Zealand Pharma Announces Financial Results for the First Quarter of 2024.

Strong performance in the first quarter of 2024 paving the way for important data read-outs across differentiated obesity assets in the second quarter.

- Strong topline results announced in Boehringer Ingelheim Phase 2 clinical trial for survodutide in MASH
- PDUFA date for glepaglutide in SBS set by US FDA for December 22, 2024
- PDUFA date for dasiglucagon in CHI for up to three weeks of dosing (Part 1 of NDA) set by US FDA for October 8, 2024
- Cash runway extended into 2027 through private placement of shares to institutional investors in January 2024 for gross proceeds of DKK 1.45 billion

Copenhagen, Denmark, May 16, 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 three months ended March 31, 2024, and provided a corporate update.

Strong start to eventful 2024

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

"I am very pleased with the continued advancement of our business in the first months of 2024. Our partner Boehringer Ingelheim reported impressive topline data from the Phase 2 trial with survodutide in MASH and recruitment into the Phase 3 trials in obesity is progressing very well. With our pipeline of wholly owned and differentiated obesity candidates, I am truly excited about the upcoming data read-outs for petrelintide and dapiglutide. In rare diseases, we have potential approvals in the US later in the year for both glepaglutide in short bowel syndrome and dasiglucagon in congenital hyperinsulinism. Backed by a solid financial position, we will continue to invest in our R&D programs, including preparations for comprehensive Phase 2b trials with our differentiated obesity candidates."

Key financial results for Q1 2024

DKK million	Q1 2024	Q1 2023
Revenue	15.1	13.6
Net operating expenses[1]	-266.3	-182.3
Net operating result	-255.8	-168.7
Net financial items	25.8	-26.7

DKK million	Mar-31, 2024	Dec-31, 2023
Cash position[2]	3,234.8	1,633.1
Funding available incl. undrawn committed RCF[3]	3,584.8	1,983.1

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, as well as Tranche A of EIB loan disbursed in Q1 2024.
3. RCF = Revolving Credit Facility provided by Danske Bank.

Highlights in the first quarter 2024

Obesity and MASH

- **Survodutide, a glucagon/GLP-1 receptor dual agonist: Boehringer Ingelheim announced positive results from Phase 2 trial in MASH.** The topline results showed that up to 83.0% of adults treated with survodutide achieved a biopsy-proven improvement in metabolic dysfunction-associated steatohepatitis (MASH) after 48 weeks without worsening of fibrosis stages F1, F2 and F3 (mild to moderate or advanced scarring), versus 18.2% with placebo. Survodutide also met all secondary endpoints, including a statistically significant improvement in liver fibrosis. These results will be presented at the European Association for the Study of the Liver (EASL) congress in Milan, Italy on June 7, 2024.

Rare diseases

- **Glepaglutide, GLP-2 analog: US FDA has granted a Prescription Drug User Fee Act (PDUFA) date of December 22, 2024.** Zealand's new drug application

(NDA) is for glepaglutide administered twice weekly for the treatment of short bowel syndrome (SBS) with intestinal failure.

Financial

- **Solid financial position**. Directed share issue of 3,761,740 new shares to two reputable institutional investors through a private placement for gross proceeds of DKK 1.45 billion, extending the cash runway into 2027. Tranche A of the EUR 90 million loan facility with the European Investment Bank (EIB), representing EUR 50 million, was disbursed and made available to Zealand in March 2024.

Events after the reporting date

Rare diseases

- **Dasiglucagon (CHI): US FDA has granted a PDUFA date of October 8, 2024 for dasiglucagon in CHI for up to three weeks of dosing (Part 1 of NDA).** 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 use beyond three weeks. Supporting the review of Part 2, the US FDA has requested additional analyses from existing continuous glucose monitoring (CGM) datasets that were included as a secondary outcome measure in the Phase 3 program. Submission of Part 2 of the NDA is moved into the second half of 2024.

Chronic Inflammation

- **ZP10068, Complement C3 Inhibitor:** Alexion has discontinued development of ZP10068 citing business reasons and plans to return the pre-clinical asset to Zealand.

