



**Consolidated  
interim report**

for the 3 month-period ended 31 March 2023

**Pharma Equity Group A/S**

Slotsmarken 18, 2., 2970 Hørsholm, Denmark

Registered number: 26 79 14 13

## Contents

---

	Page
Company information	2
Management's review	3
Management's report	7
Independent auditor's review report	8
Consolidated statement of comprehensive income	9
Consolidated statement of financial position	10
Consolidated statement of changes in equity	11
Consolidated cash flow statement	12
Notes to the consolidated interim financial statements	13

**The consolidated interim report has been prepared in English. Though please note that figures are presented using Danish style punctuation and decimals.**

## Company information

---

<b>Group companies</b>	Pharma Equity Group A/S - listed parent company Reponex Pharmaceuticals A/S - 100% owned subsidiary
<b>Executive management</b>	Thomas Kaas Selsø
<b>Board of directors</b>	Peter Mørch Eriksen, chairman Christian Vinding Thomsen, vice chairman Lars Rosenkrantz Gundorph Ole Larsen Peter Vilmann
<b>Registered number</b>	26 79 14 13
<b>Registered office</b>	Slotsmarken 18, 2. th. 2970 Hørsholm Denmark
<b>Independent auditor</b>	BDO Statsautoriseret Revisionsaktieselskab Havneholmen 29 1561 København V

### Foreword

The transaction between Pharma Equity Group A/S ("PEG" or "the Group") and Reponex Pharmaceuticals A/S ("Reponex") became final on 28 March 2023 when the shares issued to the Reponex shareholders had their first trading day on the main stock exchange in Copenhagen. Reponex is, indirectly, the first Danish biotech company in 6 years to be listed on Nasdaq Copenhagen main stock exchange.

We are proud that Reponex, through PEG, is listed on the main market on Nasdaq Copenhagen. Reponex is a Danish biopharmaceutical company with a pipeline based on the innovative thinking of Danish clinicians, and our clinical development takes place in close collaboration with public research institutions and university hospitals in Denmark. It was therefore also natural that Reponex was listed in Denmark on Nasdaq Copenhagen. Furthermore, Denmark is known internationally for developing biotech and is therefore a good starting point for the company's further development.

Reponex has six promising drug candidates under clinical development and testing in four areas, each of which is characterized by a great need for treatment, where Reponex is currently expected to offer better and/or cheaper treatments:

- Prevention of **colon and rectal cancer and prevention of metastases**
- Prevention and treatment of **bacterial peritonitis**
- Alleviation of the symptoms of the **inflammatory disorders** Crohn's disease and pouchitis
- Treatment of **chronic wounds and infected chronic wounds**

Reponex's repositioning strategy and business model make it possible to meet the treatment needs of patients faster than with conventional drug development, and at the same time the total development costs and risks associated with drug development are significantly lower. With its listing, PEG has the opportunity to attract the investors needed to realize the great potential of the business model and to get the individual drug candidates all the way to the patients, where they can make a difference.

Reponex takes the drug candidates up to and including clinical phase 2, where a data basis has been obtained that confirms the drug's clinical relevance. After this, the strategy is to enter into license agreements with larger pharmaceutical companies, which can take the drugs further in the process towards the final regulatory approval for marketing and distribution.

In 2023, Reponex is expected to continue investing in the development of the existing portfolio of drug candidates and it is expected that the organization in both Reponex and in PEG will be strengthened in several areas. In addition, it is expected that the efforts to enter into partnerships will be strengthened. There will also be a particular focus on increasing the awareness of PEG and Reponex among potential investors.

Pharma Equity Group A/S realized in Q1-2023 a loss after tax of DKK 2.9 million, which is in line with expectations for the quarter. As of 31 March 2023, equity equals DKK 61.4 million.

The Portinho S.A. receivable is included in the balance sheet with a value of DKK 62.4 million based on a fair value assessment as required by IFRS as of the transaction date (see notes 1.2 and 5 for further details of the fair value assessment) and based on the expectation that the receivable will be settled no later than 1 July 2023. If, contrary to expectations, payment deferrals are requested, there are agreements with all financial lenders regarding an extended settlement process of the financial debt, so that the Group will have sufficient capital resources available to carry out the plans for the forthcoming future.

We maintain the previously announced expectations for 2023, a loss before tax in the range of DKK 18 to DKK 22 million. The outlook does not reflect any potential gains/losses relating to the upcoming settlement of the Portinho S.A receivable.

Hørsholm 10 May 2023

Peter Mørch Eriksen, Chairman

Thomas Kaas Selsø, CEO

### **The Group's principal activities**

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

On 24 March 2023, PEG completed the acquisition of the entire share capital in Reponex in exchange for shares in PEG. The shares issued to the shareholders of Reponex had its first trading day on Nasdaq Copenhagen on 28 March 2023. As a result of the transaction, a legal group has been established in Q1 2023 with PEG as the legal parent, and Reponex as a 100% owned subsidiary, and hence PEG is required to publish consolidated financial statements from 2023.

Since the now former shareholders of Reponex have become the majority shareholders of PEG, the transaction has been accounted for as a reverse take-over when preparing the consolidation reporting for the Group, where Reponex has been identified as the accounting acquirer. Hence, the consolidated interim report reflects the assets, liabilities, operations and cash flows of Reponex for the entire Q1 2023, including reported comparative figures for Reponex, whereas the assets, liabilities, operations and cash flows of PEG are reflected in the consolidated interim report from 24 March 2023 where the transaction was completed.

