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Positive results from pivotal Phase III clinical trials with iGlarLixi presented at the American Diabetes Association 76th Scientific Sessions

- **Type 2 diabetes patients treated with iGlarLixi (formerly LixiLan) had significantly greater reductions in blood glucose (HbA1c) versus treatment with either lixisenatide or Lantus®**
- **Treatment with iGlarLixi also resulted in body weight reduction versus Lantus®**
- **The positive Phase III results support Zealand's potential for revenue growth from milestone payments and royalties on iGlarLixi, if approved**
- **Regulatory decisions by the U.S. FDA and by the EMA in Europe are expected in August 2016 and in Q1 2017, respectively**

Copenhagen, 12 June 2016 – Zealand announces that Sanofi today has reported positive results of the pivotal Phase III LixiLan-O and LixiLan-L clinical trials with iGlarLixi (formerly LixiLan), intended for the treatment of type 2diabetes. iGlarLixi is an investigational titratable fixed-ratio combination of Lantus® (basal insulin glargine 100 Units/mL) and GLP-1 receptor agonist lixisenatide for once-daily single injection. Lixisenatide was invented by Zealand and global development and commercial rights are licensed to Sanofi. The full Phase III results were presented in two oral sessions at the American Diabetes Association 76th Scientific Sessions in New Orleans, LA, U.S. Topline results from the trials were reported in Q3 2015.

In the LixiLan-O trial, 1,170 patients with type 2 diabetes inadequately controlled on oral anti-diabetes medication received treatment with iGlarLixi, Lantus® or lixisenatide over 30 weeks. Results showed that iGlarLixi gave significantly greater reductions in HbA1c (a measure of average blood sugar levels during the past three months) from a baseline of 8.1% and when compared to Lantus® and to lixisenatide (-1.6%, -1.3%, -0.9%, respectively; p<0.0001). Treatment with iGlarLixi also resulted in a weight reduction compared to Lantus® (difference of -1.4kg (p<0.0001)).

In the LixiLan-L trial, 736 patients with type 2 diabetes inadequately controlled on basal insulin received treatment with iGlarLixi or Lantus® over 30 weeks. Results showed significantly greater reductions in HbA1c from a baseline of 8.1% and when compared to Lantus® (-1.1%, -0.6%, respectively; p<0.0001). Treatment with iGlarLixi also resulted in a weight reduction compared to Lantus® (difference of -1.4kg (p<0.0001)).

Commenting on the results of LixiLan-O and LixiLan-L, Britt Meelby Jensen, President and CEO at Zealand, said: *"I am very happy that the full Phase III results reconfirm the therapeutic relevance of iGlarLixi and its potential to help people with type 2 diabetes better manage their disease. The presentation at ADA is an important event in the ongoing regulatory process for iGlarLixi in both the U.S. and Europe, following also the positive recommendation by the FDA Advisory Committee for a U.S. approval a couple of weeks ago. For Zealand, it confirms that we remain on track towards potential*

milestone payments and increasing royalty revenues under our license agreement with Sanofi. This is one of the elements in realizing our strategy of advancing our own product candidates and I look forward to the U.S. regulatory decisions on lixisenatide and iGlarLixi in Q3 2016."

The results of the LixiLan-O and LixiLan-L trials have been included in regulatory submissions to the U.S. Food and Drug Administration (FDA) and the European Medicines Agency (EMA), with regulatory decisions anticipated in August 2016 (FDA) and Q1 2017 (EMA).

Results of LixiLan-O

LixiLan-O investigated the efficacy and safety of a once-daily single injection of iGlarLixi, the titratable fixed-ratio combination of Lantus® (insulin glargine 100 Units/mL) and lixisenatide versus treatment with either lixisenatide or Lantus® alone over a 30 week period. The trial included 1,170 patients whose type 2 diabetes was not adequately controlled on metformin alone or on metformin combined with a second oral anti-diabetic agent. Treatment with metformin was continued for all participants throughout the study while other oral agents were discontinued.

After 30 weeks, iGlarLixi showed significantly greater reductions in HbA1c from baseline (8.1%) vs Lantus® and lixisenatide (-1.6%, -1.3%, -0.9%, respectively; p<0.0001), with patients reaching mean HbA1c levels of 6.5%, 6.8%, 7.3%, respectively. More patients reached target HbA1c <7% with iGlarLixi (74%) vs Lantus® (59%) or lixisenatide (33%). Mean body weight increased with Lantus® (+1.1kg), and decreased with iGlarLixi (-0.3kg; difference 1.4kg, p<0.0001) and with lixisenatide (-2.3kg).

