into a partnership or joint venture agreement stipulating a future acquisition of the Company by the partner; (iv) a merger whereby the Company is the discontinuing entity, (v) a sale of the Company's activities, including a sale of all or a material part of the Company's assets or all or a material part of the Company's intellectual property rights; (vi) licensing of all or a material part of the intellectual property rights of the Company in a way, which can be considered equal to an Exit; (vii) dissolution or liquidation of the Company; or (viii) a combination of the above.

3. Employee remuneration - continued

A sale of the Company's share capital or assets is not considered an Exit, if the buyer is an affiliated company.
Prior to the realisation of an Exit, the Company is obligated to notify the Warrant Holders prior to the completion of such Exit without undue delay ("Exit Notification"). The Exit Notification shall inform the Warrant Holders of the upcoming Exit and the banking details on where to transfer the Subscription Amount (as defined in section 6.4). Issue of the Exit Notification shall mark the beginning of a period of 10 business days in which the Warrant Holder will be able to exercise the Warrants ("Exercise Period").
Warrants that are not exercised within the Exercise Period will lapse automaticly, without further notice or compensation upon the expiry of the Exercise Period.

Share based employee remuneration

Grant date	**27. Aug. 2020**
Vesting period ends	15. Sept. 2023
Share price (DKK) at date of grant	45,00
Volatility	20,58%
Option period	3,7 years
Risk-free rate	-0,34%
Fair value (DKK) per option at grant date	2,255
Exercise price (DKK) at date of grant	62,50

The estimate of the grant date fair value at each warrant issued is based on the Black-Scholes model. The standard volatility is calculated on the basis of daily returns on pharmaceutical companies on STOXX 24 months before the grant of warrants. As the risk free rate, the 10-year treasury bond rate is used. An avagrage of August 2020 (-0,34%) has been used as risk-free rate.

The total calculated share bases employee remuneration of DKK 543.254 has been recognized with 30% in the interim financial report of 2022. Total value of warrants is calculated by using total warrants of 240.908 multiplied with the fair value (DKK) per option at grant date.

4. Financial expenses	1/1-30/6-2022 DKK	1/1-30/6-2021 DKK
Interest expenses on liabilities measured at cost	12.202	223.911
Foreign exchange gains, net	0	0
Total	**12.202**	**223.911**

5. Tax	1/1-30/6-2022 DKK	1/1-30/6-2021 DKK
Tax on profit for the period:		
Current tax	-804.102	-643.249
Change in deferred tax	-523.725	-1.094.941
Deferred tax asset not capitalized	523.725	0
Total	**-804.102**	**-1.738.190**
Reconciliation of effective tax rate:		
Loss before tax	-5.118.151	-7.236.812
Tax computed on the profit before tax at a tax rate of 22%	-1.125.993	-1.592.099
Permanent differences and not capitalized tax asset	321.891	-146.091
Total - Effective tax rate (15,7%)	**-804.102**	**-1.738.190**

	1/1-30/6-2022 DKK	1/1-30/6-2021 DKK
Deferred tax is related to the following assets and liabilities:		
Deferred taxes arising from temporary differences are summarised below:		
Intangible assets	2.663.721	2.889.739
Tangible assets	0	-737
Taxable loss carried forward	-3.407.373	-2.496.002
Deferred tax asset not capitalized	743.652	0
Total deferred tax	**0**	**392.999**
which is categorised as follows:		
Non-current deferred tax	**0**	**392.999**
Current tax asset		
Tax reimbursement, calculated for the period	-804.102	-643.249
Tax reimbursement, previous years	-1.483.485	-1.185.952
Tax paid on account	0	0
Current tax asset, total	**-2.287.588**	**-1.829.201**

The accounting policies relating to development costs and deferred tax involve estimates. The actual result may differ significantly from the estimates, which could materially affect the reported financial position and results.

6. Intangible assets

	Patents and licenses	Completed develop-ment projects	Total
Financial year 2021			
Cost as at 01-01-2021	7.006.318	12.423.971	19.430.289
Additions during the year	0	0	0
Disposals during the year	-1.184.487	-1.392.964	-2.577.451
Cost as at 31-12-2021	**5.821.831**	**11.031.007**	**16.852.838**
Amortisation and impairment losses as at 01-01-2021	2.469.897	0	2.469.897
Amortisation during the year	261.530	765.823	1.027.353
Amortisation and impairment losses as at 31-12-2021	**2.731.427**	**765.823**	**3.497.250**
Carrying amount as at 31-12-2021	**3.090.404**	**10.265.184**	**13.355.588**
Financial year 2022			
Cost as at 01-01-2022	5.821.831	11.031.007	16.852.838
Disposals during the period	0	0	0
Cost as at 30-06-2022	**5.821.831**	**11.031.007**	**16.852.838**
Amortisation and impairment losses as at 01-01-2022	2.731.427	765.823	3.497.250
Amortisation during the period	130.765	382.912	513.676
Amortisation and impairment losses as at 30-06-2022	**2.862.192**	**1.148.735**	**4.010.926**
Carrying amount as at 30-06-2022	**2.959.639**	**9.882.272**	**12.841.912**

All recognized intangible assets have definite useful lives.

7. Tangible assets and right-of-use assets

	Equipment	Total
Financial year 2022		
Costs as at 01-01-2022	16.090	16.090
Costs as at 30-06-2022	**16.090**	**16.090**
Depreciation and impairment losses at 01-01-2022	16.090	16.090
Depreciation during the period	0	0
Depreciation and impairment losses at 30-06-2022	**16.090**	**16.090**
Carrying amount as at 30-06-2022	**0**	**0**

	Rent facilities	Total
Right-of-use assets and lease liabilities		
Impact from applying IFRS 16 as of January 1, 2022	473.780	473.780
Additions during the period	385.784	385.784
Depreciations during the period	-137.967	-137.967
Right-of-use assets as of June 30, 2022	**721.597**	**721.597**

Lease liabilities	30.06.2022
Current	282.211
Non-current	439.386
Lease liabilities	**721.597**

Amounts included in the income statement	30.06.2022
Interest expense leases	12.033
Depreciation recognized on right-of-use assets	137.967
Cost recognized for short term leases (less than 12 months)	**150.000**

For the first 2 quarters of 2022, the total cash outflow relating to leases was DKK 150.000, split between interests DKK 12.033 and repayment of DKK 137.967.

8. Financial assets and liabilities

Accounting policies, note 1.12, provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as

30 June 2022

	Held for trading (FVTPL) (carried at fair value)	Loans and other receivables (carried at amortised cost)	**Total**
Financial assets			
Trade and other receivables	0	4.838.727	4.838.727
Cash and cash equivalents	0	6.689.768	6.689.768
Other short term financial assets	**0**	**11.528.495**	**11.528.495**
Total financial assets	**0**	**11.528.495**	**11.528.495**

	Derivatives measured at fair value (carried at fair value)	Other liabilities (carried at amortised cost)	**Total**
Financial liabilities			
Trade and other payables	0	1.432.456	1.432.456
Long term liabilities	0	439.386	439.386
Total financial liabilities	**0**	**1.871.842**	**1.871.842**

31 December 2021

	Held for trading (FVTPL) (carried at fair value)	Loans and other receivables (carried at amortised cost)	**Total**
Financial assets			
Trade and other receivables	0	3.628.799	3.628.799
Cash and cash equivalents	0	11.403.247	11.403.247
Other short term financial assets	**0**	**15.032.045**	**15.032.045**
Total financial assets	**0**	**15.032.045**	**15.032.045**

	Derivatives measured at fair value (carried at fair value)	Other liabilities (carried at amortised cost)	Total
Financial liabilities			
Trade and other payables	0	1.174.297	1.174.297
Long term liabilities	0	162.643	162.643
Total financial liabilities	**0**	**1.336.940**	**1.336.940**

Financial assets and liabilities measured at fair value, the methods used to measure fair value are described in accounting policies, note 1.12.

All of the above financial assets and liabilities carrying values are approximate to their fair values due to their short term nature as at 30 June 2022, 31 December 2021 and 1 January 2021 with the exception of held for trading assets and derivative financial instruments which are carried at their fair values.

	30-06-2022 DKK	2021 DKK
9. Inventories		
Raw materials	1.632.602	1.160.859
Total inventories	**1.632.602**	**1.160.859**

The costs of individual items of inventory are determined using weighted average costs.
No write-down have been made during the financials period.

	30-06-2022 DKK	2021 DKK
10. Prepayments and other receivables		
Prepayments	106.048	22.558
Other receivables	812.489	961.898
Non-financial assets	**918.537**	**984.455**

All amounts are short term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

All of the Company's trade and other receivables have been reviewed for indications of impairment. No such indications was found.

	30-06-2022 DKK	2021 DKK
11. Cash and cash equivalent		
Cash	6.689.768	11.403.247
Total	**6.689.768**	**11.403.247**

12. Equity

Share capital

The Company's share capital consists of 8.295.409 ordinary shares of DKK 0,10 each. The shares are fully paid in. All shares are equally elligble to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting.

Retained earnings

Retained earnings represent retained profits.

Reserve for capitalised development costs

Reserve for capitalised development costs represent the activated development costs from January 1, 2016, less deferred tax.

Capital management policies and procedures

The Company's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return to shareholders.

The Company monitors capital on the basis of the carrying amount of equity plus borrowings, less cash and cash equivalents as presented on the statement of financial position.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

13. The Company's funding for 2022 / 2023

Reponex Pharmaceuticals A/S is a capital consuming company due to investments in development activities. The Company have the necessary funding until the end of June 2023 provided either through entering into partnering, license agreements or industrial alliances due to strong data of the company's clinical pipeline, or from loans or share capital from shareholders.

14. Trade payables	30-06-2022 DKK	2021 DKK
Trade payables	721.850	745.678
Trade and other payables - current	**721.850**	**745.678**

15. Other liabilities	30-06-2022 DKK	2021 DKK
A-tax (withholding tax) and other social securities	101.114	120.526
Holiday payrolls	103.064	60.000
Loan from shareholders	0	0
Other liabilities	224.216	90.195
Lease liabilities	282.211	157.899
Other liabilities - current	**710.605**	**428.619**

16. Contingent liabilities

Based on management's assesment, the Company is not involved in any lawsuites, arbitration cases or other matters which could have a material impact on the Company's financial position or result of operations.

17. Operating and financial lease commitments

The Company's annual rent obligation amounts to TDKK 300. (2021: TDKK 165).

18. Financial risks and financial instruments

Risk management policy
Management manages the Company’s financial risks. The management of the company's risks is included in the management's day-to-day monitoring of the Company. The Company is exposed to few 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
Due to the nature of the business, credit risk is deemed minimal. The maximum credit risk relating to receivables corresponds to the carrying amount.

Interest rate risks
The Company is only exposed to interest rate risks in connection with deficit liquidity, as the Company only have loans from shareholders, the risk is deemed minimal.

Foreign currency risk
The Company is subject to currency risks on payables and receivables in foreign currency, and purchases of services in

Liquidity risk
The company liquidity risks covers the risk that the Company is not able to meet its liabilities as they fall due. The Company is not subject to material liquidity risks. Reference is made to the information in note 13.
The maturities of financial liabilities appear from the tables below. All amounts are contractual cash flows, i.e. inclusive of interest.

18. Financial risks and financial instruments - continued

	Within 1 year	1-2 year(s)	2-5 years	Over 5 years	Total
As at 31 December 2021					
Trade payables	745.678	0	0	0	745.678
Loan from shareholders	0	0	0	0	0
Other payables	428.619	162.643	0	0	591.262
Total	**1.174.297**	**162.643**	**0**	**0**	**1.336.940**

All financial liabilities as at 31 December 2021 are measured at amortised cost.

	Within 1 year	1-2 year(s)	2-5 years	Over 5 years	Total
As at 30 June 2022					
Trade payables	721.850	0	0	0	721.850
Other payables	710.605	439.386	0	0	1.149.991
Total	**1.432.456**	**439.386**	**0**	**0**	**1.871.842**

All financial liabilities as at 30 June 2022 are measured at amortised cost.