Upcoming events in 2024

Obesity

- **Petrelintide, amylin analog**. In the second quarter of 2024, Zealand expects to report topline results from Part 2 of the multiple ascending dose (MAD) trial that is evaluating petrelintide in participants with overweight or obesity (eligible BMI 27.0–39.9), including higher doses compared with Part 1 and over a longer 16-week treatment period.

- **Dapiglutide, a GLP-1/GLP-2 receptor dual agonist**. In the second quarter of 2024, Zealand anticipates topline results from the investigator-led DREAM trial that aims to evaluate the potential for weight loss following 12 weeks of treatment and gain key mechanistic insights into the effects of dapiglutide on inflammatory markers. In the second half of 2024, Zealand expects topline results from the 13-week dose titration trial, evaluating higher doses of dapiglutide compared to the prior 4-week MAD trial and the investigator-led DREAM trial.

- **Survodutide in MASH**. Boehringer Ingelheim will present results from the Phase 2 trial with survodutide in MASH at the EASL congress in Milan, Italy on June 7, 2024.

Rare diseases

- **Glepaglutide in SBS**. In parallel with the regulatory review process, Zealand is engaging in partnership discussions for future commercialization.

- **Dasiglucagon in CHI**. Zealand is engaging in partnership discussions for future commercialization of the product. In parallel, Zealand intends to make the product available to patients in the US, contingent on an approval by the FDA in October 2024 for up to three weeks of dosing (Part 1 of NDA).

Chronic Inflammation

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

Financial guidance for 2024

- Guidance unchanged from February 27, 2024

DKK million	2024 Guidance	2023 Actual
Revenue anticipated from existing and new license and partnership agreements	No guidance due to uncertain size and timing	343
Net operating expenses[4]	1,100-1,200	896

Notes:
4. Financial guidance based on foreign exchange rates as of May 16, 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 three 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; and Chief Medical Officer, David Kendall. 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/BI3bf842a335dd49a79930cafce733506c. The live listen-only audio webcast of the call and accompanying slide presentation will be accessible at https://edge.media-server.com/mmc/p/ee4aippx. 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/events/.

Financial Calendar for 2024

Q2 2024	August 15, 2024
Q3 2024	November 7, 2024

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 2023. 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.

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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)

Background:

Petrelintide (formerly ZP8396) is a long-acting amylin analog designed to improve solubility, minimize fibrillation, and allow for co-formulation with other peptides, including GLP-1-based molecules. Petrelintide holds potential as a next-generation treatment for overweight and obesity that could provide weight loss comparable with GLP-1-based therapies with improved tolerability.

Zealand is conducting 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 consists of Part 1 and Part 2. Part 1 includes 20 participants (eligible BMI 21.0–29.9) receiving six once-weekly subcutaneous doses of petrelintide or placebo. Part 2 includes 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 has been completed and the 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 expected in the second quarter of 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)

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.

A Phase 2 investigator-led randomized, double-blind, placebo-controlled clinical trial in up to 54 people living with overweight and obesity, named DREAM, aims to evaluate the potential for weight loss and gain key mechanistic insights into the effects of dapiglutide on inflammatory markers following a 12-week treatment period. Zealand expects topline results from the trial in the second quarter of 2024. Please visit ClinicalTrials.gov for further information (ID: NCT05788601).

Separately, Zealand initiated a 13-week randomized, double-blind, placebo-controlled, dose titration trial (ClinicalTrials.gov ID: NCT06000891) to evaluate higher doses of dapiglutide in overweight or obese but otherwise healthy people (eligible BMI 27.0–39.9). The company expects topline results in the second half of 2024.

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. 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

First quarter 2024 update:

- Boehringer Ingelheim announced positive topline results from Phase 2 trial 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 MASH.

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.

Advancement of survodutide to Phase 3 trials in people with overweight or obesity was based on positive results in separate Phase 2 trials in obesity, type 2 diabetes and most recently MASH. A 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 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. 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 the Phase 3 program in people with overweight or obesity (SYNCHRONIZE™). Full data will be presented at the European Association for the Study of the Liver (EASL) congress in Milan on June 7, 2024.