In the past, the published annual reports and interim reports for PEG reflected PEG's operations on a stand-alone basis, but as a result of Reponex being identified as the accounting acquirer, the past financial results of PEG are not reflected in the consolidated interim report for Q1 2023.

### **Description of Reponex' operations**

Reponex is a clinical-stage biopharmaceutical company dedicated to the development of new, effective treatments for diseases that have significant patient and social impact for which current therapy is lacking or in need of improvement. The diseases are acute or life threatening, such as bacterial peritonitis and colorectal cancer, or may be chronic diseases that reduce lifespan and the quality of life and may shorten it, including inflammatory bowel diseases or complications of chronic diseases such as the disabling non-healing skin ulcers in patients with diabetes or venous insufficiency. There is a continuing unmet medical need to improve the treatment of these difficult conditions, which is what Reponex strives to achieve.

It is Reponex'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 human 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 interim consolidated report requires the making of estimates and judgements that effects the reporting of assets, liabilities and expenses. The estimates and judgements are reviewed on an ongoing basis. Estimates and judgements are based on actual results and on various other assumptions, which the Group believes to be reasonable under the circumstances. However, the actual result may differ significantly from the estimates. We believe that the accounting policies relating to intangible assets involve estimates or judgements that could affect the reported financial position and results.

For Q1 2023, Management has especially considered the accounting for the Reponex transaction and concluded that Reponex is the accounting acquirer and thereby the transaction is accounted for as a reverse take-over.

As part of the accounting for the transaction as a reverse take-over, PEG's assets and liabilities are measured at their fair values at the transaction date with special focus on the value measurement of the Portinho S.A receivable. Management has considered various ways of determining a relevant and reliable fair value of the receivable, and concluded that fair value extracted from the market value of PEG, just prior to the transaction, represents the most relevant and reliable fair value of the receivable, and based on the the key expectation that Management finds it reasonable to expect that the receivable will be settled on 1 July 2023 at the latest.

See note 1.2 and note 5 for further description.

### Financial performance

In Q1 2023, the Group has continued its work on preparing the portfolio of clinical programs being ready for commercialization in 2024 and onwards.

The result for the period, a loss of TDKK 2.863, is in line with Management's expectations for Q1 2023.

### Key Figures

	PEG Group 01-01-2023 - 31- 03-2023 (reviewed) TDKK	Reponex 01-01-2022 - 31-03-2022 (unaudited) TDKK	Reponex 01-01-2022 - 31-12-2022 (audited) TDKK
Revenue	0	0	0
Operating profit/loss	-3.395	-2.480	-12.043
Financials costs, net	-3	-6	-22
Profit/loss	-2.863	-2.113	-10.210
Total assets	92.188	27.093	19.984
Investments in tangible assets	73	0	0
Equity	61.376	25.340	17.379
Solvency degree	66,6%	93,5%	87,0%
Earnings per share	-0,15	-0,12	-0,57

### Financial resources

The Group does not expect commercial revenue until 2024. Therefore, Management has particular focus on ensuring that the Group has sufficient financial resources available to meet its obligations as they fall due.

Management has assessed its financial resources based on its expected costs and investments for the forthcoming 12 months, and on this basis Management is concluding that sufficient funding is available for the next 12 months to continue the operations of the Group as planned.

A significant part of the Group's financial loans is to be settled when payment has been received on the Group's receivable from Portinho S.A. If the Portinho S.A receivable, against expectations, is not settled on 1 July 2023 at the latest, arrangements are in place with the financial lenders where repayment of a significant part of the financial loans will be deferred and thereby ensuring that the Group will still be able to carry out the planned activities for the foreseeable future.

### Outlook 2023

PEG reported its outlook in company announcement no. 17, and the outlook remains unchanged with no commercial revenue in 2023 and an expected pre-tax loss in the range of DKK 18 to 22 million for the Group. The outlook does not reflect any potential gains/losses relating to the upcoming settlement of the Portinho S.A receivable.

### Organization

As per 31 March 2023 PEG employed Thomas Kaas Selsø as new CEO.

On an extraordinary general meeting held on 31 March 2023, new members to the Board was elected and an additional change in the Board was approved at the ordinary annual general meeting held on 27 April 2023, so that the Board now consists of:

Peter Mørch Eriksen, chairman  
Christian Vinding Thomsen, vice chairman  
Lars Rosenkrantz Gundorph  
Ole Larsen  
Peter Vilmann

Reference is made to stock announcements no. 14 from 9 March 2023 and no. 29 from 24 April 2023 regarding their management positions in other companies and their qualifications.

### Clinical programs

The clinical programs follow the expected development.

For further information regarding the clinical programs reference is made to Prospectus of 27th February 2023 section 27 Business overview (pages 57 - 80).

### Events after 31 March 2023

PEG has held its ordinary annual general meeting on 27 April 2023. Reference is made to stock announcement no. 30 from 27 April 2023.

## Management's Report

---

The Board of Directors and the Executive Management have today reviewed and approved the consolidated interim report of Pharma Equity Group A/S for the period 1 January 2023 - 31 March 2023.

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

In our opinion, the consolidated interim report gives a true and fair view of the Group's assets and liabilities and financial position at 31 March 2023 and of the results of the Group's operations and cash flow for the period 1 January to 31 March 2023.

