ZEALAND PHARMA

Annual Report 2024

Changing lives with next-generation peptide therapeutics

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Disclaimer
While Zealand Pharma is not legally required to report according to the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) until the financial year of 2025, this report will follow the structure and include key dimensions of the CSRD and ESRS. Thus, it is to be considered as a voluntary reporting, not a legally required "Sustainability statement".

The big picture

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LETTER FROM THE CEO AND THE CHAIR

A year of transformation

2024 was a transformational year for Zealand Pharma. We advanced our clinical-stage obesity portfolio, raised significant capital to further invest in our pipeline, and prepared the organization for the next phase of growth.

Bringing this momentum into 2025, we will continue to drive our clinical programs forward with a strong focus on our wholly-owned obesity assets, while building the next wave of innovative peptide therapies.

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Becoming a key player in the management of obesity
In 2024, positive clinical data across our portfolio of differentiated product candidates targeting obesity and obesity-related comorbidities have further strengthened our confidence in the potential of these product candidates to represent future key solutions to one of the greatest healthcare challenges of our time: the obesity pandemic.

"Following clinical data reported in 2024, we believe our long-acting amylin analog, petrelintide, shows potential to be best-in-class. We are now investigating petrelintide over 42 weeks in a large, comprehensive Phase 2b trial and look forward to expanding the development program with an additional Phase 2b trial planned for initiation in the first half of 2025."

Petrelintide – best-in-class long-acting amylin analog
We are developing petrelintide, our long-acting amylin analog, as an alternative to GLP-1 receptor agonists. We believe petrelintide holds the promise to become the future foundational therapy for weight management. Used as monotherapy, long-acting amylin analogs have the potential to achieve weight loss on par with GLP-1 receptor agonists, but with a significantly improved tolerability profile, thereby offering a better and simpler experience for both patients and prescribers.

In June 2024, we reported extremely encouraging topline results from Part 2 of our multiple ascending dose (MAD) trial with petrelintide, demonstrating an average weight loss of up to 8.6% at week 16. Importantly, petrelintide was very well-tolerated in this trial, with all gastrointestinal events being mild except for two moderate events reported by a single participant. We have subsequently presented the detailed efficacy and tolerability data at the ObesityWeek scientific congress in November 2024.

Based on clinical data with both petrelintide and other amylin analogs reported to date, we believe that petrelintide holds best-in-class potential. In late 2024, we initiated a large, comprehensive Phase 2b trial with petrelintide in participants with overweight or obesity. This marks an important milestone for Zealand Pharma, and we look forward to expanding the development program with a Phase 2b trial of petrelintide in people with overweight or obesity with type 2 diabetes, planned for initiation in the first half of 2025.

Dapiglutide – first-in-class GLP-1/GLP-2 receptor dual agonist
Dapiglutide adds GLP-2 pharmacology to a potent GLP-1 receptor agonist. It is designed to improve gut integrity and reduce low-grade inflammation that is associated with obesity which can result in several comorbidities, including cardiovascular disease, liver disease, and neuro-inflammation. Dapiglutide is currently being evaluated in a Phase 1b dose-titration trial. Topline results from the first part of this trial, announced in September 2024, support clinical advancement of dapiglutide. We look forward to reporting data from the second part of the trial in 2025 which will provide insights into the safety and efficacy of higher doses of dapiglutide. In 2025, we also look forward to initiating a Phase 2b trial with dapiglutide in people with overweight or obesity.

Survodutide – best-in-class glucagon/GLP-1 receptor dual agonist
In 2024, our partner Boehringer Ingelheim reported positive data from the Phase 2 trial of survodutide, a glucagon/GLP-1 receptor dual agonist, in people living with metabolic dysfunction-associated steatohepatitis, or MASH, one of the most prevalent and serious obesity-related comorbidities. After 48 weeks, up to 64.5% of participants with moderate or advanced fibrosis achieved an improvement in fibrosis without worsening of MASH. We view these results as groundbreaking and as evidence of survodutide's clear differentiation from other GLP-1-based therapies. Boehringer has subsequently initiated a global Phase 3 program with survodutide in people living with MASH and liver fibrosis, LIVERAGE, which includes two large global registrational trials.

Additionally, Boehringer has completed participant enrollment in SYNCHRONIZE™-1 and SYNCHRONIZE™-2, part of the global Phase 3 program for survodutide in people with overweight or obesity. If successful, Boehringer and Zealand Pharma could be third to market in the new era of weight loss therapies.

Committed to bringing our rare disease therapies to patients
In late 2024, we received a Complete Response Letter from the FDA for the New Drug Application (NDA) for glepaglutide, our long-acting GLP-2 analog, for the treatment of short bowel syndrome (SBS). While we are disappointed in the regulatory outcome, we remain firm in our belief that glepaglutide provides a significant advance in GLP-2-based therapy options for SBS patients who are dependent on parenteral support. We will continue the dialogue with the FDA, so that we can bring this therapy to patients in the U.S. as well as expect to proceed with our plans to pursue marketing authorization in Europe.

For dasiglucagon in congenital hyperinsulinism (CHI), we are ready to resubmit the NDA for three weeks use to the FDA as soon as our third-party manufacturing facility has received an inspection classification upgrade. Subsequently, we also expect to submit the required and detailed analyses from existing continuous glucose monitoring datasets to support use of dasiglucagon beyond three weeks. In parallel, we are preparing to bring dasiglucagon to patients living with this devastating disease as soon as possible pending approval.

$1.2 billion

Proceeds from share issuance
In June, we raised DKK 7 billion (USD 1 billion) from an upsized equity offering of 8,350,000 new shares and in January, we raised DKK 1.45 billion (USD 214 million) from a private placement of 3,761,470 new shares.

Alongside these regulatory and pre-commercial activities, we will continue dialogues with potential commercial partners for both our rare disease assets so that these treatments may reach as many patients as possible.

Building the next wave of innovative peptide therapies
We believe that peptide medicines represent an opportunity for innovation in the treatment of chronic inflammatory diseases and are progressing programs that represent high-profile targets shown to be difficult to address with small molecules and antibodies. In late 2024, we initiated the first-in-human clinical trial with our Kv1.3 ion channel blocker, ZP9830, which we believe holds the potential to treat a broad range of chronic inflammatory diseases.

Prepared for the next phase of growth
During 2024, we substantially strengthened our financial position by raising gross proceeds of approximately DKK 8.5 billion (USD ~1.2 billion) through two capital raises, including the largest ever European biotech offering with development funding as the primary use of proceeds. Our financial postion enables significant investments in our R&D efforts and the strengthening of our organizational capabilities in preparation for the next phase of growth for Zealand Pharma. Key corporate developments in 2024 included important additions to both the Board of Directors and Corporate Management.

We thank our shareholders for their continued trust and confidence in Zealand Pharma's vision and strategy. We would also like to express our appreciation to our dedicated colleagues, whose commitment and hard work drive our progress every day and the patients and caregivers who have participated in our clinical trials, playing an essential role in advancing our innovations.

Martin Nicklasson
Chair of the Board
of Directors

Adam Steensberg
President and
Chief Executive Officer

OUR PURPOSE

Changing lives with next-generation peptide therapeutics

Our ambition

is to be the world's best peptide drug discovery and development company

Crosby is a 10-year old boy living with congenital hyperinsulinism

Zealand Pharma at a glance

Zealand Pharma A/S was founded in 1998 and is a biotechnology company focused on the discovery, design, and development of innovative peptide-based medicines.

Our strategy

is to excel within peptide R&D and pursue global development and commercialization partnerships to bring new medicines to patients with unmet needs.

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4

Our four key strategic pillars include

1. becoming a key player in the management of obesity
2. delivering rare disease approvals and launch execution
3. creating a leading peptide discovery and development platform
4. growing our organization, culture, and how we work

355

Employees
as of December 31, 2024, with 84% in research and development and related functions.

26 years

of expertise in peptide R&D with a validated platform that has delivered two drugs to market and a rich pipeline of clinical and pre-clinical programs.

3

Focus areas
Our innovative pipeline candidates target three therapeutic focus areas; obesity and obesity-related comorbidities, rare diseases, and chronic inflammation.

2024 achievements

2024 has been a transformational year for Zealand Pharma, delivering on our important strategic objectives and achieving significant pipeline progress.

Advanced obesity portfolio

Petrelintide

- Reported positive topline data with petrelintide from the 16-week Phase 1b trial and presented detailed data at ObesityWeek
- Initiated a large, comprehensive Phase 2b trial in people with overweight or obesity

Dapiglutide

- Reported positive topline data with dapiglutide from the 13-week Phase 1b trial
- Expanded the Phase 1b trial to evaluate higher doses of dapiglutide over longer treatment period

Survodutide

- Boehringer Ingelheim reported positive topline data with survodutide from the Phase 2 trial in MASH and presented detailed data at the EASL Congress 2024
- Boehringer Ingelheim initiated the LIVERAGE™ Phase 3 program with survodutide in MASH and received Breakthrough Therapy Designation from the US FDA
- Boehringer Ingelheim completed participant enrollment for SYNCHRONIZE™-1 and SYNCHRONIZE™-2, part of the Phase 3 program for survodutide in people with overweight or obesity

Initiated first-in-human trial with inflammation asset

- Initiated single ascending dose clinical trial with ZP9830 (Kv1.3 ion channel blocker)

Strengthened organization

- Prepared for the next phase of growth, including additions to the Board and Management

Strengthened financial position

- Completed one of the largest capital raises in Europe in June, raising DKK 7 billion (USD 1 billion) through an upsized equity offering
- Raised DKK 1.45 billion (USD 214 million) in January through a private placement of new ordinary shares to two reputable investors
- Strengthened financial position enabled further investments in R&D to accelerate and expand the development of our differentiated obesity candidates

Other significant activities

- Received marketing authorization in the EU from the European Commission for Zegalogue® (dasiglucagon injection) for the treatment of severe hypoglycemia
- Launched our refined sustainability strategy, significantly increasing our sustainability ambitions
- Developed a Climate Change Transition Plan, outlining ambitious activities and targets for climate change mitigation

Financial highlights and key figures

DKK thousand	2024	2023	2022	2021	2020
Income statement					
Revenue	62,691	342,788	103,986	108,546	192,001
Royalty expenses	-	-9,138	-	-10,970	-
Cost of goods sold	-7,874	-10,036	-	-	-
Gross profit	**54,817**	**323,614**	**103,986**	**97,576**	**192,001**
Research and development expenses	-919,866	-684,902	-614,044	-581,511	-595,847
Sales and marketing expenses	-88,115	-30,627	-32,298	-62,600	-20,795
General and administrative expenses	-315,907	-185,302	-237,210	-235,609	-201,594
Other operating items	-3,136	4,979	-57,587	-2,173	-
Net operating expenses	**-1,327,024**	**-895,852**	**-941,139**	**-881,893**	**-818,838**
Operating result	**-1,272,207**	**-572,238**	**-837,153**	**-784,317**	**-626,235**
Net financial items	188,762	-136,627	-134,888	25,430	-47,292
Result before tax	**-1,083,445**	**-708,865**	**-972,041**	**-754,887**	**-673,527**
Corporate tax	4,617	5,126	6,431	3,949	4,814
Net result for the year from continuing operations	**-1,078,828**	**-703,739**	**-965,610**	**-754,938**	**-668,713**
Net result for the year from discontinued operations	-	-	-236,525	-263,211	-178,016
Net result for the year	**-1,078,828**	**-703,739**	**-1,202,135**	**-1,018,149**	**-846,729**
Loss per share from continuing operations, basic/diluted (DKK)	-16.24	-12.44	-20.90	-17.61	-17.43
Loss per share, basic/diluted (DKK)	-16.24	-12.44	-26.02	-23.75	-22.07

DKK thousand	2024	2023	2022	2021	2020
Statement of financial position					
Cash and cash equivalents	480,303	449,311	1,069,234	1,129,103	960,221
Marketable securities	8,541,713	1,183,746	108,611	299,042	297,345
Cash, cash equivalents, and marketable securities	9,022,016	1,633,057	1,177,845	1,428,145	1,257,566
Total assets	**9,505,600**	**1,979,993**	**1,539,806**	**2,067,629**	**1,761,949**
Total shareholders' equity	**8,616,742**	**1,592,839**	**815,911**	**927,803**	**1,229,311**
Cash flow					
Cash used in operating activities	-930,816	-425,668	-942,311	-1,211,971	-688,716
Cash (used in)/provided by investing activities	-7,332,915	-1,094,033	281,259	-18,121	-196,807
Cash provided by financing activities	8,288,491	907,014	587,500	1,332,751	760,941
Purchase of intangible assets	-3,095	-12,508	-	-	-
Purchase of property, plant, and equipment	-10,053	-11,241	-11,710	-22,133	-25,044
Free cash flow	-940,869	-436,909	-954,021	-1,234,104	-713,760
Other					
Undrawn borrowing facilities (note 4.2)	-	722,645	-	-	-
Share price at December 31 (DKK)	715.5	373.2	201.4	145.1	220.6
Number of shares ('000 shares)	71,024	58,751	51,702	43,634	39,800
Market capitalization (MDKK)	50,550	21,787	9,305	6,220	8,464
Equity ratio (%)	91%	80%	53%	45%	70%
Equity per share (DKK)	121.96	27.28	17.66	21.26	32.04
Average number of full time employees	289	235	247	346	297
Number of full-time employees at the end of the year	335	253	196	355	329

2025 outlook and objectives

In 2025, we have a strong focus on advancing our differentiated mid- to late-stage obesity programs.

