

# **Annual report 2021**

For the period 1 January 2021– 31 December 2021

## **ZP General Partner 3 ApS**

Sydmarken 11  
DK-2860 Søborg

**Central Business Registration No. 41023422**

The Annual General Meeting adopted the annual report on 29 June 2022.

### **Chairman of the General Meeting**

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Hans-Christian Lund  
Legal Counsel

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## **Entity details**

### **Entity**

ZP General Partner 3 ApS

Sydmarken 11

DK-2860 Søborg

Central Business Registration No. 41023422

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

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### **Executive Board**

Adam Steensberg, President and Chief Executive Officer

Matthew Dallas, Chief Financial Officer

### **Company auditors**

EY Godkendt Revisionspartnerselskab

Central Business Registration No. 30700228

## **Statement by Management on the annual report**

The Executive Board has today considered and approved the annual report of ZP General Partner 3 ApS for the financial period 1 January 2021 to 31 December 2021.

The annual report is presented 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 2021 and of its financial performance for the financial period 1 January 2021 to 31 December 2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Søborg, 29 June 2022

### **Executive Board**

Adam Steensberg  
President and Chief Executive Officer

Matthew Dallas  
Chief Financial Officer

## **Independent auditor's report**

### **To the shareholder of ZP General Partner 3 ApS**

#### **Opinion**

We have audited the financial statements of ZP General Partner 3 ApS for the financial year 1 January – 31 December 2021, 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 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 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.

## Independent auditor's report

### **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.

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.

## **Independent auditor's report**

### **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, 29 June 2022

EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Rasmus Bloch Jespersen  
State Authorised  
Public Accountant  
mne35503

## **Management commentary**

### **Primary activities**

The objective of the company is to act as General Partner in ZP SPV 3 K/S. There are no other activities in the Company.

### **Development in activities and finances**

The income statement for 2021 shows a loss for the year of USD 1 thousand and the balance sheet at 31 December 2021 shows equity of USD 7 thousand.

During 2021 management concluded that the fee charged by the General Partner to the Limited Partner has been overstated in prior years. For more information, please refer to accounting policies.

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

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



## Accounting policies

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

The functional currency for the Company is Danish Kroner. The financial statements are presented in US dollar (USD). The exchange rate at 31 December 2021 was DKK/USD 6.5612 (31 December 2020: 6.0576)

There has been no changes in the accounting policies compared to prior year.

### Prior years' misstatement

During 2021 it was identified that prior years' fee charged by the General Partner to the Limited Partner has been calculated using the Limited Partners equity as a basis instead of the General Partners and thus is overstated. Management has assessed the misstatement to be material and has as a result restated the comparative numbers for 2020.

The impact on the reported figures for 2020 is shown in the table below:

USD'000	Reported 2019/2020	Adjustment 2019/2020	Adjusted reporting 2019/2020
Revenue	280	-280	0
Tax for the year	-61	61	0
Intercompany receivable	303	-303	0
Retained earnings	235	-236	-1
Intercompany payables	66	-66	0

### 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.

## **Accounting policies**

### **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.

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**

#### **Revenue**

Revenue comprise fees from acting as General Partner and is recognized in the income statement in the period in which they are incurred.

#### **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.

#### **Income tax**

Tax for the year, which consists of current tax for the year, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity.

The company participates in a Danish joint taxation arrangement in which Zealand Pharma A/S serves as the administration company. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

## **Accounting policies**

### **Balance sheet**

#### **Receivables**

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

#### **Cash**

Cash comprise cash in banks.

#### **Other liabilities**

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

## Income statement

For the period January 1 – 31 December

<i>USD'000</i>	<u>Notes</u>	<u>2021</u>	<u>2019/2020 (restated)</u>
Revenue		0	0
<b>Gross Margin</b>		<b>0</b>	<b>0</b>
Administrative expenses	1	-1	-1
<b>Operating profit/loss</b>		<b>-1</b>	<b>-1</b>
Tax for the year		0	0
<b>Profit/loss for the year</b>		<b>-1</b>	<b>-1</b>
<b>Proposed distribution of profit/loss of the year</b>			
Retained earnings		-1	-1
		<b>-1</b>	<b>-1</b>

## Balance sheet

At 31 December

USD'000

<b>Assets</b>	<u>Notes</u>	<u>2021</u>	<u>2020 (restated)</u>
Intercompany receivables		74	0
Cash and cash equivalents		<u>7</u>	<u>10</u>
<b>Total current assets</b>		<b><u>81</u></b>	<b><u>10</u></b>
<b>Total assets</b>		<b><u><u>81</u></u></b>	<b><u><u>10</u></u></b>

<b>Equity and liabilities</b>	<u>Notes</u>	<u>2021</u>	<u>2020 (restated)</u>
Share capital	2,3,4	6	7
Share premium	3	3	3
Retained earnings	3	<u>-2</u>	<u>-1</u>
<b>Total equity</b>	3	<b><u>7</u></b>	<b><u>9</u></b>
Other liabilities		<u>74</u>	<u>1</u>
<b>Total short-term liabilities</b>		<b><u>74</u></b>	<b><u>1</u></b>
<b>Total liabilities</b>		<b><u>74</u></b>	<b><u>1</u></b>
<b>Total equity and liabilities</b>		<b><u><u>81</u></u></b>	<b><u><u>10</u></u></b>

## Notes

### 1. Administrative expenses

There have been no employees during the financial year and there have been no payments or wages or remuneration to the Executive Board.

### 2. Share capital

Share capital consist of 40,000 shares of nominal DKK 1.00 per share. The shares have not been divided into classes.

### 3. Equity

USD'000	Share capital	Share premium	Retained earnings	Total
Equity at 1 January 2021	7	3	235	245
Net effect from adjustment of material misstatements	0	0	-236	-236
Adjusted equity at 1 January 2021	7	3	-1	9
Currency translation	-1	0	0	-1
Net profit for the period	0	0	-1	-1
<b>Equity at 31 December 2021</b>	<b>6</b>	<b>3</b>	<b>-2</b>	<b>7</b>
Equity at 9 December 2019	6	3	0	9
Currency translation	1	0	0	1
Net profit for the period	0	0	-1	-1
<b>Equity at 31 December 2020</b>	<b>7</b>	<b>3</b>	<b>-1</b>	<b>9</b>

### 4. 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/s/Annual-Report-for-2021.pdf>

## **5. Contingent liabilities**

The company is general partner in ZP SPV 3 K/S. The General Partner is direct, personal, unlimited and joint and several liability for all the liabilities and obligations of the Limited Partnership.

The company participates in a Danish joint taxation arrangement in which Zealand Pharma A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the company is therefore liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.