

Annual report for the period

1 January 2023 - 31 December 2023

ZP SPV 1 K/S

Sydmarken 11
DK-2860 Søborg

Central Business Registration No. 36407727

The Annual General Meeting adopted the annual report on 21 March 2024.

Chairman of the General Meeting

Josephine Plesner Klinge
Legal Counsel

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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

E-mail: info@zealandpharma.com

General Partner

ZP General Partner 2 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

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 2023 to 31 December 2023.

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 2023 and of the results of its operations for the financial period 1 January 2023 to 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 the annual report for adoption at the Annual General Meeting.

Søborg, 21 March 2024

Executive Board

Adam Steensberg
President and Chief Executive Officer

Henriette Wennicke
Chief Financial Officer

Independent auditor's report

To the shareholders 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 2023, 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 2023 and of the results of the Company's operations for the financial year 1 January 2023 - 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 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.

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.

Independent auditor's report

- ▶ 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, 21 March 2024
EY Godkendt Revisionspartnerselskab
Central Business Registration No. 30700228

Rasmus Bloch Jespersen
State Authorised Public Accountant
mne35503

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, 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.

Financial review

The income statement for 2023 shows a profit for the year of DKK 57.640 thousand against a profit of DKK 1.934 thousand last year and the balance sheet at 31 December 2023 shows equity of DKK 88.445 thousand. The increase in the year's result compared to last year is primarily due to milestone revenue deriving from a collaboration partners materialization of a research and development milestone.

The management considers the year's result to be satisfactory and meet the expectations.

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.

Income statement for 2023

For the period 1 January 2023 - 31 December 2023

DKK '000	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Revenue	1	61.228	0
Gross profit/loss		61.228	0
Administrative expenses	2	(278)	(269)
Operating profit/loss		60.950	(269)
Financial income		2.336	5.628
Financial expense		(5.646)	(3.425)
Result before tax		57.640	1.934
Tax for the year		0	0
Profit/loss for the year		57.640	1.934
Proposed distribution of profit/loss of the year			
Proposed dividend		86.600	0
Retained earnings		(28.960)	1.934
		57.640	1.934

Balance sheet

At 31 December

DKK '000	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Other receivables		62	32
Cash		88.722	30.870
Total current assets		88.784	30.902
		<u>88.784</u>	<u>30.902</u>
DKK '000	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Limited partnership share capital	3,4	300	300
Share premium		630.002	630.002
Retained earnings		(628.457)	(599.497)
Proposed dividend		86.600	0
Total equity		88.445	30.805
Intercompany payable		310	68
Other liabilities		29	29
Total current liabilities		339	97
Total liabilities		339	97
Total equity and liabilities		88.784	30.902

Notes

1. Special items

Special items comprise significant income and expenses of a special nature relative to the Company's revenue-generating operating activities.

Special items may comprise expenses incurred for extensive restructuring of processes and basic structural adjustments as well as any related disposal gains and losses, that have a material impact over time. Special items also comprise significant one-off items that, in Management's opinion, do not form part of the Company's primary operating activities and that are deemed not to be recurring.

As mentioned in the Management's review, profit/loss for the year is affected by milestone from Sanofi on DKK 61.228 thousand. As Management does not consider this matter part of the operating activities, it has been included in this note.

DKK '000	<u>2023</u>	<u>2022</u>
Income		
Milestone	61.228	0
	<u>61.228</u>	<u>0</u>
Special items are recognised in the below line items		
Revenue	61.228	0
Net profit/loss from special items	<u>61.228</u>	<u>0</u>

2. Administrative expenses

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

3. 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 has been no change in contributed capital in 2023 and 2022

4. Equity

DKK '000	<u>Limited partnership share capital</u>	<u>Share premium</u>	<u>Proposed dividend</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2022	300	630.002	0	(601.431)	28.871
Net result for the period	0	0	0	1.934	1.934
Equity at 31 December 2022	<u>300</u>	<u>630.002</u>	<u>0</u>	<u>(599.497)</u>	<u>30.805</u>
Equity at 1 January 2023	300	630.002	0	(599.497)	30.805
Proposed dividend	0	0	86.600	(86.600)	0
Net result for the period	0	0	0	57.640	57.640
Equity at 31 December 2023	<u>300</u>	<u>630.002</u>	<u>86.600</u>	<u>(628.457)</u>	<u>88.445</u>

Notes

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 and can be retrieved at group headquarters at Sydmarken 11, 2860 Søborg, Denmark.

6. 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).

Accounting policies

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises and elective choice of certain provisions applying to reporting class C entities.

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

The financial statements are presented in DKK.

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.

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

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

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

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 consist of interest income, banking fees and impact from adjustments related to foreign exchange rates.

Accounting policies

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.

Balance sheet

Cash

Cash comprise cash in banks.

Liabilities

Financial liabilities comprising trade payables and payables to group entities are initially recognized at cost. In subsequent periods, financial liabilities are measured at amortized cost. Other liabilities are measured at net realizable value.