2025 objectives

Advance obesity portfolio

Petrelintide
- Complete enrollment of Phase 2b trial in people with overweight or obesity without type 2 diabetes (ZUPREME-1)
- Initiate Phase 2b trial in people with overweight or obesity with type 2 diabetes (ZUPREME-2)
- Initiate Phase 1b combination trial with a GLP-1 receptor agonist

Dapiglutide
- Report topline data from Part 2 of Phase 1b trial
- Present detailed results from Phase 1b trial
- Initiate Phase 2b trial in people with overweight or obesity

Survodutide
- Primary completion of Phase 3 trials in obesity (Boehringer Ingelheim)
- Progress Phase 3 trials in people with MASH and fibrosis (Boehringer Ingelheim)

Progress rare disease assets

Dasiglucagon for congenital hyperinsulinism
- Gain U.S. regulatory approval and bring product to patients

Glepaglutide for short bowel syndrome
- Initiate Phase 3 trial to provide further confirmatory evidence for U.S. resubmission and support regulatory submissions outside the U.S. and EU
- Submit marketing authorization application to EMA

Advance inflammation portfolio

- Complete first-in-human clinical trial with ZP9830 (Kv1.3 ion channel blocker)
- Initiate first-in-human clinical trial with ZP10068 (Complement C3 Inhibitor)

Deliver on financial performance

- Ensure disciplined financial management
- Deliver on the budget and meet financial guidance

Accelerate sustainability efforts

- Further implement sustainability strategy
- Submit Climate Transition Plan to Science Based Targets initiative and achieve reduction targets
- Report in line with the Corporate Sustainability Reporting Directive (CSRD)

Financial guidance

DKK million	2025 Guidance	2024 Actual
Revenue anticipated from existing and new license and partnership agreements	No guidance	63
Net operating expenses[1]	2,000 - 2,500	1,327

[1] Net operating expenses consist of R&D, S&M, G&A, and other operating items
Financial guidance based on foreign exchange rates as of February 19, 2025

Our business

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25+ years of peptide expertise

We have more than 25 years of expertise in discovery, design, and development of peptide-based medicines. We engineer peptides to enhance biological activity, extend duration of action, and increase stability to provide innovative and better treatments for a broad range of diseases.

Our journey to become experts in peptide R&D

1998
Foundation
Zealand Pharma is founded by SIP® inventor Dr. Bjarne Due Larsen and Lars Hellerung Christiansen

1999
Invention of lixisenatide
GLP-1 receptor agonist lixisenatide is invented

2010
Initial Public Offering
Zealand Pharma's shares are listed on Nasdaq OMX Copenhagen

2011
Partnership with Boehringer Ingelheim
Zealand Pharma enters partnership agreement with Boehringer Ingelheim to develop drug candidates for T2DM and obesity

2016
First drug product approval by U.S. FDA
Adlyxin (lixisenatide) and Soliqua (insulin glargine and lixisenatide), partnered with Sanofi, are approved by the U.S. FDA for the treatment of T2DM in the United States (approved in Europe by EMA in 2013)

2021
Second drug product approval by U.S. FDA
The U.S. FDA approves Zegalogue® (dasiglucagon) for the treatment of severe hypoglycemia in people with diabetes (partnered with Novo Nordisk in 2022)

2023
25-year anniversary
Zealand Pharma celebrates 25th anniversary with eventful year that includes significant advancement of clinical-stage obesity portfolio

2023
First obesity asset enters Phase 3 through partnership
Boehringer Ingelheim advances survodutide into global Phase 3 clinical trials in overweight and obesity and subsequently initiates global Phase 3 program in MASH in 2024

2024
New class of obesity asset enters Phase 2
Zealand Pharma initiates Phase 2 clinical trial of long-acting amylin analog petrelintide in people living with overweight or obesity

2024
Transformational year
Zealand Pharma substantially strengthens financial position, raising ~DKK 8.5 billion (USD 1.2 billion) through two equity raises and prepares organization for the next phase of growth

Facts on peptides

Validated peptide platform
Since our foundation in 1998, we have built a unique peptide platform and design process based on a deep understanding of peptide chemistry, formulation know-how, and intellectual property rights combined with advanced computer science.

The success of our peptide discovery and development platform has been validated by bringing two drug products to market in collaboration with partners Sanofi and Novo Nordisk, as well as advancing our novel peptide analogs currently in clinical development.

What are peptides?
Peptides are composed of amino acids and are produced by all living organisms, including humans. Many peptides are hormones that carry information between cells or organs to perform a wide range of essential functions, such as regulating appetite, blood glucose, or stimulating tissue growth.

Native peptides have powerful biological functions but many are inherently unstable and short-lived in the bloodstream. To convert native peptides into effective peptide therapeutics, these characteristics must be modified, while maintaining or enhancing the biological activity. This involves modifying the amino acid sequence of the peptide, usually by substituting with another amino acid.

We use nature's own inventions
Through our deep understanding of peptide chemistry and biology, we focus this substitution process on key amino acids to remove the weak points that result in poor solubility, stability, or activity. We have successfully applied this approach to glucagon, amylin, GLP-1, GLP-2, and GIP to create new drug candidates.

Enhancing the natural property of a peptide or combining activities of two or more peptides into single peptides can present new therapeutic opportunities. We use endogenous human peptides and peptides from animal venoms to develop new therapeutic candidates. We also manipulate bacteria to produce peptide libraries, and have the expertise to go beyond nature's 20 standard amino acids to create unnatural amino acids. In other words, we can create custom building blocks, providing virtually limitless possibilities for the development of effective peptide therapeutics. We make broad use of nature's own inventions in an effort to improve human health and quality of life.

We continue to optimize our peptide platform through new technologies and scientific advancements. We also access cutting-edge technology through research collaborations. Our R&D capabilities and pre-clinical programs provide opportunities to further grow our scientific and medical presence.

Key facts

Main role of peptides
Many peptides are hormones that carry information between cells or organs to perform a wide range of essential functions.

Native peptides: Unstable and short-lived
Developing peptide therapeutics involves modifying native peptides to retain or enhance biological activity.

Zealand Pharma's peptide platform
What are peptides? How does Zealand Pharma work with peptides to create potentially life-changing therapies? Watch to learn more about these powerful molecules

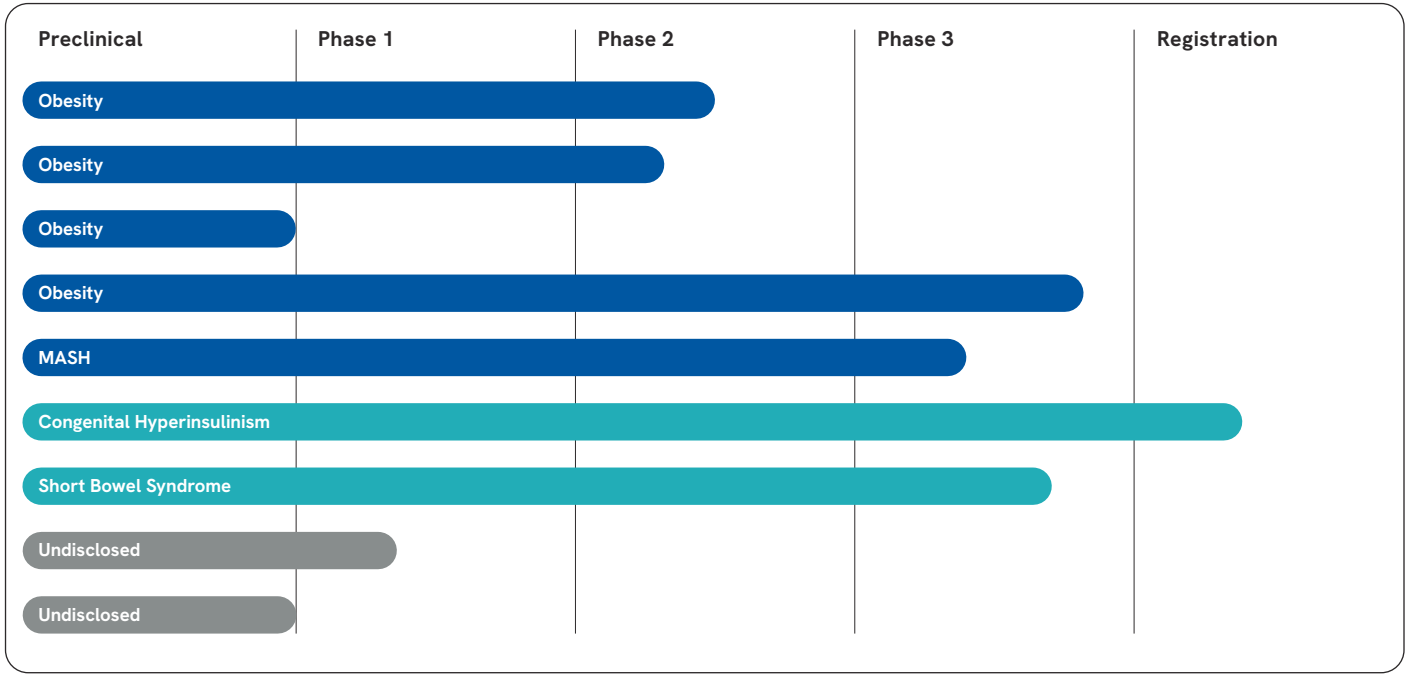
PLAY VIDEO ▷

https://vimeo.com/946545618

R&D pipeline

Our R&D pipeline of investigational candidates aims to address unmet medical needs across therapeutic areas.

	Product Candidate[1]	
Obesity	Petrelintide (amylin analog)	
Obesity	Dapiglutide (GLP-1R/GLP-2R dual agonist)	
Obesity	ZP6590 (GIP receptor agonist)	
Obesity	Survodutide (GCGR/GLP-1R dual agonist)[2]	Boehringer Ingelheim
Obesity	Survodutide (GCGR/GLP-1R dual agonist)[2]	Boehringer Ingelheim
Rare diseases	Dasiglucagon: continuous subcutaneous infusion	
Rare diseases	Glepaglutide (GLP-2 analog)	
Inflammation	ZP9830 (Kv1.3 ion channel blocker)	
Inflammation	ZP10068 (complement C3 inhibitor)	



[1] Investigational compounds whose safety and efficacy have not been evaluated or approved by the FDA or any other regulatory authority.
[2] Survodutide is licensed to Boehringer Ingelheim from Zealand Pharma, with Boehringer solely responsible for development and commercialization globally (subject to Zealand Pharma'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.

OBESITY

Facing one of the greatest healthcare challenges of our time

Overweight and obesity are associated with more than 220 complications and comorbidities, including cardiovascular disease, liver disease, type 2 diabetes, kidney disease, and neuro-inflammation.

300,000 years

with humans beings on earth maintaining a relatively stable BMI

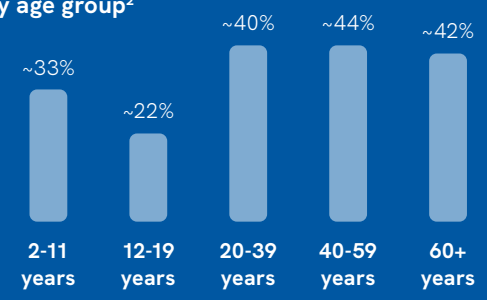
50 years

with a substantial increase in global prevalence of obesity from ~10% to ~40-50%[1]

~5 million

deaths globally ascribed to obesity every single year[1]

Prevalence of obesity in the U.S. by age group[2]



Key unmet medical needs

The obesity pandemic represents one of the greatest healthcare challenges of our time, profoundly impacting public health. Obesity is a complex disease associated with numerous complications and comorbidities, adversely affecting overall health and multiple organ systems[2]. For many years, the weight-loss medications available have had limited efficacy and/or, for many, been associated with considerable side effects. Today, two once-weekly GLP-1RA-based therapies with better efficacy have been approved for weight management. Nevertheless, the treatment rate today is approximately 2%[3]. There remains a substantial unmet medical need for more and better treatment options for the very heterogeneous population suffering from overweight and obesity. New innovations should include treatments based on emerging modalities with potential to deliver similar efficacy as the currently approved treatments but with better tolerability, treatments targeting fat-specific weight loss, or treatments with an even better effect on obesity-related comorbidities.

READ MORE →

zealandpharma.com/disease-areas/obesity/

1 World Obesity Atlas 2024
2 U.S. Centers for Disease Control and Prevention. National Health Statistics Reports, no. 158. June 2021
3 American Medical Association 2024, AMA's Latest Research, Health Tips & News About Obesity | American Medical Association
4 Almandoz et al. (2024) Nutritional considerations with antiobesity medications, Obesity (Silver Spring), 32(9): 1613-1631

OBESITY

Petrelintide

Petrelintide, a long-acting amylin analog, is being developed as an alternative to GLP-1-based therapies with potential to become a future foundational therapy for weight management.

A next-generation weight-loss therapy, representing an alternative to GLP-1 receptor agonists

Petrelintide is a long-acting amylin analog suitable for once-weekly subcutaneous administration. It has been designed with chemical and physical stability with no fibrillation around neutral pH, allowing for co-formulation and co-administration with other peptides.

Petrelintide holds potential as a next-generation, best-in-class alternative to incretin-based therapies and as a future foundational therapy for weight management. It targets weight loss comparable with GLP-1-based therapies but with significantly less gastrointestinal side effects, both in frequency and severity, for a better tolerability profile and patient experience.

Rather than suppressing appetite, amylin analogs have been shown to restore sensitivity to the hormone leptin, which is a strong satiety signal[1,2]. Pre-clinical data with petrelintide and other long-acting amylin analogs have shown potential to deliver high-quality weight loss by preserving lean muscle mass.

Development status

Zealand Pharma presented detailed results from the Phase 1b 16-week multiple ascending dose clinical trial at ObesityWeek 2024. The results showed mean body weight reductions after 16 weeks of 4.8%, 8.6%, and 8.3% for the three petrelintide-treated groups, versus 1.7% for the pooled placebo group. These weight loss results were achieved despite a predominantly male study population with relatively low BMI at baseline. 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 by one participant who discontinued treatment. No other participants discontinued treatment due to adverse events and no other participants reported vomiting.

In December 2024, we initiated a large, comprehensive Phase 2b trial (ZUPREME-1) with petrelintide in people with overweight or obesity[3].

1 Mathiesen et al. Eur J Endocrinol 2022;186(6):R93-R111
2 Roth et al. Proc Natl Acad Sci U S A 2008;105(20):7257–7262
3 Visit clinicaltrials.gov (NCT06662539) for more trial information
4 Eriksson et al. Presentation at ObesityWeek, November 1–4, 2022, San Diego, CA.
5 Hayes et al. Annu Rev Nutr 2014;34:237–260

Development status for petrelintide in 2024

Pre-clinical | Registration

Key facts

Balanced agonism

Petrelintide has potent and balanced agonist effects on key amylin receptors and the calcitonin receptor[4].

Pancreatic hormone

Amylin is produced in pancreatic beta cells and co-secreted with insulin in response to ingested nutrients.

