Making a difference in patients lives.

− building a portfolio of metabolic and gastrointestinal medicines

June 2017
Forward-looking statements

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Zealand in brief

- Founded in 1998 in Denmark
- Listed on Nasdaq Copenhagen: ZEAL
- Market Cap (June 1, 2017): DKK 3.1 bn / $ 440 m
- 122 employees, mainly in R&D

Two products marketed Globally

Four product candidates in Phase 2

>18 years’ track record with peptides

>10 Zealand invented medicines advanced to the clinic
Zealand has entered a new era and is focused on accelerating value creation

<table>
<thead>
<tr>
<th>2016</th>
<th>Entering a new era</th>
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</table>
| **Advance and expand the pipeline** | • Two U.S. product approvals  
• Three Phase 2 product candidates |
| **Enhance our peptide competencies** | • Engagement in new research partnerships  
• Continued investments in innovation |
| **Enter partnerships to support the pipeline** | • Partnerships with Beta Bionics and device partners  
• Working with leading CMOs and CROs |
| **Solid financial position** | • Strengthened cash position  
• Milestone payments and royalties |

<table>
<thead>
<tr>
<th>2017-2019</th>
<th>Accelerating value creation</th>
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</table>
| **Confirming the value of the product portfolio** | • Growing revenues from marketed products  
• Milestone payments  
• Own late-stage development and registration |
| **Engage in synergistic partnerships** | • Inlicensing to expand portfolio  
• Commercial partnerships |
| **Building stakeholder relations** | • Dialogue with patients, key opinion leaders and payers intensified |

<table>
<thead>
<tr>
<th>2020+</th>
<th>Integrated biotech company</th>
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<tbody>
<tr>
<td><strong>Commercialization of own products in the U.S. and Europe</strong></td>
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<tr>
<td><strong>Continued solid revenues from partnered products</strong></td>
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<tr>
<td><strong>Portfolio from internal innovation, partnering and acquisitions</strong></td>
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</table>
Soliqua® 100/33 and Suliqua® launched globally by Sanofi

**Soliqua® 100/33**
- Marketed in the U.S. as of January 2017

**Suliqua®**
- Approved in the EU in January 2017
- Launched in the Netherlands in May 2017

**Adlyxin® (Lyxumia® in the EU and Rest of World)**
- Marketed in the U.S. as of January 2017
- Marketed as Lyxumia® in more than 40 countries

NOTE: Under the terms of the lixisenatide license agreement between Sanofi and Zealand, Sanofi is responsible for development and commercialization, including financing.
Soliqua® 100/33 is a strategic priority product for Sanofi with growing prescriptions

Soliqua® 100/33 weekly prescription in the U.S.

![Graph showing the weekly prescription data for Soliqua® 100/33 in the U.S.]

**Strong commitment by Sanofi**

- Soliqua® 100/33 part of Sanofi’s six priority products, with combined revenues of USD 12-14 billion in 2020*
- Available in U.S. pharmacies just six weeks after approval
- As the first marketed GLP-1/insulin combination in the U.S., Sanofi continues to educate physicians

* Sanofi Corporate Presentation 2016
Soliqua® 100/33 has secured significant payer access, which will gradually come into effect

**Access to Soliqua® 100/33**
- 34% of commercially insured patients confirmed
- 31% of Medicare patients confirmed
- Access with United Health, one of the biggest payers, as of July 1, 2017

**Pricing of Soliqua® 100/33**
- Aggressive co-pay program to accelerate patient and payer uptake
- Pragmatic and transparent pricing

<table>
<thead>
<tr>
<th>Access to Soliqua® 100/33</th>
<th>Pricing of Soliqua® 100/33</th>
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<tbody>
<tr>
<td>34% confirmed</td>
<td>31% confirmed</td>
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</tbody>
</table>
### Basal insulin and GLP-1 market
- approximately combined value of USD 15 billion

<table>
<thead>
<tr>
<th>Type</th>
<th>Market potential</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>GLP-1</td>
<td>GLP-1 market(^1)</td>
<td>USD 4.9 billion</td>
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<td>GLP-1 market growth since 2015</td>
<td>26%</td>
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<tr>
<td>Basal insulin</td>
<td>Basal insulin market(^2)</td>
<td>USD ~10 billion</td>
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<tr>
<td></td>
<td>Lantus(^®) revenue</td>
<td>USD 6 billion</td>
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<tr>
<td></td>
<td>Patients on basal insulin in the U.S.</td>
<td>4-5 million</td>
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<tr>
<td></td>
<td>Patients on basal insulin not at target glucose control</td>
<td>50%</td>
</tr>
</tbody>
</table>

