Zealand Pharma Announces Financial Results for the First Nine Months of 2024.

Continued strong progress across obesity pipeline with proprietary assets ready for Phase 2 backed by a solid financial position.

- Presented extremely encouraging weight loss and tolerability data with long-acting amylin analog petrelintide from MAD Part 2 (16-week trial) at ObesityWeek 2024
- Announced positive topline results with GLP-1R/GLP-2R dual agonist dapiglutide from Part 1 of Phase 1b trial (13-week trial)
- Boehringer Ingelheim announced US FDA Breakthrough Therapy Designation and advancement to two large Phase 3 trials for survodutide in MASH

Copenhagen, Denmark, November 7, 2024 – Zealand Pharma A/S (Nasdaq: ZEAL) (CVR-no. 20045078), a biotechnology company focused on the discovery and development of innovative peptide-based medicines, today announced the interim report for the nine months ended September 30, 2024, and provided a corporate update.

Building momentum into 2025 following impressive data across obesity portfolio

Adam Steensberg, President and Chief Executive Officer at Zealand Pharma said:

"I am excited about the impressive data and continued clinical advancement across our portfolio of differentiated obesity candidates that recently included very encouraging topline data with dapiglutide, advancement by Boehringer Ingelheim of survodutide into an ambitious Phase 3 program in MASH, and of course the presentation of data with our potentially best-in-class amylin analog petrelintide. With petrelintide specifically, I believe we have a unique opportunity to develop an alternative to GLP-1RA-based therapies that could become the future foundational therapy for weight management. We look forward to initiating a large, comprehensive Phase 2b trial very soon and are now exploring collaboration opportunities with potential partners."

Key financial results for Q3 2024 year-to-date

DKK million	Q3-24 YTD	Q3-23 YTD
Revenue	53.6	319.6
Net operating expenses[1]	-919.1	-633.2
Net operating result	-872.9	-318.8
Net financial items	81.1	-124.8

DKK million	Sep-30, 2024	Dec-31, 2023
Cash position[2]	9,195.3	1,633.1

Notes:
1. Net operating expenses consist of R&D, S&M, G&A and other operating items.
2. Cash position includes cash, cash equivalents and marketable securities.

Highlights in the third quarter of 2024

Obesity

- **Dapiglutide, GLP-1/GLP-2 receptor dual agonist: Reported positive topline data from Part 1 of the Phase 1b dose titration trial.** Topline results showed placebo-adjusted reductions in body weight of up to a mean of 8.3% with dapiglutide after 13 weekly doses. 85% of the 54 trial participants were male and median BMI at baseline was 30 kg/m^2. Dapiglutide treatment with doses up to 13 mg was assessed to be safe and well-tolerated with gastrointestinal (GI) adverse events (AEs) consistent with the profile reported with other incretin-based therapies. Only two participants discontinued treatment due to GI AEs.

Corporate

- **Appointed Eric Cox as Chief Commercial Officer.** Eric will lead Zealand Pharma's commercial strategy and assume responsibility for business development.

Events after the reporting date

Obesity

- **Petrelintide, long-acting amylin analog: Presented detailed results at ObesityWeek 2024 from 16-week multiple ascending dose (MAD) trial, Part 2 of Phase 1b trial.** Petrelintide demonstrated mean body weight reductions of 4.8%, 8.6% and 8.3% after 16 once-weekly doses of up to 2.4 mg, 4.8 mg and 9.0 mg, respectively, versus 1.7% for the pooled placebo group. Dose escalation within cohorts occurred every second week. Participants randomized to petrelintide received the three different maintenance doses of 2.4 mg, 4.8 mg and 9.0 mg for twelve, eight and six weeks, respectively. 79% of the 48 trial participants were male and mean BMI was 29.9 kg/m^2. Petrelintide was well tolerated, with no serious or severe adverse events. All gastrointestinal adverse events were mild, except for two moderate events (nausea and vomiting) reported in one participant who discontinued treatment. No other participants discontinued treatment due to AEs. No other events of vomiting occurred, and two events of diarrhea were reported, both of which were mild.

MASH

- **Survodutide, glucagon/GLP-1 receptor dual agonist: Boehringer Ingelheim announced U.S. FDA Breakthrough Therapy Designation and initiation of two Phase 3 trials in MASH.** LIVERAGE and LIVERAGE-Cirrhosis are global Phase 3 clinical trials investigating the efficacy and safety of survodutide in adults with metabolic dysfunction-associated steatohepatitis (MASH) and fibrosis stages 2 or 3 and in those with compensated MASH cirrhosis (stage 4), respectively. Based on the groundbreaking results from the Phase 2 trial in MASH, survodutide has received U.S. FDA Breakthrough Therapy Designation for the treatment of adults with non-cirrhotic MASH and moderate or advanced fibrosis.

Rare diseases

- **Dasiglucagon in congenital hyperinsulinism (CHI): The U.S. FDA issued a Complete Response Letter (CRL) for dasiglucagon in CHI for up to three weeks of dosing due to the timing of a third-party manufacturing facility reinspection.** The reinspection of the facility was completed in August/September 2024 for which a new inspection classification is pending. A prior inspection of the facility had identified deficiencies that did not involve dasiglucagon. These prior deficiencies had been resolved as of this reinspection. The CRL did not state any concerns about the clinical data package or safety of dasiglucagon.

Upcoming events next 12 months

Obesity

- **Petrelintide, amylin analog: advancing clinical development.** Zealand Pharma expects to initiate a Phase 2b trial with petrelintide in people with overweight or obesity without type 2 diabetes in the fourth quarter of 2024, for which completion of enrollment is expected in the first half of 2025. Zealand also expects to initiate a Phase 2b trial in people with overweight or obesity and type 2 diabetes in the first half of 2025.

  Zealand also plans to initiate a Phase 1b combination trial with petrelintide and a GLP-1 receptor agonist in 2025.

- **Dapiglutide, a GLP-1/GLP-2 receptor dual agonist.** In the first half of 2025, Zealand Pharma expects to announce topline results from a cohort (Part 2 of the Phase 1b trial) evaluating even higher doses up to 26 mg dapiglutide and with 28 weeks of treatment. The cohort was added based on dapiglutide's tolerability profile observed to date and will have no impact on the timing for initiation of a Phase 2b trial in people with overweight or obesity also expected in the first half of 2025. Zealand also plans to present the results from the Phase 1b trial at a scientific congress in 2025.

Rare diseases

- **Glepaglutide in SBS**. US FDA has set a Prescription Drug User Fee Act (PDUFA) date on December 22, 2024. In parallel with the regulatory review process, Zealand is engaging in partnership discussions for future commercialization.

- **Dasiglucagon in CHI**. Contingent on an inspection classification upgrade of the third-party manufacturing facility, Zealand expects to resubmit Part 1 of the NDA for dasiglucagon in CHI for up to three weeks of dosing in the fourth quarter of 2024. For Part 2 of the NDA review, which relates to use beyond three weeks, Zealand expects to submit the additional analyses from existing continuous glucose monitoring (CGM) datasets requested by the U.S. FDA in the fourth quarter of 2024 as well. Zealand is continuing pre-commercial activities to prepare for a launch in the U.S. contingent on an approval by the FDA. In parallel, the company is engaging in partnership discussions for future commercialization of the product.

Chronic inflammation

- **ZP9830, Kv1.3 Ion Channel Blocker**. Zealand Pharma expects to initiate the first-in-human clinical trial of ZP9830 in the fourth quarter of 2024.

Financial guidance for 2024

- Guidance unchanged from August 15, 2024

DKK million	2024 Guidance	2023 Actuals
Revenue anticipated from existing and new license and partnership agreements	No guidance due to uncertain size and timing	343
Net operating expenses[3]	1,250-1,350	896

Notes:
3. Financial guidance based on foreign exchange rates as of November 7, 2024.

Conference call today at 2 PM CET / 8 AM ET

Zealand's management will host a conference call today at 2:00 PM CET / 8:00 AM ET to present results through the first nine months of 2024 followed by a Q&A session. Participating in the call will be Chief Executive Officer, Adam Steensberg; Chief Financial Officer, Henriette Wennicke; Chief Medical Officer, David Kendall; and Chief Commercial Officer, Eric Cox. The conference call will be conducted in English.

To receive telephone dial-in information and a unique personal access PIN, please register at https://register.vevent.com/register/BI9feb9ca116c04d17abb506491ebf0b90. The live listen-only audio webcast of the call and accompanying slide presentation will be accessible at https://edge.media-server.com/mmc/p/4kd7ihsh/. Participants are advised to register for the call or webcast approximately 10 minutes before the start. A recording of the event will be available following the call on the Investor section of Zealand's website at https://www.zealandpharma.com/investors/events-presentations/.

Financial Calendar for 2025

FY/Q4 2024	February 20, 2025
Q1 2025	May 8, 2025
Q2 2025	August 14, 2025
Q3 2025	November 6, 2025

About Zealand Pharma A/S

Zealand Pharma A/S (Nasdaq: ZEAL) ("Zealand") is a biotechnology company focused on the discovery and development of peptide-based medicines. More than 10 drug candidates invented by Zealand have advanced into clinical development, of which two have reached the market and three candidates are in late-stage development. The company has development partnerships with a number of pharma companies as well as commercial partnerships for its marketed products.

Zealand was founded in 1998 and is headquartered in Copenhagen, Denmark, with a presence in the U.S. For more information about Zealand's business and activities, please visit www.zealandpharma.com.