Documented (≤70 mg/dL) symptomatic hypoglycemia was similar with iGlarLixi (25.6% of patients; 1.44 events/year (E/Y)) and Lantus® (23.6% of patients; 1.22 E/Y), but lower with lixisenatide (6.4% of patients; 0.34 E/Y). With iGlarLixi, 9.6% of participants experienced nausea and 3.2% experienced vomiting; with Lantus®, 3.6% of participants experienced nausea and 1.5% experienced vomiting; and with lixisenatide 24.0% of participants experienced nausea and 6.4% experienced vomiting.

Results of LixiLan-L

LixiLan-L investigated the efficacy and safety of a once-daily single injection of iGlarLixi, the titratable fixed-ratio combination of Lantus® (insulin glargine 100 Units/mL) and lixisenatide versus treatment with Lantus® over a 30 week period. The trial included 736 patients whose type 2 diabetes was not adequately controlled at screening on basal insulin, alone or combined with one to two oral anti-diabetic agents. Treatment with metformin, if previously taken, was continued throughout the study while other oral agents were discontinued.

After 30 weeks, iGlarLixi showed significantly greater reductions in HbA1c from baseline (8.1%) versus Lantus® (-1.1% vs. -0.6%; p<0.0001), with patients reaching mean HbA1c levels of 6.9% and 7.5%, respectively. More patients reached target HbA1c <7% with iGlarLixi (55%) versus Lantus® (30%; p<0.0001). Mean body weight increased with Lantus® (+0.7 kg), and decreased with iGlarLixi (-0.7 kg; difference 1.4 kg, p<0.0001).

Documented (≤70 mg/dL) symptomatic hypoglycemia was similar with iGlarLixi (40% of patients; 3.0 events/year (E/Y)) and Lantus® (42.5% of patients; 4.2 E/Y). With iGlarLixi, 10.4% of participants experienced nausea, and 3.6% experienced vomiting; while with Lantus® 0.5% of participants experienced nausea and 0.5% experienced vomiting.

Financial terms of the license agreement with Sanofi

Under the global license agreement with Sanofi, which covers lixisenatide (Lyxumia®) and any combination product which includes lixisenatide, Sanofi is responsible for all development and commercialization and the costs thereof.

Zealand is eligible to receive specified event driven milestone payments and royalties on global sales. Remaining potential milestone payments aggregate to up to USD 140 million. Zealand is entitled to a tiered, low double-digit percentage royalty on Sanofi's global sales of lixisenatide (Lyxumia®) and a fixed low double-digit percentage royalty on Sanofi's global full net sales of iGlarLixi.

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About Zealand Pharma A/S

Zealand Pharma A/S (Nasdaq Copenhagen: ZEAL) ("Zealand") is a biotechnology company focused on the discovery, design and development of innovative peptide-based medicines. Zealand has a pipeline of proprietary drug candidates which target specialty disease areas with significant unmet medical needs and a portfolio of medicines and product candidates under license collaborations with Sanofi, Helsinn and Boehringer Ingelheim.

The company's first invented medicine, lixisenatide, a once-daily prandial GLP-1 analogue for the treatment of type 2 diabetes, is licensed to Sanofi who markets the product globally outside the U.S. as Lyxumia®. The fixed-ratio combination of basal insulin glargine (Lantus®) and lixisenatide, referred to as iGlarLixi, is under regulatory review in the U.S. and Europe.

Zealand's proprietary pipeline of drug candidates includes: *ZP4207* (single-dose rescue treatment) for acute, severe hypoglycemia (Phase II); *ZP1848* for Short Bowel Syndrome (Phase II); *ZP4207* (multiple-dose version) intended for use in a dual-hormone artificial pancreas system for better hypoglycemia management in diabetes (in preparation for Phase II); *ZP2929* for diabetes/obesity (Phase I); and several preclinical peptide therapeutics.

The company is based in Copenhagen (Glostrup), Denmark. For further information about Zealand's business and activities, please visit www.zealandpharma.com or follow us on Twitter @ZealandPharma.