The MASH program has received Fast Track Designation from the US FDA and PRIME designation (Priority Medicines) by the European Medicines Agency (EMA). In people living with overweight and obesity, it is estimated that 75% have metabolic dysfunction-associated fatty liver disease (MAFLD) and 34% have MASH.

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)

First quarter 2024 update:

- US FDA has granted a PDUFA date of October 8, 2024 for dasiglucagon in CHI for up to three weeks of dosing (Part 1 of NDA).

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 FDA has granted a PDUFA date of October 8, 2024 after Zealand resubmitted Part 1 of the NDA following a Complete Response Letter (CRL) issued in December 2023 due to deficiencies identified at a third-party manufacturing facility that were not related to dasiglucagon. 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 in the second half of 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)

First quarter 2024 update:

- US FDA has granted a PDUFA date on December 22, 2024 for glepaglutide in SBS with intestinal failure.

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. FDA has 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. Zealand expects to present results from this trial at a future scientific conference.

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 second half 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 has discontinued development of ZP10068 citing business reasons and plans to return the asset to Zealand. Zealand expects to provide an update on the potential next steps for ZP10068 in connection with the interim report for the 2024 second quarter/first half on August 15, 2024.

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). Zealand is collaborating with Beta Bionics, developer of the Bihormonal iLet® Bionic Pancreas (iLet Duo™), a pocket-sized, dual chamber (insulin and glucagon), autonomous, glycemic control system. The iLet Duo™ is an investigational device, limited by federal (or United States) law to investigational use only. The iLet® Bionic Pancreas platform is designed to use adaptive, self-learning, control algorithms, together with continuous glucose monitoring and pump technology, to autonomously compute and administer doses of insulin and/or glucagon and mimic the body's natural ability to maintain tight glycemic control.

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	Q1-24 YTD	Q1-23 YTD
Revenue	2	15,089	13,628
Cost of goods sold		-4,597	-
Gross profit		**10,492**	**13,628**
Research and development expenses		-190,936	-142,263
Sales and marketing expenses		-9,243	-4,616
General and administrative expenses		-66,153	-42,484
Other operating items		-	7,061
Net operating expenses		**-266,332**	**-182,302**
Operating result		**-255,840**	**-168,673**
Net financial items	3	25,841	-26,650
Result before tax		**-229,999**	**-195,323**
Corporate tax		1,352	1,691
Net result for the period		**-228,647**	**-193,632**
Loss per share, basic/diluted (DKK)		-3.71	-3.76

Statement of financial position (DKK thousand)	Note	Mar-31, 2024	Dec-31, 2023
Cash and cash equivalents	7	672,394	449,311
Marketable securities	5	2,562,391	1,183,746
Cash, cash equivalents and marketable securities		3,234,785	1,633,057
Total assets		3,586,802	1,979,993
Total shareholders' equity		2,837,963	1,592,839

Cash flow (DKK thousand)	Note	Q1-24 YTD	Q1-23 YTD
Undrawn borrowing facilities	1)	350,000	-
Cash used in operating activities		-223,676	-196,677
Cash used in investing activities		-1,378,469	-64,846
Cash provided by financing activities		1,821,607	30,158
Purchase of property, plant and equipment		-3,531	-1,117
Free cash flow	2)	-227,207	-197,794

Other	Note	Mar-31, 2024	Dec-31, 2023
Share price (DKK)		681.5	373.2
Number of shares ('000 shares)		62,648	58,751
Market capitalization (mDKK)	2)	42,455	21,787
Equity ratio (%)	2)	79%	80%
Equity per share (DKK)	2)	45.56	27.28
Average number of full time employees		263	235
Number of full-time employees at the end of the period		270	253

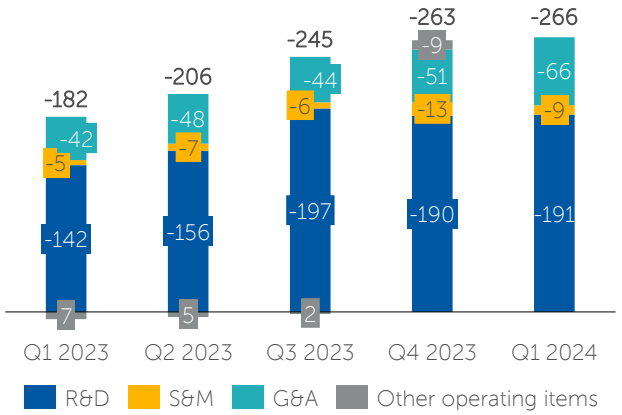
1) In May 2023, Zealand entered a new DKK 350 million revolving credit facility provided by Danske Bank. EIB loan Tranches B and C are excluded as they are dependent on predefined milestones being met.