Further, in our opinion, Management's review gives a true and fair review of the development in the Group's operations and financial matters, the result of Group's operations for the period and the financial position as a whole.

Hørsholm, 10 May 2023

### **Executive Management**

Thomas Kaas Selsø, CEO

### **Board of Directors**

Peter Mørch Eriksen  
Chairman

Christian Vinding Thomsen  
Vice chairman

Lars Rosenkrantz Gundorph

Peter Vilmann

Ole Larsen

# Independent auditor's review report

---

## To the shareholders of Pharma Equity Group A/S

We have reviewed the accompanying interim consolidated financial statements of Pharma Equity Group A/S for the period 1 January to 31 March 2023 which comprise consolidated statements of comprehensive income, financial position, changes in equity, cash flows and selected notes, prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union, and additional Danish interim reporting requirements for listed companies.

### Management's Responsibilities for the Interim Consolidated Financial Statements

Management is responsible for the preparation of interim consolidated financial statements, that give a true and fair view in accordance with the International Reporting Standards as adopted by the European Union, and additional Danish interim reporting requirements for listed companies, and for such internal control as Management determines is necessary to enable the preparation of the interim consolidated financial statements that are free from material misstatement whether due to fraud or error.

### Auditor's responsibilities

Our responsibility is to express a conclusion on the interim consolidated financial statements. We conducted our review in accordance with International Standard relating to Review of Interim Financial Information Performed by the Independent Auditor of the Entity and additional requirements under Danish Auditor regulation. This requires us to conclude whether anything has come to our attention that causes us to believe that the interim consolidated financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This requires us also to comply with relevant ethical requirements.

A review of financial statements in accordance with the International Standard relating to Review of Interim Financial Information Performed by the Independent Auditor of the Entity is a limited assurance engagement. The auditor performs procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the interim financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim consolidated financial statements do not give a true and fair view of the Group's assets, liabilities and financial position at 31 March, 2023 and of its financial performance and cash flow for the period 1 January to 31 March 2023, in accordance with IAS 34 "Interim Financial Reporting" as adopted in the European Union, and additional Danish interim reporting requirements for listed companies.

Copenhagen, 10 May, 2023

BDO Statsautoriseret revisionsaktieselskab  
Company reg. no. 20 22 26 70

Kim Mücke  
State authorised public accountant  
mne10944

## Statement of comprehensive income

Note	PEG Group 01-01-2023 - 31-03-2023 (reviewed) TDKK	Reponex 01-01-2022 - 31-03-2022 (unaudited) TDKK	Reponex 01-01-2022 - 31-12-2022 (audited) TDKK	
3	<b>Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Production costs	0	0	0
	<b>Gross profit</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Research and development costs	-914	-1.274	-6.263
	Administrative costs	-2.481	-1.206	-5.780
	<b>Operating profit/loss (EBIT)</b>	<b>-3.395</b>	<b>-2.480</b>	<b>-12.043</b>
	Financial expenses	-3	-6	-22
	<b>Profit/loss before tax</b>	<b>-3.399</b>	<b>-2.486</b>	<b>-12.065</b>
4	Tax on profit/loss for the period	536	373	1.855
	<b>Net profit/loss for the period</b>	<b>-2.863</b>	<b>-2.113</b>	<b>-10.210</b>
	Other comprehensive income/loss	0	0	0
	<b>Total comprehensive income/loss</b>	<b>-2.863</b>	<b>-2.113</b>	<b>-10.210</b>
9	Earnings per share (EPS basic), DKK	-0,15	-0,12	-0,57
9	Diluted earnings per share (EPS-D), DKK	-0,15	-0,12	-0,60

## Statement of financial position

<b>ASSETS</b>		PEG Group	Reponex	Reponex
		31-03-2023	31-03-2022	31-12-2022
		<i>(reviewed)</i>	<i>(unaudited)</i>	<i>(audited)</i>
Note		TDKK	TDKK	TDKK
<b>Non-current assets</b>				
6	Intangible assets	12.071	13.099	12.328
6	Tangible assets	69	0	0
6	Right-of-use assets	510	791	582
	Tax receivable	536	373	0
<b>Total non-current assets</b>		<b>13.185</b>	<b>14.263</b>	<b>12.910</b>
<b>Current assets</b>				
	Inventories	1.592	1.646	1.587
7	Receivable Portinho S.A.	62.403	0	0
	Other receivables	1.024	509	802
	Prepaid expenses	50	66	0
	Current tax receivable	1.855	1.483	1.855
	Cash and cash equivalents	12.079	9.126	2.830
<b>Total current assets</b>		<b>79.003</b>	<b>12.830</b>	<b>7.074</b>
<b>Total assets</b>		<b>92.188</b>	<b>27.093</b>	<b>19.984</b>
<b>EQUITY AND LIABILITIES</b>				
		31-03-2023	31-03-2022	31-12-2022
Note		TDKK	TDKK	TDKK
	Share capital	1.022.964	830	830
	Reserve for capitalised development costs	7.153	9.001	7.409
	Other reserves	-968.740	15.509	9.140
11	<b>Total equity</b>	<b>61.376</b>	<b>25.340</b>	<b>17.379</b>
	Lease liabilities	222	511	295
<b>Total long-term liabilities</b>		<b>222</b>	<b>511</b>	<b>295</b>
	Trade payables	9.013	675	1.606
	Bank debt	7.411	0	0
	Financial loans	6.996	0	0
	Loans from related parties	6.352	0	0
	Lease liabilities	288	280	286
	Other liabilities	531	287	418
<b>Total current liabilities</b>		<b>30.590</b>	<b>1.243</b>	<b>2.310</b>
<b>Total liabilities</b>		<b>30.812</b>	<b>1.753</b>	<b>2.605</b>
<b>Total equity and liabilities</b>		<b>92.188</b>	<b>27.093</b>	<b>19.984</b>