\(^1\) Based on 2016 annual results from Sanofi, Novo Nordisk, Eli Lilly, AZ and GSK for Lyxumia\(^®\), Victoza\(^®\), Bydureon\(^™\), Trulicity\(^®\), Syncria\(^®\) and Byetta\(^®\) and for insulin products.
Zealand has no costs on partnered products and projects, with outstanding potential revenues

<table>
<thead>
<tr>
<th>Partner/product</th>
<th>Milestone payments</th>
<th>Royalties</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SANOFI</strong></td>
<td></td>
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<tr>
<td>Adlyxin®/Lyxumia®</td>
<td>USD 135m, 100m</td>
<td>Low double-digit</td>
</tr>
<tr>
<td>Soliqua™ 100/33/ Suliqua™</td>
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<tr>
<td><strong>HELSINN</strong></td>
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<tr>
<td>Elsiglutide</td>
<td>EUR 16m, 124m</td>
<td>High single- to low double-digit</td>
</tr>
<tr>
<td><strong>Boehringer Ingelheim</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Glucagon/GLP</td>
<td>EUR 21m, 365m</td>
<td>High single- to low double-digit</td>
</tr>
<tr>
<td>Amylin</td>
<td>EUR 8m, 287m</td>
<td>High single- to low double-digit</td>
</tr>
<tr>
<td><strong>Total estimated outstanding milestones</strong></td>
<td>DKK 6.5 billion</td>
<td></td>
</tr>
</tbody>
</table>

Exchange rates: DKK/USD 7.00 and EUR/DKK 7.45
Our main focus is on specialty gastrointestinal and metabolic diseases

**Speciality medicines**

We use our peptide-based research capabilities to discover specialty medicines

- Over 1,000 rare diseases and disorders, many of these are life threatening with no available therapy
- More than 300 million people affected

**Gastrointestinal diseases**

- Glepaglutide in Phase 2 is our front runner
- A number of pre-clinical projects addressing patient needs

**Over 180 gastrointestinal diseases**

**Metabolic diseases**

- Strong track record in this area, e.g.:  
  - Two products on the market with our partner Sanofi
  - Two Phase 2 programs
  - Two partnered programs approaching Phase 1

**Hundreds of rare diseases with no available therapy**

- Over 180 gastrointestinal diseases
- Hundreds of rare diseases
- Over 60 million people in the U.S. suffer from GI diseases

**60 million people in the U.S. suffer from GI diseases**

**36.5% of U.S. adults are obese**

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Solid progress across the development pipeline

### Clinical pipeline and preclinical partnered programs

<table>
<thead>
<tr>
<th>Compound</th>
<th>Indication</th>
<th>Development stage</th>
<th>2017 milestone</th>
<th>Intended product</th>
<th>Unmet needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glepaglutide*1</td>
<td>Short bowel syndrome</td>
<td>Preclinical Phase 1 Phase 2 Phase 3 Phase 4 Registration</td>
<td>Phase 2 results</td>
<td>Repeat-use injection pen</td>
<td>• Reduce parenteral support • Reduce diarrhea/stoma output • Improve quality of life</td>
</tr>
<tr>
<td>Dasiglucagon*1</td>
<td>Acute, severe hypoglycemia (insulin shock)</td>
<td>Preclinical Phase 1 Phase 2 Phase 3 Phase 4 Registration</td>
<td>Phase 3 initiation</td>
<td>Ready-to-use hypo pen</td>
<td>• Easy-to-use rescue treatment • Faster recovery • Less fear of insulin treatment</td>
</tr>
<tr>
<td>Pump-based diabetes management</td>
<td>Preclinical Phase 1 Phase 2 Phase 3 Phase 4 Registration</td>
<td>Phase 2a</td>
<td>Phase 2a results</td>
<td>Component of a dual-hormone artificial pancreas</td>
<td>• Achieve glycemic target with lower risk of hypoglycemia • Easier diabetes care</td>
</tr>
<tr>
<td>Elsiglutide2</td>
<td>Chemotherapy-induced diarrhea</td>
<td>Preclinical Phase 1 Phase 2 Phase 3 Phase 4 Registration</td>
<td>New Phase 2 trials by Helsinn</td>
<td>Injection</td>
<td>• No effective treatment available • Prevent chemotherapy-induced diarrhea</td>
</tr>
<tr>
<td>GLP1-GLU3</td>
<td>Obesity/type 2 diabetes</td>
<td>Preclinical Phase 1 Phase 2 Phase 3 Phase 4 Registration</td>
<td>Phase 1 initiation</td>
<td>Once weekly</td>
<td>• Metabolic control</td>
</tr>
<tr>
<td>Amylin analogue2</td>
<td>Obesity/type 2 diabetes</td>
<td>Preclinical Phase 1 Phase 2 Phase 3 Phase 4 Registration</td>
<td>Phase 1 initiation</td>
<td>Once weekly</td>
<td>• Metabolic control</td>
</tr>
</tbody>
</table>