19. Events occuring after the balance sheet date

No significant events has occured after 30th. Of June 2022.

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"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Klaus Snej Jensen
Adm. direktør
Serienummer: PID:9208-2002-2-076384090400
IP: 89.23.xxx.xxx
2022-10-07 07:45:49 UTC
NEM ID

Thomas Kaas Selsø
CFO
Serienummer: a3b2b623-f2a9-4d6c-b55f-6f477413a0a3
IP: 87.54.xxx.xxx
2022-10-07 07:45:58 UTC
MitID

Søren Nielsen
Bestyrelsesformand
Serienummer: PID:9208-2002-2-679002372553
IP: 87.54.xxx.xxx
2022-10-07 08:13:24 UTC
NEM ID

Lisbeth Thyregod
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-902222220286
IP: 83.91.xxx.xxx
2022-10-07 09:59:03 UTC
NEM ID

Troels Peter Troelsen
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-590291427440
IP: 212.130.xxx.xxx
2022-10-07 13:06:32 UTC
NEM ID

Charlotte Pahl
Bestyrelsesmedlem
Serienummer: 1472f427-285c-4a73-a4b4-f7f43e995071
IP: 213.83.xxx.xxx
2022-10-07 13:28:15 UTC
MitID

Christian Vinding Thomsen
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-273852296076
IP: 216.158.xxx.xxx
2022-10-08 13:41:27 UTC
NEM ID

Ulrik Bloch-Sørensen
Statsautoriseret revisor
Serienummer: PID:9208-2002-2-910788993435
IP: 87.51.xxx.xxx
2022-10-09 18:30:10 UTC
NEM ID

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Martin Bomholtz
Statsautoriseret revisor
Serienummer: PID:9208-2002-2-013768766685
IP: 62.243.xxx.xxx
2022-10-10 08:09:02 UTC

NEM ID

Reponex Pharmaceuticals A/S

Annual report

for the year ended 31 December 2021

Reponex Pharmaceuticals A/S

Slotsmarken 12, 1., 2970 Hørsholm, Denmark
Registered number: 30 08 23 46

The annual report has been presented and adopted by the general meeting April 21, 2022.

Martin Allan Christensen
Chairman of the general meeting

Contents

Company information

Executive management	Klaus Snej Jensen Thomas Kaas Selsø
Board of directors	Søren Nielsen, chairman Troels Peter Troelsen Charlotte Pahl Lisbeth Thyregod Christian Vinding Thomsen
Registered number	30 08 23 46
Registered office	Slotsmarken 12, 1. th. 2970 Hørsholm Denmark
Independent auditor	Grant Thornton Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø

The Company's principal activities

Reponex Pharmaceuticals A/S 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's ambition to create value through the company's 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 the company's 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 create relevant humane resources fast, which is considered a key factor and driver of success.

It is Reponex's 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 financial statements requires the making of estimates and judgements that effects the reporting of assets, liabilities and expenses. The estimates and judgments are reviewed on an ongoing basis. Estimates and judgements are based on historical results and on various other assumptions, which Reponex believes to be resonable under the circumstances. However, the actual result may differ significantly from the estimates. We believe that the accounting policies relating to intangible assets involve estimates or judgements that could affect the reported financial position and results.

Development in activities and financial matters

Financials

The result for the year, a deficit of DKK 9.883 thousand, is in line with the management's expectations in view of the Company's level of activity.

With a display of loyalty from the Company's shareholders and a substantial oversubscription, Reponex completed a successful cash share issue in June 2021 that strenghtened the working capital.

Reponex do not expect commercial revenue until the fiscal year 2022 or later. Therefore it is vital that the company always has sufficient financial resources.
The Company has a satisfactory funding until the end of 2022 to continue the operation of the Company as planned.

Organization
Reponex has per March 1st, 2021 employed Klaus Snej Jensen as CEO of the Company.

Reponex has entered into an agreement with Executive Chairman of the Board facilitating daily cooperation with the CEO.

Clinical programs

Reponex's phase II clinical trial on the local treatment of cancer-promoting colon bacteria in patients with colorectal cancer and adenomas continued enrollment of patients during the year.

Reponex's phase II clinical trial on the local treatment of pouchitis (Inflamatory Bowel Disease - IBD) started enrollment of patients during the year.

Reponex's phase II clinical trial on the local treatment of chronic venous leg ulcers started enrollment of patients during the year.

Reponex's initial testing on the Company's advanced drug delivery project has shown positive data on recovery of biological agents after exposure to stomach environment (pH 1.6).

Events after the end of the financial year

Reponex has per March 1st, 2022 employed Thomas Kaas Selsø as new CFO of the Company.

On April 5th, 2022, Blue Vision A/S submitted a conditional purchase offer for 100% of the issued share capital in Reponex Pharmaceuticals A/S.
The offer in its entirety can be read on Blue Vision A/S's website www.blue-vision.dk.

Blue Vision A/S is a Danish limited liability company. The company's A-shares are admitted to trading and official listing on Nasdaq OMX Copenhagen, Main Market.

Management's Report

The Board of Directors and the Executive management have today considered and approved the annual report of Reponex Pharmaceauticals A/S for the financial year 1 January 2021 - 31 December 2021.

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and further requirements in the Danish Financial Statement Act.

We consider the accounting policies used appropriate, and in our opinion the financial statements provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2021 and of the company's results of its activities and cash flow in the financial year 1 January to 31 December 2021.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is submittet for adoption by the general meeting.

Hørsholm, April 20th, 2022

Executive management

Klaus Snej Jensen, CEO

Thomas Kaas Selsø, CFO

Board of directors

Søren Nielsen
Chairman

Troels Peter Troelsen

Lisbeth Thyregod

Charlotte Pahl

Christian Vinding Thomsen

Independent auditor's report

To the shareholders of Reponex Pharmaceuticals A/S

Opinion

We have audited the financial statements of Reponex Pharmaceuticals A/S for the financial year January 1 – December 31, 2021, which comprise accounting policies, income statement, statement of financial position and notes. The financial statements have been prepared in accordance with International Reporting Standards as endorsed by the EU and further requirements in the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the company at December 31, 2021 and of the results of the company's operations and cash flows for the financial year January 1 – December 31, 2021 in accordance with International Reporting Standards as issued by the International Accounting Standards Board (IASB) and adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with International Ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a fair view in accordance with the International Reporting Standards as adopted by EU and additional requirements Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

Statement on the Management´s Review

Management is responsible for the Management´s Review.

Our opinion on the financial statements does not cover the Management`s review, and we do express no assurance opinion thereon.

In connection with our audit of the financial statements, it is our responsibility to read the Management´s Review and to consider whether the Management´s Review is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the Management´s Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that Management´s Review is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the Management´s Review.

Copenhagen. April 20th, 2022

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

Ulrik Bloch-Sørensen
State Authorised Public Accountant
mne 2913

Martin Bomholtz
State Authorised Public Accountant
mne34117

Statement of comprehensive income

Note		2021 DKK	2020 DKK
	Revenue	**0**	**0**
	Cost of sales	0	0
	Gross profit	**0**	**0**
3	Research and development costs	-5.103.536	0
3	Administrative costs	-3.736.904	-2.144.986
	Profit before depreciation, amortisation and impairment losses (EBITDA)	**-8.840.440**	**-2.144.986**
6,7	Depreciation, amortisation and impairment of tangible and intangible assets	-3.763.405	-157.039
	Operating profit (EBIT)	**-12.603.845**	**-2.302.025**
	Financial income	32	0
4	Financial expenses	-250.767	-80.782
	Profit before tax	**-12.854.580**	**-2.382.807**
5	Tax on profit for the year	2.971.424	877.908
	Net profit for the year	**-9.883.156**	**-1.504.899**
	Total comprehensive income	**-9.883.156**	**-1.504.899**

Statement of financial position

ASSETS

Note		31-12-2021 DKK	31-12-2020 DKK
	Non-current assets		
6	Intangible assets	13.355.588	16.960.392
7	Tangible assets	0	5.363
7	Right-of-use assets	320.542	0
	Total non-current assets	**13.676.130**	**16.965.755**
	Current assets		
9	Inventories	1.160.859	1.040.012
10	Other receivables	961.898	865.374
10	Prepaid expenses	22.558	216.029
5	Current tax receivable	1.483.485	1.185.952
11	Cash and cash equivalents	11.403.247	135.749
	Total current assets	**15.032.046**	**3.443.116**
	Total assets	**28.708.175**	**20.408.871**

EQUITY AND LIABILITIES

Note		31-12-2021 DKK	31-12-2020 DKK
	Share capital	829.541	602.268
	Share premium account	0	20.861.391
	Reserve for capitalised development costs	9.958.682	12.423.973
	Retained earnings	16.583.012	-20.459.191
12	**Total equity**	**27.371.235**	**13.428.441**
5	Provision for deferred tax	0	1.487.941
	Total provisions	**0**	**1.487.941**
7	Lease liabilities	162.643	0
	Total long-term liabilities	**162.643**	**0**
14	Trade payables	745.678	1.858.210
15	Other liabilities	428.619	3.634.278
	Total current liabilities	**1.174.297**	**5.492.489**
	Total liabilities other than provisions	**1.336.940**	**5.492.489**
	Total equity and liabilities	**28.708.175**	**20.408.871**

	Share capital	Share premium account	Reserve for capitalised development costs	Retained earnings	Total equity
Statement of changes in equity 01-01-2020 - 31-12-2020					
Equity as at 01-01-2020	602.268	20.861.391	8.610.405	-15.140.724	14.933.340
Net profit for the year	0	0	0	-1.504.899	-1.504.899
Capitalised development costs	0	0	3.813.568	-3.813.568	0
	0	**0**	**3.813.568**	**-5.318.467**	**-1.504.899**
Dividends	0	0	0	0	0
Transactions with owners	**0**	**0**	**0**	**0**	**0**
Equity as at 31-12-2020	**602.268**	**20.861.391**	**12.423.973**	**-20.459.191**	**13.428.441**
Statement of changes in equity 01-01-2021 - 31-12-2021					
Equity as at 01-01-2021	602.268	20.861.391	12.423.973	-20.459.191	13.428.441
Net profit for the year	0	0	0	-9.883.156	-9.883.156
Share based payments	0	0	0	325.952	325.952
Share capital	227.273	-20.861.391	0	45.634.115	24.999.997
Transaction costs	0	0	0	-1.500.000	-1.500.000
Capitalised development costs	0	0	-2.465.291	2.465.291	0
	227.273	**-20.861.391**	**-2.465.291**	**37.042.203**	**13.942.794**
Dividends	0	0	0	0	0
Transactions with owners	**0**	**0**	**0**	**0**	**0**
Equity as at 31-12-2021	**829.541**	**0**	**9.958.682**	**16.583.012**	**27.371.235**

Cash flow statement

	2021 DKK	2020 DKK
Loss before tax	-12.854.580	-2.382.807
Adjustment of non-cash transactions:		
Depreciation, amortisation and impairment losses	3.763.405	157.039
Share based payments	325.952	0
Financial income	-32	0
Financial expenses	250.767	80.782
Change in working capital:		
Inventories	-120.847	-156.674
Receivables	-96.524	-231.587
Trade payables	-1.112.545	664.297
Prepaid expenses	193.471	-12.488
Other liabilities	-106.755	29.671
Corporate tax	1.185.952	964.513
Net cash from operating activities before net financials	**-8.571.735**	**-887.255**
Financial income received	32	0
Financial expenses paid	-250.767	-80.782
Net cash from operating activities	**-8.822.470**	**-968.037**
Purchase of other intangible assets	0	-4.844.158
Purchase of tangible assets	0	0
Net cash used in investing activities	**0**	**-4.844.158**
Loans from shareholders	-3.410.029	3.410.029
Capital increase, net	23.499.997	0
Net cash received from financing activities	**20.089.968**	**3.410.029**
Total cash flows for the year	**11.267.498**	**-2.402.166**
Cash and cash equivalents beginning of year	135.749	2.537.915
Cash equivalents end of year	**11.403.247**	**135.749**
Cash and cash equivalents, end of year, comprises:		
Cash and cash equivalents	11.403.247	135.749
Total	**11.403.247**	**135.749**

1. Accounting policies

1.1 Basis of preparation

The Financial Statements of Reponex Pharmaceuticals A/S have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the EU, IFRIC interpretations and with those parts of the Danish Financial Statements Act applicable to companies reporting under IFRS.