## Statement of changes in equity

	Share capital	Share premium account	Reserve for capitalised development costs	Other reserves	Total equity
<i>Statement of changes in equity</i>					
<i>01-01-2022 - 31-03-2022</i>					
Equity Reponex as at 01-01-2022	830	0	9.959	16.583	27.371
Net profit/loss	0	0	0	-2.113	-2.113
Share based payments	0	0	0	81	81
Capitalised development costs, movement in reserve	0	0	-957	957	0
	<b>0</b>	<b>0</b>	<b>-957</b>	<b>-1.074</b>	<b>-2.032</b>
Dividends	0	0	0	0	0
<b>Transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Equity Reponex as at 31-03-2022</b>	<b>830</b>	<b>0</b>	<b>9.001</b>	<b>15.509</b>	<b>25.340</b>

*Statement of changes in equity*  
*01-01-2023 - 31-03-2023*

Equity Reponex as at 01-01-2023	830	0	7.410	9.140	17.379
Net profit/loss	0	0	0	-2.863	-2.863
Capital increase from warrants exercised	20	12.684	0	0	12.704
Transfer of share premium	0	-12.172	0	12.172	0
Costs related to warrants exercised	0	-512	0	0	-512
Reversal of share capital Reponex 24-03-2023	-850	0	0	850	0
PEG Group, Equity 24-03-2023	45.616	0	0	-10.948	34.668
Shares issued to Reponex shareholders	977.348	0	0	-977.348	0
Capitalised development costs, movement in reserve	0	0	-257	257	0
	<b>1.022.134</b>	<b>0</b>	<b>-257</b>	<b>-977.880</b>	<b>43.997</b>
Dividends	0	0	0	0	0
<b>Transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Equity PEG Group as at 31-03-2023</b>	<b>1.022.964</b>	<b>0</b>	<b>7.153</b>	<b>-968.740</b>	<b>61.376</b>

## Cash flow statement

Note	PEG Group 01-01-2023 - 31-03-2023 (reviewed) TDKK	Reponex 01-01-2022 - 31-03-2022 (unaudited) TDKK	Reponex 01-01-2022 - 31-12-2022 (audited) TDKK
<b>Profit/loss before tax</b>	-3.399	-2.486	-12.065
Adjustment of non-cash transactions:			
Depreciation, amortisation and impairment losses, intangible assets	261	257	1.027
Share based payments	0	81	217
Financial expenses	3	6	22
Change in working capital:			
Inventories	-5	-485	-426
Receivables	-38	453	160
Trade payables	-790	-70	860
Prepaid expenses	-50	-43	23
Other liabilities	113	16	147
Corporate tax	0	0	1.484
<b>Net cash used in operating activities before net financials</b>	<b>-3.905</b>	<b>-2.271</b>	<b>-8.551</b>
Financial expenses paid	-3	-6	-22
<b>Net cash used in operating activities</b>	<b>-3.908</b>	<b>-2.277</b>	<b>-8.573</b>
Purchase of tangible assets	-73	0	0
<b>Net cash used in investing activities</b>	<b>-73</b>	<b>0</b>	<b>0</b>
Proceeds from capital increase, net	12.192	0	0
<b>Net cash received from financing activities</b>	<b>12.192</b>	<b>0</b>	<b>0</b>
<b>Total cash flows for the period</b>	<b>8.211</b>	<b>-2.277</b>	<b>-8.573</b>
5 Cash and cash equivalents PEG upon transaction date	1.037	0	0
Cash and cash equivalents beginning of period	2.830	11.403	11.403
<b>Cash equivalents end of period</b>	<b>12.079</b>	<b>9.126</b>	<b>2.830</b>
Cash and cash equivalents, end of period, comprise:			
Cash and cash equivalents	12.079	9.126	2.830
<b>Total</b>	<b>12.079</b>	<b>9.126</b>	<b>2.830</b>

1. Accounting policies
2. Nature of operations
3. Revenue and segment information
4. Income tax
5. PEG/Reponex transaction
6. Impairment testing of intangible assets and equipment
7. Receivable Portinho S.A.
8. Capital resources as per 31-03-2023
9. Earnings per share
10. Warrants
11. Changes in number of shares and share capital PEG
12. Contingent liabilities
13. Financial risks and financial instruments
14. Related party transactions
15. Guarantees and Securities
16. Events occurring after the balance sheet date

## Notes to the interim consolidated financial statements

---

### 1. Accounting policies

#### 1.1 Basis of preparation

The consolidated interim report for the period 1 January – 31 March 2023 (“Q1 2023”) has been prepared in accordance with IAS 34 Interim financial reporting, as adopted by the EU, and additional Danish interim reporting requirements for listed companies.

The interim report does not include all the information and disclosures required in the annual consolidated financial statements.

In Q1 2023, PEG has acquired the entire share capital in Reponex in exchange for shares in PEG and whereby the shareholders of Reponex have become the majority owner of PEG. The acquisition of Reponex means that PEG from Q1 2023 is required to publish consolidated financial statements. In the past, PEG has reported financial figures on a stand-alone basis.