Forward-looking Statements

This company announcement and interim report contains "forward-looking statements", as that term is defined in the Private Securities Litigation Reform Act of 1995 in the United States, as amended, even though no longer listed in the United States this is used as a definition to provide Zealand Pharma's expectations or forecasts of future events regarding the research, development and commercialization of pharmaceutical products, the timing of the company's pre-clinical and clinical trials and the reporting of data therefrom and the company's Upcoming Events and Financial Guidance for 2024. These forward-looking statements may be identified by words such as "aim," "anticipate," "believe," "could," "estimate," "expect," "forecast," "goal," "intend," "may," "plan," "possible," "potential," "will," "would" and other words and terms of similar meaning. You should not place undue reliance on these statements, or the scientific data presented. The reader is cautioned not to rely on these forward-looking statements. Such forward-looking statements are subject to risks, uncertainties and inaccurate assumptions, which may cause actual results to differ materially from expectations set forth herein and may cause any or all of such forward-looking statements to be incorrect, and which include, but are not limited to, unexpected costs or delays in clinical trials and other development activities due to adverse safety events or otherwise; unexpected concerns that may arise from additional data, analysis or results obtained during clinical trials; our ability to successfully market both new and existing products; changes in reimbursement rules and governmental laws and related interpretation thereof; government-mandated or market-driven price decreases for our products; introduction of competing products; production problems; unexpected growth in costs and expenses; our ability to effect the strategic reorganization of our businesses in the manner planned; failure to protect and enforce our data, intellectual property and other proprietary rights and uncertainties relating to intellectual property claims and challenges; regulatory authorities may require additional information or further studies, or may reject, fail to approve or may delay approval of our drug candidates or expansion of product labeling; failure to obtain regulatory approvals in other jurisdictions; exposure to product liability and other claims; interest rate and currency exchange rate fluctuations; unexpected contract breaches or terminations; inflationary pressures on the global economy; and political uncertainty, including due to the ongoing military conflict in

Ukraine. If any or all of such forward-looking statements prove to be incorrect, our actual results could differ materially and adversely from those anticipated or implied by such statements. The foregoing sets forth many, but not all, of the factors that could cause actual results to differ from our expectations in any forward-looking statement. All such forward-looking statements speak only as of the date of this press release/company announcement and are based on information available to Zealand Pharma as of the date of this release/announcement. We do not undertake to update any of these forward-looking statements to reflect events or circumstances that occur after the date hereof. Information concerning pharmaceuticals (including compounds under development) contained within this material is not intended as advertising or medical advice.

Contacts

Anna Krassowska, PhD
Vice President, Investor Relations & Corporate Communications
Zealand Pharma
Email: AKrassowska@zealandpharma.com

Adam Lange
Investor Relations Officer
Zealand Pharma
Email: ALange@zealandpharma.com

Neshat Ahmadi
Investor Relations Manager
Zealand Pharma
Email: NeAhmadi@zealandpharma.com

R&D Pipeline

Therapeutic area	Product candidate[a]	Partnered	Pre-clinical	Phase 1	Phase 2	Phase 3	Registration
Obesity	Dapiglutide (GLP-1R/GLP-2R dual agonist)		Obesity				
	Petrelintide (amylin analog)		Obesity				
	ZP6590 (GIP receptor agonist)		Obesity				
	Survodutide (GCGR/GLP-1R dual agonist)[b]	Boehringer Ingelheim	Obesity and MASH				
Rare diseases	Dasiglucagon: S.C. continuous infusion		Congenital hyperinsulinism				
	Glepaglutide (GLP-2 analog)		Short bowel syndrome				
Inflammation	ZP9830 (Kv1.3 ion channel blocker)		Undisclosed				
	ZP10068 (complement C3 inhibitor)		Undisclosed				
Type 1 diabetes	Dasiglucagon: bi-hormonal artificial pancreas systems		T1DM management				
	Dasiglucagon: mini-dose pen		T1DM exercise-induced hypoglycemia				

[a]**Investigational compounds whose safety and efficacy have not been evaluated or approved by the U.S. Food and Drug Administration (FDA) or any other regulatory authority.**
[b]Survodutide is licensed to Boehringer Ingelheim from Zealand Pharma, with Boehringer solely responsible for development and commercialization globally (subject to Zealand's co-promotion rights in the Nordic countries): EUR 315 million outstanding potential development, regulatory and commercial milestones + high single to low double digit % royalties on global sales.

GCGR=glucagon receptor; GIP=gastric inhibitory polypeptide; GLP-1R=glucagon-like peptide-1 receptor; GLP-2=glucagon-like peptide-2; GLP-2R=glucagon-like peptide-2 receptor; MASH=metabolic dysfunction-associated steatohepatitis (formerly NASH, or nonalcoholic steatohepatitis); SC=subcutaneous; T1DM=type 1 diabetes mellitus.

Obesity

Petrelintide (long-acting amylin analog)

Third quarter 2024 update:

- Presented detailed results from MAD Part 2 (16-week trial) at ObesityWeek 2024.

Background:

Petrelintide (formerly ZP8396) is a long-acting amylin analog that reduces food intake by restoring leptin sensitivity and increasing satiety, in contrast to GLP-1RAs that reduce food intake by suppressing appetite. The molecule is designed to improve solubility, minimize fibrillation, and allow for co-formulation with other peptides, including GLP-1RA-based molecules. Petrelintide holds potential as a next-generation, best-in-class alternative to GLP-1RA-based therapies for the treatment of overweight and obesity, targeting weight loss comparable with GLP-1RA-based therapies but with significantly improved tolerability.

In the fourth quarter of 2024, Zealand expects to initiate a large, comprehensive Phase 2b trial with petrelintide in people with overweight or obesity.

Zealand conducted a Phase 1b, randomized, multiple ascending dose (MAD) clinical trial of petrelintide in normal weight and overweight healthy participants (ClinicalTrials.gov ID: NCT05613387). The MAD trial consisted of Part 1 and Part 2. Part 1 included 20 participants (eligible BMI 21.0–29.9) receiving six once-weekly subcutaneous doses of petrelintide or placebo. Part 2 included 48 participants (eligible BMI 27.0–39.9) receiving 16 once-weekly doses of petrelintide or placebo using a dose up-titration scheme.

Part 1 results were presented at the Obesity Society Annual Meeting (ObesityWeek) in October 2023. Low doses of 0.6 mg and 1.2 mg petrelintide administered once weekly for six weeks led to 5.3% and 5.1% mean weight loss from baseline in enrolled participants (mean body weight of 82 kg and BMI of 25.4). In the 6-week trial, petrelintide was judged to be well tolerated, with no serious or severe adverse events and no withdrawals. The most common adverse events were related to the gastrointestinal system, such as nausea. All gastrointestinal side effects were mild, and most occurred within two days of the first dose. Based on the mild adverse event profile, Zealand initiated Part 2 of the MAD trial, exploring higher doses of petrelintide over 16 weeks using a dose up-titration scheme, with topline results reported in June 2024.

In Part 2 of the MAD trial, 48 participants were randomized (3:1) to receive 16 once-weekly doses of petrelintide or placebo within three dose cohorts using a dose escalation scheme. Participants randomized to petrelintide received the three different maintenance doses of 2.4 mg, 4.8 mg and 9.0 mg for twelve, eight and six weeks, respectively. After 16 weeks, mean body weight reductions were 4.8%, 8.6% and 8.3% for the three petrelintide-treated groups, respectively, versus 1.7% for the pooled placebo group. 79% of the 48 trial participants were male and mean BMI was 29.9 kg/m^2. Petrelintide was well tolerated, with no serious or severe adverse events. All gastrointestinal adverse events were mild, except for two moderate events (nausea and vomiting) reported in one participant who discontinued treatment. No other participants discontinued treatment due to AEs. No other events of vomiting occurred, and two events of diarrhea were reported, both of which were mild. Results from Part 2 of the MAD trial were presented at the Obesity Society Annual Meeting (ObesityWeek) in San Antonio, Texas on November 5, 2024.

The Phase 1a, first-in-human, randomized, single ascending dose (SAD) trial to assess the safety, tolerability, pharmacokinetics, and pharmacodynamics of petrelintide in healthy volunteers (ClinicalTrials.gov ID: NCT05096598). Healthy participants with a mean BMI of 25.8 were randomized (6:2) within seven dose cohorts and treated with either subcutaneous petrelintide or placebo. After one week, participants treated with petrelintide had reductions in mean body weight of 2.6%, 3.6% and 4.2% from baseline following single doses of 0.7, 1.4 and 2.4 mg petrelintide. Body weight reductions were well-sustained during the additional five weeks of observation without further doses of petrelintide. Placebo-treated participants had a mean body weight increase of 0.6% after one week that continued to increase in most participants during the follow-up period. The plasma half-life of petrelintide was 230 hours, or approximately 10 days, which supports once-weekly dose administration. Petrelintide was well tolerated in this trial, with no serious or severe adverse events and no withdrawals. The detailed results were presented at the ADA 83rd Scientific Sessions in June 2023.

Dapiglutide (long-acting GLP-1R/GLP-2R dual agonist)

Third quarter 2024 update:

- Announced positive topline results from Part 1 of Phase 1b trial (13-week trial).

Background:

Dapiglutide is a long-acting, dual GLP-1R/GLP-2R agonist for the potential treatment of obesity. This is a first-in-class peptide designed to leverage the weight loss effects of a potent GLP-1 agonist and address co-morbidities associated with low-grade inflammation through improved intestinal barrier function by GLP-2.

Zealand reported positive topline results in September 2024 from Part 1 of the Phase 1b dose titration trial (ClinicalTrials.gov ID: NCT06000891). A total of 54 participants (~85% male) with a median age of 46 years and a median BMI at baseline of 30 kg/m^2.were randomized to receive 13 weekly doses of either dapiglutide or placebo

(14:4) within three dose cohorts. At week 13, the estimated mean body weight had decreased by up to 8.3% on a placebo-corrected basis among participants on dapiglutide treatment (up to 6.2% mean weight loss on dapiglutide; 2.1% mean weight gain on placebo). No lifestyle medications, such as diet or exercise, were included in the trial. Dapiglutide treatment with doses up to 13 mg was assessed to be safe and well-tolerated, with no severe TEAEs and one serious AE, which was deemed not related to the drug. The most common TEAEs were GI-related, including nausea and vomiting. GI AEs were consistent with the profile reported with other incretin-based therapies. Only two participants discontinued treatment due to GI AEs (moderate vomiting).

Based on the mild tolerability profile observed with dapiglutide to date, Zealand amended the Phase 1b trial to include an additional cohort to investigate even higher doses up to 26 mg over a treatment duration of 28 weeks. Topline results from this added cohort will be reported in the first half of 2025, with no impact on the expected timing for initiation of a Phase 2b trial also in the first half of 2025.

Zealand had previously reported data from two clinical trials with low doses of dapiglutide, including a company-sponsored 4-week Phase 1 trial and a 12-week mechanistic investigator-led trial named DREAM.

