ZPD A/S

H E Bluhmes Vej 63, 6700 Esbjerg

CVR no. 32 83 48 25

Annual report

for the year 1 January - 31 December 2023

Approved at the Company's annual general meeting on 15 March 2024

Chairman of the meeting:

M. Safro

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Contents

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 2023.

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 2023 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2023.

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 2024
Executive Board:

Frank Marek

Hiroyuki Shinya

Frank Marek

Hiroyuki Shinya

Board of Directors:

M. Sakurai

Frank Marek

M. Iwai

Masakazu Sakurai
Chairman

Frank Marek

Mitsuru Iwai

Independent auditor's report

To the shareholder of ZPD A/S

Opinion

We have audited the financial statements of ZPD A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement 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 2023 and of the results of the Company's operations as well as the cash flows for the financial year 1 January - 31 December 2023 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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.

Vejle, 15 March 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Mads Klausen	Henrik Carstensen
State Authorised Public Accountant	State Authorised Public Accountant
mne46588	mne47765

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	4 March 2010
Registered office	Esbjerg
Financial year	1 January - 31 December
Board of Directors	Masakazu Sakurai, Chairman Frank Marek Mitsuru Iwai
Executive Board	Frank Marek Hiroyuki Shinya
Auditors	EY Godkendt Revisionspartnerselskab Lysholt Allé 10, 7100 Vejle, Denmark

Management's review

Financial highlights

DKK'000	2023	2022	2021	2020	2019
Key figures					
Gross profit	43,788	37,256	35,200	35,568	36,750
Operating profit/loss	12,925	9,615	9,581	8,659	10,236
Net financials	2,185	-665	-980	-1,078	-324
Profit for the year	11,824	7,067	6,963	5,954	7,705
Total assets	209,257	197,015	189,623	182,959	175,017
Investments in property, plant and equipment	-4,263	-4,984	-6,218	-4,627	-3,576
Equity	197,056	185,232	178,165	171,203	165,249
Financial ratios					
Current ratio	2,468.4%	2,104.5%	2,020.1%	1,901.8%	2,293.1%
Equity ratio	94.2%	94.0%	94.0%	93.6%	94.4%
Return on equity	6.2%	3.9%	4.0%	3.5%	4.8%
Average number of full-time employees	39	35	35	35	36

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 2023 shows a profit of DKK 11,824 thousand against a profit of DKK 7,067 thousand last year, and the balance sheet at 31 December 2023 shows equity of DKK 197,056 thousand.

In the annual report for 2022 Management expected a profit for 2023 on the same level as 2022. The profit was higher than expected due to sales mix, reduced costs of energy and interest rates on bank deposits. 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.

Financial risks and use of financial instruments

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 continously working to reduce the environmental effects from the operations of the company, including continous 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

Management expects activities and profit before tax for 2024 in the same level as 2023. The expectations are based on current market situation, expected production costs and interest rates.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2023	2022
	Gross profit	43,788	37,256
3	Staff costs	-27,554	-24,277
	Amortisation and depreciation	-3,309	-3,338
	Profit before net financials	12,925	9,641
	Financial income	2,754	539
	Financial expenses	-569	-1,204
	Profit before tax	15,110	8,976
4	Tax for the year	-3,286	-1,909
	Profit for the year	11,824	7,067

		2023	2022
	Recommended appropriation of profit		
	Retained earnings	11,824	7,067
		11,824	7,067

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	ASSETS		
	Fixed assets		
5	Intangible assets		
	Acquired intangible assets	1,559	370
		1,559	370
6	Property, plant and equipment		
	Land and buildings	6,388	6,856
	Plant and machinery	12,410	10,050
	Other fixtures and fittings, tools and equipment	4,997	4,872
	Property, plant and equipment in progress	0	951
		23,795	22,729
7	Investments		
	Investments in group entities	60	0
		60	0
	Total fixed assets	25,414	23,099
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	21,218	17,850
	Finished goods and goods for resale	23,522	16,542
		44,740	34,392
	Receivables		
	Trade receivables	2,948	4,883
	Receivables from group entities	28,187	28,077
	Income taxes receivable	1,143	966
	Other receivables	3,379	3,267
	Prepayments	392	483
		36,049	37,676
	Cash	103,054	101,848
	Total non-fixed assets	183,843	173,916
	TOTAL ASSETS	209,257	197,015

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
8	Share capital	1,000	1,000
	Retained earnings	196,056	184,232
	Total equity	197,056	185,232
	Provisions		
9	Deferred tax	4,753	3,519
	Total provisions	4,753	3,519
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	4,177	4,631
	Other payables	3,271	3,633
		7,448	8,264
	Total liabilities other than provisions	7,448	8,264
	TOTAL EQUITY AND LIABILITIES	209,257	197,015

1 Accounting policies
2 Events after the balance sheet date
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Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2022	1,000	177,165	178,165
Transfer through appropriation of profit	0	7,067	7,067
Equity at 1 January 2023	1,000	184,232	185,232
Transfer through appropriation of profit	0	11,824	11,824
Equity at 31 December 2023	1,000	196,056	197,056

