

Company Announcement

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Zealand and Boehringer Ingelheim sign second collaboration agreement to advance novel peptide medicines

- *Zealand eligible to receive up to EUR 295 million in potential milestone payments for the first commercialized product plus research funding and royalties. In 2014, payments of EUR 5.6 million to Zealand*
- *Research and development agreement for a novel peptide project against an undisclosed cardio-metabolic target from Zealand's preclinical portfolio*
- *Boehringer Ingelheim obtains global exclusive development and commercial rights to products under the agreement, with Zealand retaining co-commercialization rights in Scandinavia*

Copenhagen, Denmark and Ingelheim, Germany, 28 July 2014 – Zealand Pharma ("Zealand") (NASDAQ OMX Copenhagen: ZEAL), a company specialized in the discovery, design and development of peptide medicines, and Boehringer Ingelheim, one of the world's leading pharmaceutical companies, today jointly announced a new global exclusive licence, research and development collaboration. The collaboration covers a novel therapeutic peptide project from Zealand's portfolio of preclinical programs. The aim is to develop novel medicines for improved treatment of patients with cardio-metabolic diseases. The target is undisclosed.

This marks the second collaboration between Zealand and Boehringer Ingelheim following the first agreement, which was signed in June 2011. The first collaboration is ongoing for the development and commercialization of novel glucagon/GLP-1 dual-acting peptide therapeutics to treat patients with Type 2 diabetes and/or obesity. The new collaboration reflects the confidence both parties have in each other and of their complimentary expertise in the research and development of new medicines.

Commenting on the announcement, **David H. Solomon, President and CEO of Zealand**, said: *"This second agreement secures additional funding and attractive value potential to Zealand. It demonstrates our strong partner relations with Boehringer Ingelheim, leveraging Zealand's expertise in the design and development of therapeutic peptides to now cover an additional*



target in the cardio-metabolic disease area. We look forward to working with Boehringer Ingelheim towards selection of the first preclinical peptide therapeutic to be advanced in development under this new agreement.”

Dr Michel Pairet, Boehringer Ingelheim’s Senior Vice President Corporate Division

Research and Development non-clinical, commented: *“Partnering is key to our business strategy and the relationship with Zealand is a long-term and important one. We are, therefore, extremely pleased to enter into this new agreement with Zealand, a company recognised as experts in their field, which will further complement and strengthen our own discovery and development efforts in the area of cardio-metabolic diseases.”*

Under the new agreement, Zealand and Boehringer Ingelheim will combine their research expertise for up to four and a half years focusing on the continued discovery, identification and characterization of novel peptide medicine candidates within the selected therapeutic target area of cardio-metabolic disease. The companies will work together to advance the therapeutic peptides stemming from this research collaboration into preclinical development. Boehringer Ingelheim will be responsible for the conduct of preclinical and clinical development as well as for the commercialization and solely fund the research, development and commercialization of products under the agreement.

Dependent upon the achievement of pre-defined development milestones, with the first at initiation of preclinical development, as well as regulatory and commercial milestones, Zealand is eligible to receive potential payments of up to a total of EUR 295 million for the first compound, developed and marketed under the collaboration. Zealand will be eligible to receive additional milestones for other compounds advanced. Further, Zealand is entitled to research funding plus tiered royalties on global sales of products stemming from the collaboration. Zealand retains co-commercialization rights in Scandinavia.

Zealand’s financial outlook for 2014

The new agreement with Boehringer Ingelheim is expected to positively affect Zealand’s revenue and other operating income by a total of DKK 42 (EUR 5.6) million in 2014.

The company therefore raises its full year revenue guidance to DKK 133 (EUR 18) million (from DKK 96 (EUR 13) million) and lowers its expectations on net operating expenses in 2014 to DKK 195-205 (EUR 25-28) million (from DKK 200-210 (EUR 26-29)).



For further information, please contact:

Zealand Pharma

David Solomon, President and Chief Executive Officer
Tel: +45 22 20 63 00

Hanne Leth Hillman, Vice President,
Head of Investor Relations & Corporate Communications
Tel: +45 50 60 36 89, email: hlh@zealandpharma.com

Boehringer Ingelheim

Dr. Reinhard Malin
Director Corporate Communications
Tel.: +49 (6132) 77-90815
reinhard.malin@boehringer-ingenelheim.com

About Zealand Pharma

Zealand Pharma A/S (“Zealand”) (NASDAQ OMX Copenhagen: ZEAL) is a biotechnology company based in Copenhagen, Denmark. Zealand has leading expertise in the discovery, design and development of novel peptide medicines and a mature portfolio of therapeutic products, which are all based on internal inventions. The company’s focus lies in the field of cardio-metabolic diseases, diabetes and obesity in particular, and its lead product is lixisenatide, a once-daily prandial GLP-1 agonist for the treatment of Type 2 diabetes, marketed as Lyxumia® under a license agreement with Sanofi. Lyxumia® is approved in several countries globally, including Europe and Japan. In the US, submission of an NDA is expected in 2015, after completion of a cardiovascular outcome study, ELIXA. A once-daily single injection combination of Lyxumia® and Lantus® (LixiLan) is in Phase III development by Sanofi with planned first regulatory filing as early as at the end of 2015.

Zealand has a partnering strategy for the development and commercialization of its products and in addition to the license agreement with Sanofi in Type 2 diabetes, the company has two collaborations with Boehringer Ingelheim in diabetes/obesity and cardio-metabolic diseases, one with Lilly in diabetes and obesity, one with Helsinn Healthcare in chemotherapy induced diarrhea and a license agreement with AbbVie in acute kidney injury.

For further information: www.zealandpharma.com Follow us on Twitter @ZealandPharma

About Boehringer Ingelheim

The Boehringer Ingelheim group is one of the world’s 20 leading pharmaceutical companies. Headquartered in Ingelheim, Germany, Boehringer Ingelheim operates globally with 142 affiliates and a total of more than 47,400 employees. The focus of the family-owned company, founded in 1885, is researching, developing, manufacturing and marketing new medications of high therapeutic value for human and veterinary medicine.

Taking social responsibility is an important element of the corporate culture at Boehringer Ingelheim. This includes worldwide involvement in social projects, such as the initiative “Making more Health” and caring for the employees. Respect, equal opportunities and reconciling career and family form the foundation of the mutual cooperation. In everything it does, the company focuses on environmental protection and sustainability.

In 2013, Boehringer Ingelheim achieved net sales of about 14.1 billion euros. R&D expenditure corresponds to 19.5% of its net sales.

For more information please visit www.boehringer-ingenelheim.com