Company Announcement
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Zealand reports Lyxumia® royalty revenue for the first 9 months of 2014

- **Lyxumia® royalty revenue to Zealand was DKK 14.1 (EUR 1.9) million for the first 9 months of 2014**
- **Continuously high growth quarter-on-quarter with Q3 2014 royalty revenue up 38% from Q2 2014 to DKK 6.0 (EUR 0.8) million**

Copenhagen, 28 October 2014 – Zealand Pharma A/S ("Zealand") (Nasdaq Copenhagen: ZEAL) today reports Lyxumia® royalty revenues of DKK 14.1 (EUR 1.9) million for the first 9 months of 2014, based on Sanofi's global ex-US sales of the product for the period. Lyxumia® was launched in the first markets by end March 2013.

In Q3 2014, royalty revenue was DKK 6.0 (EUR 0.8) million with 50% generated from sales in Western Europe, 25% from sales in Emerging Markets and 25% from sales in the Rest of the World, including Japan. The main contributing countries were the UK, Spain, Japan and Brazil. Royalty revenue generated in Q3 2014 was up 38% compared to Q2 2014.

Sanofi has launched Lyxumia® in over 20 countries and received approval for the product in over 50 countries with several launches planned in Q4 and 2015.

Sanofi plans to resubmit a regulatory filing for Lyxumia® in the US in Summer 2015 following the completion of the ELIXA cardio-vascular safety study, from which Sanofi expects to present top-line results in Q2 2015.

In a comment to this royalty revenue report and the status of Lyxumia®, **David Solomon, President and CEO of Zealand**, said:

"We are very pleased to witness the increasing market uptake of Lyxumia®, a once-daily prandial GLP-1 agonist with a beneficial effect on weight. Lyxumia® is the first peptide therapeutic from Zealand's pipeline to be launched, and we believe that the product has great potential to become an important diabetes medicine as marketed by Sanofi. We look forward to following Sanofi's continued roll-out and to the highly important clinical results of ELIXA, leading to the planned refiling of the product in the US in the Summer of 2015."

Financial outlook for 2014 and terms of the license collaboration with Sanofi

Zealand's financial outlook for 2014 remains unchanged, including revenue from milestone payments of DKK 133 (EUR 18) million.

In addition to the DKK 14.1 (EUR 1.9) million for the first 9 months of the year, Zealand will receive further Lyxumia® royalty revenue in Q4. However, no guidance is given on full year royalty revenue, since Sanofi gives no guidance on Lyxumia® sales.

Zealand's net operating expenses in 2014 are expected at a range of DKK 195-205 (EUR 25-28) million.

Under the license agreement with Sanofi, covering lixisenatide (Lyxumia®) and any combination products which include lixisenatide, Zealand is eligible to receive remaining milestone payments of up to USD 160 million. Further, Zealand is entitled to tiered low double-digit percentage royalties on Sanofi's global sales of Lyxumia® and to fixed low double-digit percentage royalties on global full net sales of LixiLan, the single once-daily injection combination of Lyxumia® with Lantus®, currently in Phase III clinical development and with regulatory filing expected as early as end 2015.

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About Zealand Pharma

Zealand Pharma A/S ("Zealand") (Nasdaq Copenhagen: ZEAL) is a biotechnology company based in Copenhagen, Denmark. Zealand has leading expertise in the discovery, design and development of novel peptide medicines, in-house competences in clinical trial design and management and a therapeutic focus on cardio-metabolic diseases. The company has a broad portfolio of therapeutic products – proprietary and partnered.

Zealand's first invented medicine, lixisenatide, a once-daily prandial GLP-1 agonist for the treatment of Type 2 diabetes, is marketed world-wide ex-US as Lyxumia® and in Phase III development as a single-injection combination with Lantus® (LixiLan), both under a global license agreement with Sanofi. US regulatory filing for both products is planned for 2015 – summer for Lyxumia® and as early as end 2015 for LixiLan.

Zealand is advancing a pipeline of proprietary, next-generation therapies, including danegaptide (prevention of Ischemic Reperfusion Injury) in addition to several preclinical programs. Partnering represents an important component of strategy

to share development risk in large clinical trials, to provide funding and to commercialize the company's products. Zealand currently has global license agreements and partnerships with Sanofi, Boehringer Ingelheim, Helsinn Healthcare and Lilly.

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