An investigator-led randomized, double-blind, placebo-controlled clinical trial in up to 54 people living with overweight and obesity, named DREAM (ClinicalTrials.gov ID: NCT05788601), evaluated the potential for weight loss and aimed to gain key mechanistic insights into the effects of dapiglutide on inflammatory markers following a 12-week treatment period. Topline results were reported in May 2024. Treatment with low doses of dapiglutide at 4 mg and 6 mg resulted in mean weight loss change from baseline of 2.9% and 4.3% after 12 weeks, respectively, compared to 2.2% with placebo. Dapiglutide was assessed to be well tolerated, with no treatment emergent adverse events (TEAEs) leading to treatment discontinuation and fewer gastrointestinal TEAEs compared to what have been reported from other trials with incretin-based therapies, suggesting that doses of dapiglutide investigated were at the lower end of the therapeutic range in an obesity setting. Additional data from DREAM on cardiovascular risk, systemic inflammatory markers, as well as data from gut biopsies, will be presented at a future scientific meeting.

Phase 1 results of dapiglutide in healthy volunteers demonstrated dose-dependent weight loss of up to 4.3% from baseline body weight after only four weeks of treatment (ClinicalTrials.gov ID: NCT04612517). Dapiglutide also delayed gastric emptying and reduced plasma glucose and insulin concentrations in a dose-dependent manner. Pharmacokinetics showed a mean half-life of 123-129 hours across the four dose cohorts, which supports once-weekly dose administration. No trial participants developed anti-drug antibodies. Multiple weekly doses of dapiglutide were well-tolerated and the safety profile was as expected for GLP-1 and GLP-2 receptor agonists. These results were presented at the ADA 82nd Scientific Sessions in June 2022.

Survodutide (long-acting dual GCGR/GLP-1R agonist) in collaboration with Boehringer Ingelheim

Third quarter 2024 update:

- Boehringer Ingelheim announced US FDA Breakthrough Therapy Designation and advancement to two Phase 3 trials for survodutide in MASH.

Background:

Survodutide (formerly BI456906) is a long-acting glucagon/GLP-1 receptor dual agonist for once-weekly subcutaneous administration that activates two key gut hormone receptors simultaneously and may offer better efficacy and a differentiated profile than current single-hormone receptor agonist treatments. Survodutide is targeting the treatment of obesity and metabolic dysfunction-associated steatohepatitis (MASH) and fibrosis.

In 2023, Boehringer Ingelheim advanced survodutide into a global Phase 3 program in people living with overweight or obesity (SYNCHRONIZE™).

SYNCHRONIZE-1 (ClinicalTrials.gov ID: NCT06066515) and SYNCHRONIZE-2 (ClinicalTrials.gov ID: NCT06066528) are Phase 3 trials investigating survodutide in people with obesity (eligible BMI ≥30) or overweight (eligible BMI ≥27) with comorbidities, including dyslipidemia, hypertension and obstructive sleep apnea. SYNCHRONIZE-1 will enroll people without type 2 diabetes (eligible HbA1c <6.5%) and SYNCHRONIZE-2 will enroll people with type 2 diabetes (eligible HbA1c ≥6.5% <10%). For both trials, the primary endpoints are percentage change in body weight at week 76 and the proportion of people who achieve body weight loss of 5% or more at week 76. A total of 600 participants will be enrolled in each of the two trials, randomized to receive weekly subcutaneous injections of either survodutide, reaching a maximum dose of 3.6 mg or 6.0 mg for maintenance treatment, or placebo.

SYNCHRONIZE-CVOT (ClinicalTrials.gov ID: NCT06077864) is a Phase 3 trial that will enroll people with overweight or obesity with cardiovascular disease, chronic kidney disease, or risk factors for cardiovascular disease. In SYNCHRONIZE-CVOT, the primary endpoint is the time to first occurrence of any one of five major adverse cardiac events (5P-MACE): cardiovascular death, non-fatal stroke, non-fatal myocardial infarction, ischemia-related coronary revascularization and heart failure events.

Phase 3 trials with survodutide in Chinese people living with overweight or obesity, SYNCHRONIZE-CN (ClinicalTrials.gov ID: NCT06214741), and in Japanese people living with overweight or obesity, SYNCHRONIZE-JP (ClinicalTrials.gov ID: NCT06176365), have also been

initiated. A Phase 3 trial in people with overweight or obesity and confirmed or presumed metabolic dysfunction-associated steatohepatitis (MASH) (ClinicalTrials.gov ID: NCT06309992) has also been initiated.

In October 2024, Boehringer Ingelheim announced US FDA Breakthrough Therapy Designation (BTD) and initiation of two Phase 3 trials with survodutide in MASH, LIVERAGE and LIVERAGE-Cirrhosis.

LIVERAGE (ClinicalTrials.gov ID: NCT06632444) will examine whether survodutide can improve MASH and/or fibrosis after 52 weeks of treatment and reduce the risk of end-stage liver disease outcomes after approximately seven years of treatment in approximately 1,800 adults living with MASH and moderate or advanced liver fibrosis (stages 2 or 3). The US FDA has granted Breakthrough Therapy Designation for survodutide for the treatment of adults with non-cirrhotic MASH and moderate or advanced fibrosis. LIVERAGE-Cirrhosis (ClinicalTrials.gov ID: NCT06632457) will examine whether survodutide can reduce the risk of end-stage liver disease outcomes after approximately four and a half years of treatment in approximately 1,590 adults living with MASH and compensated cirrhosis (fibrosis stage 4), a condition where the liver presents severe scarring.

The MASH program has also received Fast Track Designation from the US FDA, PRIME designation (Priority Medicines) from the European Medicines Agency (EMA) and Breakthrough Therapy Designation from the Center for Drug Evaluation of China's National Medical Products Administration (NMPA). In people living with overweight and obesity, it is estimated that 75% have metabolic dysfunction-associated fatty liver disease (MAFLD) and 34% have MASH.

Advancement of survodutide to Phase 3 trials in people with overweight or obesity and in people with MASH was based on positive results in three separate Phase 2 trials in obesity, type 2 diabetes and MASH.

One Phase 2 randomized, placebo-controlled, double-blind trial evaluated survodutide compared to placebo in people with overweight or obesity (ClinicalTrials.gov ID: NCT04667377). Participants received multiple rising doses of survodutide in one of four dose groups or placebo and included 20 weeks of dose escalation and 26 weeks of maintenance. Based on the planned maintenance dose assigned at randomization regardless of whether the planned dose was reached during the dose escalation phase, survodutide achieved up to 14.9% mean weight loss from baseline after 46 weeks. An analysis based on the actual maintenance dose regardless of assignment at randomization, showed up to 18.7% mean weight loss after 46 weeks. Bodyweight reductions with survodutide had not reached a plateau at week 46, suggesting additional weight loss could be achieved with longer treatment duration. Up to 40% of people who reached the highest two doses of survodutide, 3.6 mg and 4.8 mg, achieved a weight loss of at least 20%.

Serious adverse events were reported by 4.2% of participants on survodutide versus 6.5% of those on placebo. Treatment discontinuation due to adverse events occurred in 24.6% and 3.9% of participants on survodutide and placebo, respectively, mainly due to gastrointestinal adverse events. Most treatment discontinuations due to adverse events occurred during the rapid 20-week dose-escalation phase with up-titration every second week. Thus, the safety and tolerability profile of survodutide was in line with other incretin-based pharmacotherapies. The treatment discontinuation rate of survodutide was also roughly similar to the treatment discontinuation rates seen with other incretin-based pharmacotherapies in previous Phase 2 trials in type 2 diabetes and obesity. Boehringer Ingelheim and Zealand Pharma expect that treatment discontinuations due to adverse events can be mitigated with more gradual dose escalation over a longer duration in Phase 3. The detailed results from the Phase 2 trial were presented at the ADA 83rd Scientific Sessions in June 2023. Additional data, presented at the 59th Annual Meeting of the European Association for the Study of Diabetes (EASD) in October 2023, demonstrated reductions in absolute waist circumference (up to 16.0 cm), absolute body weight (up to 19.5 kg) and absolute systolic and diastolic blood pressure (up to 8.6 mmHg and 4.8 mmHg, respectively).

A second Phase 2 randomized, placebo-controlled, double-blind trial evaluated survodutide in people with type 2 diabetes on stable metformin background therapy (ClinicalTrials.gov ID: NCT04153929). Participants received multiple rising doses of survodutide in one of six dose groups, placebo or open-label weekly semaglutide 1.0 mg for 16 weeks. Treatment with survodutide led to dose-dependent decreases in HbA1c, with mean reductions of -0.93% to -1.88% at 16 weeks across the six dose groups, compared with -0.25% seen with placebo. Treatment with open-label weekly semaglutide at 1.0 mg led to a decrease in HbA1c of -1.47%. Boehringer Ingelheim presented these results at the 58th Annual Meeting of the European Association for the Study of Diabetes (EASD) in September 2022.

A third Phase 2 trial assessed survodutide in metabolic dysfunction-associated steatohepatitis (MASH), formerly known as non-alcoholic steatohepatitis (NASH), and liver fibrosis stages F1/F2/F3 (ClinicalTrials.gov ID: NCT04771273). The double-blind, placebo-controlled trial studied three doses of survodutide at 2.4 mg, 4.8mg and 6.0 mg. At the highest dose, 83.0% of adults treated with survodutide achieved a biopsy-proven improvement in MASH after 48 weeks without worsening of fibrosis stages F1, F2 and F3 (mild to moderate or advanced scarring), versus 18.2% with placebo [response difference: 64.8% (CI 51.1% - 78.6%), p<0.0001]. Survodutide also met all secondary endpoints, including a statistically significant improvement in liver fibrosis. The detailed results were presented at the European Association for the Study of the

Liver (EASL) congress in Milan on June 7, 2024. Up to 64.5% of adults with fibrosis stages F2 and F3 (moderate to advanced scarring) achieved a biopsy-proven improvement in fibrosis without worsening of MASH after 48 weeks of survodutide treatment, versus 25.8% with placebo [response difference: 38.6% (CI 18.1% - 59.1%), p=0005]. Treatment with survodutide did not show unexpected safety or tolerability issues, including at the highest dose of 6.0 mg, which is also the maximum maintenance dose in both the Phase 3 program in people with overweight or obesity (SYNCHRONIZE) and in the Phase 3 trials in MASH (LIVERAGE and LIVERAGE-Cirrhosis).