2) For basis of calculation refer to 2023 Annual Report p. 155.

Financial Review.

- Net operating expenses in the first three months of 2024 of DKK -266 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.
- Tranche A of the EUR 90 million loan facility with the European Investment Bank (EIB), representing EUR 50 million, was disbursed to Zealand in Q1 2024.
- Runway extended into 2027 following the directed issue and private placement of new shares in January 2024, bringing in gross proceeds of DKK 1.45 billion.

OPEX by quarter
DKK million



Revenue

Revenue in the first three months of 2024 of DKK 15 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 three months of 2024 of DKK -191 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 New Drug Application (NDA) for glepaglutide in SBS has been accepted for review by the US FDA with a Prescription Drug User Fee Act (PDUFA) date on December 22, 2024, and the resubmission for dasiglucagon in CHI for up to three weeks of dosing has been accepted for review with a PDUFA date on October 8, 2024. The increase in research and development expenses in the first three months of 2024 compared to the first three months of 2023 (DKK -142 million) is mainly driven by the significant clinical advancement of the obesity pipeline.

Selling and marketing expenses of DKK -9 million in the first three months of 2024 are mainly driven by pre-commercial activities associated with dasiglucagon in CHI, which Zealand will make available to patients in the US if approved. Administrative expenses of DKK -66 million reflect strengthening of the IT infrastructure and organizational capabilities in select corporate functions as well as legal expenses related to our patent portfolio.

Financial items

Financial items in the first three months of 2024 of DKK 26 million are mainly driven by interest income of DKK 20 million from the excess liquidity invested in marketable securities and favorable exchange rate adjustments of DKK 8 million, primarily related to USD deposits. This is partly offset by interest expenses and banking fees of DKK -4 million associated with Tranche A of the EIB loan as well as the Revolving Credit Facility (RCF). Interest expenses and banking fees are significantly lower than the DKK -11 million in the first three months of 2023, which related to the Oberland loan agreement that was fully repaid and terminated in May 2023. Also in the first three months of 2023, the company's investment in Beta Bionics was subject to a fair value adjustment of DKK -15 million.

Equity

On March 31, 2024, equity was DKK 2,838 million, reflecting a significant increase compared to December 31, 2023 (DKK 1,593 million), mainly driven by the proceeds from the directed issue and private placement of new shares in January 2024 and partly offset by the loss for the period.

Cash position

Cash, cash equivalents and marketable securities as of March 31, 2024 was DKK 3.2 billion and DKK 3.6 billion including the undrawn DKK 350 million RCF provided by Danske Bank, reflecting a significant increase compared to the DKK 1.6 billion (DKK 2.0 billion including RCF) in cash, cash equivalents and marketable securities as of December

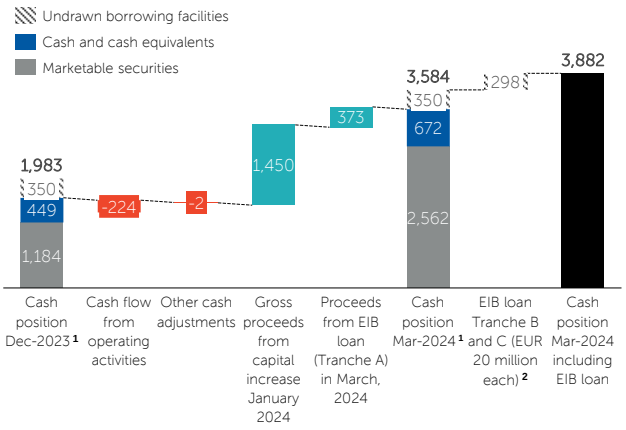
31, 2023. This development in the first three months of 2024 is mainly driven by the DKK 1.45 billion in gross proceeds from the directed issue and private placement of new shares in January 2024 and disbursement of the EUR 50 million Tranche A of the EIB loan facility, partly offset by cash used in operating activities during the period (DKK -224 million).

