



ZEALAND PHARMA

Zealand Pharma expands its peptide platform with acquisition of Encycle Therapeutics.

October 22, 2019

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Strengthening our leadership in peptide therapeutics and novel treatments for gastrointestinal diseases

Strategic pipeline expansion

Growing the Zealand Pharma peptide platform with a unique oral technology

Leveraging R&D expertise

Utilizing Zealand Pharma's world-leading capabilities in peptide development to realize full therapeutic potential

Clinically validated mode of action

Lead pre-clinical candidate to target integrin $\alpha 4\beta 7$, which is involved in inflammatory bowel disease where a significant unmet need for oral therapy remains

The target is clinically validated by vedolizumab, an approved, infusion-only $\alpha 4\beta 7$ integrin inhibitor



Financially compelling strategic transaction

Key Figures

100% Contingent Consideration

No upfront payment

Future potential earn-outs of up to US \$80 million contingent on successful achievement of development, regulatory and commercial milestones

- Of which, US \$10 million would be payable by successful completion of Phase 2

Payable in cash and/or ZEAL equity at Zealand's discretion

Mid-single digit royalty

On global net sales from the lead asset

Zealand acquires only outstanding shares and intellectual property of Encycle Therapeutics

Contingent value rights linked to lead asset only

No change to Zealand's financial guidance on net expenses for 2019

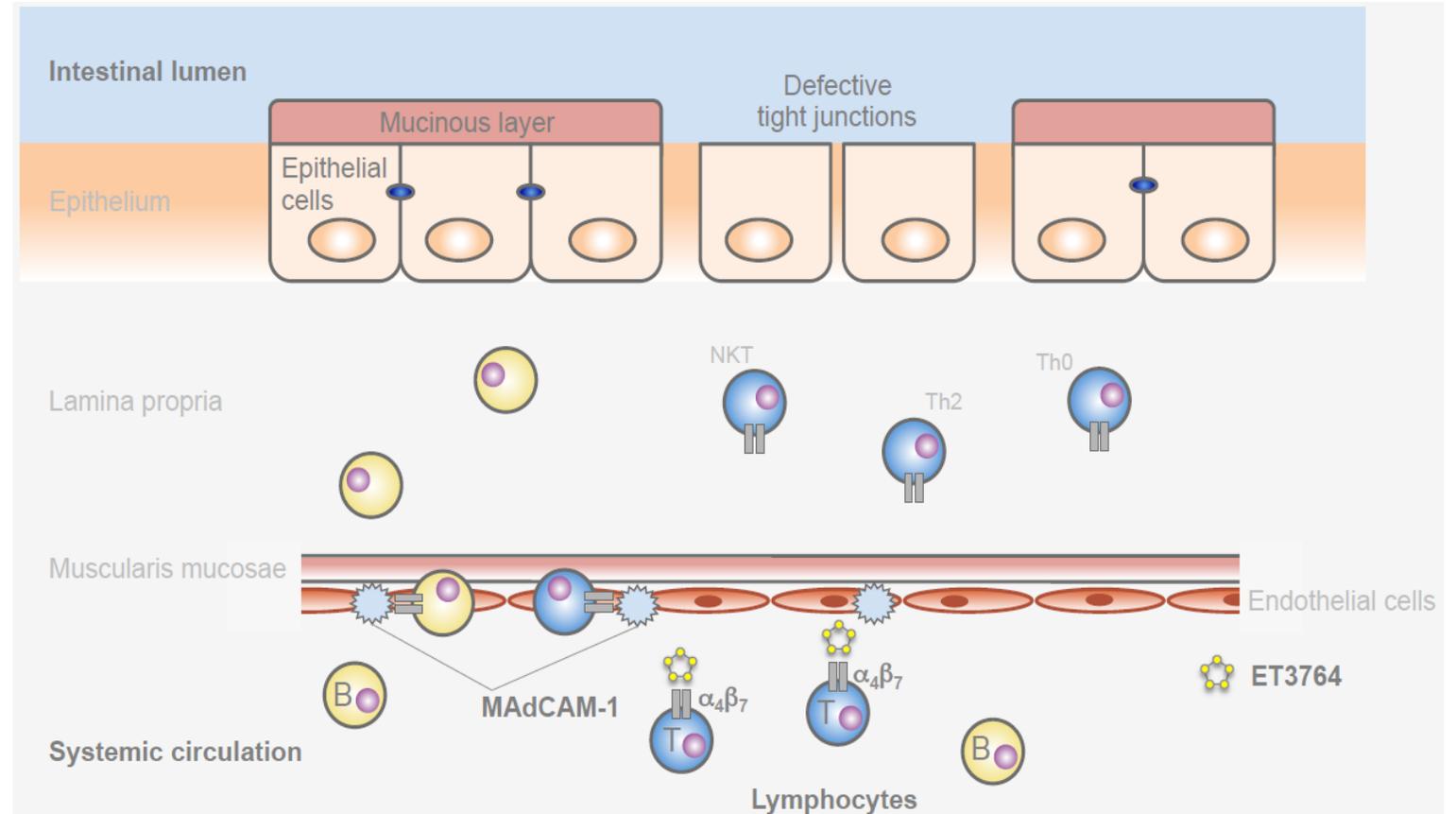
Lead asset: ET3764, an $\alpha_4\beta_7$ integrin inhibitor

Integrin $\alpha_4\beta_7$ is involved in migration of pro-inflammatory lymphocytes from blood to inflamed intestinal tissue through interactions with MAdCAM-1