Survodutide is licensed to Boehringer Ingelheim from Zealand Pharma, with Boehringer solely responsible for development and commercialization globally (subject to Zealand's co-promotion rights in the Nordic countries). Zealand is eligible to receive up to EUR 315 million in outstanding milestone payments and high-single to low-double digit percentage royalties on global sales.

Rare diseases

Dasiglucagon for congenital hyperinsulinism (CHI)

Third quarter 2024 update:

- The US FDA issued a Complete Response Letter (CRL) for dasiglucagon in CHI for up to three weeks of dosing due to the timing of a third-party manufacturing facility reinspection.

Background:

Dasiglucagon is a glucagon analog that is stable in aqueous solution and is thus suitable for chronic pump use. Three clinical trials, including two pivotal studies and an ongoing long-term extension trial, evaluate the potential for chronic dasiglucagon infusion delivered subcutaneously via a pump to prevent hypoglycemia in children with CHI. The FDA and the European Commission have both granted orphan drug designation to dasiglucagon for the treatment of CHI.

Zealand submitted the NDA for dasiglucagon for the prevention and treatment of hypoglycemia in pediatric patients 7 days of age and older with CHI to the US FDA in June 2023. The regulatory review is being conducted in two parts under the same NDA. Part 1 relates to dosing of up to three weeks, whereas Part 2 relates to the use beyond three weeks. For Part 1 of the NDA, the US FDA issued a CRL in December 2023 due to deficiencies identified at a third-party manufacturing facility that were not related to dasiglucagon. Following Zealand's resubmission of Part 1 of the NDA, the US FDA granted a PDUFA date of October 8, 2024. However, due to the timing of a reinspection of the third-party manufacturing facility in August/September 2024 for which a new inspection classification is pending, the US FDA issued another CRL in October 2024. Zealand will resubmit Part 1 of the NDA to the US FDA contingent on an inspection classification upgrade of the third-party manufacturing facility, which is expected before the end of the year 2024.

Supporting the use of dasiglucagon in CHI beyond three weeks (Part 2 of the NDA), the FDA has requested additional analyses from existing continuous glucose monitoring (CGM) datasets, which the company expects to submit before the end of the year 2024. CGM was included as a secondary outcome measure in the Phase 3 program.

The global, 2-part, Phase 3 trial 17103 (ClinicalTrials.gov ID: NCT04172441) evaluated the efficacy of dasiglucagon in reducing glucose requirements in 12 children (ranging in age from 7 days to 12 months) with persistent CHI requiring continuous intravenous glucose administration to prevent or manage hypoglycemia.

In Part 1 of the Phase 3 trial, dasiglucagon significantly reduced the requirement for intravenous (IV) glucose to maintain glycemia in newborns and infants with CHI. Dasiglucagon significantly reduced the mean IV glucose infusion rate (GIR) in the last 12 hours of the 48 hour treatment period by 55% as compared to placebo (4.3 mg/kg/min for dasiglucagon and 9.4 mg/kg/min for placebo with a treatment difference of 5.2 mg/kg/min; p=0.0037). Dasiglucagon also reduced GIR over the entire 48-hour treatment period by 3.5 mg/kg/min compared to placebo (p=0.0107). Dasiglucagon treatment resulted in a reduction of 31 g/day in total carbohydrate intake (IV and gastric) compared to placebo (107 g/day for dasiglucagon vs. 138 g/day for placebo; p = 0.024), a 22% reduction in carbohydrate calories. Dasiglucagon was observed to be well tolerated in Part 1 of the trial, with skin reactions and gastrointestinal disturbances as the most frequently reported adverse events (no serious adverse events reported).

In the 21-day open-label Part 2 of the Phase 3 trial, dasiglucagon reduced time in hypoglycemia and enabled discontinuation of intravenous glucose in most infants and limited the need for pancreatectomy. Continuous subcutaneous infusion of dasiglucagon enabled reduction and either periodic or permanent discontinuation of IV glucose infusion in 10 out of 12 infants during the study period. Seven infants, who did not require pancreatectomy, were completely weaned off IV glucose at the completion of the trial. During the 21-day treatment with dasiglucagon, CGM measures of hypoglycemia trended lower with median time <70 mg/dL reduced from 7.0% to 5.2% and <54 mg/dL reduced from 1.9% to 0.88%. There was no increase in hyperglycemia. The safety profile of dasiglucagon in Part 2 was consistent with Part 1, with no adverse event requiring discontinuation of treatment and no serious adverse events reported.

The open-label Phase 3 trial 17109 (ClinicalTrials.gov ID: NCT03777176) evaluated the efficacy of dasiglucagon in reducing hypoglycemia in 32 children (ranging in age from

3 months to 12 years) with CHI with more than three hypoglycemic events per week despite previous near-total pancreatectomy and/or maximum medical therapy. Data reported in December 2020 showed that dasiglucagon on top of standard of care (SOC) did not significantly reduce the rate of hypoglycemia compared to SOC alone when assessed by the primary endpoint, intermittent self-measured plasma glucose. However, dasiglucagon treatment resulted in a 40–50% reduction in hypoglycemia compared to SOC alone, when assessed by blinded continuous glucose monitoring.

The Phase 3 trial 17106 (ClinicalTrials.gov ID: NCT03941236) is evaluating the long-term safety of dasiglucagon in 42 of the 44 children older than 1 month with CHI who completed either of the Phase 3 trials 17103 or 17109.

Glepaglutide (long-acting GLP-2 analog) for short bowel syndrome (SBS)

Background:

Glepaglutide is a long-acting GLP-2 analog that is stable in aqueous solution. Zealand is developing glepaglutide as a ready-to-use, fixed dose product designed for subcutaneous delivery via auto-injector for the potential treatment of SBS. The Phase 3 program, named EASE, includes four clinical trials evaluating the potential for glepaglutide to reduce or eliminate the need for parenteral support in SBS patients with intestinal failure. Efficacy and safety data from these trials formed the basis of an NDA submission to the US FDA in December 2023. The FDA has granted a PDUFA date on December 22, 2024 for glepaglutide in SBS with intestinal failure. The FDA has also granted orphan drug designation to glepaglutide for the treatment of SBS.

EASE-1 (ClinicalTrials.gov ID: NCT03690206) is a randomized, double-blind Phase 3 trial that enrolled a total of 106 SBS patients with intestinal failure who were dependent on parenteral support for at least three days per week. Patients were evenly randomized to receive treatment with 10 mg glepaglutide administered either once or twice weekly, or placebo. The primary endpoint in the trial was the absolute change in weekly parenteral support volume from baseline at 24 weeks.

In EASE-1, glepaglutide given twice weekly significantly reduced the total weekly volume of parenteral support at 24 weeks as compared to placebo (p=0.0039). When administered once weekly, glepaglutide treatment also resulted in a numeric reduction in weekly parenteral support, however this did not achieve statistical significance. At 24 weeks, the average reduction in parenteral support from baseline was 5.13 Liters/week for patients treated with glepaglutide twice weekly and was 3.13 Liters/week for patients treated with glepaglutide once weekly. Placebo treatment resulted in a reduction in parenteral support of 2.85 Liters/week. Clinical response, defined as a patient achieving at least 20% reduction in weekly parenteral support volume from baseline at both 20 and 24 weeks, was significantly higher with twice weekly glepaglutide compared to placebo (p=0.0243). Among patients receiving glepaglutide twice weekly, 65.7% achieved a clinical response, whereas 45.7% and 38.9% of patients achieved a clinical response in the once weekly and placebo treatment groups, respectively.

In the twice weekly dosing group, 14% of patients (n=5) were completely weaned off parenteral support (enteral autonomy). In total, 9 patients treated with glepaglutide achieved enteral autonomy, while no placebo-treated patients were able to discontinue parenteral support. Glepaglutide appeared to be safe and was well-tolerated in the trial. The most frequently reported adverse events were injection site reactions and gastrointestinal events. These results were presented at the ASPEN 2023 Nutrition Science & Practice Conference in April 2023 and Digestive Diseases Week in May 2023.

In total, 102 of 106 participating patients completed EASE-1, of which 96 continued into the ongoing two-year, long-term safety and efficacy extension trial, EASE-2. EASE-2 (ClinicalTrials.gov ID: NCT03905707) is a randomized, double-blind trial in which SBS patients continued their assigned treatment from EASE-1 with glepaglutide 10 mg once or twice weekly. Patients who received placebo in EASE-1 were re-randomized to treatment with either glepaglutide 10 mg once or twice weekly. In an interim analysis conducted at six months, clinical response to glepaglutide across the key efficacy endpoints was generally maintained or showed continued improvement. Data also demonstrated that additional patients on both doses weaned off parenteral support successfully.

Patients who complete EASE-2 are eligible to participate in EASE-3 (ClinicalTrials.gov ID: NCT04881825), evaluating glepaglutide administered once weekly using an auto-injector. An interim analysis of EASE-3, conducted with the first 43 patients rolled over from EASE 2, showed that the reduction in prescribed PS was generally maintained.

Glepaglutide appeared to be safe and well-tolerated in EASE-2 and EASE-3, with a profile consistent with that observed in EASE-1. Both EASE-2 and EASE-3 long-term extension trials are ongoing.

In addition, EASE-4 (ClinicalTrials.gov ID: NCT04991311) is a Phase 3b trial to assess long-term effects of glepaglutide on intestinal fluid and energy uptake.

Phase 2 data have shown the potential of glepaglutide to increase intestinal absorption in people with SBS and were published in the journal The Lancet Gastroenterology & Hepatology in 2019.

Inflammation

Zealand is pursuing multiple pre-clinical programs in inflammatory diseases which will be detailed more as they progress through development.

ZP9830 (Kv1.3 Ion Channel Blocker)

Kv1.3 is a potassium conducting ion channel, which is selectively upregulated on T effector memory cells. T effector memory cells play a key role in autoimmunity and chronic inflammation by releasing pro-inflammatory cytokines, which drive tissue damage. The anti-inflammatory effects of blocking the Kv1.3 ion channel have been demonstrated in pre-clinical models of autoimmune diseases. The specific and selective location of the Kv1.3 on the effector memory T cells makes it an attractive pharmaceutical target, as blocking preserves the protective effects of the rest of the immune system.

