Company Announcement
No. 3/2015

Zealand reports Lyxumia® royalty revenue for 2014 and informs of developmental and regulatory updates by Sanofi

- **Royalty revenue to Zealand from Sanofi's ex-US sales of Lyxumia® in 2014 amounts to DKK 20.4 / EUR 2.7 million**
- **In January, Sanofi informed that completion of two Phase III trials of LixiLan, the single injection combination of Lyxumia® and Lantus® is expected in Q3 2015**
- **Pending completion of ELIXA and the LixiLan Phase III trials, Sanofi plans for US regulatory submissions for Lyxumia® in Q3 2015 and for US and EU regulatory submission for LixiLan in Q4 2015**

Copenhagen, 5 February 2015 – Zealand Pharma A/S ("Zealand") (Nasdaq Copenhagen: ZEAL) today reports Lyxumia® (lixisenatide) royalty revenue of DKK 20.4 / EUR 2.7 million for the full year 2014. The reported royalty revenue is based on Sanofi's global ex-US sales of Lyxumia® in the period, where the product has been rolled out country by country. Royalty revenues in 2014 represent an increase of 214% over 2013, where Lyxumia® was launched in the first European country in March.

Lyxumia® is a once-daily prandial GLP-1 receptor agonist for the treatment of Type 2 diabetes, invented by Zealand and developed and commercialized by Sanofi under a global license agreement. Lyxumia® is approved in over 50 countries ex-US and so far, Sanofi has launched the product in more than 25 of these countries with further launches planned in 2015.

In Q4 2014, Lyxumia® royalty revenue was DKK 6.2 / EUR 0.8 million, an increase of 3% compared to Q3 2014, and an increase of 93% compared to Q4 2013. Of the revenue in Q4 2014, the main contributing countries were the UK, Spain, and Japan.

At the JP Morgan Healthcare conference in January 2015, Sanofi confirmed plans for a US regulatory filing for Lyxumia® in Q3 2015 pending the completion of the ELIXA cardio-vascular safety study, with publication of top-line results expected in Q2 2015. For LixiLan, the fixed-ratio single injection combination of Lyxumia® and Lantus® (Sanofi's worldwide most prescribed basal insulin), results from an ongoing Phase III program are expected in Q3 2015 with US and EU regulatory filings expected in Q4 2015.

Commenting on this royalty revenue report and the status of Lyxumia®, **Britt Meelby Jensen, President and CEO of Zealand**, said: *"We are pleased to see Sanofi's continued roll-out of*

Lyxumia® outside the U.S., resulting in continued royalty revenue to Zealand. 2015 will be an important year for Lyxumia® with the results of the clinical ELIXA cardiovascular study expected in Q2. If supportive of the product's safety, these results will lead to the planned filing of the product in the US in Q3. As for other GLP-1 products, the US market represents 70-75% of total sales, this would be a very important milestone for Zealand."

Financial outlook for 2015 and terms of the license collaboration with Sanofi

Zealand will announce its Full Year results and Annual Report for 2014 on 13 March 2015. In this connection, the company will also publish its financial outlook for 2015.

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 and possesses in-house competences in clinical trial design and management with a therapeutic focus on metabolic diseases and acute care indications. The company is advancing a proprietary pipeline of novel medicines alongside a partnered product and development portfolio.

Zealand's first invented medicine, lixisenatide, a once-daily prandial GLP-1 agonist for the treatment of Type 2 diabetes, is marketed globally (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 Lyxumia® is planned for Q3 2015 and US/EU filings for LixiLan in Q4 2015.

Zealand proprietary pipeline includes danegaptide (prevention of Ischemic Reperfusion Injury) and the stable glucagon product, ZP4207 (treatment of severe hypoglycemia) as well as several preclinical peptide therapeutics. Partnering represents an important component of strategy to leverage in-house expertise, share development risk in large clinical trials, provide funding and commercialize the company's products. Zealand currently has global license agreements and partnerships with Sanofi, Helsinn Healthcare, Boehringer Ingelheim and Eli Lilly.

For further information: www.zealandpharma.com

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