Non-incretin mechanism

Restores leptin sensitivity[5] and reduces food intake by increasing satiety.

READ MORE →

zealandpharma.com/pipeline/petrelintide/

OBESITY

Dapiglutide

Dapiglutide, a dual GLP-1/GLP-2 receptor agonist, targets obesity and comorbidities associated with obesity-related low-grade inflammation.

Targeting obesity and low-grade inflammation with a GLP-1/ GLP-2 receptor dual agonist

Dapiglutide is a first-in-class, long-acting dual GLP-1/GLP-2 receptor agonist for once-weekly subcutaneous administration. It is designed to leverage the weight loss effects of a potent GLP-1 receptor agonist and address comorbidities associated with low-grade inflammation through improved intestinal barrier function by GLP-2 receptor activation. People with obesity have increased translocation of bacteria from the gut lumen into the bloodstream due to reduced integrity of the intestinal barrier, driving a state of low-grade inflammation, or "leaky gut"[1]. This obesity-related low-grade inflammation can result in comorbidities such as cardiovascular disease, liver disease, inflammatory bowel disease, and neuro-inflammation.

Development status

In May 2024, Zealand Pharma reported topline results from a mechanistic investigator-led trial, evaluating low doses of dapiglutide in people with overweight or obesity. Treatment with doses of dapiglutide up to 6 mg resulted in mean weight loss of up to 4.3% after 12 weeks versus 2.2% with placebo.

In September 2024, Zealand Pharma reported positive topline results from Part 1 of a Phase 1b dose titration trial, evaluating dapiglutide doses of up to 13 mg. At week 13, the placebo-corrected mean body weight loss was up to 8.3% among participants on dapiglutide treatment (up to 6.2% mean weight loss on dapiglutide; 2.1% mean weight gain on placebo). Dapiglutide treatment was assessed to be safe and well-tolerated, with no severe treatment-emergent adverse events. Based on the mild tolerability profile observed with dapiglutide, Zealand Pharma amended the Phase 1b clinical trial to include an additional cohort investigating even higher doses up to 26 mg over 28 weeks of treatment. Topline results from this added cohort are expected to be reported in the first half of 2025.

Zealand Pharma expects to initiate a Phase 2b trial with dapiglutide in people with overweight or obesity in the first half of 2025.

Development status for dapiglutide in 2024

[1] Vetrani et al. Nutrients 2022;14(10):210
[2] Drucker & Yusta. Annu Rev Physiol 2014;76:561-583

Key facts

Biased towards GLP-1

Deliberately designed with strong relative potency of 3:1 in favor of the GLP-1R versus the GLP-2R

Intestinal benefits

GLP-2 reduces intestinal permeability, limiting translocation of bacteria to the bloodstream[2]

Regenerative effects

GLP-2 has potential for regenerative effects to address organ damage

READ MORE →

zealandpharma.com/pipeline/dapiglutide/

OBESITY

Survodutide

Survodutide, a dual glucagon/GLP-1 receptor agonist, targets obesity and the large sub-population with MASH and fibrosis.

Targeting obesity and MASH with a dual glucagon/GLP-1 receptor agonist
Survodutide is a long-acting dual glucagon/GLP-1 receptor agonist for once-weekly subcutaneous administration, targeting the treatment of obesity and metabolic dysfunction-associated steatohepatitis (MASH), one of the most prevalent and serious obesity-related comorbidities. It is estimated that 34% of people living with obesity have MASH[1]. By activating both GLP-1 and glucagon receptors, survodutide offers the potential for significant body weight reduction by reducing appetite and increasing energy expenditure, improved glycemic control, and direct beneficial effects on the liver.

Development status
A Phase 2 clinical trial with survodutide in people with overweight or obesity demonstrated average body weight reductions of up to 18.7% after 46 weeks. In 2024, Boehringer Ingelheim completed participant enrollment for SYNCHRONIZE™-1 and SYNCHRONIZE™-2, part of the Phase 3 program for survodutide in people with overweight or obesity.

In June 2024, Boehringer Ingelheim presented positive results from a Phase 2 clinical trial with survodutide in people with MASH and liver fibrosis. Up to 64.5% of survodutide-treated participants with moderate or advanced fibrosis (stages 2 or 3) achieved an improvement in fibrosis without worsening of MASH after 48 weeks versus 25.8% with placebo. In October 2024, Boehringer Ingelheim initiated two large Phase 3 trials, LIVERAGE™ and LIVERAGE™-Cirrhosis, with survodutide in adults with MASH and fibrosis stages 2 or 3 and compensated MASH cirrhosis (stage 4), respectively. Additionally, survodutide received US FDA Breakthrough Therapy designation for the treatment of adults with non-cirrhotic MASH and moderate or advanced fibrosis (stages 2 or 3).

Partnership with Boehringer Ingelheim
Survodutide was licensed to Boehringer Ingelheim from Zealand Pharma. Boehringer Ingelheim is funding all activities and is solely responsible for the development and global commercialization of survodutide. Zealand Pharma has co-promotion rights in the Nordic countries, EUR 315 million in outstanding potential milestone payments, and is eligible for high-single to low-double digit percentage royalties on global sales.

Development status for survodutide in 2024

[1] Quek et al. Lancet Gastroenterol Hepatol 2023;8(1):20-30
[2] Pégorier et al. Biochem J 1989;264(1):93-100
[3] Del Prato et al. Obes Rev 2022;23(2):e13372

Key facts

Dual agonism
Activates glucagon and GLP-1 receptors, both critical in controlling metabolic functions

Biased towards GLP-1
Deliberately designed with strong relative potency of 8:1 in favor of GLP-1R versus GCGR

Direct liver effect
Glucagon reduces hepatic fat content by stimulating lipolysis in fat tissue and fatty acid oxidations[2,3]

READ MORE →

zealandpharma.com/pipeline/survodutide/

RARE DISEASES – CHI

Dasiglucagon

Dasiglucagon is a stable glucagon analog designed to allow for continuous subcutaneous infusion via a wearable pump.

Dasiglucagon for congenital hyperinsulinism (CHI)
Dasiglucagon is a glucagon analog that is stable in aqueous solution and is thus designed to allow for continuous subcutaneous infusion via a wearable pump.

CHI is an ultra-rare disease affecting newborns, infants, and children caused by a defect in pancreatic beta cells, resulting in insulin overproduction and leading to frequent, recurrent, and often severe episodes of low glucose (hypoglycemia). Every year, an estimated one in 28,000 to 50,000 newborns are diagnosed with genetically determined CHI in the U.S. and Europe[1].

Complex care, including continuous enteral feeding or intravenous glucose, can result in lengthy and frequent hospitalizations that make daily life difficult. The burden of managing CHI is significant for the affected children and their families and caregivers, and the limited availability of safe and effective treatment options represents an urgent unmet medical need.

Development status
The potential of dasiglucagon in the management of CHI is supported by three Phase 3 clinical trials in newborns and children up to 12 years of age. In Part 1 of the Phase 3 trial conducted in a hospital-setting (trial 17013), dasiglucagon reduced the requirement for IV glucose to maintain glycemia in newborns and infants with CHI by 55%. In Part 2 of the trial (21-day open label), dasiglucagon enabled reduction and either episodic or permanent discontinuation of IV glucose infusion in 10 out of 12 infants during the study period. In another Phase 3 trial conducted in a homecare setting (trial 17109), dasiglucagon reduced time in hypoglycemia by ~50% and the number of hypoglycemic events by ~40% compared to standard of care alone, when assessed by blinded continuous glucose monitoring (CGM).

Zealand Pharma is ready to resbumit the New Drug Application (NDA) for dasiglucagon in CHI for up to three weeks of dosing and to submit the required and detailed analyses from existing CGM datasets to suport use beyond three weeks. The regulatory submissions are, however, contingent on an inspection classification upgrade from a reinspection of a third-party manufacturing facility.

1 Amoux JB et al. (2011). Orphanet J Rare Dis, 6:63; Yau et al. (2020). Plos One, 15(2): e0228417.
2 Thornton PS et al., J Pediatr. 2015;167(2):238-45.
3 Banerjee I et al., Orphanet J Rare Dis. 2022;17:61
4 Yorifuji et al. Clin Pediatr Endocrinol 2017;26(3):127-152.

Development status for dasiglucagon in 2024

Pre-clinical | Registration

Key facts

Devastating disease
Lack of proper management of hypoglycemia may result in brain damage, lead to permanent brain injury, and is associated with increased risk of infant pancreatectomies[2,3]

Large unmet need
>50% of CHI patients may be unresponsive to current treatment options[4]

Glucagon analog
Dasiglucagon works by causing the liver to release stored sugar to the blood, preventing hypoglycemia

READ MORE →

zealandpharma.com/disease-areas/congenital-hyperinsulinism/

RARE DISEASES – CHI

Patient story

Born with CHI, Crosby had to have 98% of his pancreas removed and a gastric tube ("G-tube") inserted to stabilize his blood sugar within one week of his birth.

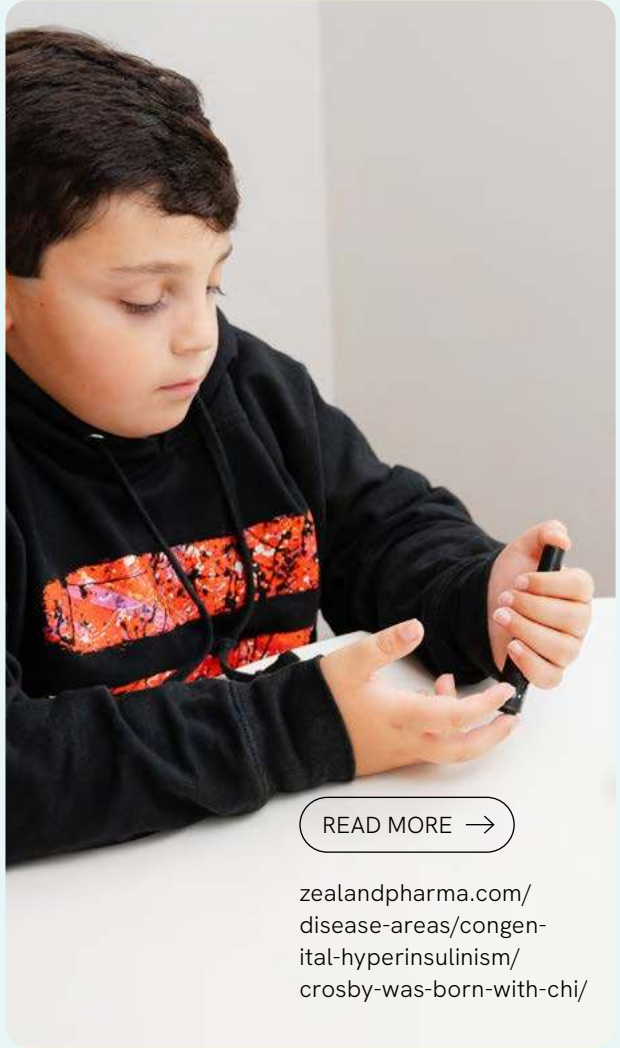
Luckily, Crosby's parents learned about his rare disease prenatally. Still, their early diagnosis would not take away the fact that their child would be born with CHI nor that multiple treatment options would not work for him.

For kids with CHI and their families, limited treatment options create not only medical challenges, but social challenges too. Kids with rare diseases become aware early on that they are different. Other children and even parents would sometimes ask about or touch Crosby's G-tube, not realizing they are being intrusive or potentially causing damage.

Crosby is now 10 years old and is a "honeymoon" period with his CHI. He is not currently on medication and his family monitors his blood sugar with a DexCom (continuous glucose monitoring device) and regular finger prick checks, and Crosby is getting more adept at monitoring and responding to his own blood sugar. For now, this combination, along with snacks, helps maintain his blood sugar levels. But this won't last forever. Because Crosby had to have a near-total pancreatectomy at birth, he has slowly been on his way to diabetes.

Most likely around puberty, what is left of his pancreas will stop functioning and he will develop insulin-requiring diabetes. By now, he has experienced episodes of hyperglycemia, and it has been difficult for him emotionally to process the changes in his condition.

Even though having CHI is something that Crosby has always known, it can still be scary and challenging. Whether it was his monthly injections, inserting the new Dexcom device every 10 days, needing to prick his finger, or the prospect of diabetes, this is all part of living with CHI. But Crosby is resilient. For the last 10 years, he has overcome many hurdles. Nevertheless, his rare condition will require him to face obstacles for the rest of his life.



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RARE DISEASES – SBS

Glepaglutide

We are developing a next-generation, potential best-in-class, long-acting GLP-2 analog for the treatment of short bowel syndrome.

Long-acting GLP-2 analog for the treatment of short bowel syndrome (SBS)
Glepaglutide is a long-acting GLP-2 analog that is stable in aqueous solution. Zealand Pharma is developing glepaglutide as a ready-to-use, fixed dose product designed for subcutaneous delivery via a simple auto-injector for the potential treatment of SBS.

SBS is a rare, debilitating disease, characterized by the inability of the intestine to absorb adequate fluid and nutrients, leaving many patients chronically dependent on complex parenteral support. While life-sustaining, parenteral support poses significant restrictions on daily life and involves the risks of serious and life-threatening complications.

Development status
In December 2024, Zealand Pharma received a Complete Response Letter (CRL) from the U.S. FDA for the glepaglutide NDA for the treatment of adult patients with SBS with intestinal failure (IF).

The submitted NDA included a single randomized, placebo-controlled Phase 3 registrational trial (EASE-1). EASE-1 consisted of two active treatment arms, once-weekly and twice-weekly dosing. Treatment with glepaglutide twice-weekly demonstrated significant and superior effects in reducing parenteral support requirements in patients with SBS-IF compared to placebo. Once-weekly glepaglutide treatment resulted in a reduction in parenteral support but did not achieve statistical significance. In the CRL, the FDA recommended an additional placebo-controlled clinical trial to provide further evidence confirming the efficacy and safety of the to-be-marketed dose of twice-weekly glepaglutide.

In 2025, we expect to submit a Marketing Authorization Application (MAA) to the European Medicines Agency and initiate a single Phase 3 clinical trial (EASE-5) that is anticipated to provide further confirmatory evidence for a regulatory submission in the U.S. and to support regulatory submissions outside the U.S. and the EU.