ZP9830 is a potent and selective Kv1.3 blocker with potential to treat a broad range of T-cell-driven autoimmune diseases. Zealand has completed pre-clinical activities with ZP9830 and expects to initiate the first-in-human clinical trial in the fourth quarter of 2024.

ZP10068 (Complement C3 inhibitor)

ZP10068 is an investigational long-acting inhibitor of Complement C3, which has the potential to treat a broad range of complement-mediated diseases. Zealand has completed pre-clinical activities and will evaluate the potential for advancing ZP10068 into the first-in-human clinical trials.

In the first quarter of 2024, Alexion Pharmaceuticals discontinued development of ZP10068 citing business reasons and is currently in the process of transferring the asset to Zealand.

Type 1 Diabetes Management

Dasiglucagon for Bihormonal Artificial Pancreas systems

Background:

Zealand is developing a pre-filled dasiglucagon cartridge intended for use in Bihormonal Artificial Pancreas systems, which hold potential to improve the management of type 1 diabetes (T1D).

Dasiglucagon mini-dose pen

Background:

Zealand is developing a dasiglucagon mini-dose pen for the potential treatment of exercise-induced hypoglycemia in people living with T1D and for people who suffer from meal-induced hypoglycemia following gastric bypass surgery (post bariatric hypoglycemia, or PBH). Four investigator-initiated trials conducted in collaboration with Zealand evaluated mini-dose dasiglucagon to support this development program.

Investigators from the Steno Diabetes Center Copenhagen conducted a Phase 2 trial using the dasiglucagon mini-dose pen in people with T1D in free-living conditions (ClinicalTrials.gov ID: NCT04764968). The trial results were published online in April 2023 in the journal Diabetologia and showed that dasiglucagon administered by pen improved glycemic control and reduced carbohydrate intake among the study participants. These data build on two prior clinical studies conducted in hospital settings with results that show the potential for using low doses of dasiglucagon to correct moderate hypoglycemia: a Phase 2a dose-finding trial in people with T1D (ClinicalTrials.gov ID: NCT04449692) presented at the ADA Scientific Sessions in 2021, and a Phase 2a trial in PBH (ClinicalTrials.gov ID: NCT03984370) published in the journal Diabetes Care in 2022.

A Phase 2 trial in PBH conducted in an out-patient setting (ClinicalTrials.gov ID: NCT04836273) has been completed and met the primary endpoint.

Financial highlights and key figures.

Financial highlights (DKK thousand)	Note	Q3-24	Q3-23	Q3-24 YTD	Q3-23 YTD
Revenue	2	4,415	295,517	53,635	319,553
Cost of goods sold	3	6,620	-5,162	-7,466	-5,162
Gross profit		**11,035**	**290,355**	**46,169**	**314,391**
Research and development expenses		-263,498	-196,893	-665,949	-494,720
Sales and marketing expenses		-28,535	-6,061	-50,213	-17,812
General and administrative expenses		-65,278	-43,641	-199,800	-134,400
Other operating items		-3,137	1,519	-3,137	13,782
Net operating expenses		**-360,448**	**-245,076**	**-919,099**	**-633,150**
Operating result		**-349,413**	**45,279**	**-872,930**	**-318,759**
Net financial items	4	81,642	27,549	81,093	-124,786
Result before tax		**-267,771**	**72,828**	**-791,837**	**-443,545**
Corporate tax		1,375	1,317	4,043	4,556
Net result for the period		**-266,396**	**74,145**	**-787,794**	**-438,989**
Earnings/loss per share, basic (DKK)		-3.77	1.27	-12.12	-7.84
Earnings/loss per share, diluted (DKK)		-3.77	1.23	-12.12	-7.84

Statement of financial position (DKK thousand)	Note	Sep-30, 2024	Dec-31, 2023
Cash and cash equivalents	8	511,018	449,311
Marketable securities	6	8,684,320	1,183,746
Cash, cash equivalents and marketable securities		9,195,338	1,633,057
Total assets		9,629,867	1,979,993
Total shareholders' equity		8,883,181	1,592,839

Cash flow (DKK thousand)	Note	Q3-24 YTD	Q3-23 YTD
Undrawn borrowing facilities	1)	-	350,000
Cash used in operating activities		-750,339	-485,183
Cash used in investing activities		-7,483,661	-1,100,731
Cash provided by financing activities		8,293,096	901,416
Purchase of intangible assets		-1,278	-8,840
Purchase of property, plant and equipment		-8,877	-4,522
Free cash flow	2)	-759,216	-489,705

Other	Note	Sep-30, 2024	Dec-31, 2023
Share price (DKK)		813.0	373.2
Number of shares ('000 shares)		71,024	58,751
Market capitalization (mDKK)	2)	57,436	21,787
Equity ratio (%)	2)	92%	80%
Equity per share (DKK)	2)	125.74	27.28
Average number of full time employees		278	235
Number of full-time employees at the end of the period		298	253

1) In May 2023, Zealand entered a new DKK 350 million revolving credit facility provided by Danske Bank. The RCF has been terminated in Q3, 2024. EIB loan Tranches B and C are excluded as they are dependent on predefined milestones being met.
2) For basis of calculation refer to 2023 Annual Report p. 155.

Financial Review.

- Net operating expenses in the first nine months of 2024 of DKK -919 million are mainly driven by clinical advancement of the obesity pipeline and activities supporting the regulatory review by the US FDA of the late-stage rare disease assets.

- Driven by capital raises in January 2024 and June 2024 raising gross proceeds of approximately DKK 1.45 billion and DKK 7 billion respectively, cash position as of September 30, 2024 is DKK 9.2 billion, reflecting a significant increase compared to the DKK 1.6 billion in cash, cash equivalents and marketable securities as of December 31, 2023.

Revenue

Revenue in the first nine months of 2024 of DKK 54 million is mainly driven by the license and development agreement for Zegalogue® with Novo Nordisk.

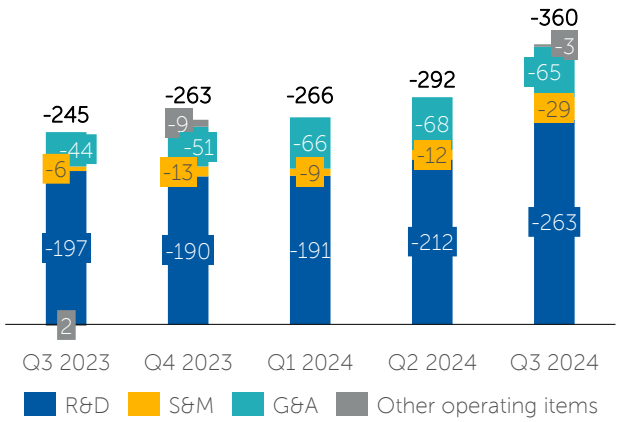
Net operating expenses

Research and development expenses in the first nine months of 2024 of DKK -666 million are mainly driven by clinical advancement of the company's wholly owned obesity assets, petrelintide and dapiglutide, and activities supporting the regulatory review by the US FDA of the late-stage rare disease assets, glepaglutide for short bowel syndrome (SBS) and dasiglucagon for congenital hyperinsulinism (CHI). The increase in research and development expenses in the first nine months of 2024 compared to the first nine months of 2023 is mainly driven by the significant clinical advancement of the obesity pipeline, including preparations for large, comprehensive Phase 2b trials for the wholly owned obesity assets. The Phase 2b trial for petrelintide is expected to be initiated in the fourth quarter of 2024.

Selling and marketing expenses of DKK -50 million in the first nine months of 2024 are mainly driven by pre-commercial activities associated with dasiglucagon in CHI and glepaglutide in SBS. Administrative expenses of DKK -200 million reflect additional legal expenses related to our patent portfolio and strengthening of organizational capabilities, also in select corporate functions, as the company prepares for large, comprehensive Phase 2b trials with the wholly owned obesity assets.

Other operating income of DKK 14 million in the first nine months of 2023 were related to a reversal of inventory write-down associated with Zegalogue®.

OPEX by quarter
DKK million



Financial items

Financial items in the first nine months of 2024 of DKK 81 million are mainly driven by interest income of DKK 107 million from the excess liquidity invested in marketable securities. This is offset by DKK -28 million in fair value adjustment of warrants granted to the European Investment Bank (EIB) following disbursement of the EUR 50 million Tranche A of the EIB loan facility in March 2024, as well as financial expenses of DKK -24 million related to interest expenses on Tranche A of the EIB loan and a commitment fee relating to the Revolving Credit Facility (RCF). The RCF provided by Danske Bank was terminated in July 2024. The significant improvement in financial items in the first nine months of 2024 compared to the first nine months of 2023 is mainly driven by the increase in interest income and fair value adjustment of marketable securities in 2024 as well as the final repayment and termination of the loan with Oberland Capital in May 2023, representing DKK -136 million in financial expenses.

Equity

On September 30, 2024, equity was DKK 8,883 million, reflecting a significant increase compared to December 31, 2023, mainly driven by the proceeds from the equity offering and issuance of new shares in June 2024 and the directed issue and private placement of new shares in January 2024. This was partly offset by the loss for the period.