With the Reponex shareholders becoming the majority owners of PEG, Reponex has been identified as accounting acquirer for the purposes of the consolidated financial statements. Hence, the consolidated interim report reflects the assets, liabilities, operations and cash flows of Reponex for the entire Q1 2023, including reported comparative figures, whereas the assets, liabilities, operations and cash flows of PEG are reflected in the consolidated interim report from 24 March 2023 where the transaction was completed. Hence, this is an important change compared to the past. For the reporting of historical financial figures for PEG, reference is made to past annual IFRS financial statements and IFRS interim reports.

Also, Reponex has applied IFRS in the past, and there have been no changes in the accounting principles and the application of IFRS in Q1 2023 compared to the accounting principles applied by Reponex in the past. Reference is made to the 2022 Annual report for Reponex Pharmaceuticals A/S, which include a detailed description of the accounting principles applied in accordance with IFRS.

#### 1.2 Significant accounting estimates and judgements

For Q1 2023, Management has especially applied significant accounting estimates and judgements as follows:

##### ***Accounting for PEG/Reponex transaction***

As of 24 March 2023, PEG acquired 100% of the share capital in Reponex by issuing 977,347,625 shares of DKK 1 each in a rights issue to the shareholders of Reponex after which the shareholders in Reponex owns approx. 95% of the total share capital in PEG. On this basis, Reponex has been identified as the accounting acquirer for the purposes of the preparation of the consolidated financial statements, and the transaction is accounted for as a reverse take-over. See note 5 for further information.

##### ***Measurement of Portinho S.A receivable and impact on assessment of financial resources***

PEG’s most significant asset is the receivable from Portinho S.A, which has been outstanding for some years, and in 2021 it was agreed to accept payment of the then outstanding amount to 1 July 2023 at the latest.

As a result of the PEG/Reponex transaction being accounted for as a reverse take-over, PEG’s Portinho S.A receivable has been subject to a separate fair value measurement exercise, since IFRS rules, in a reverse take-over transaction, require identifiable assets and liabilities of PEG to be recognised and measured at their fair values at the transaction date. Management has considered various ways of determining a relevant and reliable fair value of the receivable, and concluded that fair value of the receivable extracted from the market value of PEG, just prior to the transaction, represents the most relevant and reliable fair value of the receivable:

## Notes to the interim consolidated financial statements

### 1.2 Significant accounting estimates and judgements - continued

- Just prior to the transaction, PEG in reality only had one asset and did not have any operations, and hence, the market value of PEG to a large extent reflects the market's valuation of the receivable.
- Due to the nature of the receivable, Management has concluded that a separate fair value assessment of the receivable, including making use of outside experts, would be subject to significant uncertainty, and thereby such valuation would not be a better or more reliable reflection of the receivable's fair value than the fair value which can be extracted from the market value of PEG just prior to the completion of the transaction.
- Management has considered whether the market value of PEG just prior to the completion of the transaction included a value relating to the shell of PEG being an empty stock listed company. Management has noted that the price per share of PEG has decreased after the completion of the transaction and the listing of the shares issued to the Reponex shareholders. Although the development in the stock price for the PEG shares after the listing of the new shares is a result of multiple elements, Management finds that the development in the share price – among other things – indicate that the market has not assigned a substantial value to the upcoming Reponex transaction in the stock price for PEG prior to the completion of the PEG/Reponex transaction, and hence Management finds that it is reasonable to assume and conclude that the value of the stock shell is not material, and hence no value for stock shell has been identified and recognized in the Q1 2023 interim consolidated report.

By determining the fair value by extracting it from the market value of PEG just prior to the completion of the transaction, the Portinho S.A receivable has been valued at DKK 62.4 million at 24 March 2023 (the transaction date), and this value has been retained at 31 March 2023.

In the stand-alone financial statements for 2022 for PEG, the receivable was valued at DKK 70.8 million based on a discounting of the amount expected to be paid on 1 July 2023 at the latest. Management estimates that the receivable would have been valued at DKK 72.5 million at 31 March 2023 had the same methodology and discount rate as applied at 31 December 2022 been applied also at 31 March 2023.

As further described in note 7, based on regular dialogue with representatives from Portinho S.A, Management finds that it is reasonable to expect that the receivable will be paid by 1 July 2023 at the latest with an amount at least equal to the carrying value.

The receivable represents a significant expected financial resource to the Group, and hence Management has also made assessments of consequences if the receivable is not paid at the agreed due date. As further outlined in note 8, the Group's financial loans fall due concurrently with the receipt of payment from Portinho S.A. PEG has made arrangements with the financial lenders with alternative payment plans if the payments from Portinho S.A will not as agreed and expected be paid on 1 July 2023 at the latest. As outlined in note 8, this will ensure that the Group has sufficient financial resources available to executing on its plans for the foreseeable future.

#### **Accounting for development costs**

The Group is engaged in various development activities and as such the Group makes estimates as to whether the development costs meet the requirements for capitalization, or whether the costs incurred should be expensed as incurred. 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. From 2021 the Reponex Management assessed that development and patent costs incurred in 2021 and onwards did not meet the capitalization criteria in IAS 38 "Intangibles" and hence all development and patent costs incurred from 2021 and onwards are 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.

## Notes to the interim consolidated financial statements

### 2. Nature of operations

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

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

### 3. Revenue and segment information

No revenue has been recognized in Q1 2023.