Development status for glepaglutide in 2024

Key facts

Debilitating disease
SBS often results in dependency on parenteral support that severely impacts quality of life

Burdensome care
Unmet need for improved treatment options that may allow patients to ease burden of disease management

Stable GLP-2 analog
Glepaglutide is a long-acting stable GLP-2 analog administered with a ready-to-use autoinjector

READ MORE →

zealandpharma.com/disease-areas/short-bowel-syndrome/

INFLAMMATION

ZP9830

ZP9830 is a potent and selective Kv1.3 blocker being developed for the treatment of chronic inflammatory diseases.

Potential to treat a broad range of cell-mediated autoimmune disorders
ZP9830 is a potent and selective Kv1.3 blocker with potential to treat a broad range of cell-mediated autoimmune diseases. Kv.1.3 is a voltage-gated potassium ion channel, essential for the activation, proliferation, migration, and cytokine production of leukocytes from the innate and adaptive immune system[1,2].

Kv1.3 is highly expressed in activated T cells, particularly effector memory T cells. T effector memory cells are dependent on Kv1.3 to function and play a key role in autoimmunity and chronic inflammation by releasing pro-inflammatory cytokines, which drive tissue damage[3]. The specific and selective location of the Kv1.3 on the effector memory T cells makes it an attractive pharmaceutical target, as blocking Kv1.3 is believed to preserve the protective effects of the rest of the immune system.

Development status
The anti-inflammatory effects of blocking the Kv1.3 ion channel have been demonstrated in pre-clinical models of autoimmune diseases, demonstrating concentration-dependent inhibition of pro-inflammatory cytokine release from stimulated human whole blood.

In December 2024, Zealand Pharma initiated the first-in-human clinical trial of ZP9830. This Phase 1 single ascending dose (SAD) trial of ZP9830 will investigate the investigational drug's safety and tolerability profile, its pharmacokinetic profile to determine the appropriate dose levels for potential future clinical trials, and the pharmacodynamics to evaluate its effect on the body's immune system.

Development status for ZP9830 in 2024

Pre-clinical | Registration

Key facts

Kv1.3 blocker
ZP9830 is a potent and selective Kv1.3 blocker with potential to treat a broad range of cell-mediated autoimmune diseases

Selective location
Kv1.3 is highly expressed in effector memory T cells, which play a key role in autoimmunity

Immunosuppressant
Kv1.3 inhibition can selectively suppress T cell activation and autoimmune responses

READ MORE →

zealandpharma.com/pipeline/ZP9830/

[1] Navarro-Pérez Expert Opinion on Therapeutic Targets 2024, 28(1-2):67-82, doi: 10.1080/14728222.2024.2315021
[2] Markakis, Frontiers in Pharmacology 2021,12: 714841, doi: 10.3389/fphar.2021.714841
[3] Chandy and Norton, Current Opinion in Chemical Biology 2017, 38:97–107, http://dx.doi.org/10.1016/j.cbpa.2017.02.015

INFLAMMATION

ZP10068

ZP10068 is a long-acting inhibitor of complement C3 in development for the treatment of complement-mediated diseases.

Complement C3 inhibitor with a broad potential to treat complement-mediated diseases
ZP10068 is an investigational, long-acting inhibitor of complement C3, which has the potential to treat a broad range of complement-mediated diseases.

The complement system is a part of the innate immune system and a central component of the complement cascade is the C3 protein. Since C3 is at the core of the complement system, its inhibition is believed to block all downstream effects of the complmenet cascade. Altered activation of the complement cascade is implicated in many immune-mediated diseases and, in particular, rare diseases such as paroxysmal nocturnal hemoglobinuria, cold agglutinin disease, myasthenia gravis, and C3 glomerulopathy.

Since ZP10068 acts on C3, it presents a broad therapeutic potential for the treatment of complement-mediated diseases.

Development status
In 2024, Alexion Pharmaceuticals discontinued development of ZP10068 citing business reasons and transferred the asset back to Zealand Pharma.

Zealand Pharma will evaluate the potential for advancing ZP10068 into the first-in-human clinical trials in 2025.

Development status for ZP10068 in 2024

Pre-clinical

Pre-clinical | Registration

Key facts

Complement system
The complement cascade is part of the innate immune system and is a series of enzymatic reactions that activate an immune response

Central role
C3 is a central protein in the complement system, essential for initiating and amplifying the cascade

C3 inhibition
ZP10068 targets and blocks the activity of complement C3 in the immune system.

READ MORE →

zealandpharma.com/pipeline/ZP10068/

Financial review

- Net operating expenses in 2024 of DKK 1,327 million are mainly driven by clinical advancement of the obesity pipeline and activities supporting the regulatory review by the U.S. FDA of the rare disease assets.

- Cash position as of December 31, 2024, is DKK 9.0 billion, reflecting a significant increase compared to the DKK 1.6 billion in cash, cash equivalents, and marketable securities as of December 31, 2023, driven by capital raises in January 2024 and June 2024 raising gross proceeds of approximately DKK 1.5 billion and DKK 7 billion respectively.

Revenue
Revenue in 2024 of DKK 63 million is mainly driven by the license and development agreement for Zegalogue®. Revenue of DKK 343 million in 2023 was mainly driven by a EUR 30 million milestone payment from Boehringer Ingelheim associated with survodutide and USD 10 million from a milestone payment from Sanofi associated with lixisenatide.

Net operating expenses
Research and development expenses in 2024 of DKK 920 million are mainly driven by clinical advancement of the company's wholly owned obesity assets, petrelintide and dapiglutide, including preparations for large, comprehensive Phase 2b trials, and activities supporting the regulatory review by the U.S. FDA of our rare disease assets.

Selling and marketing expenses of DKK 88 million in 2024 are mainly driven by pre-commercial activities associated with launch preparations for the rare disease assets. General and administrative expenses of DKK 316 million reflect additional legal expenses related to our patent portfolio and strengthening of organizational capabilities and IT infrastructure.

Other operating items of DKK -3 million in 2024 are related to a settlement of a legal dispute. Other operating items of DKK 5 million in 2023 relates to a reversal of inventory write-down associated with Zegalogue®, partly offset by an impairment of the U.S. Boston office.

Financial items
Financial items in the year of 2024 of DKK 189 million are mainly driven by interest income of DKK 170 million from the excess liquidity invested in marketable securities. This is partly offset by interest expenses from financial liabilities of DKK -32 million related to disbursement of 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 2024 compared to 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.

DKK millions	2024	2023
Revenue	63	343
Gross profit	**55**	**324**
Research and development expenses	-920	-685
Sales and marketing expenses	-88	-31
General and administrative expenses	-316	-185
Other operating items	-3	5
Net operating expenses	**-1,327**	**-896**
Operating result	**-1,272**	**-572**
Net financial items	189	-137
Result before tax	**-1,083**	**-709**
Cash and cash equivalents	480	449
Marketable securities	8,542	1,184
Cash, cash equivalents, and marketable securities	**9,022**	**1,633**
Equity	**8,617**	**1,593**
Other		
Share price (DKK)	716	373
Number of shares ('000 shares)	71,024	58,751
Market capitalization (mDKK)	50,550	21,787
Number of full-time employees at year-end	335	253

Equity
On December 31, 2024, equity was DKK 8,617 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.

In 2024, Zealand Pharma has purchased 300,000 new treasury shares. The treasury shares are allocated to performance share units (PSUs) and restricted share units (RSUs) as described further in note 4.8 Share Capital.

Cash position
Cash, cash equivalents, and marketable securities as of December 31, 2024 was DKK 9,022 million, reflecting a significant increase compared to the DKK 1,633 million in cash, cash equivalents and marketable securities as of December 31, 2023. This development in 2024 is mainly driven by the DKK 6,789 million in net proceeds from the equity offering and issuance of new shares in June 2024 and the DKK 1,427 million in net 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 931 million).

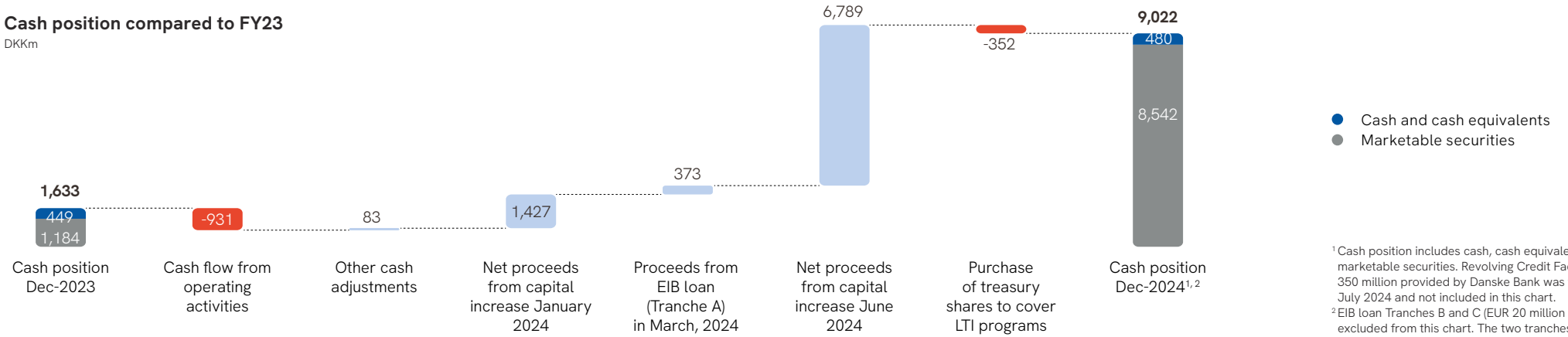
As of December 31, 2024, Zealand Pharma has placed DKK 8,542 million in low-risk marketable securities, whereas cash and cash equivalents amount to DKK 480 million. This is in line with the Company's treasury policy.

For further information on the capital increases, the EIB loan, and the RCF, please refer to note 4.0.

Events after the reporting date
In January 2025, Zealand sold its shares in Beta Bionics Inc. following the signed mutual termination agreement from October 2024. The agreed selling price was DKK 23.6 million and the sale was completed in January 2025.

Guidance
Net operating expenses in 2024 of DKK 1,327 million was within the guidance of DKK 1,250-1,350 million.

Cash position compared to FY23
DKKm



[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.

Corporate Governance

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45 Shareholder information

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Introduction

This chapter on the Corporate Governance of Zealand Pharma A/S ("Zealand Pharma") has been integrated into the Management Review of the Annual Report 2024 and covers the period January 1 – December 31, 2024.

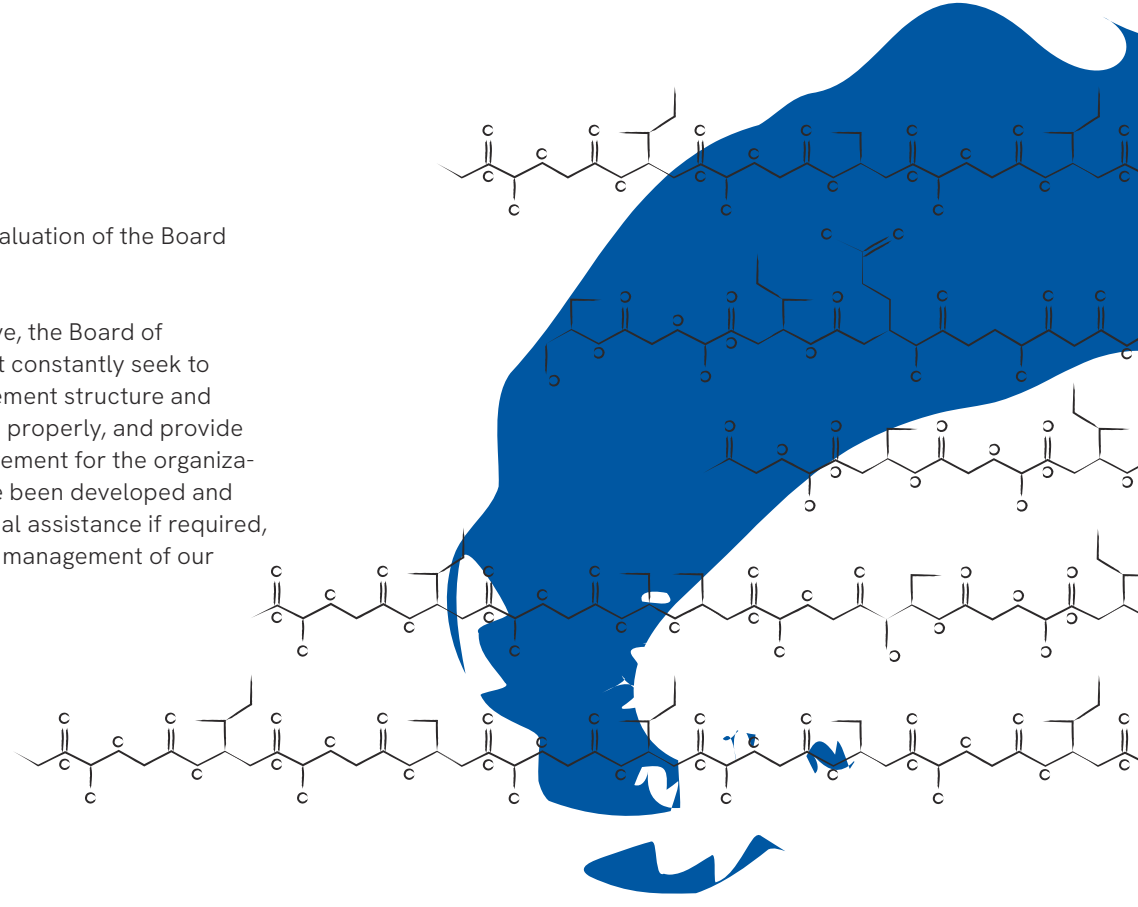
As a company incorporated under the laws of Denmark, and with its shares admitted to trading and official listing on Nasdaq Copenhagen, Zealand Pharma is subject to various applicable legislation, standards, and other regulations for publicly traded companies. These include Danish securities law and the recommendations on Corporate Governance issued by the Danish Committee on Corporate Governance (in the below ''the Recommendations'') updated on December 2, 2020.