IFRS is subject to amendment and interpretation by the IASB and the IFRS Interpretations Committee, and there is an on-going process of review and endorsement by the European Commission. These accounting policies comply with each IFRS that is mandatory for accounting periods ending on 31 December 2021.

The financial statements have been prepared on the going concern basis and have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities including derivative financial instruments. The principal accounting policies set out below have been consistently applied to all periods presented.

1.2 Foreign currency translation

Functional and presentation currency

The financial statements are presented in currency DKK, which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.
Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

1.3 Revenue

No revenue is recognized in the financial statements.

1.4 Research and development costs

Research and development costs primarily comprise internal and external costs related to development studies, employee costs and materials.

1.5 Administrative costs

Administrative costs comprise costs incurred during the year concerning management and administration, including costs concerning administrative staff, the executive board, office premises, stationery and office supplies.

1.6 Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial

1.7 Share based employee remuneration

The Company operates equity-settled share-based remuneration plans for its employees and member of the board of directors. None of the Company's plans are cash-settled.
Where employees and member of the board of directors are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets and performance conditions).

1. Accounting policies - continued -

All share-based remuneration is ultimately recognized as an expense in profit or loss with a corresponding credit to retained earnings. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.
Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication the number of warrants expected to vest differs from previous estimates. Any adjustments to cumulative share-based compensation resulting from a revision is recognized in the current period. The number of vested warrants ultimately exercised by holders does not impact the expense recorded in any period.
Upon exercise of warrants, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

1.8 Intangible assets

Finalized development projects
Capitalized development costs comprise e.g. salaries and wages, raw materials and other external costs such as fees to hospitals etc. which are directly attributable to development activities.

Patents and development costs recognised in the balance sheet are measured at cost less accrued amortization and writedowns for impairment. Development projects are amortized according to the straight-line method over their estimated useful lives from the time when the asset is ready for use. Patents and finalized development projects are amortized over 14 year based on the remaining lifetime of the patent. Amortization methods, useful years and residual values are reviewed every year.

Gain and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Gain or loss are recognised in the profit and loss account as other operating income or other operating expenses respectively.

Development projects in progress
The assesment of development projects in progress are based on the expected regulatory approval to market the product under development. Given the base of the products is already approved for other indications, management believe it is highly likely that the regulatory approval will be obtained.

Costs that are directly attributable to a project's development phase are recognized as intangible assets, provided they meet all of the following recognition requirements as set out in IAS 38.57:
- the development costs can be measured reliable
- the project is technically and commercially feasible
- the Company intents to and has sufficient resources to complete the project
- the Company has the ability to use or sell the projects
- the project will generate probable future economic benefits.

Intangible assets are tested for impairment according to note 1.10.

Development costs not meeting these criteria for capitalization are expensed as incurred.

1.9 Tangible assets

Equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

1. Accounting policies - continued -

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

1.9 Leased assets

Operating leases
The Company assesses whether a contract is or contains a lease at inception of the contract. The Company recognizes right-of-use assets and corresponding lease liabilities at the lease commencement date, except for short-term leases and leases of low value. For these leases, lease payments is recognized as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus initial costs incurred.

The right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are from the commencement date depreciated over the shorter period of lease term and useful life of the underlying asset. The estimated useful lives of right-of-use asstest are determined on the same basis as those of the Company's corresponding assests such as property, plants and equipment. In additio, right-of-use assets are periodically reduced by impairment losses, if any, and adjusted in accordance with lease liabilities.

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate connot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liabilities comprise the following:
- Fixed payments.
- Variable payments, dependent on an index or rate.
- The exercise price of a purchase option if it is reasonably certain that the option will be exercized.
- Amounts expected to be payable under residual value guarantees.

The lease liabilities are subsequently measured at amortized cost using the effectiv interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if management changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets, or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

1. Accounting policies - continued -

1.10 Impairment testing of intangible assets and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Development projects in progres are tested for impairment, project by project, at least annually. All other individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

1.11 Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management. Borrowing costs are not recognised in cost.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

1.12 Financial instruments

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables (amortisized costs)
- financial assets at fair value through profit or loss (FVTPL)
- held-to-maturity (HTM) investments.

1. Accounting policies - continued -

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.
All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Financial assets at FVTPL
A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Comapny manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

HTM investments
HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the Company has the intention and ability to hold them until maturity. The Company do not currently hold any items designated into this category.

HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

1.13 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

1. Accounting policies - continued -

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company`s forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income, or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

1.14 Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

1.15 Equity, reserves and dividend payments
Share capital represents the nominal value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Other components of equity include the following:
Reserve for capitalised development costs - comprises other development projects.

Retained earnings includes all current and prior period retained profits and share-based employee remuneration.

All transactions with owners are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

1.16 Provisions, contingent assets and contingent liabilities
Provisions for legal disputes, onerous contracts or other claims are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

1. Accounting policies - continued -

1.17 Significant management judgement in applying accounting policies and estimation uncertainty
When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement
The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Capitalization of development costs
Reponex Pharmaceuticals A/S is confident it will obtain approval of its pipeline products, as the products are based on an existing approved drug, and hold the evidence to support this. Reponex Pharmaceuticals A/S is also confident, that it will acquire the necessary resources through installments, pay off´s or milestonepayment to complete its development projects. Thus, management judge that the technical feasilibity and other criterias set out in section 1.8 of the accounting policies are met.

Estimation uncertainty
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment
In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see note 1.10).

Useful lives of depreciable assets
Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software application systems (development projects).

2. Nature of operations

Reponex Pharmaceuticals A/S 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.

3. Employee remuneration	2021 DKK	2020 DKK
Wages and salaries	1.551.251	573.864
- hereof allocated to intangible assets (development projects)	0	-485.000
Share based payments	325.952	0
Pensions	0	0
Social security costs	12.478	6.536
Total	**1.889.681**	**95.400**

Renumeration are recognized as follows in the income statement

Researh and development costs	1.240.000	0
Administrative costs	649.681	95.400
Total	**1.889.681**	**95.400**

	2021 Number	2020 Number
Average number of employees in the year	2	1
Total	**2**	**1**

Remuneration of Directors	2021 DKK	2020 DKK
Remuneration	951.251	573.864
Share based payments	258.047	0
Total remuneration for Directors	**1.209.298**	**573.864**

As at 31. December 2021, the company maintained a share-based payment scheme for employee remuneration. The program will be settled in equity.

Exercise of warrants
The Warrant Holder may only exercise the Warrants in connection with an Exit, as defined below, or, in the event that no Exit occurs, within the last 4 weeks prior to expiry of the Warrants.
An "Exit" shall mean (i) an initial public offering (IPO) of the Company's shares; (ii) a trade sale of the majority of the Company's shares (for cash or share consideration); (iii) the entering into a partnership or joint venture agreement stipulating a future acquisition of the Company by the partner; (iv) a merger whereby the Company is the discontinuing entity, (v) a sale of the Company's activities, including a sale of all or a material part of the Company's assets or all or a material part of the Company's intellectual property rights; (vi) licensing of all or a material part of the intellectual property rights of the Company in a way, which can be considered equal to an Exit; (vii) dissolution or liquidation of the The Warrant Holder may only exercise the Warrants in connection with an Exit, as defined below, or, in the vent that no Exit occurs, within the last 4 weeks prior to expiry of the Warrants.
An "Exit" shall mean (i) an initial public offering (IPO) of the Company's shares; (ii) a trade sale of the majority of the Company's shares (for cash or share consideration); (iii) the entering into a partnership or joint venture agreement stipulating a future acquisition of the Company by the partner; (iv) a merger whereby the Company is the discontinuing entity, (v) a sale of the Company's activities, including a sale of all or a material part of the Company's assets or all or a material part of the Company's intellectual property rights; (vi) licensing of all or a material part of the intellectual property rights of the Company in a way, which can be considered equal to an Exit; (vii) dissolution or liquidation of the Company; or (viii) a combination of the above.

3. Employee remuneration - continued

A sale of the Company's share capital or assets is not considered an Exit, if the buyer is an affiliated company.
Prior to the realisation of an Exit, the Company is obligated to notify the Warrant Holders prior to the completion of such Exit without undue delay ("Exit Notification"). The Exit Notification shall inform the Warrant Holders of the upcoming Exit and the banking details on where to transfer the Subscription Amount (as defined in section 6.4). Issue of the Exit Notification shall mark the beginning of a period of 10 business days in which the Warrant Holder will be able to exercise the Warrants ("Exercise Period").
Warrants that are not exercised within the Exercise Period will lapse automaticly, without further notice or compensation upon the expiry of the Exercise Period.

Share based employee remuneration

Grant date	**27. Aug. 2020**
Vesting period ends	15. Sept. 2023
Share price (DKK) at date of grant	45,00
Volatility	20,58%
Option period	3,7 years
Risk-free rate	-0,34%
Fair value (DKK) per option at grant date	2,255
Exercise price (DKK) at date of grant	62,50

The estimate of the grant date fair value at each warrant issued is based on the Black-Scholes model. The standard volatility is calculated on the basis of daily returns on pharmaceutical companies on STOXX 24 months before the grant of warrants. As the risk free rate, the 10-year treasury bond rate is used. An avagrage of August 2020 (-0,34%) has been used as risk-free rate.

The total calculated share bases employee remuneration of DKK 543.254 has been recognized with 12/20 in 2021. Total value of warrants is calculated by using total warrants of 240.908 multiplied with the fair value (DKK) per option at grant date.

4. Financial expenses	2021 DKK	2020 DKK
Interest expenses on liabilities measured at cost	250.767	80.762
Foreign exchange gains, net	0	20
Total	**250.767**	**80.782**

5. Tax	2021 DKK	2020 DKK
Tax on profit for the year:		
Current tax	-1.483.485	-1.185.952
Change in deferred tax	-1.707.867	308.044
Deferred tax asset not capitalized	219.927	0
Total	**-2.971.424**	**-877.908**
Reconciliation of effective tax rate:		
Loss before tax	-12.854.580	-2.382.807
Tax computed on the profit before tax at a tax rate of 22%	-2.828.008	-524.217
Permanent differences and not capitalized tax asset	-143.417	-353.690
Total - Effective tax rate (23,1%)	**-2.971.424**	**-877.908**

	31-12-2021 DKK	31-12-2020 DKK
Deferred tax is related to the following assets and liabilities:		
Deferred taxes arising from temporary differences are summarised below:		
Intangible assets	2.776.730	3.569.806
Tangible assets	-885	-590
Taxable loss carried forward	-2.995.772	-2.081.257
Deferred tax asset not capitalized	219.927	0
Total deferred tax	**0**	**1.487.959**
which is categorised as follows:		
Non-current deferred tax	**0**	**1.487.959**
Current tax asset		
Tax reimbursement, calculated for the year	-1.483.485	-1.185.952
Tax reimbursement, previous years	0	0
Tax paid on account	0	0
Current tax asset, total	**-1.483.485**	**-1.185.952**

The accounting policies relating to development costs and deferred tax involve estimates. The actual result may differ significantly from the estimates, which could materially affect the reported financial position and results.

