

# ZPD A/S

H E Bluhmes Vej 63, 6700 Esbjerg

CVR no. 32 83 48 25

## Annual report 2017

Approved at the Company's annual general meeting on 15 March 2018

Chairman:

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of ZPD A/S for the financial year 1 January - 31 December 2017.


The annual report is prepared in accordance with 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 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Esbjerg, 15 March 2018  
Executive Board:

  
Frank Marek  
Ryu Nakao

Board of Directors:

  
Makoto Kishimoto  
Chairman  
Frank Marek  
Katsuyuki Ishii

## Independent auditor's report

To the shareholders of ZPD A/S

### Opinion

We have audited the financial statements of ZPD A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with 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 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

### 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 "Auditor's responsibilities for the audit of the financial statements" section of our report.

### Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the 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 in preparing the financial statements 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 as to 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 that includes our 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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 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.

## Independent auditor's report

- ▶ 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 use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether 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 statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and 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 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 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 whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, 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 conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Kolding, 15 March 2018

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Michael Vakker Maass

State Authorised Public Accountant

MNE no. mne32772



## Management's review

### Company details

Name	ZPD A/S
Address, Postal code, City	H E Bluhmes Vej 63, 6700 Esbjerg
CVR no.	32 83 48 25
Established	1 July 2009
Registered office	Esbjerg
Financial year	1 January - 31 December
Board of Directors	Makoto Kishimoto, Chairman Frank Marek Katsuyuki Ishii
Executive Board	Frank Marek Ryu Nakao
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Kolding Åpark 1, 3. sal, 6000 Kolding, Denmark

## Management's review

### Financial highlights

DKK'000	2017	2016	2015	2014	2013
<b>Key figures</b>					
Gross margin	40,790	39,769	47,775	45,173	43,392
Operating profit/loss	14,688	14,264	25,603	22,634	21,203
Net financials	-355	-260	266	47	-173
Profit/loss for the year	11,178	10,929	19,816	16,975	16,159
<b>Balance sheet</b>					
Total assets	156,334	145,328	133,618	118,631	118,144
Investment in property, plant and equipment	2,137	2,326	909	2,711	2,373
Equity	146,104	134,926	123,997	110,181	105,206
<b>Financial ratios</b>					
Current ratio	1,579.7%	1,432.5%	1,434.0%	1,354.0%	898.2%
Solvency ratio	93.5%	92.8%	92.8%	92.9%	89.0%
Return on equity	8.0%	8.4%	16.9%	15.8%	16.6%
<b>Other</b>					
Average number of employees	33	32	28	28	27

## Management's review

### Business review

ZPD A/S produces mainly pharmaceutical and food grade products and sells them abroad.

### Financial review

The income statement for 2017 shows a profit of DKK 11,178 thousand against a profit of DKK 10,929 thousand last year, and the balance sheet at 31 December 2017 shows equity of DKK 146,104 thousand. In the annual report for 2016, Management expected a profit for 2017 on the same level as 2016. Management considers the Company's financial performance in the year satisfactory.

### Knowledge resources

One of the Company's most important resources is its employees. The continued development of the competences of the employees as well as professional challenges are therefore given high priority.

### Special risks

The Company has no special risks apart from the risks that trading primarily with one large customer, the parent company, may lead to.

The Company's transactions in foreign currency are mainly in euro. Consequently, no significant risks related to transactions in foreign currency have been identified.

### Impact on the external environment

ZPD A/S is environmentally conscious and is continuously working to reduce the environmental effects from the operations of the company, including continuous efforts to reduce use of water in production.

### Events after the balance sheet date

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

### Outlook

For the coming year, a profit on the same level as 2017 is expected.



