



PHARMA EQUITY GROUP

Remuneration Report 2023

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Remuneration Report 2023

1. Introduction

The remuneration report provides a comprehensive overview of the Company's remuneration in 2023 of members of the Board of Directors and the registered Executive Management of Pharma Equity Group A/S (the 'Company') listed on Nasdaq.

The information in the remuneration report is primarily derived from the audited consolidated and parent company financial statements for 2023 available at www.pharmaequitygroup.com.

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

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

The remuneration report for 2022 was presented at the Company's Annual General Meeting on 27 April 2023 and was approved without comments.

2. Financial performance

In 2023, Pharma Equity Group A/S completed the acquisition of Reponex Pharmaceuticals A/S, and from 2023, Pharma Equity Group A/S is reporting consolidated figures. As further described in the Annual Report for 2023, the acquisition of Reponex Pharmaceuticals A/S is accounted for as a reverse take-over as the shareholders of Reponex Pharmaceuticals A/S became majority shareholders of Pharma Equity Group A/S.

In 2023, Pharma Equity Group A/S realised a consolidated net loss of DKK 24.6 million against DKK 9.4 million the year before (Reponex 2022 figures) or DKK net profit of 3.5 million (Pharma Equity Group A/S 2022 figures on a stand-alone basis).

The consolidated loss for 2023 is impacted by a negative fair value adjustment of DKK 4.4 million relating to the receivable from Portinho S.A. Management of Pharma Equity Group A/S is confident that the receivable will be paid in time, but also acknowledge that it may take longer time than originally agreed and originally anticipated, and hence this has triggered a negative fair value adjustment of the value of the receivable.

The loss, excluding the fair value adjustment, is in line with the expectations for 2023. The 2023 loss reflects that the Group (through Reponex) has continued its development activities relating to the product candidates with the aim of being ready to generate revenue from 2025.

In 2023 and in the beginning of 2024, the Group has obtained funding in the form of convertible loans and other financial loans, and further funding is planned and expected to be obtained in 2024 to ensure sufficient funding to carry out the planned activities for 2024 and ensuring that the Group will be able to service its debt obligations as they fall due, even if no payments will be received from Portinho S.A in 2024.



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3. Remuneration of the Board of Directors

As of 31 December 2023, the Board of Directors of Pharma Equity Group consists of five members. There have been changes to the Board of Directors during 2023, among other things because of the transaction between Pharma Equity Group A/S and Reponex Pharmaceuticals A/S on 24 March 2023. On 31 March 2023, Claus Abildstrøm og Peter Ole Jensen resigned as board members and Peter Ole Jensen resigned as CEO and new members to the Board of Directors were elected and a new CEO was appointed. During 2023, there have been further changes to the Board of Directors, elected on 31 March 2023, which means that the Board of Directors as of 31 December 2023 is different from the one elected on 31 March 2023.

In the past, the Board of Directors covered all aspects of the board responsibilities, and no separate sub-committees were established. Following the acquisition of Reponex Pharmaceuticals A/S and the expansion of the Group's activities, the Company has established three sub-committees:

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

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

In 2022 the fee to the Board of Directors was provided for in the 2022 financial statements with DKK 800,000 and the amount has been paid to the respective Board members in 2023.

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

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

On an annualized basis the following fees apply:

Chairperson of the Board	DKK 350,000
Vice-chairperson	DKK 250,000
Other board members	DKK 125,000
Membership of sub-committees	DKK 25,000