6. Intangible assets

	Patents and licenses	Completed develop-ment projects	Total
Financial year 2020			
Cost as at 01-01-2020	5.975.728	8.610.403	14.586.131
Additions during the year	1.030.590	3.813.568	4.844.158
Disposals during the year	0	0	0
Cost as at 31-12-2020	**7.006.318**	**12.423.971**	**19.430.289**
Amortisation and impairment losses as at 01-01-2020	2.318.221	0	2.318.221
Amortisation during the year	151.676	0	151.676
Amortisation and impairment losses as at 31-12-2020	**2.469.897**	**0**	**2.469.897**
Carrying amount as at 31-12-2020	**4.536.421**	**12.423.971**	**16.960.392**
Financial year 2021			
Cost as at 01-01-2021	7.006.318	12.423.971	19.430.289
Disposals during the year	-1.184.487	-1.392.964	-2.577.451
Cost as at 31-12-2021	**5.821.831**	**11.031.007**	**16.852.838**
Amortisation and impairment losses as at 01-01-2021	2.469.897	0	2.469.897
Amortisation during the year	261.530	765.823	1.027.353
Amortisation and impairment losses as at 31-12-2021	**2.731.427**	**765.823**	**3.497.250**
Carrying amount as at 31-12-2021	**3.090.404**	**10.265.184**	**13.355.588**

All recognized intangible assets have definite useful lives.

7. Tangible assets and right-of-use assets

	Equipment	Total
Financial year 2021		
Costs as at 01-01-2021	16.090	16.090
Costs as at 31-12-2021	**16.090**	**16.090**
Depreciation and impairment losses at 01-01-2021	10.726	10.726
Depreciation during the year	5.363	5.363
Depreciation and impairment losses at 31-12-2021	**16.090**	**16.090**
Carrying amount as at 31-12-2021	**0**	**0**

	Rent facilities	Total
Right-of-use assets and lease liabilities		
Impact from applying IFRS 16 as of January 1, 2021	473.780	473.780
Additions during the year	0	0
Depreciations during the year	-153.238	-153.238
Right-of-use assets as of December 31, 2021	**320.542**	**320.542**

Lease liabilities	2021
Current	157.899
Non-current	162.643
Lease liabilities	**320.542**

Amounts included in the income statement	2021
Interest expense leases	12.118
Depreciation recognized on right-of-use assets	153.238
Cost recognized for short term leases (less than 12 months)	**165.356**

In 2021 the total cash outflow relating to leases was DKK 165.356, split between interests DKK 12.118 and repayment of DKK 153.238.

8. Financial assets and liabilities

Accounting policies, note 1.12, provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as

31 December 2021

	Held for trading (FVTPL) (carried at fair value)	Loans and other receivables (carried at amortised cost)	Total
Financial assets			
Trade and other receivables	0	3.628.799	3.628.799
Cash and cash equivalents	0	11.403.247	11.403.247
Other short term financial assets	**0**	**15.032.046**	**15.032.046**
Total financial assets	**0**	**15.032.046**	**15.032.046**

	Derivatives measured at fair value (carried at fair value)	Other liabilities (carried at amortised cost)	Total
Financial liabilities			
Trade and other payables	0	1.174.297	1.174.297
Long term liabilities	0	162.643	162.643
Total financial liabilities	**0**	**1.336.940**	**1.336.940**

31 December 2020

	Held for trading (FVTPL) (carried at fair value)	Loans and other receivables (carried at amortised cost)	Total
Financial assets			
Trade and other receivables	0	3.307.367	3.307.367
Cash and cash equivalents	0	135.749	135.749
Other short term financial assets	**0**	**3.443.116**	**3.443.116**
Total financial assets	**0**	**3.443.116**	**3.443.116**

	Derivatives measured at (carried at fair value)	Other liabilities (carried at amortised cost)	Total
Financial liabilities			
Trade and other payables	0	5.492.489	5.492.489
Total financial liabilities	**0**	**5.492.489**	**5.492.489**

Financial assets and liabilities measured at fair value, the methods used to measure fair value are described in accounting policies, note 1.12.

All of the above financial assets and liabilities carrying values are approximate to their fair values due to their short term nature as at 31 December 2021, 31 December 2020 and 1 January 2020 with the exception of held for trading assets and derivative financial instruments which are carried at their fair values.

	31-12-2021 DKK	31-12-2020 DKK
9. Inventories		
Raw materials	1.160.859	1.040.012
Total inventories	**1.160.859**	**1.040.012**

The costs of individual items of inventory are determined using weighted average costs.
No write-down have been made during the financials years.

	31-12-2021 DKK	31-12-2020 DKK
10. Prepayments and other receivables		
Prepayments	22.558	216.029
Other receivables	961.898	865.374
Non-financial assets	**984.455**	**1.081.403**

All amounts are short term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

All of the Company's trade and other receivables have been reviewed for indications of impairment. No such indications was found.

	31-12-2021 DKK	31-12-2020 DKK
11. Cash and cash equivalent		
Cash	11.403.247	135.749
Total	**11.403.247**	**135.749**

12. Equity

Share capital

The Company's share capital consists of 8.295.409 ordinary shares of DKK 0,10 each. The shares are fully paid in. All shares are equally elligble to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting.

Retained earnings

Retained earnings represent retained profits.

Reserve for capitalised development costs

Reserve for capitalised development costs represent the activated development costs from January 1, 2016, less deferred tax.

Capital management policies and procedures

The Company's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return to shareholders.

The Company monitors capital on the basis of the carrying amount of equity plus borrowings, less cash and cash equivalents as presented on the statement of financial position.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

13. The Company's funding for 2022

Reponex Pharmaceuticals A/S is a capital consuming company due to investments in development activities. The Company have the necessary funding until the end of 2022 provided either through entering into partnering, license agreements or industrial alliances due to strong data of the company's clinical pipeline, or from loans or share capital from shareholders.

14. Trade payables	31-12-2021 DKK	31-12-2020 DKK
Trade payables	745.680	1.858.210
Trade and other payables - current	**745.680**	**1.858.210**

15. Other liabilities	31-12-2021 DKK	31-12-2020 DKK
A-tax (withholding tax) and other social securities	120.526	81.511
Holiday payrolls	60.000	60.000
Loan from shareholders	0	3.410.029
Other liabilities	90.195	82.738
Lease liabilities	157.899	0
Other liabilities - current	**428.619**	**3.634.278**

16. Contingent liabilities

Based on management's assesment, the Company is not involved in any lawsuites, arbitration cases or other matters which could have a material impact on the Company's financial position or result of operations.

17. Operating and financial lease commitments

The Company's annual rent obligation amounts to TDKK 165. (2020: TDKK 165).

18. Financial risks and financial instruments

Risk management policy
Management manages the Company's financial risks. The management of the company's risks is included in the management's day-to-day monitoring of the Company. The Company is exposed to few 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
Due to the nature of the business, credit risk is deemed minimal. The maximum credit risk relating to receivables corresponds to the carrying amount.

Interest rate risks
The Company is only exposed to interest rate risks in connection with deficit liquidity, as the Company only have loans from shareholders, the risk is deemed minimal.

Foreign currency risk
The Company is subject to currency risks on payables and receivables in foreign currency, and purchases of services in

Liquidity risk
The company liquidity risks covers the risk that the Company is not able to meet its liabilities as they fall due. The Company is not subject to material liquidity risks. Reference is made to the information in note 13.
The maturities of financial liabilities appear from the tables below. All amounts are contractual cash flows, i.e. inclusive of interest.

18. Financial risks and financial instruments - continued

	Within 1 year	1-2 year(s)	2-5 years	Over 5 years	Total
As at 31 December 2020					
Trade payables	1.858.210	0	0	0	1.858.210
Loan from shareholders	3.410.029	0	0	0	3.410.029
Other payables	224.249	0	0	0	224.249
Total	**5.492.489**	**0**	**0**	**0**	**5.492.489**

All financial liabilities as at 31 December 2020 are measured at amortised cost.

	Within 1 year	1-2 year(s)	2-5 years	Over 5 years	Total
As at 31 December 2021					
Trade payables	745.678	0	0	0	745.678
Other payables	428.619	162.643	0	0	591.262
Total	**1.174.297**	**162.643**	**0**	**0**	**1.336.940**

All financial liabilities as at 31 December 2021 are measured at amortised cost.

19. Events occuring after the balance sheet date

On April 5th, 2022, Blue Vision A/S submitted a conditional purchase offer for 100% of the issued share capital in Reponex Pharmaceuticals A/S.

The purchase offer price is DKK 180.55 per share in Reponex Pharmaceuticals A/S.

The shareholders in Reponex Pharmaceuticals A/S will receive new issued A-shares in Blue Vision A/S in the exchange ratio 1:115 i.e., for each share in Reponex Pharmaceuticals A/S at a nominal value of DKK 0.10 the shareholder will receive 115 A-shares in Blue Vision A/S with a nominal value of DKK 1.00.

The offer is valid from 5 April 2022 and expires on 3 May 2022 at 18.00 (Danish time).

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Thomas Kaas Selsø
Direktionsmedlem
Serienummer: PID:9208-2002-2-122003877884
IP: 87.54.xxx.xxx
2022-04-20 10:47:55 UTC
NEM ID

Klaus Snej Jensen
Adm. direktør
Serienummer: PID:9208-2002-2-076384090400
IP: 87.54.xxx.xxx
2022-04-20 10:57:18 UTC
NEM ID

Søren Nielsen
Bestyrelsesformand
Serienummer: PID:9208-2002-2-679002372553
IP: 87.54.xxx.xxx
2022-04-20 11:03:05 UTC
NEM ID

Christian Vinding Thomsen
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-273852296076
IP: 152.115.xxx.xxx
2022-04-20 11:03:36 UTC
NEM ID

Charlotte Pahl
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-251493619946
IP: 93.164.xxx.xxx
2022-04-20 11:56:52 UTC
NEM ID

Troels Peter Troelsen
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-590291427440
IP: 212.130.xxx.xxx
2022-04-20 12:21:23 UTC
NEM ID

Lisbeth Thyregod
Bestyrelsesmedlem
Serienummer: PID:9208-2002-2-902222220286
IP: 83.91.xxx.xxx
2022-04-20 13:40:03 UTC
NEM ID

Martin Bomholtz
Statsautoriseret revisor
På vegne af: Grant Thornton
Serienummer: PID:9208-2002-2-013768766685
IP: 93.163.xxx.xxx
2022-04-20 13:56:19 UTC
NEM ID

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Ulrik Bloch-Sørensen
Statsautoriseret revisor
På vegne af: Grant Thornton
Serienummer: PID:9208-2002-2-910788993435
IP: 62.243.xxx.xxx
2022-04-20 14:39:31 UTC

NEM ID

Reponex Pharmaceuticals A/S

Annual report

for the year ended 31 December 2020

Reponex Pharmaceuticals A/S

Slotsmarken 12, 1., 2970 Hørsholm, Denmark
Registered number: 30 08 23 46

The annual report has been presented and adopted by the general meeting June 22, 2021.

Klaus Lindblad

Contents

Company information

Managing director	Klaus Snej Jensen
Board of directors	Søren Nielsen, chairman Troels Peter Troelsen Charlotte Pahl Lisbeth Thyregod
Registered number	30 08 23 46
Registered office	Slotsmarken 12, 1. th. 2970 Hørsholm Denmark
Independent auditor	Grant Thornton Denmark Stockholmsgade 45 2100 København Ø Denmark

The Company's principal activities

Reponex Pharmaceuticals A/S is a clinical-stage pharmaceutical company dedicated to the development of new, effective treatments based on repositioning. This means finding new use for an existing drug which is already approved for the treatment of another disease. The advantage of this is that the drug's basic toxicity and side effects are already known and documented, which documentation can be "reused".