## Financial statements 1 January - 31 December

### Income statement

Note	DKK'000	2017	2016
	<b>Gross margin</b>	40,790	39,769
2	Staff costs	-22,192	-21,259
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-3,910	-4,246
	<b>Profit before net financials</b>	14,688	14,264
	Financial income	382	549
	Financial expenses	-737	-809
	<b>Profit before tax</b>	14,333	14,004
3	Tax for the year	-3,155	-3,075
	<b>Profit for the year</b>	11,178	10,929
	<b>Recommended appropriation of profit</b>		
	Retained earnings	11,178	10,929
		11,178	10,929

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2017	2016
	<b>ASSETS</b>		
	Fixed assets		
4	Intangible assets		
	Acquired intangible assets	497	79
		497	79
5	Property, plant and equipment		
	Land and buildings	10,677	11,125
	Plant and machinery	4,616	6,243
	Other fixtures and fittings, tools and equipment	2,021	1,602
		17,314	18,970
	<b>Total fixed assets</b>	17,811	19,049
	<b>Non-fixed assets</b>		
	Inventories		
	Raw materials and consumables	18,556	11,172
	Finished goods and goods for resale	9,405	10,803
		27,961	21,975
	Receivables		
	Trade receivables	3,394	2,907
	Receivables from group entities	34,808	13,845
	Income taxes receivable	719	713
	Other receivables	1,645	1,721
	Prepayments	123	221
		40,689	19,407
	Cash	69,873	84,897
	<b>Total non-fixed assets</b>	138,523	126,279
	<b>TOTAL ASSETS</b>	156,334	145,328

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2017	2016
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
6	Share capital	1,000	1,000
	Retained earnings	145,104	133,926
	<b>Total equity</b>	<u>146,104</u>	<u>134,926</u>
	<b>Provisions</b>		
7	Deferred tax	1,461	1,587
	<b>Total provisions</b>	<u>1,461</u>	<u>1,587</u>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Other credit institutions	214	272
	Trade payables	4,503	5,522
	Other payables	4,052	3,021
		<u>8,769</u>	<u>8,815</u>
	<b>Total liabilities other than provisions</b>	<u>8,769</u>	<u>8,815</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>156,334</u></u>	<u><u>145,328</u></u>

- 1 Accounting policies
- 8 Contractual obligations and contingencies, etc.
- 9 Collateral
- 10 Related parties

**Financial statements 1 January - 31 December****Statement of changes in equity**

DKK'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2017	1,000	133,926	134,926
Transfer through appropriation of profit	0	11,178	11,178
Equity at 31 December 2017	<u>1,000</u>	<u>145,104</u>	<u>146,104</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of ZPD A/S has been presented in accordance with the provisions of the Danish Financial Statements Act as regards medium-sized reporting class C enterprises.

The accounting policies applied by the company are consistent with those of last year.

#### Omission of a cash flow statement

ZPD A/S' cash flows are included in the consolidated financial statements of Zeria Pharmaceutical Co., Ltd. Consequently, ZPD A/S does not present any cash flow statement in the annual report, cf. section 86(4) of the Danish Financial Statement Act.

#### Basis of recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the value of the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Certain financial assets and liabilities are measured at amortised cost implying the recognition of a constant effective interest rate to maturity. Amortised cost is calculated as initial cost minus any principal repayments and plus or minus the cumulative amortisation of any difference between cost and nominal amount.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, impairment losses and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

#### Foreign currency translation

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rate at the date of the transaction.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### Leases

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

### Income statement

#### Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement when delivery and transfer of risk to the buyer have taken place and provided that the income can be reliably measured and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

#### Gross margin

In accordance with the Danish Financial Statements Act section 32 revenue, other operating income, cost of raw materials and consumables and other external costs are aggregated in one line referred to as gross margin.

#### Other operating income and operating expenses

Other operating income comprises items secondary to the activities of the Company, including gains on disposal of intangible assets and property, plant and equipment.

#### Cost of sales

Cost of sales includes the expenses relating to raw materials and consumables used in generating the year's revenue.

#### Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

#### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Amortisation/depreciation

The item comprises amortisation of software and depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life.

Where individual components of an item of software or property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Buildings	10-50 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	4-10 years
Acquired intangible assets (software)	3-5 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Land is not depreciated.