Currently, Management regard the Group to operate in one segment, and hence no segment disclosures are provided at this stage.

### 4. Income tax

The Group recognizes the expected income tax credit from the Group's development activities under the Danish income tax credit system. Under these programs, the Group has recognized tax receivable relating to 2022 under current assets, and tax receivable relating to 2023 as a non-current asset, as the 2023 income tax credit will not be received until the end 2024.

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

### 5. PEG/Reponex transaction

On 24 March 2023, PEG completed the acquisition of the entire share capital in Reponex in exchange for shares in PEG, and whereby the shareholders of Reponex became the owners of approx. 95% of the share capital of PEG.

As consideration for the acquisition, PEG issued 977,347,625 new PEG shares of DKK 1 each. For legal purposes, the transaction price was agreed to DKK 1.5 billion. For accounting purposes, the transaction price will be based on the fair value as determined by the market.

Under the provisions and requirements of IFRS, Reponex has been identified as the accounting acquirer due to:

- Following the completion of the transaction, the shareholders of Reponex became the majority shareholders of PEG,
- Going forward the Group's activities will consist of the Reponex activities,
- After the completion of the transaction, a new CEO have been appointed coming from the Reponex structure and two out of three PEG board members have resigned, and hence the majority of persons of the executive management and Board of Directors going forward are related to Reponex or elected after the Reponex shareholders have taken over the majority of the Group.

As a result of Reponex being identified as the accounting acquirer, the transaction is accounted for as a reverse take-over when preparing the consolidated financial statements for PEG. This has the following accounting consequences:

- The existing shareholders in PEG receive from an accounting perspective a consideration equal to their share of PEG based on the market value of PEG just prior to the completion of the transaction. Provisional calculations indicate a fair value of the consideration DKK 34.6 million based on the stock price for the PEG shares just prior to issuing new PEG shares to the Reponex shareholders.
- The existing shareholders in PEG, immediately prior to the transaction, are – in regard to the consolidated financial statements of PEG Group – treated as new shareholders, which are reflected as an equity increase equal to fair value of the shares received by the existing shareholders in PEG as outlined in the statement of movements in equity
- All identifiable assets and liabilities in PEG are reassessed to fair value and recognized in the consolidated financial statements from 24 March 2023. Provisional assessment of fair value of the net assets in PEG equals DKK 34.7 million.

## Notes to the interim consolidated financial statements

---

### 5. PEG/Reponex transaction - continued

When determining the accounting for the PEG/Reponex transaction, Management has considered whether there is an excess value between fair value of the consideration to the existing PEG shareholders and the fair value of the assets and liabilities in the existing PEG, which according to IFRIC agenda decision should be expensed, as a share-based payment, in the consolidated financial statements as the value of PEG's stock shell.

The key considerations for measuring PEG identifiable assets and liabilities as of the transaction date can be summarized as follows:

- As described in note 1.2 and note 7, Management has extracted the fair value from PEG's stock value just prior to the transaction date, and on this basis the fair value of the Portinho S.A receivable has been determined to amount to DKK 62.4 million at the transaction date.

- Fair value of liabilities has been determined to approximate the nominal value of the identifiable liabilities, including added interest for interest bearing liabilities, based on interest rates for interest bearing liabilities are considered in all material respects to reflect credit risk and period until all such liabilities will be settled when the Portinho S.A receivable will be settled at 1 July 2023 at the latest. For trade payables and other liabilities fair value has also been considered to be equal to the underlying nominal value of the debts considering that normal short term payment terms have been agreed for these debt items. Remeasurement will be considered for the liabilities, in case, the settlement of interest bearing liabilities will be deferred because of the receipt of the Portinho S.A receivable will be deferred (see note 8).

The fair value of the consideration to the existing PEG shareholders have been allocated in full to identifiable PEG assets and liabilities as of the transaction date, and and thereby there is neither a positive nor a negative excess value to be separately accounted for.

## Notes to the interim consolidated financial statements

### 5. PEG/Reponex transaction - continued

The PEG/Reponex transaction and the related presentation of the consolidated statement of financial position end March 2023 can be summarized as follows:

	<i>Reponex</i>	<i>PEG fair value of assets and liabilities and consideration</i>	<i>Elimination</i>	<i>PEG Group</i>
	TDKK	TDKK	TDKK	TDKK
<b>Non-current assets</b>				
Intangible assets	12.071	0	0	12.071
Tangible assets	69	0	0	69
Right-of-use assets	510	0	0	510
Equity Investments in Reponex	0	689.030	-689.030	0
Tax receivable	536	0	0	536
<b>Total non-current assets</b>	<b>13.185</b>	<b>689.030</b>	<b>-689.030</b>	<b>13.185</b>
<b>Current assets</b>				
Inventories	1.592	0	0	1.592
Receivable Portinho S.A.	0	62.403	0	62.403
Other receivables	841	184	0	1.024
Prepaid expenses	50	0	0	50
Current tax receivable	1.855	0	0	1.855
Cash and cash equivalents	11.041	1.037	0	12.079
<b>Total current assets</b>	<b>15.379</b>	<b>63.624</b>	<b>0</b>	<b>79.003</b>
<b>Total assets</b>	<b>28.564</b>	<b>752.654</b>	<b>-689.030</b>	<b>92.188</b>
<b>Total Equity</b>	<b>26.708</b>	<b>723.699</b>	<b>-689.030</b>	<b>61.376</b>
<b>Liabilities</b>				
Lease liabilities, Long-term	222	0	0	222
Trade payables	816	8.197 *	0	9.013
Bank debt	0	7.411	0	7.411
Financial loans	0	6.996	0	6.996
Loan from shareholders	0	6.352	0	6.352
Lease liabilities, Short-term	288	0	0	288
Other liabilities	531	0	0	531
<b>Total liabilities</b>	<b>1.857</b>	<b>28.955</b>	<b>0</b>	<b>30.812</b>
<b>Total equity and liabilities</b>	<b>28.564</b>	<b>752.654</b>	<b>-689.030</b>	<b>92.188</b>