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

Remuneration of individual board members for 2023

Name	Position	Board fee (DKK)	Audit committee (DKK)	Nomination and Remuneration Committee (DKK)	Business, Research and Development Committee (DKK)	Board fee Reponex Pharmaceuticals A/S (DKK)	Total (DKK)
Claus Abildstrøm	Chairperson (Blue-Vision A/S)	0					0
Peter Ole Jensen	Member of the Board of Directors (Blue-Vision A/S)	0					0
Peter Mørch Eriksen	Member of the Board of Directors (Blue-Vision A/S)	0					0
Peter Mørch Eriksen	Chairperson (Pharma Equity Group A/S)	93.750					93.750
Christian Thomsen	Member of the Board of Directors (Pharma Equity Group A/S)	62.500					62.500
Christian Thomsen	Chairperson (Pharma Equity Group A/S)	175.000				75.000	250.000
Martin Engell-Rossen	Vice Chairperson (Pharma Equity Group A/S)	62.500					62.500
Omar Qandeel	Member of the Board of Directors (Pharma Equity Group A/S)	37.500			6.250		43.750
Peter Vilmann	Member of the Board of Directors (Pharma Equity Group A/S)	112.500			18.750		131.250
Lars Gundorph	Member of the Board of Directors (Pharma Equity Group A/S)	112.500		18.750			131.250
Ole Larsen	Member of the Board of Directors (Pharma Equity Group A/S)	62.500					62.500
Mette Zacho	Member of the Board of Directors (Pharma Equity Group A/S)	0					0
Total remuneration, DKK							837.500

In addition to the above fees, Peter Vilmann has in 2023 received fees from Reponex for consulting services fee of TDKK 25 and Martin Engel-Rossen has in 2023 received fees for consulting services from PEG of TDKK 167.



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4. Remuneration of the Executive Board

The Executive Board of Pharma Equity Group consists of one member, Thomas Kaas Selsø, who took up his position as CEO on 1 April 2023 from the former CEO, Peter Ole Jensen, who had been CEO from 29 April 2022 to 31 March 2023.

In accordance with the remuneration policy, the remuneration of the Executive Management was determined after individual annual negotiations with the Board of Directors. Remuneration has been allocated to the Executive Board for 1.4-31.12.2023 at TDKK 1,350, which is partly paid by PEG and partly by Reponex. The Executive Management has a bonus agreement which can be up to 50% of the annual base salary. The board has assessed that the CEO should receive a bonus of TDKK 675, based on target fulfillment of the set KPIs for 2023. In addition, the CEO was already CEO for Reponex from 1 January 2023 and received remuneration of TDKK 179 for the period 1.1-31.03.2023. Further, the CEO has also acted as CFO in the IPO process and will receive a separate remuneration of TDKK 350 for this work. The Executive Board is not covered by a pension and receives no benefits, such as a company car. Expenses incurred by the Executive Board in connection with travel, conferences, training, etc. are reimbursed by the Company.

Remuneration of individual members of the Executive Board 2023

Remuneration of individual members of the Executive Board		
Name	Position	2023 (TDKK)
Thomas Kaas Selsø (Salary)	CEO, PEG (1/4-23-31/12-23)	1.350
Thomas Kaas Selsø (Salary)	CFO, Reponex (part time 1/1-23-31/3-23)	179
Thomas Kaas Selsø (Provision for bonus)	CEO, PEG (1/4-23-31/12-23)	675
Thomas Kaas Selsø (Provision for bonus)	CFO, Reponex (IPO proces)	350
Peter Ole Jensen	CEO, PEG (1/1-23 - 31/3-23)	0
Total remuneration, TDKK		2.554

Terms of termination and severance pay, etc.