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity. The tax expense recognised in the income statement relating to the extraordinary profit/loss for the year is allocated to this item whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.

##### Balance sheet

###### Intangible assets

On initial recognition, intangible assets are measured at cost.

Software costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Gains or losses arising from the sale of items of intangible assets are recognised in the income statement under 'Other operating income' or 'Other operating expenses', respectively. Gains and losses are calculated by reference to the difference between the selling price less selling expenses and the carrying amount at the time of sale.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, and wages and salaries.

Interest expense on loans to finance the production of property, plant and equipment which concerns the production period is included in cost. All other borrowing costs are recognised in the income statement.

Gains or losses arising from the sale of items of property, plant and equipment are recognised in the income statement under 'Other operating income' or 'Other operating expenses', respectively. Gains and losses are calculated by reference to the difference between the selling price less selling expenses and the carrying amount at the time of sale.

##### Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by amortisation or depreciation.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

##### Receivables

Receivables are measured at amortised cost.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

An impairment loss is recognised if there is objective evidence that a receivable is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable is used as discount rate.

#### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

#### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

#### Equity

##### *Proposed dividends*

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

#### Income taxes

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's planned use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a setoff against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

##### Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios, "Recommendations and Financial Ratios 2015".

The financial ratios stated under "Financial highlights" have been calculated as follows:

Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK'000	2017	2016
<b>2 Staff costs</b>		
Wages/salaries	19,847	18,886
Pensions	1,027	838
Other social security costs	279	275
Other staff costs	1,039	1,260
	22,192	21,259
 Average number of full-time employees	 33	 32
 Total remuneration to Management: DKK 2,606 thousand (2015: DKK 3,478).		
<b>3 Tax for the year</b>		
Estimated tax charge for the year	3,281	3,287
Deferred tax adjustments in the year	-126	-206
Tax adjustments, prior years	0	-6
	3,155	3,075
 <b>4 Intangible assets</b>		
DKK'000		Acquired intangible assets
Cost at 1 January 2017		577
Additions in the year		534
Cost at 31 December 2017		1,111
Impairment losses and amortisation at 1 January 2017		498
Amortisation/depreciation in the year		116
Impairment losses and amortisation at 31 December 2017		614
Carrying amount at 31 December 2017		497

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 5 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2017	23,811	38,967	3,741	66,519
Additions in the year	539	596	1,002	2,137
Disposals in the year	-5	-885	-121	-1,011
Cost at 31 December 2017	24,345	38,678	4,622	67,645
Impairment losses and depreciation at 1 January 2017	12,686	32,724	2,139	47,549
Amortisation/depreciation in the year	987	2,223	583	3,793
Reversal of amortisation/depreciation and impairment of disposals	-5	-885	-121	-1,011
Impairment losses and depreciation at 31 December 2017	13,668	34,062	2,601	50,331
Carrying amount at 31 December 2017	10,677	4,616	2,021	17,314
Property, plant and equipment include finance leases with a carrying amount totalling	0	0	276	276

DKK'000	2017	2016
<b>6 Share capital</b>		
Analysis of the share capital:		
10,000 shares of DKK 100.00 nominal value each	1,000	1,000
	1,000	1,000

The Company's share capital has remained DKK 1,000 thousand over the past 5 years.

#### 7 Deferred tax

Provision for deferred tax comprises deferred tax regarding inventories and property, plant and equipment.

#### 8 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

The Company has issued an owner's mortgage of DKK 13,500 thousand secured upon the land and buildings. The mortgage is held by the Company.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 9 Collateral

Other fixtures and fittings, tools and equipment with a carrying amount of DKK 276 thousand are held under financial leases for which the capitalised lease liability amounts to DKK 214 thousand at 31 December 2017.

#### 10 Related parties

ZPD A/S' related parties comprise the following:

##### Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Zeria Pharmaceutical Co. Ltd.	Japan	Participating interest

##### Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Zeria Pharmaceutical Co. Ltd.	Japan	<a href="http://www.zeria.co.jp/english/ir/">http://www.zeria.co.jp/english/ir/</a>