Cash position

Cash, cash equivalents and marketable securities as of September 30, 2024 was DKK 9.2 billion, reflecting a significant increase compared to the DKK 1.6 billion in

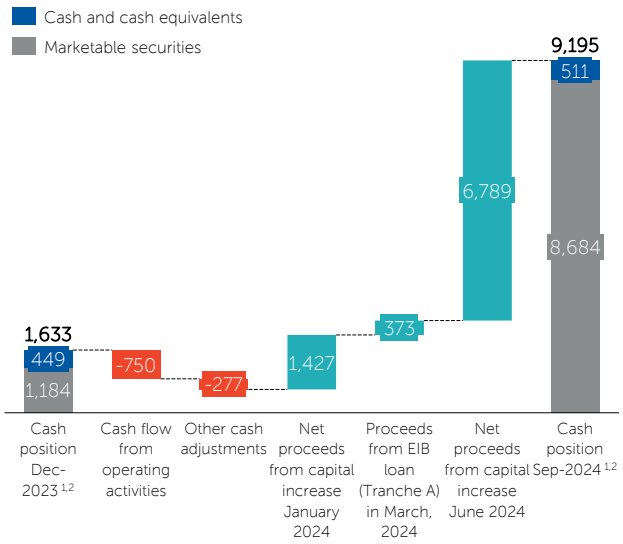
cash, cash equivalents and marketable securities as of December 31, 2023. This development in the first nine months of 2024 is mainly driven by the DKK 7 billion in gross proceeds from the equity offering and issuance of new shares in June 2024 and the DKK 1.45 billion in gross proceeds from the directed issue and private placement of new shares in January 2024, as well as disbursement of the EUR 50 million Tranche A of the EIB loan facility. This was partly offset by cash used in operating activities during the period (DKK -750 million).

As of September 30, 2024, Zealand has placed DKK 8.7 billion in low-risk marketable securities, whereas cash and cash equivalents amount to DKK 0.5 billion. In Q3 2024, the excess liquidity has been placed in securities in line with the company's treasury policy.

For further information on the capital increases in January 2024 and June 2024, the EIB loan, and the RCF, please refer to notes 8 and 9.

Cash position compared to FY23

DKK million



1. *Cash position includes cash, cash equivalents and marketable securities. Revolving Credit Facility of DKK 350 million provided by Danske Bank was terminated in July 2024 and not included in this chart.*
2. *EIB loan Tranches B and C (EUR 20 million each) are excluded from this chart. The two tranches are subject to pre-specified milestones being met.*

Events after the reporting date

No events have occurred subsequent to the balance sheet date that could significantly affect the interim financial statements as of September 30, 2024.

Outlook for the year

There are no changes to the outlook for the year compared to the H1 2024 Company announcement on August 15, 2024. Guidance is confirmed with net operating expenses for the year still expected between DKK 1.25 – 1.35 billion. For further information, please refer to Company announcement no. 39 / 2024.

Interim financial statements.

Unaudited interim condensed consolidated financial statements for Q3 and Q3, 2024 year-to-date:

Interim statement of loss.

DKK thousand	Note	Q3-24	Q3-23	Q3-24 YTD	Q3-23 YTD
Revenue	2	4,415	295,517	53,635	319,553
Cost of goods sold	3	6,620	-5,162	-7,466	-5,162
Gross profit		**11,035**	**290,355**	**46,169**	**314,391**
Research and development expenses		-263,498	-196,893	-665,949	-494,720
Sales and marketing expenses		-28,535	-6,061	-50,213	-17,812
General and administrative expenses		-65,278	-43,641	-199,800	-134,400
Other operating income		-	1,519	-	13,782
Other operating expenses		-3,137	-	-3,137	-
Net operating expenses		**-360,448**	**-245,076**	**-919,099**	**-633,150**
Operating result		**-349,413**	**45,279**	**-872,930**	**-318,759**
Financial income	4	81,051	33,454	144,499	52,651
Financial expenses	4	591	-5,905	-63,406	-177,437
Result before tax		**-267,771**	**72,828**	**-791,837**	**-443,545**
Corporate tax		1,375	1,317	4,043	4,556
Net result for the period		**-266,396**	**74,145**	**-787,794**	**-438,989**
Earnings/loss per share, basic (DKK)		-3.77	1.27	-12.12	-7.84
Earnings/loss per share, diluted (DKK)		-3.77	1.23	-12.12	-7.84

Interim statement of comprehensive loss.

DKK thousand	Note	Q3-24	Q3-23	Q3-24 YTD	Q3-23 YTD
Net result for the period		-266,396	74,145	-787,794	-438,989
Other comprehensive income/loss					
Items that will be reclassified to income statement when certain conditions are met (net of tax):					
Exchange differences on translation of foreign operations		79	-7,083	35	-3,324
Total comprehensive result for the period		**-266,317**	**67,062**	**-787,759**	**-442,313**

Interim statement of financial position.

DKK thousand	Note	Sep-30, 2024	Dec-31, 2023
Assets			
Intangible assets		11,583	12,255
Property, plant and equipment		47,842	47,047
Right-of-use assets		81,078	102,805
Other investments	7	15,099	14,004
Corporate tax receivable		4,125	-
Deferred tax assets		913	925
Other receivables	5	19,753	15,794
Marketable securities	6	723,183	-
Other financial assets	7	7,847	7,375
Total non-current assets		**911,423**	**200,205**
Inventory		803	7,935
Trade and other receivables	5	234,743	122,359
Corporate tax receivable		10,743	16,437
Marketable securities	6	7,961,137	1,183,746
Cash and cash equivalents	8	511,018	449,311
Total current assets		**8,718,444**	**1,779,788**
Total assets		**9,629,867**	**1,979,993**
Shareholders' equity and liabilities			
Share capital	9	71,024	58,751
Share premium		14,680,871	6,406,225
Currency translation reserve		22,739	22,704
Accumulated losses		-5,891,453	-4,894,841
Total shareholders' equity		**8,883,181**	**1,592,839**
Borrowings	7	280,987	-
Derivative financial liabilities	7	127,499	-
Lease liabilities		92,568	102,575
Total non-current liabilities		**501,054**	**102,575**
Lease liabilities		15,935	16,655
Trade and other payables		229,697	267,924
Total current liabilities		**245,632**	**284,579**
Total liabilities		**746,686**	**387,154**
Total shareholders' equity and liabilities		**9,629,867**	**1,979,993**

Interim statement of cash flow.

DKK thousand	Note	Q3-24 YTD	Q3-23 YTD
Net result for the period		-787,794	-438,989
Adjustment for other non-cash items	10	-3,579	169,600
Changes in working capital	10	-11,755	-211,365
Financial income received		64,834	22,217
Financial expenses paid		-17,591	-26,872
Corporate taxes received		5,546	226
Cash flow used in operating activities		**-750,339**	**-485,183**
Proceeds from sale of marketable securites	6	2,187,719	660,511
Purchase of marketable securities	6	-9,661,225	-1,747,880
Purchase of intangible assets		-1,278	-8,840
Purchase of property, plant and equipment		-8,877	-4,522
Cash flow used in investing activities		**-7,483,661**	**-1,100,731**
Proceeds from borrowings	8	369,867	-
Repayment of borrowings		-	-525,764
Lease installments		-11,856	-9,035
Proceeds from issuance of shares	8	8,492,671	1,500,000
Purchase of treasury shares	9	-351,834	-41,600
Proceeds from issuance of shares related to exercise of share-based compensation	9	30,727	49,138
Costs related to issuance of shares		-236,479	-71,323
Cash flow from financing activities		**8,293,096**	**901,416**
Increase/decrease in cash and cash equivalents		59,096	-684,498
Cash and cash equivalents at beginning of period		449,311	1,069,234
Exchange rate adjustments		2,611	-295
Cash and cash equivalents at end of period		**511,018**	**384,441**

Interim statement of changes in equity.

DKK thousand	Share capital	Share premium	Currency translation reserve	Accumu-lated losses	Total
Equity at January 1, 2024	**58,751**	**6,406,225**	**22,704**	**-4,894,841**	**1,592,839**
Net result for the period	-	-	-	-787,794	-787,794
Other comprehensive income for the period	-	-	35	-	35
Total comprehensive income	**-**	**-**	**35**	**-787,794**	**-787,759**
Transactions with owners:					
Purchase of treasury shares	-	-	-	-270,804	-270,804
Exercise of warrants	161	30,566	-	-	30,727
Share-based compensation expenses	-	-	-	61,986	61,986
Capital increases	12,112	8,480,559	-	-	8,492,671
Costs related to capital increases	-	-236,479	-	-	-236,479
Equity at September 30, 2024	**71,024**	**14,680,871**	**22,739**	**-5,891,453**	**8,883,181**

Equity at January 1, 2023	**51,702**	**4,921,232**	**14,617**	**-4,171,640**	**815,911**
Net result for the period	-	-	-	-438,989	-438,989
Other comprehensive loss for the period	-	-	-3,324	-	-3,324
Total comprehensive income	**-**	**-**	**-3,324**	**-438,989**	**-442,313**
Transactions with owners:					
Purchase of treasury shares	-	-	-	-81,045	-81,045
Exercise of warrants	301	48,837	-	-	49,138
Share-based compensation expenses	-	-	-	46,428	46,428
Capital increases	6,674	1,493,326	-	-	1,500,000
Costs related to capital increases	-	-71,323	-	-	-71,323
Equity at September 30, 2023	**58,677**	**6,392,072**	**11,293**	**-4,645,246**	**1,816,796**

Notes to the interim condensed consolidated financial statements.

1. Basis of preparation and changes to the Group's accounting policies

Basis of preparation
The interim condensed consolidated financial statements of Zealand Pharma A/S (The Group) have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by EU and additional requirements of the Danish Financial Statements Act. The interim condensed consolidated financial statements are presented in Danish kroner (DKK) which is also the functional currency of the parent company.

The accounting policies used in the interim condensed consolidated financial statements are consistent with those used in the Group's annual financial statement for the year ended December 31, 2023.

Going concern assessment
Management's judgement and assessment of the Group's ability to continue as a going concern includes evaluation of the Group's operational cash flow requirements for the forthcoming 12 months from the balance sheet date and future sources and uses of cash. Following the capital increases completed in January 2024 and June 2024 the Group received gross proceeds of DKK 1.45 billion and DKK 7.0 billion, respectively. On this basis the interim condensed consolidated financial statements are prepared using the going concern assumption.

New standards, interpretations and amendments adopted by the Group
Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Significant accounting estimates and judgements
The preparation of the interim condensed consolidated financial statements requires Management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. In applying our accounting policies, Management is required to make judgements and estimates about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates used are based on assumptions assessed to be reasonable by Management. However, estimates are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may occur. Furthermore, we are subject to risks and uncertainties that may result in deviations in actual results compared with estimates.