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



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

	2023	Change %	2022
Executive Management – remuneration			
Thomas Kaas Selsø (joined PEG on 01.04.2023 and Reponex on 01.05.2022 – 2022 part time basis)	2,5	+450%	0,4
Peter Ole Jensen (joined on 27.04.2022)	0	N/A	0,6
Jeanette Gyldstoft Borg (resigned on 27.04.2022)	0	N/A	0,9
Board of Directors – remuneration			
Claus Abildstrøm (resigned on 28.03.2023)	0	N/A	0,4
Peter Ole Jensen (resigned on 28.03.2023)	0	N/A	0
Peter Mørch Eriksen (resigned on 15.06.2023)	0,1	-75%	0,4
Christian Vinding Thomsen (joined 28.03.2023)	0,2	N/A	0
Martin Engell-Rossen (joined 02.11.2023)	0,1	N/A	0
Omar Qandeel (joined 02.11.2023)	0	N/A	0
Peter Vilmann (joined 28.03.2023)	0,1	N/A	0
Lars Gundorph (joined 28.03.2023)	0,1	N/A	0
Ole Larsen (resigned on 15.06.2023)	0,1	N/A	0
Mette Zachø (resigned on 27.04.2023)	0	N/A	0
Employees - average remuneration			
Pharma Equity Group A/S' average employee remuneration	0,8	not meaningful	1,7
Pharma Equity Group A/S' employees, in addition to the Executive Management (FTE)	5	N/A	1
Financial performance			
Pharma Equity Group A/S, net profit/loss, DKK million	-24,6	Not meaningful	3,5

* Pharma Equity Group has not paid remuneration to its Board or Executive management for the years 2019-2021, hence the above table only shows figures for 2022-2023.

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

Board of Directors and Executive Management shareholdings including market value

Name	*Number of shares pr. 31 December 2023	Value 31 December 2023 TDKK	Development from 2022 to 2023	*Number of shares pr. 31 December 2022	Value 31 December 2022 TDKK
Thomas Kaas Selsø, CEO, PEG	1.822.474	784	N/A	0	0
Christian Vinding Thomsen, Chairman of the Board, PEG	1.233.605	530	N/A	0	0
Martin Engell-Rossen, Vice Chairman of the Board, PEG	0	0	N/A	0	0
Omar S. Qandeel, Board Member, PEG	0	0	N/A	0	0
Peer Vilmann, Board Member, PEG	0	0	N/A	0	0
Lars Rosenkrantz Gundorph, Board Member, PEG	21.351.475	9.181	N/A	0	0
Total Management shareholdings	24.407.554	10.495	N/A	0	0

* Including shares held in entities controlled by them



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7. Approval by the Board of Directors

Today, the Board of Directors has considered and approved the remuneration report for Pharma Equity Group A/S for the financial year 1 January - 31 December 2023.

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

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

The remuneration report is recommended for an indicative vote at the Company's 2023 Annual General Meeting.

Copenhagen, 20 March 2024

Board of Directors

Christian Vinding Thomsen Chairperson	Marting Engell-Rossen Vice chairperson	Omar Qandeel
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Peter Vilmann	Lars Gundorph
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7. The independent auditor's statement on the company's remuneration report

To the shareholders of Pharma Equity Group A/S

We have examined whether the Board of Directors has complied with its obligations to include the information specified pursuant to section 139b (3) of the Danish Companies Act in the Company's remuneration report for 2023.

Responsibilities of management

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

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

Auditor's independence and quality control

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

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

Auditor's responsibility

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

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

- We have verified that the Remuneration Report includes the information on remuneration for each individual member of the Board of Directors and Executive Management as required by section 139 b(3), item 1-6 of the Danish Companies Act.
- We have reconciled the information on financial performance of Pharma Equity Group A/S included in the Remuneration Report to the financial highlights and other financial information as per the Annual Report for the financial year 2023 and, in addition, we have on a sample basis recalculated



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the average remuneration by Full Time Equivalent excluding Executive Management for Pharma Equity Group A/S.

- We have examined the process for recording, collecting and presenting information on base salary and bonus to the Executive Management and remuneration to the Board of Directors and on a sample basis verified such information to employment contracts and other agreements and actual disbursements.
- We have examined Management's process for recording, collecting and presenting number of shares held by the individual members of the Board of Directors and Executive Board and on a sample basis verified such information to supporting documentation.

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

Conclusion

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

Copenhagen, 20 March 2024

BDO

Statsautoriseret Revisionsaktieselskab

CVR no. 20 22 26 70

Kim Mücke

Certified Public Accountant

MNE No. Mne10944