* Glepaglutide and dasiglucagon are proposed International Nonproprietary Names (pINN).
1 Fully owned by Zealand.
2 Global development and commercial rights are owned by Helsinn.
3 Global development and commercial rights are owned by Boehringer Ingelheim.
Glepaglutide.
Short bowel syndrome
Short bowel syndrome (SBS) – An orphan indication with significant therapeutic needs

SBS results in intestinal insufficiency or failure

Normal intestinal length: ~8.5m/~25ft

SBS patient’s intestinal length: <2m/~6.5ft

- A result of surgical bowel removal due to Crohn’s, trauma, cancer or ischemia
- Malnutrition, dehydration and reduced life expectancy
- Increased risk of sepsis, blood clots and organ failure

Current treatment options are limited

- **Home parenteral nutrition** support (HPN) up to 16 hours/day
- **GLP-2 therapy** has proven effective in improving fluid absorption
- **One marketed product**, teduglutide (Gattex®/Revestive), indicated only for patients on HPN in U.S.

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Glepaglutide* for SBS – Phase 2 results expected mid 2017

Glepaglutide* product overview

- GLP-2 analog
- **Target indication:** Short bowel syndrome (SBS)
- **Phase 2** results expected June 2017
- USD > 0.5bn market potential assuming current treatment paradigm
  - **20,000-40,000 SBS patients** in the U.S. and the EU¹
  - **2016 sales of GLP-2 SBS treatment,** teduglutide, of USD 219.4m² (55% growth)
    - Treating less than 1,000 patients
    - List price in U.S. of $395,000 per patient per year³

"Short bowel syndrome is a complex disease where we need better medicines to manage care for patients. A significant focus of my work is to improve intestinal absorption in patients."

Palle Jeppesen
Principal Investigator, Professor MD, Department of Gastroenterology Copenhagen University Hospital, Denmark

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Dasiglucagon.
Acute, severe hypoglycemia and dual-hormone artificial pancreas system
Zealand has extended its dasiglucagon franchise with new orphan indication

**Orphan indication(s):**
- Congenital hyperinsulinism

**Scope**
- Severe hypoglycemia: A ready-to-use hypo pen
- Type 1 diabetes: Dual hormone artificial pancreas system
- A next-generation dual hormone artificial pancreas system containing both insulin and glucagon

**Next steps**
- Start of Phase 3 expected in Q3 2017
- Positive Phase 2a results in May 2017
- Results from second Phase 2a trial in June 2017
- Initiation of Phase 2b program in Q4
- Assess regulatory pathway for CHI, following positive COMP opinion
- Explore potential use in other orphan indications

**Treatment opportunity for children with congenital hyperinsulinism (CHI)**

1:50,000 births
Acute, severe hypoglycemia (insulin shock) – A major concern for diabetes patients on insulin

Severe hypoglycaemia is a diabetic emergency: Blood sugar reduced to below normal

- Patients experience **anxiety, tremors, palpitations, nausea and confusion**
- Can lead to **unconsciousness, seizures and death**

~280,000 annual visits to the emergency ward in the U.S. after a hypoglycemic event

Glucagon is an effective treatment to increase blood sugar

- Native glucagon is inherently unstable in liquid formulation
- Zealand has developed a glucagon analogue that is stable in a liquid formulation

- Current glucagon rescue kits are available as powder and complex to use
- Require multi-step preparation before injection, with high risk of administration failure

“.. the complexity of the kit is a problem ..”

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1 Center for Disease Control and Prevention.cdc.org. Data is from 2013
2 Research Commissioned by Zealand Pharma n = 11.373 posts on hypoglycemia in diabetes fora
3 Results from human factor studies published by Locemia and Xeris
Dasiglucagon* for acute, severe hypoglycemia – Phase III program to be initiated in 2017

Dasiglucagon* product overview

- **Glucagon analog single-dose version**
- **Target indication** Severe hypoglycemia
- **Phase 2 results available**
- **USD > 0.5bn market potential** assuming market expansion due to improved offering
  - **1.25m type 1 diabetes patients** in the U.S. have the highest risk of severe hypoglycemia
  - **2016 sales in the U.S.** of USD 314m¹. Market currently under-penetrated (less than 25% of at-risk patients)

* Glepaglutide and dasiglucagon are proposed International Nonproprietary Names (pINN).
1 IMS Health data and Zealand estimate.
In 2016, Zealand and Beta Bionics initiated a collaboration to advance clinical trials with the iLet