Financial statements 1 January - 31 December

Cash flow statement

Note	DKK'000	2023	2022
	Profit for the year	11,824	7,067
12	Adjustments	4,410	5,887
	Cash generated from operations (operating activities)	16,234	12,954
13	Changes in working capital	-9,179	11,391
	Cash generated from operations (operating activities)	7,055	24,345
	Interest received, etc.	2,105	56
	Interest paid, etc.	-44	-608
	Income taxes paid/received, net	-2,287	369
	Cash flows from operating activities	6,829	24,162
	Additions of intangible assets	-1,300	-146
	Additions of property, plant and equipment	-4,263	-4,984
	Disposals of property, plant and equipment	0	394
	Cash contribution in establishment of subsidiary	-60	0
	Contractual cash deposits	-75,644	0
	Cash flows to investing activities	-81,267	-4,736
	Net cash flow	-74,438	19,426
	Cash and cash equivalents at 1 January	101,848	82,422
14	Cash and cash equivalents at 31 December	27,410	101,848

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.

Pursuant to section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

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.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

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 profit

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 refered to as gross margin.

Other operating income

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 armortisation 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)	3-10 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Land is not depreciated.

Profit/loss from investments in group entities

The item includes dividend received from group entities in so far as the dividend does not exceed the accumulated earnings in the group entity in the period of ownership.

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

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish group entities. Group entities are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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, subsuppliers, 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.

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of 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.

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".

Investments in group entities

Investments in group entities and associates are measured at cost, which includes the cost of acquisition calculated at fair value plus direct costs of acquisition. If there is evidence of impairment, an impairment test is conducted. Where the carrying amount exceeds the recoverable amount, a write-down is made to such lower value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in group entities is assessed for impairment on an annual basis.

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.

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

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

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 readly convertible into cash and subject only to minor risks of changes in value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Proposed dividends

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

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base 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, apart from business combinations, 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 intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the group entities' income taxes vis à vis the tax authorities as the group entities pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

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

Operating profit/loss	Profit/loss before net financials +/- Other operating income and other operating expenses
Current ratio	$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

Financial statements 1 January - 31 December

Notes to the financial statements

2 Events after the balance sheet date

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

	DKK'000	2023	2022
3	Staff costs		
	Wages/salaries	23,109	20,949
	Pensions	2,012	1,557
	Other social security costs	379	361
	Other staff costs	2,054	1,410
		27,554	24,277
	Average number of full-time employees	39	35

Total remuneration to the Executive Board: DKK 3,385 thousand (2022: DKK 3,014).

		2023	2022
4	Tax for the year		
	Estimated tax charge for the year	2,053	1,534
	Deferred tax adjustments in the year	1,233	375
		3,286	1,909

5 Intangible assets

DKK'000	Acquired intangible assets
Cost at 1 January 2023	1,756
Additions in the year	1,300
Cost at 31 December 2023	3,056
Impairment losses and amortisation at 1 January 2023	1,386
Amortisation/depreciation in the year	111
Impairment losses and amortisation at 31 December 2023	1,497
Carrying amount at 31 December 2023	1,559

Financial statements 1 January - 31 December

Notes to the financial statements

6 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2023	25,479	48,542	9,213	951	84,185
Additions in the year	0	3,295	968	0	4,263
Transfer from other accounts	0	951	0	-951	0
Cost at 31 December 2023	25,479	52,788	10,181	0	88,448
Impairment losses and depreciation at 1 January 2023	18,623	38,492	4,341	0	61,456
Amortisation/depreciation in the year	468	1,886	843	0	3,197
Impairment losses and depreciation at 31 December 2023	19,091	40,378	5,184	0	64,653
Carrying amount at 31 December 2023	6,388	12,410	4,997	0	23,795

7 Investments

DKK'000	Investments in group entities
Cost at 1 January 2023	0
Additions in the year	60
Cost at 31 December 2023	60
Carrying amount at 31 December 2023	60

Group entities

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
JoinHealth ApS	Vejle	60.00%	-104	-204

DKK'000	2023	2022

8 Share capital

Analysis of the share capital:

	2023	2022
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.

9 Deferred tax

	2023	2022
Deferred tax at 1 January	3,519	3,144
Deferred tax adjustments in the year	1,234	375
Deferred tax at 31 December	4,753	3,519

Provision for deferred tax comprises deferred tax regarding inventories and acquired intangible assets as well as property, plant and equipment.

Financial statements 1 January - 31 December

Notes to the financial statements

10 Security and collateral

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

The Company has not provided any security or other collateral in assets at 31 December 2023.

11 Related parties

ZPD A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Zeria Pharmaceutical Co. Ltd.	Japan	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Zeria Pharmaceutical Co. Ltd.	Japan	https://www.zeria.co.jp/english/ir/

Related party transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

	DKK'000	2023	2022
12	Adjustments		
	Amortisation/depreciation and impairment losses	3,309	3,338
	Gain/loss on the sale of non-current assets	0	-25
	Financial income	-2,754	-539
	Financial expenses	569	1,204
	Tax for the year	3,286	1,909
		4,410	5,887
13	Changes in working capital		
	Change in inventories	-10,348	-1,712
	Change in receivables	1,861	13,267
	Change in trade and other payables	-692	-164
		-9,179	11,391
14	Cash and cash equivalents at year-end		
	Cash according to the balance sheet	103,054	101,848
	Contractual cash deposits	-75,644	0
		27,410	101,848