

ZP HOLDING SPV K/S

Annual report for the period

1 January 2022 – 31 December 2022

ZP HOLDING SPV K/S

Sydmarken 11
DK-2860 Søborg

Central Business Registration No. 36403594

The Annual General Meeting adopted the annual report on 22 May 2023.

Chairman of the General Meeting



Hans-Christian Lund
Legal Counsel

ZP HOLDING SPV K/S

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ZP HOLDING SPV K/S

Entity details

Entity

ZP Holding SPV K/S

Sydmarken 11

DK-2860 Søborg

Central Business Registration No. 36403594

Phone: +45 88 77 36 00

Internet: www.zealandpharma.com

E-mail: info@zealandpharma.com

General Partner

ZP General Partner 1 ApS

Executive Board

Adam Steensberg, President and Chief Executive Officer

Henriette Wennicke, Chief Financial Officer

Company auditors

EY Godkendt Revisionspartnerselskab

Central Business Registration No. 30700228

ZP HOLDING SPV K/S

Statement by Management on the annual report

The Executive Board has today discussed and approved the annual report of ZP Holding SPV K/S for the financial period 1 January 2022 to 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.


In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31 December 2022 and of the results of its operations for the financial period 1 January 2022 to 31 December 2022.

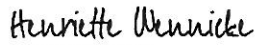
Further, in our opinion, the management's review gives a fair review of the matters discussed in the management's review.

We recommend the annual report for adoption at the Annual General Meeting.

Søborg, 22 May 2023

Executive Board

DocuSigned by:

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Adam Steensberg
President and Chief Executive Officer

DocuSigned by:

EFF2659796A9421...
Henriette Wennicke
Chief Financial Officer

ZP HOLDING SPV K/S

Independent auditor's report

To the shareholders of ZP Holding SPV K/S

Opinion

We have audited the financial statements of ZP Holding SPV K/S for the financial year 1 January – 31 December 2022, which comprise income statement, balance sheet 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 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "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 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.

ZP HOLDING SPV K/S

Independent auditor's report

As part of an audit conducted in accordance with ISAs and 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.

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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 22 May 2023
EY Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Rasmus Bloch Jespersen
State Authorised Public Accountant
mne35503

ZP HOLDING SPV K/S

Management commentary

Primary activities

The objective of the Limited Partnership is to own (directly or indirectly) rights in or to pharmaceutical products, including IP rights, or to royalty payments, milestone payments or other payments deriving from such products. The Limited Partnership's objective shall moreover be to conclude contracts related to such pharmaceutical products, IP rights and/or economical rights.

Development in activities and finances

The income statement for 2022 shows a profit of the year of DKK 1.794 thousand and the balance sheet at 31 December 2022 shows equity of DKK 3.250 thousand.

Change in presentation currency - correction of prior period material misstatement

In prior financial years, the company has presented its financial statements in US dollar (USD). Since the underlying bookkeeping records are prepared in Danish Kroner (DKK), presentation of financial statements in USD is a deviation from the currency presentation requirements of the Danish Financial Statements Act. Consequently, in 2022, the Company has changed the currency in which it presents its financial statements from USD to DKK. The change has been treated as a correction of prior period material misstatements.

The comparative figures for 2021 have been restated with retrospective effect. The restatement in presentation currency impacts all financial statement items whereby all amounts previously presented in USD are now presented in DKK. As result of the restatement total assets, total liability, and total shareholder's equity as of 31 December 2021, previously reported at USD 1.329 thousand, USD 1.094 thousand, and USD 235 thousand, respectively, have in these financial statements been reported at DKK 8.634 thousand, DKK 7.179 thousand, and 1.456 thousand, respectively. Result for the year 2021, previously reported at USD -1.463 thousand, has in these financial statements been reported at DKK - 9.204 thousand. The opening equity as of 1 January 2021, previously reported at USD 7.839 thousand, is in these financial statements reported at DKK 47.405 thousand.

Events after the balance sheet date

No significant events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

ZP HOLDING SPV K/S

Accounting policies

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises.

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Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the date of payment are recognized in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 recognized in the latest financial statements is recognized in the income statement as financial income or financial expenses. Non-current assets acquired in foreign currency are measured at the exchange rate at the transaction date.

Recognition and measurement

Assets are recognized in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is affected as described below for each financial statement item.

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Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

Income statement

Administrative expenses

Administrative expenses comprise expenses relating to administration, accounting, audit, and legal, etc. Administrative expenses are recognized in the income statement in the period in which they are incurred.

Financial income

Financial income is recognized in the income statement in the period in which it is earned.

Financial income includes interest from trade receivables, as well as realized and unrealized exchange rate adjustments.

Financial expenses

Financial expenses are recognized in the income statement in the period in which they are incurred.

Financial expenses include interest expenses, as well as realized and unrealized exchange rate adjustments.

Income tax

The Limited Partnership is tax transparent. The financial statements do not include tax because the limited partners take its profits or losses from the Company into its own taxable income statement.

Accounting policies

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds net realizable value, the investments are written down to this lower value. The carrying amount of investments in subsidiaries has been adjusted for write-downs in the subsidiaries.

