

**ZP SPV 1 K/S**

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## **Annual report 2020**

**ZP SPV 1 K/S**

Sydmarken 11  
DK-2860 Søborg

**Central Business Registration No. 36407727**

The Annual General Meeting adopted the annual report on 30 June 2021.

**Chairman of the General Meeting**

DocuSigned by:

*Ravinder Chahil*

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Ravinder Chahil  
Legal Counsel

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## **ZP SPV 1 K/S**

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### **Entity details**

#### **Entity**

ZP SPV 1 K/S

Sydmarken 11

DK-2860 Søborg

Central Business Registration No. 36407727

Phone: +45 88 77 36 00

Internet: [www.zealandpharma.com](http://www.zealandpharma.com)

E-mail: [info@zealandpharma.com](mailto:info@zealandpharma.com)

#### **General Partner**

ZP General Partner 2 ApS

#### **Executive Board**

Emmanuel Dulac, President and Chief Executive Officer

Matthew Donald Dallas, Chief Financial Officer

#### **Company auditors**

EY Godkendt Revisionspartnerselskab

Central Business Registration No. 30700228

## ZP SPV 1 K/S

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### Statement by Management on the annual report

The Executive Board has today discussed and approved the annual report of ZP SPV 1 K/S for the financial period 1 January - 31 December 2020.

The annual report has been presented 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 2020 and of the results of its operations for the financial year 1 January - 31 December 2020.

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, 30 June 2021

### Executive Board

DocuSigned by:

*Emmanuel Dulac*

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Emmanuel Dulac

President and Chief Executive Officer

DocuSigned by:

*Matthew Dallas*

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Matthew Donald Dallas  
Chief Financial Officer

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**Independent auditor's report****To the shareholder of ZP SPV 1 K/S****Opinion**

We have audited the financial statements of ZP SPV 1 K/S for the financial year 1 January - 31 December 2020, 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 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 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' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

**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.

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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.

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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, 30 June 2021

EY Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Christian Schwenn Johansen  
State Authorised  
Public Accountant  
mne33234



Rasmus Bloch Jespersen  
State Authorised  
Public Accountant  
mne35503

## **ZP SPV 1 K/S**

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### **Management review**

#### **Primary activities**

The objective of the Limited Partnership is to own (directly or indirectly) rights in or to pharmaceutical products, including IP rights, 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. In 2020, the company has been without activities.

#### **Financial review**

The income statement for 2020 shows a loss of the year of USD 43 thousand against a loss USD 60 thousand last year, and the balance sheet at 31 December 2020 shows equity of USD 120 thousand.

#### **Events after the balance sheet date**

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.



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**Accounting policies**

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

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The functional currency for the Company is Danish Kroner. The financial statements are presented in US dollar (USD). The exchange rate at 31 December 2020 was DKK/USD 6.0576 (31 December 2019: DKK/USD 6.6759).

**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 recognised 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 recognised in the latest financial statements is recognised 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.

**Income statement****Administrative expenses**

Administrative expenses comprise expenses relating to administration, accounting, , audit, and legal, etc

**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. Furthermore, expenses related to the royalty bond are amortized over the expected duration of the bond and recognized as financial expenses.

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### **Accounting policies**

#### **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.

### **Balance sheet**

#### **Cash**

Cash comprise cash in banks.

#### **Liabilities**

Financial liabilities comprising trade payables and payables to group entities are initially recognised at cost. In subsequent periods, financial liabilities are measured at amortised cost. Other liabilities are measured at net realisable value.

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**Income statement**

For the period 1 January – 31 December

USD'000	<u>Notes</u>	<u>2020</u>	<u>2019</u>
Administrative expenses		<u>-41</u>	<u>-60</u>
<b>Operating loss</b>		<u>-41</u>	<u>-60</u>
Financial income		0	1
Financial expenses		<u>-2</u>	<u>-1</u>
<b>Loss for the year</b>		<u><u>-43</u></u>	<u><u>-60</u></u>
<b>Proposed distribution of loss for the year</b>			
Retained earnings		<u>-43</u>	<u>-60</u>
		<u><u>-43</u></u>	<u><u>-60</u></u>

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**Balance sheet**

At 31 December

USD'000

<b>Assets</b>	<b>Notes</b>	<b>2020</b>	<b>2019</b>
Cash		162	190
<b>Total assets</b>		<b>162</b>	<b>190</b>

USD'000

<b>Equity and liabilities</b>	<b>Notes</b>	<b>2020</b>	<b>2019</b>
Limited partnership share capital	1,2	50	45
Share premium		104,002	94,370
Retained earnings	2	-103,931	-94,263
<b>Total equity</b>	2	<b>120</b>	<b>151</b>
Trade payables		4	0
Intercompany payables		16	19
Other liabilities		22	20
<b>Total current liabilities</b>		<b>42</b>	<b>39</b>
<b>Total equity and liabilities</b>		<b>162</b>	<b>190</b>

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**Notes****1. Limited partnership**

Limited partnership capital consists of 300,000 shares of nominal DKK 1.00 per share. The shares have not been divided into classes. There have been no change in contributed capital in 2020 and 2019.

**2. Equity**

<b>USD'000</b>	<b>Limited partnership share capital</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Total</b>
Equity at 1 January 2020	45	94,370	-94,263	151
Currency translation	5	9,632	-9,625	12
Net loss for the period	0		-43	-43
<b>Equity at 31 December 2020</b>	<b>50</b>	<b>104,002</b>	<b>-103,931</b>	<b>120</b>

**3. 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://static1.squarespace.com/static/58983777d1758e28995640b4/t/604a1939ec446c62bcee eb6f/1615468866056/Annual+report+for+2020.pdf>