Our aspiration is to be the first to deliver liquid glucagon for an artificial pancreas system that automates insulin and glucagon infusion for better diabetes management

Treatment with both insulin and glucagon in a dual hormone artificial pancreas has shown improved glucose control vs insulin only usual care¹:

Dasiglucagon* for dual-hormone artificial pancreas – Liquid stable glucagon enables a paradigm shift

Dasiglucagon* product overview

- **Glucagon analog multiple-dose version**
- **Target indication** Dual-hormone artificial pancreas
- **Positive Phase 2a** data May 2017
- **Phase 2a** trial data in June 2017
- **USD > 3bn market potential** assuming 30% of U.S. type 1 diabetes patients use glucagon in a pump
  - **1.25m type 1 diabetes patients** in the U.S., of which 35%¹ on insulin pumps (growing)
  - **Dual-hormone artificial pancreas** with glucagon, with the potential to offer better blood glucose control

*Glepaglutide and dasiglucagon are proposed International Nonproprietary Names (pINN).
¹ Consultation response MT 11 ToR – Juvenile Diabetes Research Foundation PDF and Zealand estimate.

Edward Damiano
President and CEO
Beta Bionics

A joint commitment to a paradigm shift in diabetes care

Artificial pancreas device

An artificial pancreas in the form of a dual-hormone pump has the potential to significantly improve glucose control in diabetes.

*The iLET™ from Beta Bionics*
Zealand ends Q1 2017 with a strong cash position

Revenue 2016 increased by 25% to DKK 234.8 (USD 33.5) million

Net Operating Expenses 2016 increased by 29% to DKK 319.0 (USD 45.6) million

Total cash at March 31, 2017 of DKK 417.0 (USD 59.6) million
# 2017 financial guidance

<table>
<thead>
<tr>
<th>Revenue from partner milestone payments</th>
<th>DKK 100 (USD 14) million**</th>
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<tbody>
<tr>
<td>Royalty revenue from Sanofi collaboration*</td>
<td>No guidance</td>
</tr>
<tr>
<td>Net operating expenses</td>
<td>DKK 390-410 (USD 56-58) million</td>
</tr>
<tr>
<td>Operating loss before royalty income and royalty expenses</td>
<td>DKK 290-310 (USD 42-44) million before royalty revenue</td>
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</table>

* Zealand does not guide on royalty revenue, as Sanofi has not provided guidance. However, a significant increase in royalty payments from Sanofi is expected due to the launch of Soliqua® 100/33 in January and the upcoming Suliqua® launches.

** DKK 70 (USD 10) million thereof was received in January 2017.
# Expected news flow for 2017

<table>
<thead>
<tr>
<th><strong>Product</strong></th>
<th><strong>Quarterly Sales Updates</strong></th>
<th><strong>Q2</strong></th>
<th><strong>Q3</strong></th>
<th><strong>Q4</strong></th>
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<tbody>
<tr>
<td><strong>Soliqua® 100/33/Suliqua®</strong> (combination of lixisenatide/Lantus®) and Adlyxin®</td>
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<tr>
<td><strong>Glepaglutide¹ (ZP1848)</strong> – GLP-2 analogue for short bowel syndrome</td>
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<tr>
<td>Top-line results from Phase 2 trial (end of June)</td>
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<tr>
<td><strong>Dasiglucagon¹ (ZP4207)</strong> – single-dose glucagon analogue</td>
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<tr>
<td>Detailed results of Phase 2 trial presented at ADA</td>
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<tr>
<td>Initiation of Phase 3 program</td>
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<tr>
<td><strong>Dasiglucagon¹ (ZP4207)</strong> – multiple-dose glucagon analogue</td>
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<tr>
<td>Topline results of Phase 2a trial in dual-hormone pancreas system (Beta Bionics)</td>
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<tr>
<td>Initiation of further Phase 2 exploratory trials</td>
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<tr>
<td><strong>Glucagon/GLP-1 dual agonist for diabetes/obesity</strong></td>
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<tr>
<td>Start of Phase 1</td>
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<tr>
<td><strong>Amylin analogue for diabetes/obesity</strong></td>
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<tr>
<td>Start of Phase 1</td>
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<tr>
<td><strong>Elsiglutide – GLP-2 analogue for chemotherapy induced diarrhea</strong></td>
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<tr>
<td>Update on additional Phase 2 trials from Helsinn</td>
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</tbody>
</table>

Glepaglutide and dasiglucagon are proposed International Non-proprietary Names (pINN).
Thank you.

Please visit our new website for more information, or watch a short video about Zealand at https://www.zealandpharma.com/video-about-zealand-new/