It is Reponex's ambition to create value through the company's sustaining platform by bringing the clinical programs to a clinical phase II stage with securing IP at which the effect of the drug candidates can be documented with relevant clinical data. In this phase the company will initiate its strategy on partnering, focusing on companies that have complementary scale or functional areas of strength and capabilities.
Reponex is organizationally effective, having adopted an aggressive commercial outsourcing strategy to be as agile as possible in order to meet a complex and continuously changing pharmaceutical industry. The strategy creates cost-effectiveness and the flexibility to scale up or down rapidly with respect to relevant human knowledge resources, which the company considers to a key factor and driver of success.

It is Reponex's 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.

Unusual circumstances
No unusual circumstances are recorded in this annual report.

Uncertainty in recognition or measurement
During the financial year there has been no uncertainty in recognition or measurement.

Development in activities and financial matters

Financials
The result for the year, a deficit of DKK 1.736 thousand, is in line with the management's expectations in view of the Company's level of activity.

During the financial year the Company has had short term loan facilities provided by an associate to the largest shareholder of the Company.

Intellectual property rights
Reponex has strengthened its intellectual property rights substantially.

Patents granted
Reponex obtained a Russian patent (RU 2016135758) for its medicinal product to treat grossly infected chronic skin ulcers.

Reponex obtained patents in Europe (EP15747491.7), USA (US 16/164669) and Japan (JP2017-506864) for its medicinal product on intraperitonal treatment of bacterial peritonitis.

Clinical programs
Reponex's phase II clinical trial on the local treatment of cancer-promoting colon bacteria in patients with colorectal cancer and adenomas started enrollement of patients during the year.

Reponex obtained all necessary authority approvals to initiate the Company's phase II clinical trial on chronic skin ulcers.

Reponex obtained the necessary authority approval from Danish Medicines Agency to initiate the Company's phase II clinical trial on pouchitis (Inflamatory Bowel Disease - IBD) and a conditional approval from the Ethics Comitee.

Collaboration partners
Reponex has expanded the numbers of clinical partners by strategic collaboration with world-leading clinical institutions.

COVID-19
During the pandemic, Reponex has only been affected to a minor degree by the changing conditions and strict demands made by the authorities. The primary impact came as a result of the Danish Medicines Agency's closure, from March to September, 2020, of ongoing clinical programs and the processing of new applications. Throughout the period, Reponex has been able to maintain a close dialogue with the company's clinical experts in their individual departments and has therefore been able to continue the preparation of clinical protocols. The primary reason must be that these departments have patients who require treatment within a critical time period and were therefore not included in the hospitals' necessary capacity reallocations in response to the pandemic.

Events after the end of the financial year
Reponex has started enrollement of patients in the Company's phase II clinical trial on chronic skin ulcers.

Reponex has obtained all necessary authority approvals to initiate the Company's phase II clinical trial on pouchitis (Inflamatory Bowel Disease - IBD).

Reponex has entered into an agreement with the Executive Chairman of the Board facilitating daily cooperation with the CEO.

Reponex has per March 1st, 2021 employed Klaus Snej Jensen as new CEO of the Company.

Management's Report

The Board of Directors and the Executive management have today considered and approved the annual report of Reponex Pharmaceauticals A/S for the financial year 1 January 2020 - 31 December 2020

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. The financial statements of the company, are prepared in accordance with the Danish Financial Statement Act (Årsregnskabsloven).

We consider the accounting policies used appropriate, and in our opinion the financial statements provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2020 and of the company's results of its activities in the financial year 1 January to 31 December 2020.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is submittet for adoption by the general meeting.

Hørsholm, 7 June 2021

Managing Director

Klaus Snej Jensen

Board of directors

Søren Nielsen
Chairman

Troels Peter Troelsen

Lisbeth Thyregod

Charlotte Pahl

Independent auditor's report

To the shareholders of Reponex Pharmaceuticals A/S

Our Opinion
In our opinion the financial statements give a true and fair view of the Company´s financial position at 31 December 2019 and of the result of the Company´s operations and cash flows for the financial year 1 January to 31 December 2019 in accordance with the International Financial Reporting Standards and in accordance with International Financial Reporting Standards as endorsed by the European Union and further requirements in the Danish Financial Statements Act.

What we have audited
The financial statements of Reponex Pharmaceuticals A/S for the financial year 1 January to 31 December 2020 which, comprise statement of comprehensive income, cash flow statement, balance sheet, equity statement and notes including accounting policies.

Basis for opinion
We conducted our audit in accordance with International Standards on auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the financial statements section of our report".

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with International Ethics Standards for Accountants`Code of Ethics for Professional Accountants (IESBA's Code) and the additional requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

The management's responsibilities for the annual accounts
The management is responsible for the preparation of annual financial statements that give a true and fair view in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board and in accordance with International Financial Reporting Standards endorsed by EU and further requirements in the Danish Financial Statements Act, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the financial statements. As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional sceptism thoughout the audit.

We also:
Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.

Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, weather a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Evaluate the overall presentation, structure and contents of the financial statments, including the disclosures, and whether the financial statements reflect the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

Statement on the management's review
The management is responsible for the management's review.

Our opinion on the financial statements does not cover the management's review, and we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the management's review and, in doing so, consider wheter Management´s Review is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Moreover, we concider whether Management's Review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the financial statements and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 7 June 2020

Grant Thornton Statsautoriseret revisionspartnerselskab
Company reg. no. 34 20 99 36

Ulrik Bloch-Sørensen
State Authorised Public Accountant
mne2913

Martin Bomholt
State Authorised Public Accountant
mne34117

Statement of comprehensive income

Note		2020	2019
	Revenue	**0**	**0**
	Cost of sales	0	0
	Gross profit	**0**	**0**
	Other operating expenses	-2.049.586	-1.827.863
3	Employee remuneration	-95.400	-119.444
	Profit before depreciation, amortisation and impairment losses (EBITDA)	**-2.144.986**	**-1.947.307**
	Depreciation and amortisation of plant and equipment and intangible assets	-157.039	-390.351
	Operating profit (EBIT)	**-2.302.025**	**-2.337.657**
	Financial income	0	161
4	Financial expenses	-80.782	-21.492
	Profit before tax	**-2.382.807**	**-2.358.988**
5	Tax on profit for the year	877.908	505.067
	Net profit for the year	**-1.504.899**	**-1.853.921**
	Total comprehensive income	**-1.504.899**	**-1.853.921**

Statement of financial position

ASSETS

Note		31-12-2020	31-12-2019
	Non-current assets		
6	Intangible assets	16.960.391	12.267.910
7	Tangible assest	5.363	10.726
	Total non-current assets	**16.965.755**	**12.278.636**
	Current assets		
9	Inventories	1.040.012	883.339
10	Other receivables	865.374	633.787
10	Prepaid expenses	216.029	203.541
5	Current tax receivable	1.185.952	964.513
11	Cash and cash equivalents	135.749	2.537.915
	Total current assets	**3.443.116**	**5.223.094**
	Total assets	**20.408.871**	**17.501.730**

EQUITY AND LIABILITIES

Note		31-12-2020	31-12-2019
	Share capital	602.268	602.268
	Share premium account	20.861.391	20.861.391
	Reserve for capitalised development costs	12.423.973	8.610.405
	Retained earnings	-20.459.191	-15.140.724
12	**Total equity**	**13.428.441**	**14.933.340**
5	**Provision for deferred tax**	1.487.959	1.179.897
	Total provisions	**1.487.959**	**1.179.897**
	Total long-term liabilities	**1.487.959**	**1.179.897**
14	Trade payables	1.858.210	1.193.932
15	Other liabilities	3.634.260	194.561
	Total current liabilities	**5.492.471**	**1.388.493**
	Total equity and liabilities	**20.408.871**	**17.501.730**

Statement of changes in equity

	Share capital	Share premium account	Reserve for capitalised development costs	Retained earnings	**Total equity**
Statement of changes in equity 01-01-2019 - 31-12-2019					
Equity as at 01-01-2019	534.086	6.539.573	4.790.765	-9.467.163	2.397.261
Net profit for the year	0	0	0	-1.853.921	-1.853.921
Share capital	68.182	14.321.818	0	0	14.390.000
Capitalised development costs	0	0	3.819.640	-3.819.640	0
	68.182	**14.321.818**	**3.819.640**	**-5.673.561**	**12.536.079**
Dividends	0	0	0	0	0
Transactions with owners	**0**	**0**	**0**	**0**	**0**
Equity as at 31-12-2019	**602.268**	**20.861.391**	**8.610.405**	**-15.140.724**	**14.933.340**
Statement of changes in equity 01-01-2020 - 31-12-2020					
Equity as at 01-01-2020	602.268	20.861.391	8.610.405	-15.140.724	14.933.340
Net profit for the year	0	0	0	-1.504.899	-1.504.899
Share capital	0	0	0	0	0
Capitalised development costs	0	0	3.813.568	-3.813.568	0
	0	**0**	**3.813.568**	**-5.318.467**	**-1.504.899**
Dividends	0	0	0		0
Transactions with owners	**0**	**0**	**0**	**0**	**0**
Equity as at 31-12-2020	**602.268**	**20.861.391**	**12.423.973**	**-20.459.191**	**13.428.441**

Cash flow statement

	31-12-2020	31-12-2019
Loss before tax	-2.382.807	-2.358.988
Adjustment of non-cash transactions:		
Depreciation, amortisation and impairment losses	157.039	390.351
Financial income	0	-161
Financial expenses	80.782	21.492
Change in working capital:		
Inventories	-156.674	-155.340
Receivables	-231.587	-284.760
Trade payables	664.297	730.502
Prepaid expenses	-12.488	107.503
Other liabilities	29.671	-8.399
Corporate tax	964.513	446.420
Net cash from operating activities before net financials	**-887.255**	**-1.111.380**
Financial income received	0	161
Financial expenses paid	-80.782	-21.492
Net cash from operating activities	**-968.037**	**-1.132.711**
Purchase of other intangible assets	-4.844.158	-4.858.249
Purchase of tangible assets	0	-16.090
Net cash used in investing activities	**-4.844.158**	**-4.874.339**
Loans from shareholders	3.410.029	-5.910.369
Capital increase, net	0	14.390.000
Net cash received from financing activities	**3.410.029**	**8.479.631**
Total cash flows for the year	**-2.402.166**	**2.472.581**
Cash equivalents beginning of year	2.537.915	65.334
Cash equivalents end of year	**135.749**	**2.537.915**
Cash and cash equivalents, end of year, comprises:		
Cash and cash equivalents	135.749	2.537.915
Total	**135.749**	**2.537.915**

Notes

1. Accounting policies

1.1 Basis of preparation

The Financial Statements of Reponex Pharmaceuticals A/S have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the EU, IFRIC interpretations and with those parts of the Danish Financial Statements Act applicable to companies reporting under IFRS.

IFRS is subject to amendment and interpretation by the IASB and the IFRS Interpretations Committee, and there is an on-going process of review and endorsement by the European Commission. These accounting policies comply with each IFRS that is mandatory for accounting periods ending on 31 December 2019.

The financial statements have been prepared on the going concern basis and have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities including derivative financial instruments. The principal accounting policies set out below have been consistently applied to all periods presented.

1.2 Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in currency DKK, which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.
Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

1.3 Revenue

Revenue is measured at the fair value of consideration received or receivable

1.4 Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

1.5 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

1.6 Intangible assets

Capitalized development costs comprise e.g. salaries, wages, and amortisation which directly and indirectly refer to the development activities.

Clearly defined and identifiable development projects are recognised as intangible fixed assets provided that the technical feasibility, sufficient resources, and a potential market or a development opportunity can be demonstrated, and provided that it is the intention to produce, market or utilise the project. It is, however, a condition that the cost can be calculated reliably and that a sufficiently high degree of certainty indicates that future earnings will cover the costs for production, sales, and administration. Other development costs are recognised in the profit and loss account concurrently with their realisation.

1. Accounting policies - continued -

1.6 Intangible assets

Development costs recognised in the balance sheet are measured at cost with deduction of accrued depreciation and writedown. The assesment of the intangible assets are based on the expected regulatory approved to market of the product under development. Given the base of the products is already approved for other indications, Management believe it is highly likely that the regulatory approval will be obtained.