\*Trade payables include accrued transaction costs and costs related to the listing of the newly issued shares to the Reponex shareholders, including costs related to the preparation of the prospectus, of totally DKK 5 million.

## Notes to the interim consolidated financial statements

---

### 6. Impairment testing of intangible assets and equipment

The carrying amount of both intangible and tangible assets are subject to an annual impairment assessment in order to disclose any indication of impairment beyond those expressed by amortisation and depreciation. Reference is made to the Annual report 2022 for Reponex.

As of 31 March 2023, Management has concluded that there are no indications of impairment, among other things supported by the market capitalization of PEG as of 31 March 2023 implies that the net selling price for the non-current assets exceeds the carrying values with a considerable head room.

### 7. Receivable Portinho S.A.

The amount consists of PEG's receivables from Portinho S.A where the principal amounts to EUR 9,55 million (DKK 71,1 million) excluding added interest. An agreement was reached at the beginning of 2021 with latest settlement date being deferred until 1 July 2023. If the plot of land is sold to a third party before then, the entire amount must be paid, unless otherwise agreed. The receivable bears interest at 2% p.a. PEG has a security on 80% of the shares in Portinho S.A. PEG has the right to sell the claim in whole or in part to one or more third parties against the general meeting's prior acceptance.

The receivable is included in the statement of financial position at 31 March 2023 as a short term receivable with a carrying value of DKK 62.4 million as discussed in the note 1.2.

Management is in regular dialogue with representatives from Portinho S.A. On this basis, Management finds it reasonable to expect that the receivable will be settled as agreed at 1 July 2023 at the latest.

### 8. Capital resources as per 31-03-2023

As described in note 7, the receivable from Portinho S.A is agreed and expected to be received at 1 July 2023 at the latest. PEG has entered into agreements with its financial lenders that the financial loans fall due when payment is received from Portinho S.A.

If for any reason, PEG has to or will accept an agreement about postponing the settlement date, PEG has agreed with most of its financial lenders that the payment of the financial debt similarly will be postponed through individual instalment plans where debt of DKK 15.6 million will not be required to be paid until after 31 March 2024.

## Notes to the interim consolidated financial statements

### 8. Capital resources as per 31-03-2023 - continued

	<i>Balance</i>	<i>Consequence of</i>	<i>Capital</i>
	<i>31-</i>	<i>delay of</i>	<i>resources</i>
	<i>03-2023</i>	<i>Portinho</i>	<i>with delay of</i>
	<i>TDKK</i>	<i>payment</i>	<i>Portinho</i>
	<i>TDKK</i>	<i>TDKK</i>	<i>payment</i>
	<i>TDKK</i>	<i>TDKK</i>	<i>TDKK</i>
<b>Short term financial assets:</b>			
Receivable Portinho S.A.	62.403	-62.403	0
Other receivables	1.024	0	1.024
Current tax receivable	1.855	0	1.855
Cash and cash equivalents	12.079	0	12.079
<b>Total short term capital assets</b>	<b>77.361</b>	<b>-62.403</b>	<b>14.958</b>
<b>Current Liabilities:</b>			
Trade payables	9.013	0	9.013
Bank debt	7.411	-3.266	4.145
Financial loans	6.996	-5.996	1.000
Loan from shareholders	6.352	-6.352	0
Lease liabilities	288	0	288
Other liabilities	531	0	531
<b>Total current liabilities</b>	<b>30.590</b>	<b>-15.613</b>	<b>14.977</b>
<b>Total net capital recourses</b>	<b>46.771</b>	<b>-46.790</b>	<b>-19</b>
<b>Other capital recourses:</b>			
Unused credit facility (see note 14)	7.500	0	7.500
<b>Total other capital recourses:</b>	<b>7.500</b>	<b>0</b>	<b>7.500</b>
<b>Net capital recourses:</b>	<b>54.271</b>	<b>-46.790</b>	<b>7.481</b>