ET3764 inhibits this interaction by binding to the interaction site on $\alpha_4\beta_7$

Target is clinically validated by vedolizumab, an injectable antibody approved for moderate to severe IBD

ET3764 is active with oral dosing in pre-clinical studies

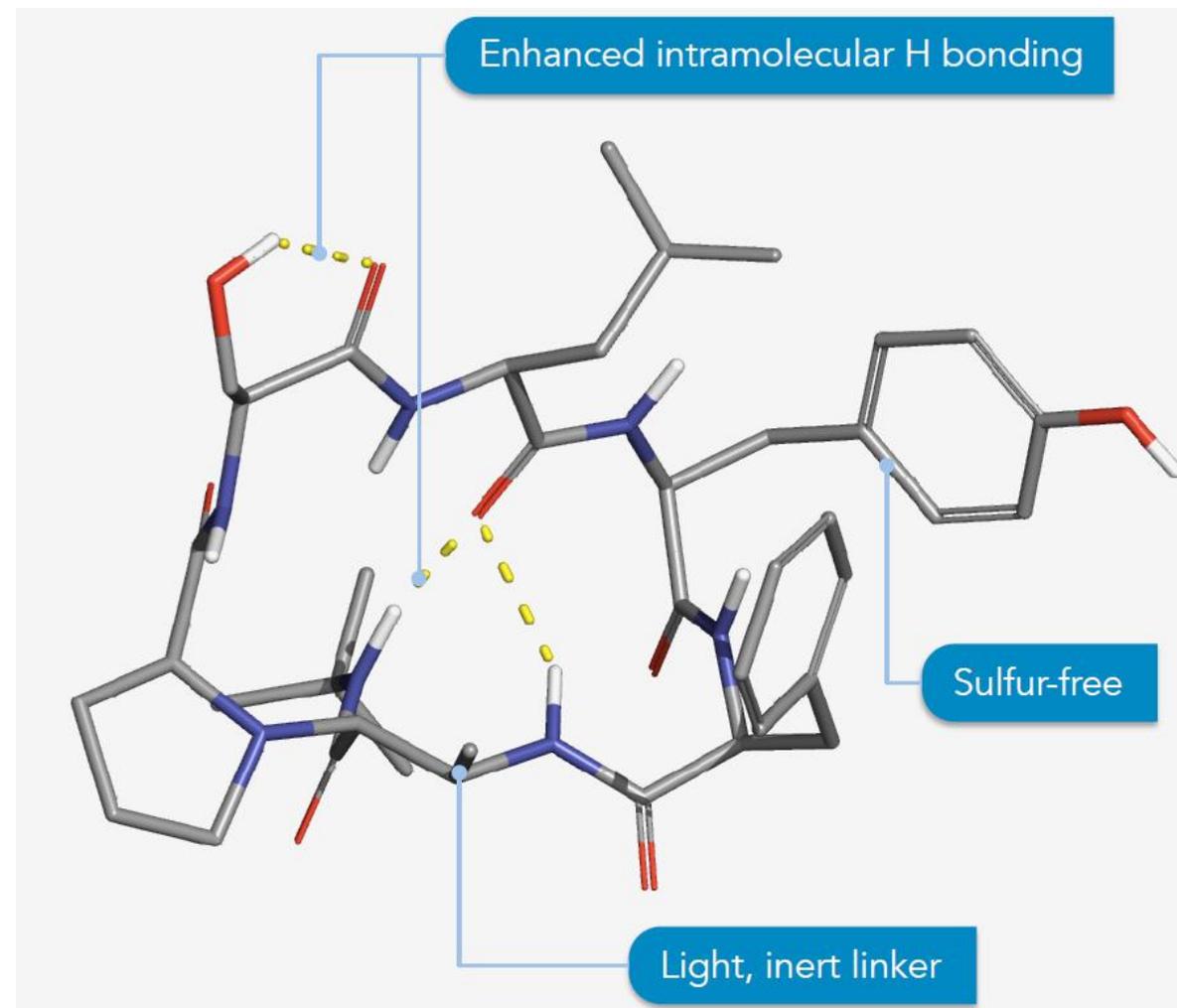


Gaining access to library of some 5,000 peptide macrocycles

In addition to acquiring the lead target, Zealand gains access to a screening library of some 5,000 peptide macrocycles

The library is based on short peptide or peptide-like molecules made cyclic using proprietary chemistry technology

These macrocycles are cyclosporine-like molecules and have inherent drug-like properties that confer potential for high tissue penetration and oral bioavailability



On a clear path toward achieving Zealand Pharma's strategic objectives

Strategic pipeline expansion of the Zealand Pharma peptide platform with a unique oral peptide technology

Leveraging Zealand Pharma's R&D expertise in peptide development

Making a financially compelling strategic transaction

- No upfront payment
- \$10m in earn-outs could be payable through successful completion of Phase 2
- No impact to financial guidance on net operating expenses for fiscal year 2019

Q&A.



ZEALAND PHARMA

Upcoming Investor Events

Bryan Garnier 7th Annual European Healthcare Conference
November 12, 2019, Paris

Zealand Pharma Interim Report for Q3 2019
November 14, 2019, Copenhagen

Jefferies 2019 Healthcare Conference
November 20, 2019, London

Økonomisk Ugebrev Life Science Investor Conference
November 27, 2019, Copenhagen