Intangible assets are tested for impairment according to note 1.8.

Gain and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Gain or loss are recognised in the profit and loss account as other operating income or other operating expenses respectively.

1.7 Leased assets

Operating leases

Where the Company is a leasee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

1.8 Impairment testing of intangible assets and equipment
For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Development projects in progres are tested for impairment at least annually. All other individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment loss is charged pro rata to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

1. Accounting policies - continued -

1.9 Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management. Borrowing costs are not recognised in cost.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

1.10 Financial instruments

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at fair value through profit or loss (FVTPL)
- held-to-maturity (HTM) investments.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

1. Accounting policies - continued -

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Financial assets at FVTPL

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Comapny manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

HTM investments

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the Company has the intention and ability to hold them until maturity. The Company do not currently hold any items designated into this category.

HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

1.11 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

1. Accounting policies - continued -

1.11 Income taxes
Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company`s forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income, or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

1.12 Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

1.13 Equity, reserves and dividend payments
Share capital represents the nominal value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Other components of equity include the following:
Reserve for capitalised development costs - comprises other development projects.

Retained earnings includes all current and prior period retained profits and share-based employee remuneration.

All transactions with owners are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

1.14 Provisions, contingent assets and contingent liabilities
Provisions for legal disputes, onerous contracts or other claims are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

1. Accounting policies - continued -

1.15 Significant management judgement in applying accounting policies and estimation uncertainty
When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement
The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Capitalization of development costs
Reponex Pharmaceuticals A/S is confident it will obtain approval of its pipeline products, as the products are based on an existing approved drug, and hold the evidence to support this. Reponex Pharmaceuticals A/S is also confident, that it will acquire the necessary resources through installments, pay off´s or milestonepayment to complete its development projects. Thus, management judge that the technical feasilibity criterion in IAS 38,57 is met.

Recognition of deferred tax assets
The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Estimation uncertainty
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment
In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see note 1.8).

Useful lives of depreciable assets
Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software application systems (development projects).

2. Nature of operations

Reponex Pharmaceuticals A/S 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.

3. Employee remuneration	2020	2019
Wages and salaries	598.864	598.864
- hereof allocated to other intangible assets	-510.000	-485.000
Pensions	0	0
Social security costs	6.536	5.580
Total	**95.400**	**119.444**

Average number of employees in the year	2020 Number	2019 Number
Directors	1	1
Total	**1**	**1**

Remuneration of Directors	2020	2019
Remuneration	598.864	598.864
Company pension contributions	0	0
Total remuneration for Directors	**598.864**	**598.864**

4. Financial expenses	2020	2019
Interest expenses on liabilities measured at cost	80.762	21.492
Foreign exchange gains, net	20	0
Total	**80.782**	**21.492**

5. Tax	2020	2019
Tax on profit for the year:		
Current tax	-1.185.952	-964.513
Change in deferred tax	308.044	459.446
Total	**-877.908**	**-505.067**
Reconciliation of effective tax rate:		
Loss before tax	-2.382.807	-2.358.988
Tax computed on the profit before tax at a tax rate of 22%	-524.218	-518.977
Permanent differences	-353.690	13.911
Total - Effective tax rate (22%)	**-877.908**	**-505.067**
	31-12-2020	31-12-2019
Deferred tax is related to the folowing assets and liabilities:		
Deferred taxes arising from temporary differences are summarised below:		
Intangible assets	3.569.806	2.537.460
Tangible assets	-590	-295
Taxable loss carried forward	-2.081.257	-1.357.250
Total deferred tax	**1.487.959**	**1.179.915**
which is categorised as follows:		
Non-current deferred tax	**1.487.959**	**1.179.915**
Current tax asset		
Tax reimbursement, calculated for the year	-1.185.952	-964.513
Tax reimbursement, previous years	0	0
Tax paid on account	0	0
Current tax asset, total	**-1.185.952**	**-964.513**

6. Intangible assets

	Patents and licenses	Develop-ment projects in progress	Total
Financial year 2019			
Cost as at 01-01-2019	4.937.119	4.790.763	9.727.882
Additions during the year	1.038.609	3.819.640	4.858.249
Disposals during the year	0	0	0
Cost as at 31-12-2019	**5.975.728**	**8.610.403**	**14.586.131**
Amortisation and impairment losses as at 01-01-2019	1.933.234	0	1.933.234
Amortisation during the year	384.987	0	384.987
Amortisation and impairment losses as at 31-12-2019	**2.318.221**	**0**	**2.318.221**
Carrying amount as at 31-12-2019	**3.657.507**	**8.610.403**	**12.267.910**
Financial year 2020			
Cost as at 01-01-2020	5.975.728	8.610.403	14.586.131
Adjustment as at 01-01-2020	0	0	0
Additions during the year	1.030.590	3.813.568	4.844.158
Cost as at 31-12-2020	**7.006.318**	**12.423.971**	**19.430.289**
Amortisation and impairment losses as at 01-01-2020	2.318.221	0	2.318.221
Amortisation during the year	151.676	0	151.676
Amortisation and impairment losses as at 31-12-2020	**2.469.897**	**0**	**2.469.897**
Carrying amount as at 31-12-2020	**4.536.420**	**12.423.971**	**16.960.391**

Development costs

All capitalised development costs are related to development projects in progress. Development costs, which do not meet the requirements for recognition in the balance sheet are expensed immediately. No development costs have been expensed to the income statement in 2020.

Impairment test of development projects

Development projects are tested individually for impairment. The carrying amount of development projects is DKK 12,4m at 31 December 2020 and DKK 8,6m at 31 December 2019. The recoverable amount of development projects relates to development of Reponex Pharmaceutivals A/S' portfolio of projects within the reposition strategy of already approved drugs. Based on value-in-use calculations no impairment was identified. Management has assessed that reasonably probable changes in the key assumptions will not lead to impairment.

7. Tangible assets

	Equipment	Total
Financial year 2020		
Costs as at 01-01-2020	16.090	16.090
Additions during the year	0	0
Disposals during the year	0	0
Costs as at 31-12-2019	**16.090**	**16.090**
Depreciation and impairment losses at 01-01-2020	5.363	5.363
Depreciation during the year	5.363	5.363
Depreciation on disposals during the year	0	0
Depreciation and impairment losses at 31-12-2020	**10.726**	**10.726**
Carrying amount as at 31-12-2020	**5.363**	**5.363**

8. Financial assets and liabilities

Note 1.10 provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

31 December 2020

	Held for trading (FVTPL) (carried at fair value)	Loans and other receivables (carried at amortised cost)	**Total**
Financial assets			
Trade and other receivables	0	3.307.367	3.307.367
Cash and cash equivalents	0	135.749	135.749
Other short term financial assets	**0**	**3.443.116**	**3.443.116**
Total financial assets	**0**	**3.443.116**	**3.443.116**

	Derivatives measured at fair value (carried at fair value)	Other liabilities (carried at amortised cost)	**Total**
Financial liabilities			
Trade and other payables	0	5.492.471	5.492.471
Total financial liabilities	**0**	**5.492.471**	**5.492.471**

8. Financial assets and liabilities - continued -

31 December 2019

	Held for trading (FVTPL) (carried at fair value)	Loans and other receivables (carried at amortised cost)	**Total**
Financial assets			
Trade and other receivables	0	2.685.179	2.685.179
Cash and cash equivalents	0	2.537.915	2.537.915
Other short term financial assets	**0**	**5.223.094**	**5.223.094**
Total financial assets	**0**	**5.223.094**	**5.223.094**

	Other liabilities (carried at amortised cost)	**Total**
Financial liabilities		
Trade and other payables	1.388.493	1.388.493
Total financial liabilities	**1.388.493**	**1.388.493**

Financial assets and liabilities measured at fair value, the methods used to measure fair value are described in note 1.10.

All of the above financial assets and liabilities carrying values are approximate to their fair values due to their short term nature as at 31 December 2020, 31 December 2019 and 1 January 2019 with the exception of held for trading assets and derivative financial instruments which are carried at their fair values.

	31-12-2020	31-12-2019
9. Inventories		
Raw materials and stores	1.040.012	883.339
Total inventories	**1.040.012**	**883.339**

The costs of individual items of inventory are determined using weighted average costs.
No write-down have been made during the financials years.

	31-12-2020	31-12-2019
10. Prepayments and other receivables		
Prepayments	216.029	203.541
Other receivables	865.374	633.787
Non-financial assets	**1.081.403**	**837.328**

All amounts are short term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

All of the Company's trade and other receivables have been reviewed for indications of impairment. No such indications was found.

11. Cash and cash equivalent		
Cash	135.749	2.537.915
Total	**135.749**	**2.537.915**

12. Equity

Share capital

The Company's share capital consists of 6.022.682 ordinary shares of DKK 0,10 each. The shares are fully paid in. All shares are equally elligble to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting.

Retained earnings

Retained earnings represent retained profits.

Reserve for capitalised development costs

Reserve for capitalised development costs represent the activated development costs from January 1, 2016.

12. Equity - continued -

Capital management policies and procedures

The Company's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return to shareholders.

The Company monitors capital on the basis of the carrying amount of equity plus borrowings, less cash and cash equivalents as presented on the statement of financial position.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

13. The Company's funding for 2021

Reponex Pharmaceuticals A/S is a capital consuming company due to investments in development activities. The Company have the necessary funding provided either through entering into partnering, license agreements or industrial alliances due to strong data of the company's clinical pipeline, or from loans or share capital from shareholders.

14. Trade payables

Trade payables	1.858.210	1.193.932
Trade and other paybles - current	**1.858.210**	**1.193.932**

	31-12-2020	31-12-2019

15. Other liabilities

A-tax (withholding tax) and other social securities	81.511	20.631
Holiday payrolls	60.000	60.000
Loan from shareholders	3.410.029	0
Other liabilities	82.720	113.930
Other liabilities - current	**3.634.260**	**194.561**

16. Contingent liabilities

The Company has no contingent liabilities.

17. Operating lease commitments

The Company has no operating lease commitments.

18. Financial risks and financial instruments

Risk management policy
Management manages the Company's financial risks. The management of the company's risks is included in the management's day-to-day monitoring of the Company. The Company is exposed to few 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
Due to the nature of the business, credit risk is deemed minimal. The maximum credit risk relating to receivables corresponds to the carrying amount.

Interest rate risks
The Company is only exposed to interest rate risks in connection with deficit liquidity, as the Company only have loans from shareholders, the risk is deemed minimal.

Foreign currency risk
The Company is subject to currency risks on payables and receivables in foreign currency, and purchases of services in

Liquidity risk
The company liquidity risks covers the risk that the Company is not able to meet its liabilities as they fall due. The Company is not subject to material liquidity risks. Reference is made to the information in note 13.
The maturities of financial liabilities appear from the tables below. All amounts are contractual cash flows, i.e. inclusive of interest.

	Within 1 year	1-2 year(s)	2-5 years	Over 5 years	Total
As at 31 December 2019					
Trade payables	1.193.932	0	0	0	1.193.932
Loan from shareholders	0	0	0	0	0
Other payables	194.561	0	0	0	194.561
Total	**1.388.493**	**0**	**0**	**0**	**1.388.493**

All financial liabilities as at 31 December 2019 are measured at amortised cost.

	Within 1 year	1-2 year(s)	2-5 years	Over 5 years	Total
As at 31 December 2020					
Trade payables	1.858.210	0	0	0	1.858.210
Loan from shareholders	3.410.029	0	0	0	3.410.029
Other payables	224.231	0	0	0	224.231
Total	**5.492.471**	**0**	**0**	**0**	**5.492.471**

All financial liabilities as at 31 December 2020 are measured at amortised cost.

19. Events occuring after the balance sheet date

There were no post balance sheet events that required adjustment to the financial statements.