Dividends are recognized in the income statement under "Income from subsidiaries" when declared.

If subsidiaries make extraordinary large payments of dividends that resemble repayments of the invested capital, the recognized value is written down by an amount corresponding to this extraordinary payment of dividends.

ZP HOLDING SPV K/S

Management assesses annually whether there is an indication of impairment of investments in subsidiaries. If so, the investments will be tested for impairment in the same way as Group goodwill, involving various estimates on future cashflows, growth, discount rates, etc. At 31 December 2020 and 2019, no impairment indicators were identified

Receivables

Receivables are measured at amortized cost usually equaling nominal value less write-downs for bad and doubtful debt.

Cash

Cash is measured at initial recognition at fair value and subsequently at amortized cost, usually equal to the nominal value.

Other liabilities

Other liabilities are measured at amortized cost which usually corresponds to nominal value.

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Income statement*For the period 1 January – 31 December*

<i>DKK'000</i>	<u>Notes</u>	<u>2022</u>	<u>2021</u>
Revenue		0	4.140
Gross margin		0	4.140
Research and development expenses		2.568	-10.970
Administrative expenses		-321	-58
Operating profit/loss		2.247	-6.888
Financial income	1	778	0
Financial expense	2	-1.231	-2.316
Profit/loss for the year		1.794	-9.204
Proposed distribution of profit/loss of the year			
Retained earnings		1.794	-9.204
		1.794	-9.204

ZP HOLDING SPV K/S**Balance sheet***At 31 December**DKK'000*

Assets	Notes	2022	2021
Investment in subsidiaries	6	355	355
Total non-current assets		355	355
Current assets			
Trade receivables		18	227
Intercompany receivables		5.984	0
Other receivable		0	1.353
Cash		6.995	6.699
Total current assets		12.997	8.279
Total assets		13.352	8.634

Equity and liabilities	Notes	2022	2021
Limited partnership share capital	2,3	410	410
Share premium		1.848.289	1.848.289
Retained earnings		-1.845.449	-1.847.243
Total equity		3.250	1.456
Intercompany payable		5.947	1.295
Other liabilities	8	4.155	5.883
Total short-term liabilities		10.102	7.178
Total liabilities		10.102	7.178
Total equity and liabilities		13.352	8.634

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Notes**1. Financial income**

	<u>2022</u>	<u>2021</u>
Other financial income	778	0
Foreign exchange adjustments	<u>0</u>	<u>0</u>
Total Financial income	<u>778</u>	<u>0</u>

2. Financial Expenses

	<u>2022</u>	<u>2021</u>
Other financial expenses	-33	-37
Foreign exchange adjustments	<u>-1.198</u>	<u>-331</u>
Total Financial expense	<u>-1.231</u>	<u>-368</u>

3. Contributed capital

Contributed capital consist of 410,000 shares of nominal DKK 1.00 per share. The shares have not been divided into classes. There has been no change in contributed capital.

ZP HOLDING SPV K/S**4. Equity**

Equity USD'000	Limited partnership share capital	Share premium	Proposed dividend	Retained earnings	Total
Equity at 1 January 2021 presented in USD'000	68	305.119	6.066	-303.414	7.839
<i>Correction of prior year misstatement - opening balance presented in DKK'000</i>	410	1.848.289	36.745	-1.838.039	47.405
Equity at 1 January 2021 presented in DKK'000	410	1.848.289	36.745	-1.838.039	47.405
Equity DKK'000	Limited partnership share capital	Share premium	Proposed dividend	Retained earnings	Total
Equity at 1 January 2021	410	1.848.289	36.745	-1.838.039	47.405
Dividend paid	0	0	-36.745	0	-36.745
Net profit for the period	0	0	0	-9.204	-9.204
Equity at 31 December 2021	410	1.848.289	0	-1.847.243	1.456
Equity at 1 January 2022	410	1.848.289	0	-1.847.243	1.456
Net profit for the period	0	0	0	1.794	1.794
Equity at 31 December 2022	410	1.848.289	0	-1.845.449	3.250

5. Ownership

The company is owned 100% by Zealand Pharma A/S (Central Business Registration No. 20045078).
The consolidated financial statements of Zealand Pharma A/S can be retrieved at the following link:
https://www.zealandpharma.com/wp-content/uploads/2023/03/Zealand_Pharma-2022-Annual_Report.pdf

ZP HOLDING SPV K/S

6. Investment in subsidiaries

	<u>Ownership 2022</u>	<u>Registered office</u>
ZP General Partner 2 ApS	100%	Sydmarken 11, 2860 Søborg
ZP SPV 1 K/S	100%	Sydmarken 11, 2860 Søborg

7. Collateral provided

In connection with a contract with a collaboration partner, the company has accepted to enter a general collateral restriction over the company's assets (Danish: Pantsætningsforbud).

8. Other liabilities

Other liabilities include accrued royalty payments of DKK 3,050 thousand at 31 December 2022, of which DKK 1,800 thousand is expected to fall due after more than one year from the 31 December 2022 balance sheet date, and DKK 0 thousand is expected to fall due more than five years from the balance sheet date.