As of March 31, 2024, Zealand has placed DKK 2.6 billion in low-risk marketable securities, whereas cash and cash equivalents amount to DKK 0.7 billion. This is in line with the company's treasury policy.

Refer to note 6 and 7 for further information on the EIB loan and the capital increase in January 2024, respectively.

Cash position compared to FY23

DKK million



1. *Cash position includes cash, cash equivalents and marketable securities. Undrawn borrowing facilities comprise DKK 350 million RCF in Danske Bank.*
2. *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 March 31, 2024.

Outlook for the year

There are no changes to the outlook for the year and guidance is confirmed. Net operating expenses for the year are still expected between DKK 1,100-1,200 million. For further information, please refer to p. 11 in the 2023 Annual Report.

Interim financial statements.

Unaudited interim condensed consolidated financial statements for Q1 2024:

Interim statement of loss.

DKK thousand	Note	Q1-24 YTD	Q1-23 YTD
Revenue	2	15,089	13,628
Cost of goods sold		-4,597	-
Gross profit		**10,492**	**13,628**
Research and development expenses		-190,936	-142,263
Sales and marketing expenses		-9,243	-4,616
General and administrative expenses		-66,153	-42,484
Other operating income		-	7,061
Net operating expenses		**-266,332**	**-182,302**
Operating result		**-255,840**	**-168,674**
Financial income	3	32,296	7,437
Financial expenses	3	-6,455	-34,086
Result before tax		**-229,999**	**-195,323**
Corporate tax		1,352	1,691
Net result for the period		**-228,647**	**-193,632**
Loss per share, basic/diluted (DKK)		-3.71	-3.76

Interim statement of comprehensive loss.

DKK thousand	Note	Q1-24 YTD	Q1-23 YTD
Net result for the period		-228,647	-193,632
Other comprehensive income			
Items that will be reclassified to income statement when certain conditions are met (net of tax):			
Exchange differences on translation of foreign operations		16	3,785
Total comprehensive result for the period		**-228,631**	**-189,847**

Interim statement of financial position.

DKK thousand	Note	Mar-31, 2024	Dec-31, 2023
Assets			
Intangible assets		11,629	12,255
Property, plant and equipment		48,001	47,047
Right-of-use assets		99,682	102,805
Other investments	6	14,004	14,004
Corporate tax receivable		1,375	-
Deferred tax assets		946	925
Other receivables	4	15,315	15,794
Other financial assets	6	7,734	7,375
Total non-current assets		**198,686**	**200,205**
Inventory		2,917	7,935
Trade and other receivables	4	139,377	122,359
Corporate tax receivable		11,038	16,437
Marketable securities	5	2,562,391	1,183,746
Cash and cash equivalents	7	672,394	449,311
Total current assets		**3,388,117**	**1,779,788**
Total assets		**3,586,803**	**1,979,993**
Shareholders' equity and liabilities			
Share capital	8	62,647	58,751
Share premium		7,857,925	6,406,225
Currency translation reserve		22,720	22,704
Retained losses		-5,105,329	-4,894,841
Total shareholders' equity		**2,837,963**	**1,592,839**
Borrowings	6	272,597	-
Derivative financial liabilities	6	99,063	-
Lease liabilities		101,619	102,575
Total non-current liabilities		**473,279**	**102,575**
Lease liabilities		14,967	16,655
Trade and other payables		260,594	267,924
Total current liabilities		**275,561**	**284,579**
Total liabilities		**748,840**	**387,154**
Total shareholders' equity and liabilities		**3,586,803**	**1,979,993**

Interim statement of cash flow.