Except for the items listed below, no material changes in significant accounting estimates and judgements have occurred since the Annual Report 2023. Please refer to note 1.3 in the 2023 Annual Report for further information:

- Estimate of fair value of cash-settled warrant liability from disbursement of EIB loan, Tranche A (Borrowings including derivative financial liabilities). Refer to note 7. Financial instruments.
- Judgement on milestone payment from Novo Nordisk (Revenue). Refer to note 2. Revenue.
- Judgement on classification of marketable securities acquired in Q3, 2024 year-to-date. Refer to note 6. Marketable securities.

2. Revenue

Revenue can be specified as follows:

DKK thousand	Q3-24	Q3-23	Q3-24 YTD	Q3-23 YTD
Alexion Pharmaceuticals Inc.	130	554	379	3,258
Boehringer Ingelheim International GmbH	-	223,725	-	223,725
Novo Nordisk A/S	10,905	4,791	45,790	26,123
Sanofi-Aventis Deutschland GmbH	-	61,285	-	61,285
Total revenue from license and collaboration agreements	**11,035**	**290,355**	**46,169**	**314,391**
Product sales	-6,620	5,162	7,466	5,162
Sale of goods revenue	**-6,620**	**5,162**	**7,466**	**5,162**
Total revenue	**4,415**	**295,517**	**53,635**	**319,553**
Total revenue recognized over time	20,677	5,345	31,169	29,381
Total revenue recognized at a point in time	17,869	290,172	22,466	290,172

DKK thousand	Q3-24	Q3-23	Q3-24 YTD	Q3-23 YTD
Milestone revenue	-	285,010	15,000	285,010
Royalty revenue	240	190	717	634
Reimbursement revenue for R&D services	10,795	5,881	30,452	28,747
Product sales	-6,620	4,436	7,466	5,162
Total revenue by revenue stream	**4,415**	**295,517**	**53,635**	**319,553**

Total revenue in Q3, 2024 year-to-date of DKK 53.6 million is driven by the license and development agreement with Novo Nordisk A/S signed in September 2022. For further information on the above agreements refer to note 2.1 in the 2023 Annual Report.

On May 31, 2024, the Committee for Medicinal Products for Human Use (CHMP) recommended granting a marketing authorization for Zegalogue© triggering DKK 15 million in milestone payments from Novo Nordisk A/S. Based on this it is Management's judgement that the two milestone payments (each of DKK 7.5 million) are no longer constrained and that it is highly probable that a significant revenue reversal will not occur. Zegalogue© received the marketing authorization valid throughout the EU in July 2024.

In Q3, 2024, a reversal of product sales of DKK 6.6 million has been made, following a true-up from the agreement with Novo Nordisk A/S on supply of goods.

3. Cost of goods sold

Cost of goods sold in Q3, 2024 year-to-date amounted to DKK -7.5 million. In Q3, 2024, a reversal of product sales of DKK 6.6 million has been made following a true-up of recognized revenue and cost of goods sold to Novo Nordisk A/S.

4. Financial items

Financial items include interests, foreign exchange rate adjustments, amortization of loan costs, fair value adjustments of other investments and derivative financial liabilities, as well as dividends and interest income from investment in marketable securities.

DKK thousand	Q3-24	Q3-23	Q3-24 YTD	Q3-23 YTD
Interest income	68,492	10,661	107,030	28,443
Interest expenses from financial liabilities measured at amortized cost	-8,316	-3,191	-23,967	-22,358
Interest expenses from lease liabilities	-469	-341	-1,812	-341
Loss on settlement of borrowings, including embedded derivatives under Oberland loan	-	-	-	-135,588
Fair value adjustment of lender's call option	-	-	-	1,161
Fair value adjustment of marketable securities	22,575	2,842	35,902	3,131
Fair value adjustment of other investments	881	-2,373	1,567	-16,892
Fair value adjustments warrants, EIB (Tranche A)	14,717	-	-28,436	-
Exchange rate adjustments	-16,181	19,951	-5,283	19,916
Other financial expenses	-57	-	-3,908	-2,258
Financial items in total	**81,642**	**27,549**	**81,093**	**-124,786**
Presentation in income statement:				
Financial income	81,051	33,454	144,499	52,651
Financial expenses	591	-5,905	-63,406	-177,437

Interest income in Q3, 2024 year-to-date of DKK 107.0, of which DKK 68.5 million relates to Q3, is significantly higher compared to Q3, 2023 year-to-date (DKK 28.4 million), which is a result of the excess liquidity from recent capital increases invested into marketable securities. Refer to note 6. Marketable securities.

Interest expenses from financial liabilities measured at amortized cost in Q3, 2024 year-to-date of DKK 24.0 million relates to the EIB loan (Tranche A) disbursed on March 11, 2024, and commitment fee from the DKK 350 million credit facility in Danske Bank, with the latter terminated in Q3, 2024.

Fair value adjustment on other investments of DKK -16.9 million in Q3, 2023 year-to-date comprises the accounting impact of the investment in Beta Bionics, refer to note 7. Financial instruments for further information on the investment.

Fair value adjustment of warrants, EIB (Tranche A) of DKK -28.4 million in Q3, 2024 year-to-date relates to the warrants granted to the European Investment Bank (EIB) with the disbursement of the loan's first tranche (Tranche A), refer to note 7. Financial instruments for further information.

Exchange rate adjustments primarily relate to USD deposits.

5. Trade and other receivables

Trade and other receivables can be specified as follows:

DKK thousand	Sep-30, 2024	Dec-31, 2023
Deposits	8,900	8,908
Trade receivables	207	1,004
Receivables related to license and collaboration agreements	121,920	68,793
Other receivables	88,603	24,556
Prepaid expenses	34,866	34,892
Total trade and other receivables	**254,496**	**138,153**
Non-current	19,753	15,794
Current	234,743	122,359

As of September 30, 2024, receivables related to license and collaboration agreements amounted to DKK 121.9 million (2023: DKK 68.8 million) and include withholding tax receivable from the Boehringer Ingelheim (BI) milestone payment of DKK 35.6 million. The significant increase compared to December 2023 is primarily related to receivables from the license and development agreement with Novo Nordisk A/S.

Other receivables of DKK 88.6 million include accrued interest on marketable securities and VAT receivables. Effective from August 2024, the US Boston office has been subleased and is included with DKK 12.9 million as of Q3, 2024 (of which DKK 10.9 million is non-current).

6. Marketable securities

As of September 30, 2024, Zealand has placed DKK 8,684 million into low-risk marketable securities in line with the Group's treasury policy. The investments can be specified as follows:

DKK thousand	Sep-30, 2024	Dec-31, 2023
Securities/bonds in DKK portfolio	7,251,261	509,948
Securities/bonds in EUR portfolio	1,207,800	454,467
Securities/bonds in USD portfolio	225,259	219,331
Total portfolios	**8,684,320**	**1,183,746**

DKK thousand	Sep-30, 2024	Dec-31, 2023
DKK portfolio:		
DK bonds	7,251,261	509,948
Total DKK portfolio	**7,251,261**	**509,948**
EUR portfolio:		
IG Corporate bonds (investment grade)	1,207,800	454,467
Total EUR portfolio	**1,207,800**	**454,467**
USD portfolio:		
Asset-backed securities	2,427	2,738
Certificates of deposit	136,724	125,178
Commercial paper	75,307	69,823
U.S. Treasury Debt	2,594	2,664
U.S. Treasury Repurchase Agreement	8,207	18,928
Total USD portfolio	**225,259**	**219,331**
Total portfolio	**8,684,320**	**1,183,746**
Non-current	723,183	-
Current	7,961,137	1,183,746

All marketable securities have a fixed interest rate but different maturities. As of September 30, 2024, all outstanding securities were expected to mature within 24 months (2023: 13 months). The excess liquidity from the capital increases completed in January 2024 and June 2024, has been placed into the DKK portfolio and EUR portfolio. At maturity funds are reinvested to minimize lost interest income from marketable securities.

Marketable securities acquired in Q3, 2024 year-to-date are managed and evaluated on a fair value basis in accordance with its stated investment guidelines and the information provided internally to Management. This business model does not meet the criteria for amortized cost or FVOCI and as a result marketable securities are measured at fair value through profit and loss. This classification is consistent with prior year's classification.

7. Financial instruments

As of September 30, 2024, and December 31, 2023, the following financial instruments are measured at fair value through profit or loss. The fair value of marketable securities is measured using inputs categorized as Level 1, whereas fair value of other investments and other financial assets is based on inputs categorized as Level 3 in the fair value hierarchy. Cash-settled warrant liability is measured using significant unobservable inputs categorized as Level 3 in the fair value hierarchy.

No transfers occurred between the levels of the fair value hierarchy in the nine months period ending September 30, 2024.

DKK thousand	Sep-30, 2024	Dec-31, 2023
Categories of financial instruments		
Trade and other receivables excluding prepaid expenses	219,629	103,261
Financial assets measured at amortized cost	**219,629**	**103,261**
Marketable securities (Level 1)	8,684,320	1,183,746
Other investments (Level 3)	15,099	14,004
Other financial assets (Level 3)	7,847	7,375
Financial assets measured at fair value through profit and loss	**8,707,266**	**1,205,125**
Borrowings	-280,987	-
Lease liabilities	-167,212	-167,986
Trade and other payables	-227,742	-267,923
Financial liabilities measured at amortized cost	**-675,941**	**-435,909**
Cash-settled warrant liability from EIB loan, Tranche A (Level 3)	-127,499	-
Financial liabilities measured at fair value through profit and loss	**-127,499**	**-**

	Financial assets (Level 3)	Financial liabilities (Level 3)
Carrying amount at January 1, 2024	**21,379**	**-**
Fair value adjustments through profit and loss	1,567	-
Initial fair value of cash-settled warrant liability from EIB loan, Tranche A	-	-99,063
Fair value adjustment of warrant liability from EIB loan, Tranche A	-	-28,436
Carrying amount at September 30, 2024	**22,946**	**-127,499**

Fair value measurement of other investments
Other investments consist of an investment in Beta Bionics, Inc., the developer of iLet™, a fully integrated dual-hormone pump (bionic pancreas) for autonomous diabetes care.

In determining fair value, Zealand considers the value per share from the most recent closed financing round, adjusted for valuation infliction points through the balance sheet date, including (i) discount for lack of marketability, (ii) information obtained from third party valuation reports, and (iii) company announcements.