At Zealand Pharma, we regularly review our activities to ensure that we meet our obligations to shareholders, employees, regulatory authorities, and other stakeholders while maximizing long-term value. Zealand Pharma also regularly reviews its rules, policies, and practices within risk management and internal control to improve guidelines and policies for Corporate Governance, ensuring that the standards that we set are up to date with accepted practice for a company like Zealand Pharma. In addition to these, when relevant, we have Corporate Governance activities reviewed by a third party who carries out an evaluation of the Board and how it is governed.

In addition to the reviews set out above, the Board of Directors and Corporate Management constantly seek to ensure that Zealand Pharma's management structure and control systems are efficient, function properly, and provide the right degree of control and management for the organization. Several internal procedures have been developed and are continuously updated, with external assistance if required, to ensure active, secure, and efficient management of our company.

READ MORE →

www.zealandpharma.com/about-us/corporate-governance/



Corporate Governance structure

Zealand Pharma has a two-tier management structure composed of the Board of Directors ('the Board') and Management (refer to page 34 for an overview of Zealand Pharma's Management).

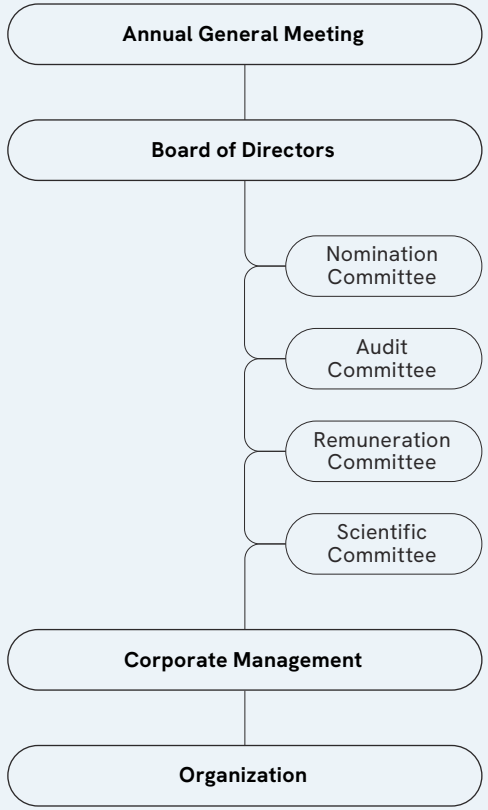
The Board is responsible for the overall vision, strategies and objectives, the financial and managerial supervision of Zealand Pharma, as well as for regular evaluation of the work of Corporate Management. In addition, the Board provides general oversight of Zealand Pharma's activities and ensures that the company is managed in a manner and in accordance with applicable law, Zealand Pharma's articles of association, and the policies and procedures that are put in place to ensure sound governance.

The Board approves the policies and procedures, and Corporate Management is responsible for the day-to-day management of Zealand Pharma in compliance with the guidelines and directions set by the Board. The allocation of responsibilities between the Board of Directors and Corporate Management is stipulated in the Rules of Procedure that are reviewed and signed every year by the members of the Board of Directors and Corporate Management after the Annual General Meeting.

Board of Directors
The Board plays an active role in setting Zealand Pharma's strategies and goals as well as in monitoring its operations and results. The Board functions according to its Rules of Procedure. The duties include establishing Zealand Pharma's policies to achieve Zealand Pharma's objectives in accordance with its articles of association that form an important set of guardrails for how the company should be governed. These also define the responsibilities of the Board, for example ensuring that Zealand Pharma's bookkeeping, accounting, asset management, information technology systems, budgeting, and internal control are properly organized.

As of December 31, 2024, Zealand Pharma's Board is comprised of seven board members elected at the Annual General Meeting and four employee representatives elected by Zealand Pharma's employees. The Annual General Meeting appoints each shareholder-elected member of the Board for a one-year term, whereas employee representatives are elected for a four-year term. All current members of the Board elected

Corporate Governance structure



The Board and board members

Board members elected by the shareholders at the Annual General Meeting 2024:
- Martin Nicklasson, Chair
- Kirsten A. Drejer, Vice Chair
- Jeffrey Berkowitz
- Bernadette Connaughton
- Leonard Kruimer
- Enrique Conterno
- Elaine Sullivan

Board members elected by the employees:
- Frederik Barfoed Beck
- Anneline Nansen
- Ludovic Tranholm Otterbein
- Adam Krisko Nygaard

In line with the Recommendations, the Board reviews and determines the qualifications and experience needed on the Board with respect to:
- Scientific knowledge within bioscience and innovation of pharmaceutical products
- Financial experience and knowledge
- Experience in leading an innovative business and insight into the biopharmaceutical market
- Experience with market entry and relationship with payers
- Experience in handling and managing partnering agreements
- Competency in ensuring that the obligations of a listed company are fulfilled

at the Annual General Meeting 2024 are up for re-election at the Annual General Meeting in 2025.

In 2024, the Board decided to carry out a full independent review of its performance. This performance was carried out independently by the Leadership Advisory Group (LAG) in compliance with article 3.5 of Danish Recommendations on Corporate Governance 2020. They used a mixture of anonymous online questionnaires. The results were presented to the Board before the 2024 Annual General Meeting and provided areas where the governance of the company could be subject to annual review and further strengthened. These recommendations were instituted as part of the company's annual review as a matter of routine.

At the beginning of 2025, the Board decided to follow this evaluation to check its progress and to ensure that there was independence when the Board was evaluated. Once again, the Board decided to use the services of the LAG to follow up from its last review of the Board in 2024. The LAG used an anonymous online questionnaire that was sent to each member of the Board and Corporate Management. LAG produced a report that was sent to the Chair and the Company Secretary.

The compiled report measures 11 separate categories and scores them based on an average of the scores from the members of the Board and Corporate Management (9 + 6 people in total). The scores indicate the following performance against benchmarks for Danish companies.

LAG report results

Category	Score from a total of 5	Benchmark	Difference	Role Model Benchmark
Strategy development and implementation	4.28	3.53	+0.75	4.28
Risk awareness, monitoring, and reporting	3.98	3.49	+0.49	4.14
Cooperation with and evaluation of the CEO and Executive Management	4.65	3.59	+1.06	4.65
Board composition and dynamics	4.35	3.57	+0.78	4.35
On- and off-boarding	3.40	3.05	+0.35	3.90
Meeting structure and operation	4.42	3.69	+0.73	4.42
Meeting effectiveness	4.49	3.72	+0.77	4.49
Shareholders and stakeholder relations	4.22	3.36	+0.86	4.29
Committee and Vice Chair value contribution	4.40	3.74	+0.66	4.40
Evaluation of the Chair	4.70	4.08	+0.62	4.70
General	4.67	3.80	+0.87	4.67

The results indicate that in 8 of the 11 categories (indicated in blue rows in the chart on previous page) Zealand Pharma's performance was regarded as exceptional across various categories. The LAG's assessment was that in these 8 categories Zealand Pharma represented a role model company Board.

The Board should meet at least 6 times a year and whenever the Chair decides that it is necessary. The Board of Directors met for a total of 9 times in 2024.

Audit Committee
The Audit Committee consists of Leonard Kruimer, Martin Nicklasson, Jeffrey Berkowitz, and Bernadette Connaughton. The committee is chaired by Leonard Kruimer.

The Audit Committee plays an active role in setting Zealand Pharma's strategies and goals as well as in monitoring its operations and results, including ESG. The Audit Committee functions according to its Charter that is reviewed on an annual basis. The duties include the internal controls and risk management systems related to financial reporting and evaluating the need for an internal audit:

- establishing procedures for the receipt, retention, and treatment of complaints received regarding accounting, internal controls, auditing, and financial reporting matters (whistle-blower function);
- nominating the statutory external auditor to be elected at the Annual General Meeting and preparing the recommendation for the Annual General Meeting regarding the election of our external auditor, as well as, if relevant, proposing to the Annual General Meeting that an external auditor is discharged;
- monitoring the strategy, plan, scope, and approach of the external auditor's annual audit;
- monitoring and approving the terms and compensation of the external auditor;
- monitoring the external auditor's reports to the Executive Management and the Board of Directors, including management letters and long-form reports, discussing any reports with the Executive Management and the external auditor, and be mainly responsible for resolving any disagreements between the external auditor and the Executive Management;
- considering (at least on an annual basis) the performance and independence of the external auditor and obtaining and reviewing a report from the external auditor substantiating that the external auditor is independent;
- reviewing policy in relation to the provision of non-audit services by the external auditor under which the Audit Committee approves non-audit services delivered by the external auditor;
- engaging independent counsel and other advisors as the Audit Committee determines necessary to carry out its duties;
- obtaining available appropriate funding as the Audit Committee determines necessary for the fulfillment of its tasks and duties; and
- evaluating on an annual basis: (i) the performance of the Audit Committee, including independence and financial expertise; and (ii) the adequacy of the Audit Committee's charter and recommendation of any proposed changes to the Board of Directors.

In 2024, specific topics discussed included auditor's reports, accounting policies, internal controls, compliance, finance, going concern status, risk management, cybersecurity, insurance policy, year-end topics, ESG reporting, transactions not in the usual course of business, and external financing.

The Audit Committee met for a total of 8 times in 2024. The committee is composed of independent members.

Remuneration Committee
The Remuneration Committee consists of Martin Nicklasson, Leonard Kruimer, and Enrique Conterno. The committee is chaired by Martin Nicklasson.

The Remuneration Committee proposes the remuneration policy as well as targets for company-operated performance-related incentive programs. These policies and guidelines set out the various components of the remuneration, including fixed and variable remuneration such as pension schemes, benefits, retention bonuses, severance, and incentive schemes, as well as the related bonus and evaluation criteria. The Remuneration Committee functions according to its Charter that is reviewed on an annual basis.

The Remuneration Committee has the following principal responsibilities:

- preparing and presenting proposals to the Board of Directors on the framework for remuneration packages for Executive Management, including, but not limited to salary, salary increases, pension rights and any compensation or termination payments, ensuring that the contractual terms are fair to the individual and to Zealand Pharma, that failure is not rewarded, and that the duty to mitigate loss is fully recognized;

- preparing and presenting proposals to the Board of Directors on remuneration matters of material importance to Zealand Pharma, including incentive programs and payments for the Executive Management. The proposals for remuneration of Executive Management, including any incentive program, shall be in accordance with and not exceed relevant comparable market practice levels at any given time;

- preparing and presenting proposals to the Board of Directors on the targets (bonus levels and performance targets) for company-operated performance-related incentive programs for Executive Management, as well as monitoring and evaluating the fulfillment of such targets;

- overseeing the implementation of any pension, retirement, death or disability, or life insurance scheme, and any incentive schemes for Executive Management; and

- reviewing and considering the proposals from our Nomination Committee on remuneration for members of the Board of Directors and Executive Management.

In 2024, specific topics discussed included long-term incentive programs for management and Board of Directors, company goals, and the compensation policy for eligible employees. Please refer to the 2024 Remuneration Report for more details.

The Remuneration Committee met for a total of 6 times in 2024. The committee is composed of independent members.

Nomination Committee
The Nomination Committee consist of Kirsten A. Drejer, Leon Kruimer, and Martin Nicklasson. The committee is chaired by Kirsten A. Drejer.

The Nomination Committee makes recommendations for decisions to the Board of Directors regarding Board positions, identifying and recommending candidates for the Board of Directors. The Nomination Committee functions according to its Charter that is reviewed on an annual basis.

Specific topics discussed in 2024 included the composition, capabilities, diversity, and independence of the Annual General Meeting elected board members as well as a review of the required skillset for the Board.

The Nomination Committee met for a total of 4 times in 2024. The committee is composed of independent members.

Scientific Committee
The Scientific Committee consists of Kirsten A. Drejer, Enrique Conterno, and Elaine Sullivan. The committee is chaired by Kirsten A. Drejer.

The Scientific Committee is a forum with the purpose of leveraging the scientific expertise of the appointed Board members, understanding and challenging the approach and assumptions of Zealand Pharma's Research & Development strategy, providing technical assistance to the Board on research and development-related topics, and guiding the Board on the risks of the Company's Research & Development strategy. In line with 2023, the specific topics discussed in 2024 included the development of the clinical pipeline, preparation for potential interactions with regulatory authorities, and a review of the pre-clinical pipeline and innovation strategy.

The Scientific Committee met for a total of 4 times in 2024. The committee is composed of independent members.

Overview of meetings in 2024

- ● Attended
- ● Absent
- ● Not part of the Board or Committee at the time of the meeting

	Board	Audit Committee	Remuneration Committee	Scientific Committee	Nomination Committee
Martin Nicklasson	●●●●●●●●	●●●●●●●●	●●●●●	N/A	●●●●
Kirsten A. Drejer	●●●●●●●●	N/A	N/A	●●●●	●●●●
Jeffrey Berkowitz	●●●●●●●●	●●●●●●●●	N/A	N/A	N/A
Bernadette Connaughton	●●●●●●●●	●●●●●●●●	N/A	N/A	N/A
Leonard Kruimer	●●●●●●●●	●●●●●●●●	●●●●●●	N/A	●●●●
Enrique Conterno	●●●●●●●●	N/A	●●●●●●	●●●●	N/A
Elaine Sullivan	●●●●●●●●	N/A	N/A	●●●●	N/A
Frederik Barfoed Beck	●●●●●●●●	N/A	N/A	N/A	N/A
Anneline Nansen	●●●●●●●●	N/A	N/A	N/A	N/A
Ludovic Tranholm Otterbein	●●●●●●●●	N/A	N/A	N/A	N/A
Adam Krisko Nygaard	●●●●●●●●	N/A	N/A	N/A	N/A

Corporate Management
Corporate Management is composed of Executive Management and other members of Corporate Management:

Executive Management
- Adam Steensberg, President and Chief Executive Officer
- Henriette Wennicke, Executive Vice President and Chief Financial Officer

Other members of the Corporate Management
- Ivan Møller, Executive Vice President, Chief Operating Officer
- Christina Sonnenborg Bredal, Executive Vice President, Chief People Officer
- David Kendell, Chief Medical Officer and Head of Research & Development
- Eric Cox, Executive Vice President, Chief Commercial Officer

Board of Directors and Corporate Management

Zealand Pharma Board of Directors at February 20, 2025

	Martin Nicklasson	Kirsten A. Drejer	Jeffrey Berkowitz
Position	Chair	Vice Chair	Board member
Year of birth	1955	1956	1966
Nationality	Swedish	Danish	American
Gender	Male	Female	Male
First elected	2015	2018	2019
Committee	AudCom, RemCom (Chair), and NomCom	NomCom (Chair) and SciCom (Chair)	AudCom
Independent	Yes	Yes	Yes
Special competencies	Extensive general management and research and development experience from AstraZeneca Plc and Swedish Orphan Biovitrum AB.	More than 30 years of international experience in the pharmaceutical and biotech industry. Before co-founding Symphogen A/S in 2000, held several scientific and managerial positions at Novo Nordisk A/S.	Global executive with extensive branded and generic pharmaceutical, retail pharmacy, wholesale drug distribution, specialty, payor, and healthcare services leadership experience in P&L accountable roles.
Current positions	Board member of Basilea Pharmaceutica Ltd. and Chair of Nykode Therapeutics ASA.	Chair of the Board of ResoTher Pharma. Board member of Curasight A/S and Malin Corporation.	CEO and Director of Real Endpoints and. Board member of H. Lundbeck A/S.