DKK thousand	Note	Q1-24 YTD	Q1-23 YTD
Net result for the period		-228,647	-193,632
Adjustment for other non-cash items	9	-2,415	42,677
Changes in working capital	9	-4,562	-39,881
Financial income received		10,426	3,782
Financial expenses paid		-3,978	-9,680
Corporate taxes received		5,500	57
Cash flow used in operating activities		**-223,676**	**-196,677**
Proceeds from sale of marketable securites	5	409,822	107,517
Purchase of marketable securities	5	-1,784,761	-171,246
Purchase of property, plant and equipment		-3,531	-1,117
Cash flow used in investing activities		**-1,378,470**	**-64,846**
Proceeds from borrowings	7	369,867	-
Lease installments		-3,856	-3,008
Proceeds from issuance of shares	7	1,453,620	-
Proceeds from issuance of shares related to exercise of share-based compensation	8	24,924	33,166
Costs related to issuance of shares		-22,948	-
Cash flow from financing activities		**1,821,607**	**30,158**
Increase/decrease in cash and cash equivalents		219,461	-231,365
Cash and cash equivalents at beginning of period		449,311	1,069,234
Exchange rate adjustments		3,622	-6,791
Cash and cash equivalents at end of period		**672,394**	**831,078**

Interim statement of changes in equity.

DKK thousand	Share capital	Share premium	Currency translation reserve	Retained 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	-	-	-	-228,648	-228,648
Other comprehensive income for the period	-	-	16	-	16
Total comprehensive income	**-**	**-**	**16**	**-228,648**	**-228,632**
Transactions with owners:					
Exercise of warrants	135	24,789	-	-	24,924
Share-based compensation expenses	-	-	-	18,160	18,160
Capital increases	3,761	1,449,859	-	-	1,453,620
Costs related to capital increases	-	-22,948	-	-	-22,948
Equity at March 31, 2024	**62,647**	**7,857,925**	**22,720**	**-5,105,329**	**2,837,963**
Equity at January 1, 2023	**51,702**	**4,921,232**	**14,617**	**-4,171,640**	**815,911**
Net result for the period	-	-	-	-193,632	-193,632
Other comprehensive income for the period	-	-	3,785	-	3,785
Total comprehensive income	**-**	**-**	**3,785**	**-193,632**	**-189,847**
Transactions with owners:					
Exercise of warrants	301	32,865	-	-	33,166
Share-based compensation expenses	-	-	-	14,009	14,009
Equity at March 31, 2023	**52,003**	**4,954,097**	**18,402**	**-4,351,263**	**673,239**

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 increase completed in January 2024 the Group received gross proceeds of DKK 1.45 billion. 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 6.

2. Revenue

Revenue can be specified as follows:

DKK thousand	Q1-24 YTD	Q1-23 YTD
Alexion Pharmaceuticals Inc.	86	1,790
Novo Nordisk A/S	10,406	11,838
Total revenue from license and collaboration agreements	**10,492**	**13,628**
Product sales	4,597	-
Sale of goods revenue	**4,597**	**-**
Total revenue	**15,089**	**13,628**
Total revenue recognized over time	10,492	13,628
Total revenue recognized at a point in time	4,597	-

DKK thousand	Q1-24 YTD	Q1-23 YTD
Royalty revenue	261	234
Reimbursement revenue for R&D services	10,231	13,394
Product sales	4,597	-
Total revenue by revenue stream	**15,089**	**13,628**

Total revenue in Q1, 2024 of DKK 15.1 million is driven by the license and development agreement with Novo Nordisk A/S signed in September 2022 as well as proceeds from the agreement with Alexion. For further information on these agreements refer to note 2.1 in the 2023 Annual Report.

3. 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	Q1-24 YTD	Q1-23 YTD
Interest income	19,774	4,709
Interest expenses from financial liabilities measured at amortized cost	-4,113	-11,207
Interest expenses from lease liabilities	-686	-
Gain from sale of marketable securities	425	-
Fair value adjustment of lender's call option	-	2,289
Fair value adjustment of marketable securities	3,707	389
Fair value adjustment of other investments	-	-14,749
Fair value adjustment of other financial assets	359	50
Amortization of loan costs	-1,406	-656
Exchange rate adjustments	8,031	-6,888
Other financial expenses	-250	-586
Financial items in total	**25,841**	**-26,649**
Presentation in income statement:		
Financial income	32,296	7,437
Financial expenses	-6,455	-34,086

Interest income in Q1, 2024 of DKK 19.8 million is significantly higher compared to Q1, 2023 (DKK 4.7 million) as a result of the excess liquidity invested into marketable securities both from the capital increase in April 2023 as well as from the capital increase in January 2024. Refer to note 5. Marketable securities.