Fair value of the investment amounted to DKK 15.1 million as of September 30, 2024 (2023: DKK 14.0 million). The fair value adjustment of DKK 1.1 million in Q3, 2024 year-to-date is included in financial items, refer to note 4. Financial items.

Fair value measurement of warrants, derivative financial liability (EIB, Tranche A)
Fair value of the warrants granted to the European Investment Bank (EIB) with the disbursement of the loan's first tranche (Tranche A), classified as a derivative financial liability, is determined using Black-Scholes valuation technique in line with

Zealand's existing warrant compensation programs. The warrants will become exercisable as the loan(s) is/are repaid (ignoring events as delisting, default e.g. which could also lead to exercisability). Each Tranche has a maturity date of 6 years from disbursement. If not exercised, any warrant will expire 20 years from the signing date of the contract. Based on this, the calculation of fair value assumes an expected life of 20 years for the options (contractual term).

Other inputs used are i) the current stock price of the Zealand share on the date of measurement, ii) expected volatility (see below), iii) expected dividend (see below) and iv) the risk-free interest rate determined using a 20-year Danish government bond.

The strike price is a 5-day volume weighted average (VWAP) calculated from the date of the disbursement offer acceptance on February 26, 2024, from which date Zealand had an unconditional right to receive the proceeds for Tranche A.

Fair value of the warrants amounted to DKK 127.5 million as of September 30, 2024. On initial recognition in March 2024, we have determined that the transaction price is equal to fair value and that consequently, there is no day 1 gain/loss to account for in financial items. The warrants are subsequently measured at fair value through profit and loss (FVTPL) and adjustments are included under financial items, refer to note 4. Financial items.

The fair value measurement of the warrants is partly determined based on unobservable input (level 3) being the expected volatility for the Zealand share which is unobservable since there are no traded Zealand warrants. Since expected volatility has significant impact on the valuation, especially considering the long term, i.e. 20 years, it is classified as a level 3 input in the fair value hierarchy. As of September 30, 2024, the applied volatility is 54% based on volatility for the Zealand share in the past 5 years. Also impacting the fair value is expected dividend over the next 20 years (Level 3). As of September 30, 2024, the applied expected dividend yield is 0%.

An increase in volatility will increase the fair value of the warrants. Further, an increase in expected dividend will decrease the fair value and vice versa. The below summarizes the effect of altering the unobservable inputs that would change the fair value significantly.

- Expected volatility -10%, decrease in fair value of DKK -8.1 million
- Expected volatility +10%, increase in fair value of DKK 6.5 million
- Expected dividend +0.5%, decrease in fair value of DKK -12.9 million
- Expected dividend +1%, decrease in fair value of DKK -24.5 million

Fair value measurement of prepayment option (EIB loan, Tranche A)
The loan agreement contains a prepayment option whereby Zealand may irrevocably prepay all or part of any Tranche, together with accrued interest, prepayment fee and indemnities, if any, and any amount due in connection to such Tranche. By prepaying any Tranche, Zealand will have to pay a low single digit prepayment fee of the prepayment amount. The fee will decrease up until the maturity date of any Tranche, i.e. over a 6-year period.

The prepayment option will result in repayment of an amount which is not approximately equal to the loan's amortized cost at each point of exercise, and consequently, the prepayment option shall be separated as a non-closely related embedded derivative. As of September 30, 2024, the prepayment option does not have any significant fair value.

Other fair value measurements
For information about fair value measurements of other financial assets and marketable securities, please refer to note 3.7 and 4.5 of the 2023 Annual Report.

8. Cash and cash equivalents

Pledges provided in relation to the EIB loan
The EIB loan contains a negative pledge clause preventing Zealand Pharma A/S or any of its subsidiaries from creating or permitting to subsist any new security over any of its assets.

Capital increase
On January 8, 2024, Zealand announced an issue of 3,761,470 new ordinary shares, which represented the remaining authorization, at a subscription price of DKK 386.45 per new share resulting in gross proceeds of DKK 1.45 billion. The capital increase was completed in January 2024.

As announced on June 25, 2024, the Board of Directors exercised the authorization granted by Zealand's annual general meeting held on March 20, 2024, to increase the Group's share capital by issue of 8,350,000 new ordinary shares at a subscription price of DKK 843 per new share bringing in gross proceeds of DKK 7 billion. The capital increase was completed in June 2024. In August 2024 the excess liquidity from the capital increase has been invested in marketable securities, refer to note 6. Marketable securities.

Proceeds EIB loan, Tranche A
On March 11, 2024, Zealand received the proceeds from the first tranche under the EIB loan agreement, Tranche A, of DKK 372.8 million (EUR 50 million).

Termination of Revolving Credit Facility in Danske Bank
The Revolving Credit Facility of DKK 350 million provided by Danske Bank was terminated in July 2024 following the equity offering in June 2024 resulting in a cash position of DKK 9.7 billion.

9. Share capital

DKK thousand	Sep-30, 2024	Dec-31, 2023
Share capital at start of period	58,751	51,702
Shares issued for cash	12,112	6,579
Exercise of warrants	161	470
Share capital at end of period	**71,024**	**58,751**

Total new shares in Q3, 2024 year-to-date were issued at a weighted average subscription price of DKK 694.5.

New shares from exercise of warrants in Q3, 2024 year-to-date were issued at a weighted average subscription price of DKK 190.6. Total proceeds from exercise of share-based compensation amount to DKK 30.7 million.

Treasury shares
As of September 30, 2024, there were 376,933 treasury shares, equivalent to 0.5% of the share capital (2023: 373,134, 0.6%). The treasury shares are allocated to performance share units (PSUs) and restricted share units (RSUs).

In June 2023 Zealand acquired 300,000 new treasury shares by entering a bank credit with Danske Bank. The payable amount for treasury shares of DKK 81.0 million was recognized under equity in 2023 when Zealand acquired the 300,000 new treasury shares. The agreement relating to the bank credit contains both a net settlement alternative and a gross settlement alternative. Management has chosen to account for the treasury shares gross and the chosen accounting policy reflects Management's intention with the acquisition of the new treasury shares.

In April 2024 Zealand gross settled the payable amount of DKK 81.0 million previously included as a liability in trade and other payables.

In July 2024 Zealand acquired 300,000 treasury shares through a share buyback program with Danske Bank to support Zealand's Long Term Incentive programs.

Potential dilutive effects
In the calculation of the diluted loss per share for Q3 2024 year-to-date, 1,755,202 potential ordinary shares related to share-based payment instruments have been excluded as they are anti-dilutive (2023: 1,970,432).

10. Cash flow adjustments

DKK thousand	Q3-24 YTD	Q3-23 YTD
Depreciation, amortization and impairment losses	19,572	16,582
Reversal of inventory write-down	-	-13,729
Share-based compensation expenses	61,986	46,517
Financial income	-144,499	-52,651
Financial expenses	63,405	177,437
Corporate tax	-4,043	-4,556
Adjustments for non-cash items in total	**-3,579**	**169,600**

DKK thousand	Q3-24 YTD	Q3-23 YTD
Changes in accounts receivable	-58,341	-227,974
Changes in prepaid expenses	74	29,905
Changes in other receivables	-3,961	-11,094
Changes in inventory	7,132	4,313
Changes in accounts payable	-6,904	2,475
Changes in other liabilities	50,245	12,230
Changes in rebate and discount liabilities	-	-2,162
Changes in other liabilities and provisions	-	-19,058
Changes in working capital in total	**-11,755**	**-211,365**

In Q3, 2024 year-to-date adjustments for financial income of DKK 144.5 million relate mainly to accrued interest on marketable securities, fair value adjustments on marketable securities and exchange rate adjustments.

Adjustments for financial expenses in Q3, 2023 year-to-date of DKK 177.4 million included the loss from settlement of the Oberland Capital loan of DKK 135.6 million as well as DKK 17.5 million fair value adjustment on the investment in Beta Bionics Inc.

11. Capital Management

The Group's capital management objectives and policies are unchanged from the ones described in the 2023 Annual Report.

12. Contingent assets and liabilities

Zealand is entitled to potential milestone payments and royalties on successful commercialization of products developed under license and collaboration agreements with partners. Since the size and timing of such payments are uncertain until the milestones are reached or sales are generated, the agreements may qualify as contingent assets. However, it is impossible to measure the value of contingent assets, and as such, no assets have been recognized.

As part of the license and collaboration agreements that Zealand has entered into, once a product is developed and commercialized, Zealand may be required to make milestone and royalty payments. It is not possible to measure the value of such future payments, but Zealand expects to generate future income from such products which will exceed any milestone and royalty payments due, and as such, no liabilities have been recognized. Refer to note 6.3 and 6.7 in the Annual Report 2023.

13. Significant events after the reporting period

No events have occurred subsequent to the balance sheet date that could significantly affect the interim financial statements as of September 30, 2024.

Statement by the Executive Management and the Board of Directors

The Board of Directors and the Executive Management have today discussed and approved the interim report of Zealand Pharma A/S for the period January 1, 2024 to September 30, 2024.

The interim report has not been audited or reviewed by the company's independent auditors.

The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

In our opinion, the interim consolidated financial statements give a true and fair view of the Group's consolidated assets, liabilities and financial position as of September 30, 2024 and of the results of the Group's consolidated operations and cash flows for the period January 1, 2024 to September 30, 2024.

Furthermore, in our opinion, the Management review includes a fair review of the development in the Group's operations and financial conditions, the results for the period, cash flows and financial position while also describing the most significant risks and uncertainty factors that may affect the Group.

Copenhagen, November 7, 2024

Management

Adam Sinding Steensberg
President and
Chief Executive Officer

Henriette Wennicke
Executive Vice President and
Chief Financial Officer

Board of Directors

Alf Gunnar Martin Nicklasson
Chairman

Kirsten Aarup Drejer
Vice Chairman

Jeffrey Berkowitz
Board member

Bernadette Mary Connaughton
Board member

Leonard Kruimer
Board member

Elaine Sullivan
Board member

Enrique Alfredo Conterno Martinelli
Board member

Anneline Nansen
Board member
Employee elected

Frederik Barfoed Beck
Board member
Employee elected

Ludovic Tranholm Otterbein
Board member
Employee elected

Adam Krisko Nygaard
Board member
Employee elected