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Zealand Pharma Board of Directors at February 20, 2025, continued

	Bernadette Connaughton	Enrique Conterno	Leonard Kruimer	Elaine Sullivan
Position	Board member	Board member	Board member	Board member
Year of birth	1958	1966	1958	1961
Nationality	American	Peruvian/American	Dutch	British/Irish
Gender	Female	Male	Male	Female
First elected	2019	2024	2019	2024
Committee	AudCom	RemCom and SciCom	AudCom (Chair), RemCom, and NomCom	SciCom
Independent	Yes	Yes	Yes	Yes
Special competencies	More than 30 years of global strategic, commercial, and leadership expertise, and a broad perspective on the strategy, capabilities, and governance required for successful execution in U.S. and international markets.	27 years at Eli Lilly and Company, including SVP and Member of the Executive Committee, President of Lilly USA, and President of Lilly Diabetes, as well as roles across sales, marketing, finance, and business development. Bachelor of Science in Mechanical Engineering from Case Western Reserve University and MBA from Duke University.	More than 40 years of experience in corporate finance, planning, and strategy, including 25 years in senior executive positions in private and publicly listed biotechnology companies	Served at both AstraZeneca and Eli Lilly and Company as member of senior global R&D management teams, including VP of Global External R&D at Eli Lilly and Company and VP and Head of New Opportunities at AstraZeneca. Co-founded and served as CEO of Carrick Therapeutics. PhD in Molecular Virology from the University of Edinburgh.
Current positions	Board member of Halozyme Therapeutics Inc. and Editas Medicine.	Member of the Board of Directors of Glooko, inc. and Member of the Board of Governors of the American Red Cross.	Chair of the Board of BioInvent International AB, Board member and Chair of Audit Committee of Pharming Group NV., and Basilea Pharmaceutica Ltd. Director AI Global Investments (Netherlands).	Member of the Board of Directors of Nykode Therapeutics ASA, IP Group plc, and hVIVO Ltd.

Zealand Pharma Board of Directors at February 20, 2025, continued

	Frederik Barfoed Beck	Anneline Nansen	Adam Krisko Nygaard	Ludovic Tranholm Otterbein
Position	Employee-elected board member	Employee-elected board member	Employee-elected board member	Employee-elected board member
Year of birth	1967	1969	1984	1973
Nationality	Danish	Danish	Hungarian	French
Gender	Male	Female	Male	Male
First elected	2020	2021	2024	2024
Committee	None	None	None	None
Independent	No	No	No	No
Current positions	Associate Director, Contracts and Sourcing	Principal Scientist	Senior Statistical Programmer	Vice President, Head of IT
Zealand shares at December 31, 2024	4,722	1,375	-	416
Zealand warrants at December 31, 2024	4,187	6,980	1,459	3,457
Zealand RSUs at December 31, 2024	1,854	1,854	854	854
Change in ownership in 2024	+300	+1,125	-	-

Zealand Pharma Corporate Management at February 20, 2025

	Adam Steensberg	Henriette Wennicke	Ivan Møller	Christina Sonnenborg Bredal
Position	**Executive Management** President and Chief Executive Officer	**Executive Management** Executive Vice President and Chief Financial Officer	Executive Vice President, Chief Operating Officer	Executive Vice President, Chief People Officer
Year of birth	1974	1983	1972	1985
Nationality	Danish	Danish	American/Danish	Danish
Gender	Male	Female	Male	Female
Joined Zealand	2010	2022	2018	2020
Experience	Adam has 20+ years of experience in both the private and public sectors, including: • Chief Medical Officer at Zealand Pharma • Medical Director at Novo Nordisk • Clinician at Rigshospitalet	Henriette has 15+ years of experience from global, publicly listed companies, including: • Vice President, Head of Investor Relations & Treasury at GN Store Nord • Vice President, Head of Global Finance at GN Hearing • Director, R&D Business Support at Novo Nordisk	Ivan has 25+ years of experience in Pharma and project management, including: • Executive Vice President, Technical Development & Operations at Zealand Pharma • Global Head, Operations Management at Novartis • Vice President, Global Head, External Supply Organization at Novartis • Project Leader at Boston Consulting Group • Head of Production, PolyPeptide Laboratories A/S	Christina has 10+ years of experience in various legal and advisory areas, including: • Senior Vice President, Head of People & Organization at Zealand Pharma • Manager at PwC Legal • Tax Manager and Senior Tax Consultant at EY People Advisory Services • Trial Lawyer at Martinelli Advokatfirma

Zealand Pharma Corporate Management at February 20, 2025, continued

	David Kendall	Erix Cox
Position	Chief Medical Officer and Head of Research & Development	Executive Vice President, Chief Commercial Officer
Year of birth	1961	1967
Nationality	American	American
Gender	Male	Male
Joined Zealand	2020	2024
Experience	David has 35+ years of experience in clinical diabetes, research, and Pharma, including: • Chief Medical Officer at MannKind Corporation • Vice President, Medical Affairs and Distinguished Medical Fellow at Eli Lilly and Company • Chief Scientific and Medical Officer for the American Diabetes Association • Chief of Clinical Services and Medical Director at the International Diabetes Center • Faculty at the University of Minnesota	Eric has 25+ years of commercial and business development experience in both large pharma and biotech, including: • Vice President of Commercial including Business Development at Carmot Therapeutics (Roche) • U.S. Commercial Franchise Leader, Diabetes, Heart Failure and Chronic Kidney Disease at AstraZeneca • Global Franchise Leader, Rare Disease and Cardiovascular at Merck

[1] Please refer to page 37 for an overview of shares, warrants, RSUs held by the employee-elected members of the Board of Directors and change in such holdings in 2024.

Corporate Management
Overview of shares, warrants, PSUs, RSUs, and change in 2024

	Zealand shares at December 31, 2024	Zealand warrants at December 31, 2024	Zealand PSUs at December 31, 2024	Zealand RSUs at December 31, 2024	Change in ownership in 2024
Adam Steensberg	74,068	146,102	146,837	43,216	32,925
Henriette Wennicke	10,873	14,038	33,760	16,025	7,441
David Kendall	16,569	10,490	20,905	25,472	7,270
Ivan Møller	46,864	66,137	49,715	9,998	1,436
Christina Sonnenborg Bredal	12,810	31,761	30,346	6,381	6,076
Eric Cox	-	-	4,102	4,102	-

Board of Directors[1]
Overview of shares, warrants, RSUs, and change in 2024

	Zealand shares at December 31, 2024	Zealand warrants at December 31, 2024	Zealand RSUs at December 31, 2024	Change in ownership in 2024
Martin Nicklasson	21,236	-	9,605	2,666
Kirsten A, Drejer	10,133	-	4,802	1,333
Jeffrey Berkowitz	9,533	-	4,802	1,333
Bernadette Connaughton	9,833	-	4,802	1,333
Leonard Kruimer	17,464	-	5,802	2,133
Enrique Conterno	-	-	2,135	-
Elaine Sullivan	136	-	2,135	136

Internal controls and risk management

Zealand Pharma strives to conduct its operations in accordance with the highest ethical standards.

Zealand Pharma is a knowledge-intensive company, with a high focus on competencies and personal development. The management philosophy in Zealand Pharma is based on a high degree of trust in the company's employees. Policies and operational processes are well described with regular reporting and controls. Operations are performed mainly within the parent company Zealand Pharma A/S in Søborg, Denmark. All main research and development operations are based at the site in Søborg. The company maintains a small workforce at Zealand Pharma U.S. Inc., the U.S. subsidiary, located in Boston, Massachusetts. Some of the company's work is outsourced to various contract research, development, or manufacturing organizations.

Internal controls environment
Zealand Pharma has a number of internal control and risk management systems in place to ensure that its financial statements provide a true and fair view and comply with IFRS Accounting Standards as adopted by the EU and additional requirements under the Danish Financial Statements Act.

Zealand Pharma has several policies and procedures in key areas of financial reporting. The internal control and risk management systems are designed to mitigate, detect, and correct material misstatements rather than eliminate the risks identified in the financial reporting process.

Executive Management is responsible for implementing policies and procedures on a day-to-day basis. The Board has established an Audit Committee to advise the Board on related matters.

A review and prioritization of material accounting items is performed throughout the year. Items in the financial statements that are based on estimates or that are generated through complex processes carry a relatively higher risk of error. Zealand Pharma performs continual risk assessments to identify such items and assess their scope and related risks.

There are inherent limitations in the effectiveness of any internal control over financial reporting, including the possibility of human error and the circumvention or overriding of internal control. Accordingly, even effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation. An effective internal control environment may become inadequate in the future because of changes in conditions, or deterioration in the degree of compliance with the policies and procedures.

As of December 31, 2024, key risks and processes identified have been documented and internal controls have been designed and implemented in the organization. Internal controls have been subject to management testing and assessment to ensure that risks are addressed and managed in a responsible and efficient manner. Results have been formally reported to Executive Management.

The Board has assessed that an internal audit function is not required at Zealand Pharma in view of the company's legal structure and size.

Audit
Zealand Pharma's external auditors are appointed for a term of one year by the shareholders at the Annual General Meeting, based on the recommendation of the Board. Before such recommendation and in consultation with the Audit Committee and Executive Management, the Board assesses the independence, competencies, and other matters pertaining to the auditors.

The framework for the auditors' duties, including their remuneration, audit, and non-audit tasks, is agreed between the Audit Committee and the auditors, and endorsed by the Board.

Description of management reporting systems and internal control systems
Executive Management continually works on the design and effectiveness of its management reporting and internal

control systems in order to enable it to monitor performance, strategy, operations, business environment, organization, procedures, funding, risk, and internal controls. While implementation is ongoing, Executive Management is of the opinion that the reporting and internal controls are adequate to avoid material misstatements in the financial reporting.

The management reporting and internal control systems include the following reports:
- Annual budget
- Quarterly reports, including budget revisions in March, June, and September
- Financial performance and cash position
- Comparison of budgeted and actual performance
- Analysis of cash flows
- Project management and cost control and regular project reporting and follow-up
- Summaries of project management key performance indicators
- Controls on purchase and maintenance of assets
- Review of potential claims and litigation
- Review and updating of contracts and collaboration agreements to ensure that all commitments and liabilities are recognized as well as all income to which Zealand Pharma is entitled

In addition to the abovementioned reports, the internal control system includes a number of detailed policies and procedures, including:
- Treasury policy guiding investment of liquid assets
- Schedule of authorization guiding the sign-off of expenses and investments
- Employee manual providing guidance on policies, rules, and procedures associated with employment at Zealand Pharma

Zealand Pharma also undertakes controls to ensure the completeness and accuracy of accounting records. Such controls are prepared, reviewed, tested, and documented in an online controls tool.

Zealand Pharma's Executive Management considers that the above high-level and detailed controls contribute to more effective financial reporting procedures.

Control environment/accounting
Incoming invoices are approved electronically. An approval hierarchy ensures that invoices are approved by the appropriate persons in accordance with Zealand Pharma's Schedule of Authorization. Payment proposals are approved through online banking and require two staff members to complete the transaction. No changes to vendors' banking details can be performed without approval.

Risk assessment
As part of the risk assessment process, a review and prioritization of key risks and material accounting items has been performed. These risks have been analyzed with relevant controls described.

The areas deemed to have a moderate to high-risk profile are:
- Revenue recognition and share-based compensation, which involve a degree of judgement and estimation with a risk profile assessed to be moderate
- Counterparty risk for liquid assets
- Risk of fraud

It is Executive Management's view that the current controls are adequately reducing the risk of significant errors in the financial statements.

The end-of-period process
In addition to controls of individual accounting items, it is important to maintain a high level of control over the different steps involved in transforming raw accounting data into final quarterly or annual reports.

The quarterly and year-end processes involve detailed documentation of each balance sheet item as well as documentation supporting all notes to the accounts.

Executive Management reviews the accounting policies used and assesses the need for any new accounting policies. Any items where estimates and/or judgements influence the accounts are discussed with the Audit Committee and are described in note 1.3 in the Annual Report.

IT
In addition to the controls performed by Management, Zealand Pharma's IT department has policies in place covering data governance, use of IT, and information security. IT is leveraging an external Security Operation Center (SOC) provider for Monitoring Detection Response (MDR) and Incident Response (IR). An employee cyber security training program is also implemented. IT continues to invest in infrastructure and network hardening.