Interest expenses from financial liabilities measured at amortized cost in Q1, 2024 of DKK 4.1 million relates to the EIB loan (Tranche A) disbursed on March 11, 2024 and interest expenses from the DKK 350 million credit facility in Danske Bank. The decrease in interest expenses compared to Q1, 2023 (DKK 11.2 million) is a result of the settlement of the Oberland Capital loan in May, 2023.

Fair value adjustment on other investments of DKK -14.8 million in Q1, 2023 comprises the accounting impact of the investment in Beta Bionics as described in note 6.

Exchange rate adjustments primarily relates to USD deposits.

4. Trade and other receivables

Trade and other receivables can be specified as follows:

DKK thousand	Mar-31, 2024	Dec-31, 2023
Deposits	8,908	8,908
Trade receivables	8,951	1,004
Receivables related to license and collaboration agreements	55,668	68,793
Other receivables	34,903	24,555
Prepaid expenses	46,262	34,893
Total trade and other receivables	**154,692**	**138,153**
Non-current	15,315	15,794
Current	139,377	122,359

Receivables related to license and collaboration agreements include withholding tax receivable from the Boehringer Ingelheim (BI) milestone payment of DKK 35.7 million. Other receivables of DKK 34.9 million include accrued interest on marketable securities and VAT receivables.

5. Marketable securities

As of March 31, 2024 Zealand has placed DKK 2,562 million into low risk marketable securities in line with the Group's treasury policy. The investments can be specified as follows:

DKK thousand	Mar-31, 2024	Dec-31, 2023
DKK portfolio:		
DK bonds	1,111,597	509,948
Total DKK portfolio	**1,111,597**	**509,948**
EUR portfolio:		
IG Corporate bonds (investment grade)	1,223,493	454,467
Total EUR portfolio	**1,223,493**	**454,467**
USD portfolio:		
Asset-backed securities	1,666	2,738
Certificates of deposit	115,796	125,178
Commercial paper	90,178	69,823
U.S. Treasury Debt	10,717	2,664
U.S. Treasury Repurchase Agreement	8,944	18,928
Total USD portfolio	**227,301**	**219,331**
Total portfolio	**2,562,391**	**1,183,746**

All marketable securities have a fixed interest rate but different maturities. As of March 31, 2024 all outstanding securities were expected to mature within 13 months (2023: 13 months). The excess liquidity from the capital increase completed in January 2024, has been placed into the DKK portfolio and EUR portfolio. At maturity funds are reinvested to minimize lost interest income from marketable securities.

6. Financial instruments

As of March 31, 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 inputs categorized as Level 3 in the fair value hierarchy.

No transfers occurred between the levels of the fair value hierarchy in the three months ending March 31, 2024.

DKK thousand	Mar-31, 2024	Dec-31, 2023
Categories of financial instruments		
Trade and other receivables excluding prepaid expenses	108,427	103,261
Financial assets measured at amortized cost	**108,427**	**103,261**
Marketable securities (Level 1)	2,562,391	1,183,746
Other investments (Level 3)	14,004	14,004
Other financial assets (Level 3)	7,734	7,375
Financial assets measured at fair value through profit and loss	**2,584,129**	**1,205,125**
Borrowings	-272,597	-
Lease liabilities	-168,572	-167,986
Trade and other payables	-259,673	-267,923
Financial liabilities measured at amortized cost	**-700,842**	**-435,909**
Cash-settled warrant liability from EIB loan, Tranche A (Level 3)	-99,063	-
Financial liabilities measured at fair value through profit and loss	**-99,063**	**-**

	Financial assets (Level 3)	Financial liabilities (Level 3)
Carrying amount at January 1, 2024	**21,379**	**-**
Fair value adjustments through profit and loss	359	-
Cash-settled warrant liability from EIB loan, Tranche A	-	-99,063
Carrying amount at March 31, 2024	**21,738**	**-99,063**

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.