Financial Statements

for the year ended 31 December 2019

Reponex Pharmaceuticals A/S

Registered number: 30 08 23 46

Approved by the shareholders general assembly on 28 May 2020

Contents

Company information

Managing director	Torsten Bjørn
Board of directors	Søren Nielsen, chairman Troels Peter Troelsen Charlotte Pahl Lisbeth Thyregod
Registered number	30 08 23 46
Registered office	Slotsmarken 12, 1. th. 2970 Hørsholm Denmark
Independent auditor	Grant Thornton Denmark Stockholmsgade 45 2100 København Ø Denmark

The Company's principal activities

Reponex Pharmaceuticals A/S 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.

Reponex' business model is based on the repositioning of established APIs with regard to new indications, new delivery methods and combination with other APIs. The clinical developments are performed in close collaboration with public research institutions.

Reponex has leveraged the Company's intellectual and science capital by established strong co-operations with leading national and international scientific government institutions and hospitals.

Unusual circumstances

No unusual circumstances are recorded in this annual report.

Uncertainty in recognition or measurement

During the financial year there has been no uncertainty in recognition or measurement.

Development in activities and financial matters

Financials

The result for the year, a deficit of DKK 1.854 thousand, is in line with the management's expectations in view of the Company's level of activity.

With a display of loyalty from the Company's shareholders and a substantial oversubscription, Reponex completed a successful cash share issue in January 2019 that strengthened the working capital.

Intellectual property rights

Reponex has strengthened its intellectual property rights substantially.

Patents granted

Reponex obtained a European patent (EP3104874B1) for its medicinal product to treat grossly infected chronic skin ulcers.

New patent applications filed

Reponex filed a new supplementary patent application (DK PA 2019 70324) on the targeting of GM-CSF and other biological therapeutic agents to intestinal lesions.

Reponex filed a new supplementary patent application (DK PA 2019 70266) concerning its treatment for peritonitis.

Clinical programs
Reponex achieved very strong positive data from the phase II clinical trial in patients with complicated (perforated) appendicitis.

Reponex obtained all necessary authority approvals to initiate the Company's phase II clinical trial on the local treatment of cancer-promoting colon bacteria in patients with colorectal cancer and adenomas.

Organization
Reponex has strengthened the Company's knowledge capital within the strategic clinical development of medicinal products, as well as its experience of establishing strategic industrial collaborations. The Company's Board of Directors has correspondingly been strengthened by changes in its composition to ensure complementary expertise in these areas.

Collaboration partners
Reponex has expanded the numbers of clinical partners by strategic collaboration with world-leading clinical institutions.

Events after the end of the financial year
Reponex further strengthened its intellectual property rights by obtaining a Russian patent for its medicinal product to treat grossly infected chronic skin ulcers (RU2712635C1).

Reponex has obtained approval from the Danish Medicines Agency to initiate the Company's phase II clinical trial on the local treatment of chronic skin ulcers.

Reponex is only slightly affected by the coronavirus disease (COVID-19) pandemic.

Management's Report

The Board of Directors and the Executive management have today considered and approved the annual report of Reponex Pharmaceuticals A/S for the financial year 1 January 2019 - 31 December 2019

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. The financial statements of the company, are prepared in accordance with the Danish Financial Statement Act (Årsregnskabsloven).

We consider the accounting policies used appropriate, and in our opinion the financial statements provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is submittet for adoption by the general meeting.

Hørsholm, 13 May 2020

Managing Director

Torsten Bjørn

Board of directors

Søren Nielsen
Chairman

Troels Peter Troelsen

Lisbeth Thyregod

Charlotte Pahl

Independent auditor's report

To the shareholders of Reponex Pharmaceuticals A/S

Our Opinion
In our opinion the Financial Statements give a true and fair view of the Company's financial position at 31 December 2019 and of the result of the Company's operations and cash flows for the financial year 1 January to 31 December 2019 in accordance with the International Financial Reporting Standards and in accordance with International Financial Reporting Standards as endorsed by the European Union and further requirements in the Danish Financial Statements Act.

What we have audited
The Financial Statement of Reponex Pharmaceuticals A/S for the financial year 1 January to 31 December 2019, comprise income statement and statement of comprehensive income, cash flow statement, balance sheet, equity statement and notes including accounting policies.

Basis for opinion
We conducted our audit in accordance with International Standards on auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the Financial Statements section of our report".

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with International Ethics Standards for Accountants`Code of Ethics for Professional Accountants (IESBA's Code) and the additional requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

The management's responsibilities for the annual accounts
The management is responsible for the preparation of annual financial statements that give a true and fair view in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board and in accordance with International Financial Reporting Standards endorsed by EU and further requirements in the Danish Financial Statements Act, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the Financial Statements. As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional sceptism thoughout the audit.

We also:
Identify and assess the risks of material misstatement in the Financial Statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.

Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, weather a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Evaluate the overall presentation, structure and contents of the Financial Statments, including the disclosures, and whether the Financial Statements reflect the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we

Statement on the management's review
The management is responsible for the management's review.

Our opinion on the Financial Statements does not cover the management's review, and we do not express any form of assurance conclusion thereon.
In connection with our audit of the Financial Statements, our responsibility is to read the management's review and, in doing so, consider wheter Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Moreover, we concider whether Management's Review includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the Financial Statements and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 13 May 2020

Grant Thornton
Company reg. no. 34 20 99 36

Ulrik Bloch-Sørensen
State Authorised Public Accountant
mne2913

Statement of comprehensive income

Note		2019	2018
	Revenue	**0**	**0**
	Cost of sales	0	0
	Gross profit	**0**	**0**
	Other operating expenses	-1.827.863	-559.841
3	Employee remuneration	-119.444	-124.911
	Profit before depreciation, amortisation and impairment losses (EBITDA)	**-1.947.307**	**-684.752**
	Depreciation and amortisation of plant and equipment and intangible assets	-390.351	-652.041
	Operating profit (EBIT)	**-2.337.657**	**-1.336.793**
	Financial income	161	0
4	Financial expenses	-21.492	-259.547
	Profit before tax	**-2.358.988**	**-1.596.340**
5	Tax on profit for the year	505.067	339.658
	Net profit for the year	**-1.853.921**	**-1.256.682**
	Total comprehensive income	**-1.853.921**	**-1.256.682**

ASSETS

Note		31-12-2019	31-12-2018
	Non-current assets		
6	Intangible assets	12.267.909	7.794.648
7	Tangible assest	10.726	0
	Total non-current assets	**12.278.635**	**7.794.648**
	Current assets		
9	Inventories	883.339	727.999
10	Other receivables	633.787	349.027
10	Prepaid expenses	203.541	311.044
5	Current tax receivable	964.513	446.420
11	Cash and cash equivalents	2.537.915	65.349
	Total current assets	**5.223.094**	**1.899.839**
	Total assets	**17.501.729**	**9.694.487**

EQUITY AND LIABILITIES

Note		31-12-2019	31-12-2018
	Share capital	602.268	534.086
	Share premium account	20.861.391	6.539.573
	Reserve for capitalised development costs	8.610.405	4.790.765
	Retained earnings	-15.140.724	-9.467.163
12	**Total equity**	**14.933.340**	**2.397.261**
5	**Provision for deferred tax**	1.179.896	720.469
	Total provisions	**1.179.896**	**720.469**
	Total long-term liabilities	**1.179.896**	**720.469**
14	Trade payables	1.193.932	463.414
	Bank debt	0	15
15	Other liabilities	194.561	6.113.328
	Total current liabilities	**1.388.493**	**6.576.757**
	Total equity and liabilities	**17.501.729**	**9.694.487**

	Share capital	Share premium account	Reserve for capitalised development costs	Retained earnings	Total equity
Statement of changes in equity 01-01-2018 - 31-12-2018					
Equity as at 01-01-2018	133.522	6.940.137	3.019.279	-6.438.995	3.653.943
Net profit for the year	0	0	0	-1.256.682	-1.256.682
Share capital	400.564	-400.564	0	0	0
Capitalised development costs	0	0	1.771.486	-1.771.486	0
	400.564	**-400.564**	**1.771.486**	**-3.028.168**	**-1.256.682**
Dividends	0	0	0	0	0
Transactions with owners	**0**	**0**	**0**	**0**	**0**
Equity as at 31-12-2018	**534.086**	**6.539.573**	**4.790.765**	**-9.467.163**	**2.397.261**
Statement of changes in equity 01-01-2019 - 31-12-2019					
Equity as at 01-01-2019	534.086	6.539.573	4.790.765	-9.467.163	2.397.261
Net profit for the year	0	0	0	-1.853.921	-1.853.921
Share capital	68.182	14.321.818	0	0	14.390.000
Capitalised development costs	0	0	3.819.640	-3.819.640	0
	68.182	**14.321.818**	**3.819.640**	**-5.673.561**	**12.536.079**
Dividends	0	0	0		0
Transactions with owners	**0**	**0**	**0**	**0**	**0**
Equity as at 31-12-2019	**602.268**	**20.861.391**	**8.610.405**	**-15.140.724**	**14.933.340**

	31-12-2019	31-12-2018
Loss before tax	-2.358.988	-1.596.340
Adjustment of non-cash transactions:		
Depreciation, amortisation and impairment losses	390.351	652.041
Financial income	-161	0
Financial expenses	21.492	259.547
Change in working capital:		
Inventories	-155.340	-143.799
Receivables	-284.760	82.057
Trade payables	730.500	-304.048
Prepaid expenses	107.503	-265.371
Other liabilities	-8.398	49.362
Corporate tax	446.420	869.539
Net cash from operating activities before net financials	**-1.111.381**	**-397.013**
Financial income received	161	0
Financial expenses paid	-21.492	-259.547
Net cash from operating activities	**-1.132.711**	**-656.560**
Purchase of other intangible assets	-4.858.249	-2.645.010
Purchase of tangible assets	-16.090	0
Net cash used in investing activities	**-4.874.338**	**-2.645.010**
Loans from shareholders	-5.910.369	3.204.174
Capital increase, net	14.390.000	0
Net cash received from financing activities	**8.479.631**	**3.204.174**
Total cash flows for the year	**2.472.581**	**-97.397**
Cash equivalents beginning of year	65.334	162.730
Cash equivalents end of year	**2.537.915**	**65.333**
Cash and cash equivalents, end of year, comprises:		
Cash and cash equivalents	2.537.915	65.334
Total	**2.537.915**	**65.334**

1. Accounting policies

1.1 Basis of preparation

The Financial Statements of Reponex Pharmaceuticals A/S have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the EU, IFRIC interpretations and with those parts of the Danish Financial Statements Act applicable to companies reporting under IFRS.

IFRS is subject to amendment and interpretation by the IASB and the IFRS Interpretations Committee, and there is an on-going process of review and endorsement by the European Commission. These accounting policies comply with each IFRS that is mandatory for accounting periods ending on 31 December 2019.

The financial statements have been prepared on the going concern basis and have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities including derivative financial instruments. The principal accounting policies set out below have been consistently applied to all periods presented.

1.2 Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in currency DKK, which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.
Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

1.3 Revenue

Revenue is measured at the fair value of consideration received or receivable

1.4 Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

1.5 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

1. Accounting policies - continued -

1.6 Intangible assets

Development costs comprise e.g. salaries, wages, and amortisation which directly and indirectly refer to the development activities.

Clearly defined and identifiable development projects are recognised as intangible fixed assets provided that the technical feasibility, sufficient resources, and a potential market or a development opportunity can be demonstrated, and provided that it is the intention to produce, market or utilise the project. It is, however, a condition that the cost can be calculated reliably and that a sufficiently high degree of certainty indicates that future earnings will cover the costs for production, sales, and administration. Other development costs are recognised in the profit and loss account concurrently with their realisation.

Development costs recognised in the balance sheet are measured at cost with deduction of accrued depreciation and writedown.

After completion of the development work, capitalised development costs are amortised on a straight line basis over the estimated financial useful life. Usually, the amortisation period is 10 years.