Risk and risk mitigation

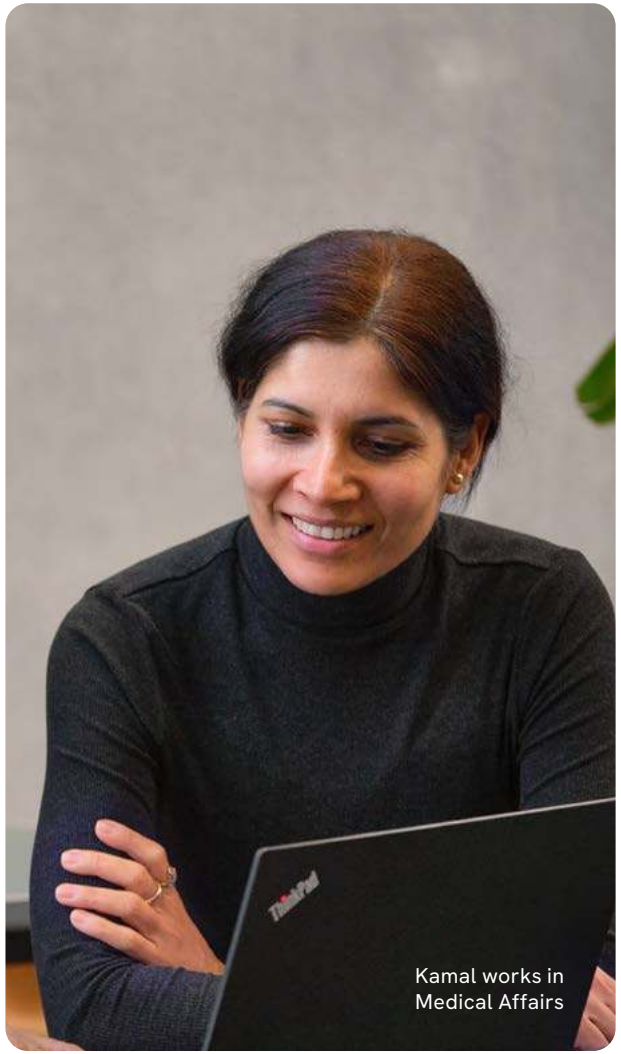
We constantly monitor and assess the overall risk of doing business in the drug development industry and the particular risks associated with our current activities and corporate profile.

Zealand Pharma's Corporate Management is responsible for implementing adequate systems and policies in relation to risk management and internal control and for assessing the overall and specific risks associated with Zealand Pharma's business and operations. Furthermore, Zealand Pharma's Corporate Management seeks to ensure that such risks are managed optimally and in a responsible and efficient manner.

Doing business in the drug development industry involves major financial risks. The development period for novel medicines takes several years; costs are high, and the probability of reaching the market is relatively low due to developmental and regulatory hurdles.

Risks of particular importance to Zealand Pharma are scientific and development risks, commercial risks, intellectual property risks, clinical trial risks, regulatory risks, partner interest risks, financial risks, and risks relating to financial reporting. Risk and mitigation plans are monitored by Corporate Management, and the continuous risk assessment is an integral part of the yearly reporting to the Board. In addition to these, each project team has a risk identification and mitigation assessment using a standard internal matrix that is used across the company. This is used by each project team to ensure that there is a consistent approach to risk and that appropriate risks are identified. This is updated during the lifetime of any project.

On the following pages we have summarized Zealand Pharma's key risk areas and how we attempt to address and mitigate such risks.


Kamal works in Medical Affairs

Zealand Pharma risks and mitigations

Product pipeline

Risk
Research and development activities for new pharmaceutical product candidates are costly and require lengthy clinical trials, which, by nature, are uncertain and associated with high risk of failure. Adverse events in clinical trials or failure to satisfactorily demonstrate safety and efficacy of product candidates to regulatory authorities could lead to delays in completing clinical trials, additional costs to Zealand Pharma, or ultimately failure to progress the product candidates towards the market.

Mitigation
Our clinical project teams work closely with external expert clinicians and product development experts within the industry to design, set up, and conduct the clinical programs. Our employees have been selected due to their extensive experience within their field of expertise and receive training on a continuous basis to develop and fulfill requirements. We also engage in meetings with regulatory authorities to ensure that there is alignment on the regulatory strategy and trial requirements.

Partnerships

Risk
Zealand Pharma has a business model that is dependent on partnerships in development, manufacturing, and commercialization. Quality or supply issues at key third-party manufacturers may lead to regulatory delays or impact clinical or commercial supply. Failure to secure or manage future commercialization partnerships may result in loss of product value and negatively impact access for patients.

Mitigation
Suppliers are regularly audited to ensure proper quality. To maximize the value of all partnerships, we strive to foster a close and open dialogue with our partners, thereby building strong partnerships that work effectively.

Workforce and management

Risk
Zealand Pharma's ability to attract and retain highly skilled and talented employees is key to our success and future growth. Loss of key employees may lead to delays in the development of Zealand Pharma's product candidates, loss of important know-how, and impact the company's culture.

Mitigation
Zealand Pharma strives to be an enriching, inspiring, and great place to work. Throughout our 26-year history, we have built a unique company culture. Engagement surveys show high engagement (8.8/10) and a high sense of purpose for all employees. Peer and pay reviews are performed regularly and we invest in training, development, and active culture management to ensure a continued good working environment.

Finance and macroeconomics

Risk
Exposure to macroeconomic risks related to interest rates as well as volatility and instability in the financial markets could potentially lead to Zealand Pharma's inability to secure financing.

Mitigation
Zealand Pharma's cash position following the capital raises in 2024 makes the company less vulnerable to financial instability. As stipulated in our treasury policy, we work diligently to secure a healthy balance sheet by managing our cash, investments, and debt while also hedging our exposure to, for example, exchange rate risk.

Zealand Pharma risks and mitigations, continued

IT security

Risk
Cyberattacks may lead to theft or leakage of patient data, personal employee data, intellectual property, and confidential business data, potentially impacting Zealand Pharma's operations and reputation, resulting in fines from authorities or financial losses.

Mitigation
We employ qualified IT professionals, including dedicated specialists, who use external assistance from qualified vendors to provide advice on cybersecurity and systems security where relevant. All members of staff are trained in IT security and our IT systems use multi-authentication systems as appropriate to reduce the risk of unauthorized entry into the systems. Our company has appropriate protection systems from viruses and malware. The most sensitive data is encrypted and subject to restricted internal use.

Climate and geopolitical environment

Risk
Climate or geopolitical events may impact Zealand Pharma's or a partner's business operations due to supply issues. Trial recruitment could be delayed due to geopolitical issues or global health crises as seen during the COVID-19 pandemic. Increased regulatory requirements and public sentiment will require Zealand Pharma to manage its carbon footprint. Inability to do so could lead to compliance issues and investor dissatisfaction.

Mitigation
Zealand Pharma's direct environmental footprint is considered relatively low, mainly due to the outsourcing of investigational medicinal product to third-party manufacturers. When selecting and evaluating contract manufacturing organizations, we have included environmental criteria as part of our Supplier Code of Conduct to ensure standards are met and climate footprint is minimized. We have launched an ESG strategy and, among other things, estimated a CO_2 baseline while setting proper decarbonization targets.

Legal, patent, and compliance risk

Risk
If we or our partners were to face infringement claims or challenges by third parties, an adverse outcome could subject us or our partners to significant liabilities to such third parties or lead to the withdrawal of our products or product candidates. This could lead us or our partners to curtail or cease the development of some or all of their drug product candidates or cause our partners to seek legal or contractual remedies against us, potentially involving a reduction in the royalties due to us.

Mitigation
Our patent department works closely with external patent counsels and partners' patent counsels to minimize the risk of patent infringement claims as well as to prepare any patent defense should this be necessary. Our employees receive training and updates on policies regarding the correct and lawful management of internal and external intellectual property.

Regulatory environment

Risk
The regulatory approval processes of the U.S. Food and Drug Administration (U.S. FDA), the European Medicines Agency (EMA), and other regulatory authorities can be lengthy and inherently unpredictable. If we or our collaboration partners are ultimately unable to obtain regulatory approval for internal or out-licensed product candidates, our business could be substantially harmed.

Mitigation
Our regulatory department works closely with external consultants and regulatory agents to develop regulatory strategies. We also engage in meetings with regulatory authorities to ensure that there is alignment on the regulatory strategy and trial requirements.

Shareholder information

We are listed on Nasdaq Copenhagen under the ticker symbol ZEAL.

Core share data

	Denmark
Number of shares at Dec. 31, 2024	71,023,871
Listing	Nasdaq Copenhagen
Ticker symbol	ZEAL
Index memberships	OMXCopenhagen25 STOXX Europe 600

At December 31, 2024, the nominal value of our share capital was DKK 71,023,871, divided into 71,023,871 shares with a nominal value of DKK 1 each.

In 2024, the share capital increased by a nominal value of DKK 12.3 million from a directed issue and private placement (DKK 3.76 million), an equity offering (DKK 8.35 million), and exercise of employee warrants (DKK 0.16 million). All Zealand shares are ordinary shares and belong to one class. Each share listed by name in Zealand's shareholder register represents one vote at the Annual General Meeting and other shareholders' meetings.

Change in number of shareholders during 2024

The number of registered shareholders in Zealand Pharma increased to 49,575 at December 31, 2024, from 36,798 at December 31, 2023.

Ownership

The following shareholders are registered in Zealand Pharma's register of shareholders as being the owners of a minimum of 5% of the voting rights or a minimum of 5% of the share capital (one share equals one vote) at February 20, 2025:

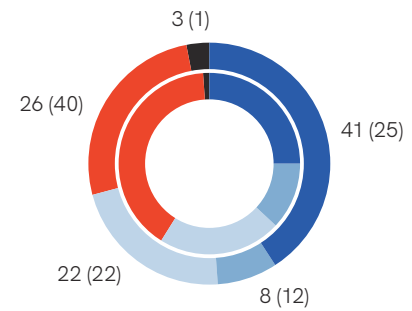
- Van Herk Investments, Netherlands (9.68% of votes/9.68% of capital)
- The Capital Group Companies, Inc., United States (6.20% of votes/6.20% of capital)
- Avoro Capital Advisors, LLC, United States (5.62% of votes/5.62% of capital)

Note to U.S. investors

Zealand Pharma may become a passive foreign investment company (PFIC) which could result in U.S. federal income tax consequences to U.S. investors.

Institutional shareholders by geography in 2024 and (2023)

%



- United States
- Denmark
- United Kingdom
- Rest of Europe
- Rest of World

Based on Nasdaq Corporate Solutions aggregated data per December 2024 and December 2023.

Share price performance

The price of Zealand Pharma 's shares increased by 91.7% during 2024 with a market closing share price at year-end of DKK 715.5, compared to DKK 373.2 at year-end 2023.

Annual General Meeting

The Annual General Meeting is scheduled to be held electronically and in-person on Thursday, March 27, 2025 at 3:00 PM CET. Additional information will become available at → https://www.zealandpharma.com/investors/annual-general-meeting/ no later than 3 weeks before the Annual General Meeting.

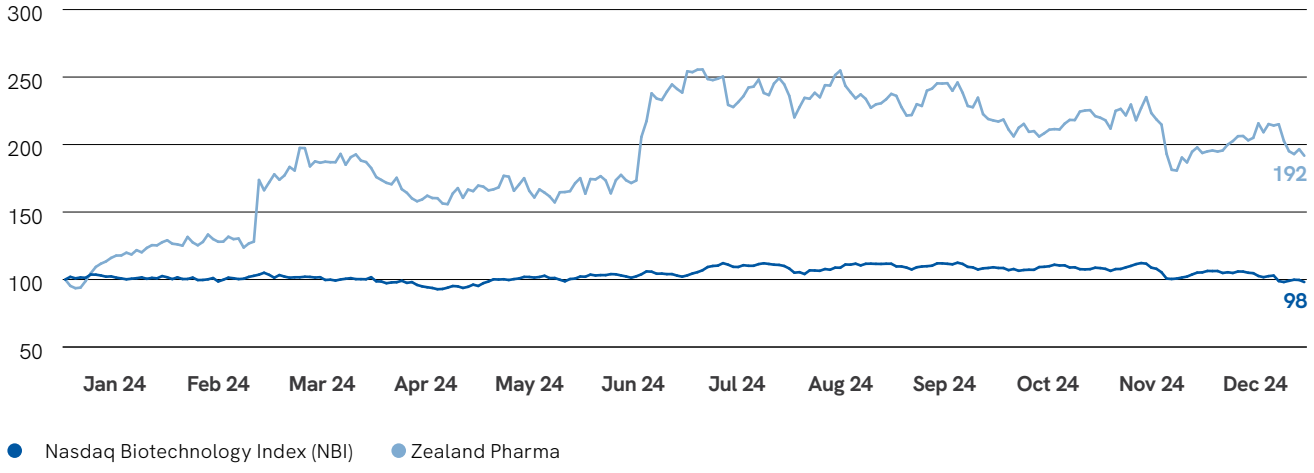
Financial Calendar 2025

Date	Event
March 27	Annual General Meeting
May 8	Q1 Earnings Release / Interim Report First Quarter 2025
August 14	H1 Earnings Release / Interim Report First Half 2025
November 13	Q3 Earnings Release / Interim Report Third Quarter 2025

All dates are subject to NASDAQ deadlines and reporting requirements and may be subject to change

Share price performance in 2024

Index, January, 1, 2024 = 100



Analyst coverage

Zealand Pharma is followed by the financial institutions and analysts listed below:

Institution	Analyst
Bank of America	Charlie Haywood
Berenberg	Kerry Holford
BTIG	Julian Harrison
Cantor Fitzgerald	Prakhar Agrawal
Carnegie	Jesper Ilsøe
Deutsche Bank AG	Emmanuel Papadakis
DNB	Rune Majlund Dahl
Goldman Sachs & Co.	Rajan Sharma
Jefferies	Lucy Codrington
J.P.Morgan	James Gordon
KBC Securities	Jacob Mekhael
Morgan Stanley	Laura Hindley
Nordea	Michael Novod
SEB	Thomas Bowers
Van Lanschot Kempen	Suzanne van Voorthuizen

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Annex: Recommendations on Corporate Governance

For the financial year of 2024, Zealand Pharma is subject to the Recommendations for Good Corporate Governance from 2 December 2020, which are available on the Committee on Corporate Governance's website https://corporategovernance.dk/.

The following table indicates whether Zealand Pharma complies with the recommendations of the Committee on Corporate Governance. In line with the 'comply or explain' principle, Zealand Pharma has provided explanations if recommendations are not fully complied with.

Zealand Pharma complies with the Recommendations on Corporate Governance in all material respects, with notes on those areas where it has chosen to depart from those recommendations set out below. Zealand Pharma has chosen to depart or had provided explanations in respect of the following areas of the Recommendations:

2.1.1. The Committee recommends that the board of directors, in support of the company's statutory objects according to its articles of association and the long-term value creation, considers the company's purpose and ensures and promotes a good culture and sound values in the company. The company should provide an account thereof in the management commentary and/or on the company's website.