## Notes to the interim consolidated financial statements

9. Earnings per share	PEG Group 01-01-2023 - 31-03-2023 <i>(reviewed)</i>	Reponex 01-01-2022 - 31-03-2022 <i>(unaudited)</i>	Reponex 01-01-2022 - 31-12-2022 <i>(audited)</i>
<b>Profit/loss for the period TDKK</b>	<b>-2.863</b>	<b>-2.113</b>	<b>-10.210</b>
Average number of shares (in thousands) Reponex	18.651	18.640	18.640
Exchange rate applied in reverse take-over	95,54%	95,54%	95,54%
<b>Average number of shares (in thousands) Reponex until reverse acquisition date (1)</b>	<b>17.819</b>	<b>17.809</b>	<b>17.809</b>
Average number of shares (in thousands) PEG from reverse acquisition date	90.930		
Average number of treasury shares (in thousands)	-15		
<b>Average number of shares (in thousands) PEG after reverse acquisition date (2)</b>	<b>90.915</b>		
<b>Average number of shares in circulation for basic EPS (1+2)</b>	<b>18.636</b>	<b>17.809</b>	<b>17.809</b>
Effect of warrants issued (Reponex)	9	20	20
<b>Diluted average number of shares in circulation</b>	<b>18.645</b>	<b>17.829</b>	<b>17.829</b>
Exchange rate applied in reverse take-over		95,54%	95,54%
<b>Diluted average number of shares in circulation</b>	<b>18.645</b>	<b>17.034</b>	<b>17.034</b>
Earnings per share of DKK 1.00 (DKK)	-0,15	-0,12	-0,57
Diluted earnings per share of DKK 1.00 (DKK)	-0,15	-0,12	-0,60

## Notes to the interim consolidated financial statements

### 10. Warrants

In February 2023, warrant holders of Reponex exercised 203.266 warrants resulting in a cash inflow of DKK 12,7 million after which there are no outstanding warrants in neither PEG nor Reponex.

	<i>*Ordinary (A)- shares</i>	<i>*B-Shares</i>	<i>Share capital</i>
<b>11. Changes in number of shares and share capital PEG</b>	1000 shares	1000 shares	TDKK
As per 01-01-2023	9.328	9.328	18.655
Convertible debt converted to share capital (see note 14)	1.768	1.768	3.535
Elimination of A/B share classes	11.095	-11.095	0
Bonus shares issued	22.190	0	22.190
Rights issue	1.237	0	1.237
Shares issued to Reponex shareholders	977.348	0	977.348
<b>Total numbers of shares and share capital as per 31-03-2023</b>	<b>1.022.965</b>	<b>0</b>	<b>1.022.965</b>

\* Each shares has a value of DKK 1.00

### 12. Contingent liabilities

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

### 13. Financial risks and financial instruments

#### *Risk management policy*

Management manages and monitors the Group's financial risks as part of Management's day-to-day operations based on the instructions given by the Board of Directors.

#### *Credit risk*

Reference is made to note 7 relating to the Portinho S.A receivable. From an accounting viewpoint, the maximum credit risk relating to the receivable corresponds to the carrying amount.

Otherwise, since the Group has not yet started revenue generating operations, credit risk from operations is deemed minimal.

#### *Interest rate risks*

The Group is exposed to interest rate risks from the Portinho S.A receivable and its bank debt and financial loans. The Portinho S.A receivable bears a fixed interest rate. Bank loans bear variable interest whereas financial loans from other sources bears fixed interest rates. Interest rate risk is considered minimal due to the remaining short-term period for the Portinho S.A receivable falling due on 1 July 2023 and where financial loans concurrently mature.

#### *Foreign currency risk*

The Group's development activities is subject to some currency risks as some transactions take place in foreign currencies, though the exposure is considered to be minimal at this stage.

#### *Liquidity risk*

The Group's liquidity risk covers the risk that the Group is not able to meet its liabilities as they fall due. Reference is made to the information in note 8.

Reference is also made to pages 14-23 in prospectus dated the 27 February 2023.

## Notes to the interim consolidated financial statements

### 13. Financial risks and financial instruments - continued

#### *Fair value*

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

- Portinho S.A receivable (see note 1.2 and 7 for further information) (level 2)
- Other receivables (level 3)
- Cash and cash equivalents (level 3)
- Trade payables (level 3)
- Bank debt (level 3)
- Financial loans (level 3)
- Loans from shareholders (level 3)

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

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

Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). As disclosed in note 1.2, the fair value of the Portinho S.A receivable has been extracted from the market value of PEG just prior to the completion of the PEG/Reponex transaction.

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

### 14 . Related party transactions

In the annual report 2022 for PEG, PEG reported that it had received financial loans and drawing facilities from a third party. Following the PEG/Reponex transaction, this third party is now to be considered a related party, as the credit facility of DKK 11.5 million has been provided by a company controlled by the same person who controls BioPharma Holding, which is considered to hold a significant influence over PEG considering that it holds a 20.05% ownership of PEG. As per 31 March 2023, DKK 4 million has been utilized of the credit facility. Interest expense for Q1 2023 equals DKK 65. The credit facility will expire when the Portinho S.A receivable is settled, and otherwise the facility matures in July 2024.

In addition, PEG has loans from other shareholders provided in the past of totally DKK 1.5 million, which will be settled when the Portinho S.A receivable is paid. These other shareholders also holds interests in Portinho S.A. Interest expense for Q1 2023 equals DKK 0.

In January 2023, PEG converted loan of DKK 3.5 million to share capital. The convertible loan was provided in the past by a company owned by the former chairman of the Board of PEG, and who later on and until 31 March 2023 was CEO of PEG.

### 15. Guarantees and Securities

The Portinho S.A receivable with a carrying value of DKK 62.4 million as per 31 March 2023 (see note 7) is provided as security for primary bank debt with an amount up to DKK 10 million and secondarily as security for financial loans with an amount up to DKK 11.8 million (amounts drawn as per 31 March 2023). The Portinho S.A receivable is also provided as security for unused credit facility up to DKK 7.5 million.

### 16. Events occurring after the balance sheet date

PEG has held its ordinary annual general meeting on 27 April 2023. Reference is made to stock announcement no. 30 from 27 April 2023.