Patents and licenses are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the contract period, however, for a maximum of 10 years

Gain and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Gain or loss are recognised in the profit and loss account as other operating income or other operating expenses respectively.

1.7 Leased assets

Operating leases

Where the Company is a leasee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

1.8 Impairment testing of intangible assets and equipment
For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Development projects in progres are tested for impairment at least annually. All other individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in- use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment loss is charged pro rata to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

1. Accounting policies - continued -

1.9 Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management. Borrowing costs are not recognised in cost.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

1.10 Financial instruments

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at fair value through profit or loss (FVTPL)
- held-to-maturity (HTM) investments.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

1. Accounting policies - continued -

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Financial assets at FVTPL

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Comapny manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

HTM investments

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the Company has the intention and ability to hold them until maturity. The Company do not currently hold any items designated into this category.

HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

1.11 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

1. Accounting policies - continued -

1.11 Income taxes
Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company`s forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income, or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

1.12 Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

1.13 Equity, reserves and dividend payments
Share capital represents the nominal value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Other components of equity include the following:
Reserve for capitalised development costs - comprises other development projects.

Retained earnings includes all current and prior period retained profits and share-based employee remuneration.

All transactions with owners are recorded separately within equity.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

1.14 Provisions, contingent assets and contingent liabilities
Provisions for legal disputes, onerous contracts or other claims are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

1. Accounting policies - continued -

1.15 Significant management judgement in applying accounting policies and estimation uncertainty
When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement
The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Capitalisation of development costs
Reponex Pharmaceuticals A/S is confident it will obtain approval of its pipeline products, as the products are based on an existing approved drug, and hold the evidence to support this. Reponex Pharmaceuticals A/S is also confident, that it will acquire the necessary resources through installments, pay off´s or milestonepayment to complete its development projects. Thus, management judge that the technical feasilibity criterion in IAS 38,57 is met.

Recognition of deferred tax assets
The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Estimation uncertainty
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment
In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see note 1.8).

Useful lives of depreciable assets
Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software application systems (development projects).

2. Nature of operations

Reponex Pharmaceuticals A/S 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.

3. Employee remuneration	2019	2018
Wages and salaries	598.864	478.864
- hereof allocated to other intangable assets	-485.000	-360.000
Pensions	0	0
Social security costs	5.580	6.047
Total	**119.444**	**124.911**

Average number of employees in the year	2019 Number	2018 Number
Directors	1	1
Total	**1**	**1**

Remuneration of Directors	2019	2018
Remuneration	598.864	478.864
Company pension contributions	0	0
Total remuneration for Directors	**598.864**	**478.864**

4. Financial expenses	2019	2018
Interest expenses on liabilities measured at cost	21.492	259.393
Foreign exchange gains, net	0	154
Total	**21.492**	**259.547**

5. Tax	2019	2018
Tax on profit for the year:		
Current tax	-964.513	-446.420
Change in deferred tax	459.446	106.762
Total	**-505.067**	**-339.658**

Reconciliation of effective tax rate:

Loss before tax	-2.358.988	-1.596.340
Tax computed on the profit before tax at a tax rate of 22%	-518.977	-351.195
Permanent differences	13.911	11.537
Total - Effective tax rate (22%)	**-505.067**	**-339.658**

	31-12-2019	31-12-2018
Deferred tax is related to the folowing assets and liabilities:		
Deferred taxes arising from temporary differences are summarised below:		
Intangible assets	2.537.441	1.553.324
Tangible assets	-295	0
Taxable loss carried forward	-1.357.250	-832.855
Total deferred tax	**1.179.896**	**720.469**
which is categorised as follows:		
Non-current deferred tax	**1.179.896**	**720.469**

Current tax asset

Tax reimbursement, calculated for the year	-964.513	-446.420
Tax reimbursement, previous years	0	0
Tax paid on account	0	0
Current tax asset, total	**-964.513**	**-446.420**

6. Intangible assets

	Patents and licenses	Develop-ment projects in progress	Total
Financial year 2018			
Cost as at 01-01-2018	4.063.595	3.019.277	7.082.872
Additions during the year	873.524	1.771.486	2.645.010
Disposals during the year	0	0	0
Cost as at 31-12-2018	**4.937.119**	**4.790.763**	**9.727.882**
Amortisation and impairment losses as at 01-01-2018	1.281.193	0	1.281.193
Amortisation during the year	652.041	0	652.041
Amortisation and impairment losses as at 31-12-2018	**1.933.234**	**0**	**1.933.234**
Carrying amount as at 31-12-2018	**3.003.885**	**4.790.763**	**7.794.648**
Financial year 2019			
Cost as at 01-01-2019	4.937.119	4.790.763	9.727.882
Adjustment as at 01-01-2019	0	0	0
Additions during the year	1.038.609	3.819.640	4.858.249
Cost as at 31-12-2019	**5.975.728**	**8.610.403**	**14.586.130**
Amortisation and impairment losses as at 01-01-2019	1.933.234	0	1.933.234
Amortisation during the year	384.987	0	384.987
Amortisation and impairment losses as at 31-12-2019	**2.318.221**	**0**	**2.318.221**
Carrying amount as at 31-12-2019	**3.657.507**	**8.610.403**	**12.267.909,07**

Development costs

All capitalised development costs are related to development projects in progress. Development costs, which do not meet the requirements for recognition in the balance sheet are expensed immediately. No development costs have been expensed to the income statement in 2019.

Impairment test of development projects

Development projects are tested individually for impairment. The carrying amount of development projects is DKK 8,6m at 31 December 2019 and DKK 4,8m at 31 December 2018. The recoverable amount of development projects relates to development of Reponex Pharmaceutivals A/S' portfolio of projects within the reposition strategy of already approved drugs. Based on value-in-use calculations no impairment was identified. Management has assessed that reasonably probable changes in the key assumptions will not lead to impairment.

7. Tangible assets

	Equipment	Total
Financial year 2019		
Costs as at 01-01-2019	0	0
Additions during the year	16.090	16.090
Disposals during the year	0	0
Costs as at 31-12-2019	**16.090**	**16.090**
Depreciation and impairment losses at 01-01-2019	0	0
Depreciation during the year	5.363	5.363
Depreciation on disposals during the year	0	0
Depreciation and impairment losses at 31-12-2019	**5.363**	**5.363**
Carrying amount as at 31-12-2019	**10.726**	**10.726**

8. Financial assets and liabilities

Note 1.10 provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

31 December 2019

	Held for trading (FVTPL) (carried at fair value)	Loans and other receivables (carried at amortised cost)	Total
Financial assets			
Trade and other receivables	0	2.685.179	2.685.179
Cash and cash equivalents	0	2.537.915	2.537.915
Other short term financial assets	**0**	**5.223.094**	**5.223.094**
Total financial assets	**0**	**5.223.094**	**5.223.094**

	Derivatives measured at fair value (carried at fair value)	Other liabilities (carried at amortised cost)	Total
Financial liabilities			
Trade and other payables	0	1.388.493	1.388.493
Total financial liabilities	**0**	**1.388.493**	**1.388.493**

8. Financial assets and liabilities - continued -

31 December 2018

	Held for trading (FVTPL) (carried at fair value)	Loans and other receivables (carried at amortised cost)	Total
Financial assets			
Trade and other receivables	0	1.834.490	1.834.490
Cash and cash equivalents	0	65.349	65.349
Other short term financial assets	**0**	**1.899.839**	**1.899.839**
Total financial assets	**0**	**1.899.839**	**1.899.839**

	Other liabilities (carried at amortised cost)	Total
Financial liabilities		
Trade and other payables	6.576.742	6.576.742
Total financial liabilities	**6.576.742**	**6.576.742**

Financial assets and liabilities measured at fair value, the methods used to measure fair value are described in note 1.10.

All of the above financial assets and liabilities carrying values are approximate to their fair values due to their short term nature as at 31 December 2019, 31 December 2018 and 1 January 2018 with the exception of held for trading assets and derivative financial instruments which are carried at their fair values.

	31-12-2019	31-12-2018

9. Inventories

Raw materials and stores	883.339	727.999
Total inventories	**883.339**	**727.999**

The costs of individual items of inventory are determined using weighted average costs.
No write-down have been made during the financials years.

	31-12-2019	31-12-2018

10. Prepayments and other receivables

Prepayments	203.541	311.044
Other receivables	633.787	349.027
Non-financial assets	**837.328**	**660.071**

All amounts are short term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

All of the Company's trade and other receivables have been reviewed for indications of impairment. No such indications was found.

11. Cash and cash equivalent

Cash	2.537.915	65.349
Total	**2.537.915**	**65.349**

12. Equity

Share capital

The Company's share capital consists of 6.022.682 ordinary shares of DKK 0,10 each. The shares are fully paid in. All shares are equally elligble to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting.

As of January 2019, a capital increase of 681.818 ordinary shares of DKK 0,10 each were conducted. The share premium amounts to DKK 14.321.818. Hereafter the share capital consistes of 6.022.682 ordinary shares of DKK 0,10 each with a total share premium reserve of DKK 20.861.391

Retained earnings

Retained earnings represent retained profits.

Reserve for capitalised development costs

Reserve for capitalised development costs represent the activated development costs from January 1, 2016.

12. Equity - continued -

Capital management policies and procedures

The Company's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return to shareholders.

The Company monitors capital on the basis of the carrying amount of equity plus borrowings, less cash and cash equivalents as presented on the statement of financial position.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

13. The Company's funding for 2020

Reponex Pharmaceuticals A/S is a capital consuming company due to investments in development activities. The Company have the necessary funding provided either through entering into partnering, license agreements or industrial alliances due to strong data of the company's clinical pipeline, or from loans or share capital from shareholders.

14. Trade payables

Trade payables	1.193.932	463.414
Trade and other paybles - current	**1.193.932**	**463.414**

	31-12-2019	31-12-2018

15. Other liabilities

A-tax (withholding tax) and other social securities	20.631	18.031
Holiday payrolls	60.000	60.000
Loan from shareholders	0	5.910.369
Other liabilities	113.930	124.928
Other liabilities - current	**194.561**	**6.113.328**

16. Contingent liabilities

The Company has no contingent liabilities.

17. Operating lease commitments

The Company has no operating lease commitments.

18. Financial risks and financial instruments

Risk management policy
Management manages the Company's financial risks. The management of the company's risks is included in the management's day-to-day monitoring of the Company. The Company is exposed to few 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
Due to the nature of the business, credit risk is deemed minimal. The maximum credit risk relating to receivables corresponds to the carrying amount.

Interest rate risks
The Company is only exposed to interest rate risks in connection with deficit liquidity, as the Company only have loans from shareholders, the risk is deemed minimal.

Foreign currency risk
The Company is subject to currency risks on payables and receivables in foreign currency, and purchases of services in

Liquidity risk
The company liquidity risks covers the risk that the Company is not able to meet its liabilities as they fall due. The Company is not subject to material liquidity risks. Reference is made to the information in note 13.
The maturities of financial liabilities appear from the tables below. All amounts are contractual cash flows, i.e. inclusive of interest.

	Within 1 year	1-2 year(s)	2-5 years	Over 5 years	Total
As at 31 December 2018					
Trade payables	463.414	0	0	0	463.414
Loan from shareholders	5.910.369	0	0	0	5.910.369
Other payables	202.959	0	0	0	202.959
Total	**6.576.742**	**0**	**0**	**0**	**6.576.742**

All financial liabilities as at 31 December 2018 are measured at amortised cost.

	Within 1 year	1-2 year(s)	2-5 years	Over 5 years	Total
As at 31 December 2019					
Trade payables	1.193.932	0	0	0	1.193.932
Loan from shareholders	0	0	0	0	0
Other payables	194.561	0	0	0	194.561
Total	**1.388.493**	**0**	**0**	**0**	**1.388.493**

All financial liabilities as at 31 December 2019 are measured at amortised cost.

19. Events occuring after the balance sheet date

There were no post balance sheet events that required adjustment to the financial statements.