The fair value adjustment of the investment in Q1, 2023 of DKK 14.7 million was a result of a reduction of the implied value per share provided by a third-party valuation expert. No changes to fair value have been recognized in Q1, 2024, refer to note 3 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) the strike price being 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, iii) expected volatility (see below), iv) expected dividend (see below) and v) the risk-free interest rate determined using a 20-year Danish government bond.

Fair value of the warrants amounted to DKK 99.1 million as of March 31, 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.

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. Due to the fact that 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 March 31, 2024 the applied volatility is 51% based on volatility for the Zealand share in the past 5 years. Also impacting the fair value in expected dividend over the next 20 years (Level 3). As of March 31, 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 -7.6 million
- Expected volatility +10%, increase in fair value of DKK 6.1 million
- Expected dividend +0.5%, decrease in fair value of DKK -10.5 million
- Expected dividend +1%, decrease in fair value of DKK -19.9 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 March 31, 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.

7. Cash and cash equivalents

Pledges provided in relation to the revolving credit facility in Danske Bank
As security for the undrawn revolving credit facility of DKK 350 million, the Group has provided pledge over Zealand's designated custody accounts under management by Danske Asset Management and pledge over Zealand's designated cash accounts attached to the custody accounts. Zealand is required to have a minimum collateral value of 120% of the loan commitment (DKK 420 million) held in these accounts. Zealand must also comply with a covenant on fulfilling certain information requirements.

As of March 31, 2024 marketable securities and cash and cash equivalents held in these pledged accounts amount to DKK 1,223.5 million and DKK 3.9 million, respectively.

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.

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).

8. Share capital

DKK thousand	Mar-31, 2024	Dec-31, 2023
Share capital at start of period	58,751	51,702
Shares issued for cash	3,761	6,579
Exercise of warrants	135	470
Share capital at end of period	**62,647**	**58,751**

Total new shares in Q1, 2024 were issued at a weighted average subscription price of DKK 379.4.

New shares from exercise of warrants in Q1, 2024 were issued at a weighted average subscription price of DKK 184.1. Total proceeds from exercise of share-based compensation amount to DKK 24.9 million.

Treasury shares
As of March 31, 2024, there were 351,307 treasury shares, equivalent to 0.6% of the share capital (2023: 373,134, 0.6%). The treasury shares are allocated to performance share units (PSUs) and restricted share units (RSUs).

As of March 31, 2024, a liability of DKK 81.0 million included in trade and other payables, comprise a bank credit relating to the acquisition of 300,000 new treasury shares in 2023. 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 and will affect the cash flows once settled. 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.

Potential dilutive effects
In the calculation of the diluted loss per share for Q1 2024, 1,803,912 potential ordinary shares related to share-based payment instruments have been excluded as they are anti-dilutive (2023: 1,970,432).

9. Cash flow adjustments

DKK thousand	Q1-24 YTD	Q1-23 YTD
Depreciation, amortization and impairment losses	6,618	-391
Share-based compensation expenses	18,160	14,009
Financial income	-32,296	-7,437
Financial expenses	6,455	36,082
Corporate tax	-1,352	414
Adjustments for non-cash items in total	**-2,415**	**42,677**

DKK thousand	Q1-24 YTD	Q1-23 YTD
Changes in accounts receivable	12,669	20,588
Changes in prepaid expenses	-11,339	-2,650
Changes in other receivables	-3,303	-6,530
Changes in inventory	5,018	14
Changes in accounts payable	3,346	-10,336
Changes in other liabilities	-10,953	-40,967
Changes in working capital in total	**-4,562**	**-39,881**

In Q1 2024 adjustments for financial income of DKK 32.3 million include DKK 9.7 million from accrued interest on marketable securities, DKK 3.7 million from fair value adjustments on marketable securities and DKK 6.7 million from exchange rate adjustments.

Adjustments for financial expenses in Q1 2023 of DKK 36.1 million included a DKK 14.7 million fair value adjustment on the investment in Beta Bionics Inc. as well as DKK 6.3 million in amortization of loan costs related to the Oberland Capital loan.

10. Capital Management

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

11. 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.

12. 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 March 31, 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 March 31, 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 March 31, 2024 and of the results of the Group's consolidated operations and cash flows for the period January 1, 2024 to March 31, 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, May 16, 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