This corporate governance statement has been approved by the Board of Directors on February 20, 2025

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✔ Complies

✘ Not compliant

Recommendation	The company complies	The company explains	
		Why	*How*
1. Interaction with the company's shareholders, investors, and other stakeholders			
1.1. Communication with the company's shareholders, investors, and other stakeholders			
1.1.1. The Committee recommends that the management, through ongoing dialogue and interaction, ensures that shareholders, investors, and other stakeholders gain the relevant insight into the company's affairs, and that the board of directors obtains the possibility of hearing and including their views in its work.	✓		
1.1.2. The Committee recommends that the company adopts policies on the company's relationships with its shareholders, investors, and, if relevant, other stakeholders in order to ensure that the various interests are included in the company's considerations and that such policies are made available on the company's website.	✓		
1.1.3. The Committee recommends that the company publishes quarterly reports.	✓		
1.2. The general meeting			
1.2.1. The Committee recommends that the board of directors organizes the company's general meeting in a manner that allows shareholders, who are unable to attend the meeting in person or are represented by proxy at the general meeting, to vote and raise questions to the management prior to or at the general meeting. The Committee recommends that the board of directors ensures that shareholders can observe the general meeting via webcast or other digital transmission.	✓		
1.2.2. The Committee recommends that proxies and postal votes to be used at the general meeting enable the shareholders to consider each individual item on the agenda.	✓		
1.3. Takeover bids			
1.3.1. The Committee recommends that the company has a procedure in place in the event of takeover bids, containing a "road map" covering matters for the board of directors to consider in the event of a takeover bid, or if the board of directors obtains reasonable grounds to suspect that a takeover bid may be submitted. In addition, it is recommended that it appears from the procedure that the board of directors abstains from countering any takeover bids by taking actions that seek to prevent the shareholders from deciding on the takeover bid, without the approval of the general meeting.	✓		

Recommendation	The company complies	The company explains	
		Why	*How*
1.4. Corporate Social Responsibility	✓		
1.4.1. The Committee recommends that the board of directors adopts a policy for the company's corporate social responsibility, including social responsibility and sustainability, and that the policy is available in the management commentary and/or on the company's website. The Committee recommends that the board of directors ensures compliance with the policy.	✓		
1.4.2. The Committee recommends that the board of directors adopts a tax policy to be made available on the company's website.	✓		
2. The duties and responsibilities of the board of directors			
2.1. Overall tasks and responsibilities			
2.1.1. The Committee recommends that the board of directors in support of the company's statutory objects according to its articles of association and the long-term value creation considers the company's purpose and ensures and promotes a good culture and sound values in the company. The company should provide an account thereof in the management commentary and/or on the company's website.	✗	The company has a formal staff engagement survey that is provided to the Board every year.	The company will work with advisors to work on additional areas to develop this new requirement.
2.1.2. The Committee recommends that the board of directors at least once a year discusses and on a regular basis follows up on the company's overall strategic targets in order to ensure the value creation in the company.	✓		

Recommendation	The company complies	The company explains	
		Why	*How*
2.1.3. The Committee recommends that the board of directors on a continuous basis takes steps to examine whether the company's share and capital structure supports the strategy and the long-term value creation in the interest of the company as well as the shareholders. The Committee recommends that the company gives an account thereof in the management commentary.	✓		
2.1.4. The Committee recommends that the board of directors prepares and on an annual basis reviews guidelines for the executive management, including requirements in respect of the reporting to the board of directors.	✓		
2.2. Members of the board of directors			
2.2.1. The Committee recommends that the board of directors, in addition to a chairperson, appoints a vice chairperson, who can step in if the chairperson is absent and who can generally act as the chairperson's close sparring partner.	✓		
2.2.2. The Committee recommends that the chairperson in cooperation with the individual members of the board of directors ensures that the members update and supplement their knowledge of relevant matters, and that the members' special knowledge and qualifications are applied in the best possible manner.	✓		
2.2.3. The Committee recommends that if the board of directors, in exceptional cases, requests a member of the board of directors to take on special duties for the company, for instance, for a short period to take part in the daily management of the company, the board of directors should approve this in order to ensure that the board of directors maintains its independent overall management and control function. It is recommended that the company publishes any decision on allowing a member of the board of directors to take part in the daily management, including the expected duration thereof.	✓		
3. The composition, organization, and evaluation of the board of directors			
3.1. Composition			
3.1.1. The Committee recommends that the board of directors on an annual basis reviews and in the management commentary and/or on the company's website states • which qualifications the board of directors should possess, collectively and individually, in order to perform its duties in the best possible manner, and • the composition of and diversity on the board of directors.	✓		

Recommendation	The company complies	The company explains	
		Why	*How*
3.1.2. The Committee recommends that the board of directors on an annual basis discusses the company's activities in order to ensure relevant diversity at the different management levels of the company and adopts a diversity policy, which is included in the management commentary and/or available on the company's website.	✓		
3.1.3. The Committee recommends that candidates for the board of directors are recruited based on a thorough process approved by the board of directors. The Committee recommends that in assessing candidates for the board of directors – in addition to individual competencies and qualifications – the need for continuity, renewal, and diversity is also considered.	✓		
3.1.4. The Committee recommends that the notice convening general meetings, where election of members to the board of directors is on the agenda - in addition to the statutory items - also includes a description of the proposed candidates' • qualifications, • other managerial duties in commercial undertakings, including board committees, • demanding organizational assignments and • independence.	✓		
3.1.5. The Committee recommends that members to the board of directors elected by the general meeting stand for election every year at the annual general meeting, and that the members are nominated and elected individually.	✓		

Recommendation	The company complies	The company explains	
		Why	*How*
3.2. The board of director's independence			
3.2.1. The Committee recommends that at least half of the members of the board of directors elected in general meeting are independent in order for the board of directors to be able to act independently avoiding conflicts of interests. In order to be independent, the member in question may not: • be or within the past five years have been a member of the executive management or an executive employee in the company, a subsidiary or a group company, • within the past five years have received large emoluments from the company/group, a subsidiary, or a group company in another capacity than as member of the board of directors, • represent or be associated with a controlling shareholder, • within the past year have had a business relationship (e.g. personally or indirectly as a partner or an employee, shareholder, customer, supplier, or member of a governing body in companies with similar relations) with the company, a subsidiary, or a group company, which is significant for the company and/or the business relationship, • be or within the past three years have been employed with or a partner in the same company as the company's auditor elected in general meeting, • be a CEO in a company with cross-memberships in the company's management, • have been a member of the board of directors for more than twelve years, or • be closely related to persons, who are not independent, cf. the above-stated criteria. Even if a member of the board of directors does not fall within the above-stated criteria, the board of directors may for other reasons decide that the member in question is not independent.	✓		
3.2.2. The Committee recommends that members of the executive management are not members of the board of directors and that members retiring from the executive management does not join the board of directors immediately thereafter.	✓		

Recommendation	The company complies	The company explains	
		Why	*How*
3.3. Members of the board of directors and the number of other managerial duties			
3.3.1. The Committee recommends that the board of directors and each of the members on the board of directors, in connection with the annual evaluation, cf. recommendation 3.5.1., assesses how much time is required to perform the board duties. The aim is for the individual member of the board of directors not to take on more managerial duties than the board member in question is able to perform in a satisfactory manner.	✓		
3.3.2. The Committee recommends that the management commentary, in addition to the statutory requirements, contains the following information on the individual members of the board of directors: • position, age, and gender, • competencies and qualifications relevant to the company, • independence, • year of joining the board of directors, • year of expiry of the current election period, • participation in meetings of the board of directors and committee meetings, • managerial duties in other commercial undertakings, including board committees, and demanding organizational assignments, and • the number of shares, options, warrants, etc. that the member holds in the company and its group companies and any changes in such holdings during the financial year.	✓		
3.4. Board committees			
3.4.1. The Committee recommends that that the management describes in the management commentary: • the board committees' most significant activities and number of meetings in the past year, and • the members on the individual board committees, including the chairperson and the independence of the members of the committee in question. In addition, it is recommended that the board committees' terms of reference are published on the company's website.	✓		
3.4.2. The Committee recommends that board committees solely consist of members of the board of directors and that the majority of the members of the board committees are independent.	✓		

Recommendation	The company complies	The company explains	
		Why	*How*
3.4.3. The Committee recommends that the board of directors establishes an audit committee and appoints a chairperson of the audit committee, who is not the chairperson of the board of directors. The Committee recommends that the audit committee, in addition to its statutory duties, assists the board of directors in: • supervising the correctness of the published financial information, including accounting practices in significant areas, significant accounting estimates and related party transactions, • reviewing internal control and risk areas in order to ensure management of significant risks, including in relation to the announced financial outlook, • assessing the need for internal audit, • performing the evaluation of the auditor elected by the general meeting, • reviewing the auditor fee for the auditor elected by the general meeting, • supervising the scope of the non-audit services performed by the auditor elected by the general meeting, and • ensuring regular interaction between the auditor elected by the general meeting and the board of directors, for instance, that the board of directors and the audit committee at least once a year meet with the auditor without the executive management being present. If the board of directors, based on a recommendation from the audit committee, decides to set up an internal audit function, the audit committee must: • prepare terms of reference and recommendations on the nomination, employment, and dismissal of the head of the internal audit function and on the budget for the department, • ensure that the internal audit function has sufficient resources and competencies to perform its role, and • supervise the executive management's follow-up on the conclusions and recommendations of the internal audit function.	✓		

Recommendation	The company complies	The company explains	
		Why	*How*
3.4.4. The Committee recommends that the board of directors establishes a nomination committee to perform at least the following preparatory tasks: • describing the required qualifications for a given member of the board of directors and the executive management, the estimated time required for performing the duties of this member of the board of directors, and the competencies, knowledge, and experience that is or should be represented in the two management bodies, • on an annual basis evaluating the board of directors and the executive management's structure, size, composition, and results and preparing recommendations for the board of directors for any changes, • in cooperation with the chairperson handling the annual evaluation of the board of directors and assessing the individual management members' competencies, knowledge, experience, and succession as well as reporting on it to the board of directors, • handling the recruitment of new members to the board of directors and the executive management and nominating candidates for the board of directors' approval, • ensuring that a succession plan for the executive management is in place, • supervising executive managements' policy for the engagement of executive employees, and • supervising the preparation of a diversity policy for the board of directors' approval.	✓		
3.4.5. The Committee recommends that the board of directors establishes a remuneration committee to perform at least the following preparatory tasks: • preparing a draft remuneration policy for the board of directors' approval prior to the presentation at the general meeting, • providing a proposal to the board of directors on the remuneration of the members of the executive management, • providing a proposal to the board of directors on the remuneration of the board of directors prior to the presentation at the general meeting, • ensuring that the management's actual remuneration complies with the company's remuneration policy and the evaluation of the individual member's performance, and • assisting in the preparation of the annual remuneration report for the board of directors' approval prior to the presentation for the general meeting's advisory vote.	✓		

Recommendation	The company complies	The company explains	
		Why	*How*
3.5. Evaluation of the board of directors and the executive management			
3.5.1. The Committee recommends that the board of directors once a year evaluates the board of directors and at least every three years engages external assistance in the evaluation. The Committee recommends that the evaluation focuses on the recommendations on the board of directors' work, efficiency, composition, and organization, cf. recommendations 3.1.-3.4. above, and that the evaluation as a minimum always includes the following topics: • the composition of the board of directors with focus on competencies and diversity • the board of directors and the individual member's contribution and results, • the cooperation on the board of directors and between the board of directors and the executive management, • the chairperson's leadership of the board of directors, • the committee structure and the work in the committees, • the organization of the work of the board of directors and the quality of the material provided to the board of directors, and • the board members' preparation for and active participation in the meetings of the board of directors.	✓		
3.5.2. The Committee recommends that the entire board of directors discusses the result of the evaluation of the board of directors and that the procedure for the evaluation and the general conclusions of the evaluation are described in the management commentary, on the company's website, and at the company's general meeting.	✓		
3.5.3. The Committee recommends that the board of directors at least once a year evaluates the work and results of the executive management according to pre-established criteria, and that the chairperson reviews the evaluation together with the executive management. In addition, the board of directors should on a continuous basis assess the need for changes in the structure and composition of the executive management, including in respect of diversity, succession planning, and risks, in light of the company's strategy.	✓		

Recommendation	The company complies	The company explains	
		Why	*How*
4. Remuneration of management			
4.1. Remuneration of the board of directors and the executive management			
4.1.1. The Committee recommends that the remuneration for the board of directors and the executive management and the other terms of employment/service is considered competitive and consistent with the company's long-term shareholder interests.	✓		
4.1.2. The Committee recommends that share-based incentive schemes are evolving, i.e., that they are periodically granted, and that they primarily consist of long-term schemes with a vesting or maturity period of at least three years.	✓		
4.1.3. The Committee recommends that the variable part of the remuneration has a cap at the time of grant, and that there is transparency in respect of the potential value at the time of exercise under pessimistic, expected, and optimistic scenarios.	✓		
4.1.4. The Committee recommends that the overall value of the remuneration for the notice period, including severance payment, in connection with a member of the executive management's departure, does not exceed two years' remuneration including all remuneration elements.	✓		
4.1.5. The Committee recommends that members of the board of directors are not remunerated with share options and warrants.	✓		
4.1.6. The Committee recommends that the company has the option to reclaim, in whole or in part, variable remuneration from the board of directors and the executive management if the remuneration granted, earned, or paid was based on information, which subsequently proves to be incorrect, or if the recipient acted in bad faith in respect of other matters, which implied payment of a too large variable remuneration.	✓		

Recommendation	The company complies	The company explains	
		Why	*How*
5. Risk management			
5.1. Identification of risks and openness in respect of additional information			
5.1.1. The Committee recommends that the board of directors based on the company's strategy and business model considers, for instance, the most significant strategic, business, accounting, and liquidity risks. The company should in the management commentary give an account of these risks and the company's risk management.	✓		
5.1.2. The Committee recommends that the board of directors establishes a whistleblower scheme, giving the employees and other stakeholders the opportunity to report serious violations or suspicion thereof in an expedient and confidential manner, and that a procedure is in place for handling such whistleblower cases.	✓		

Sustainability Report

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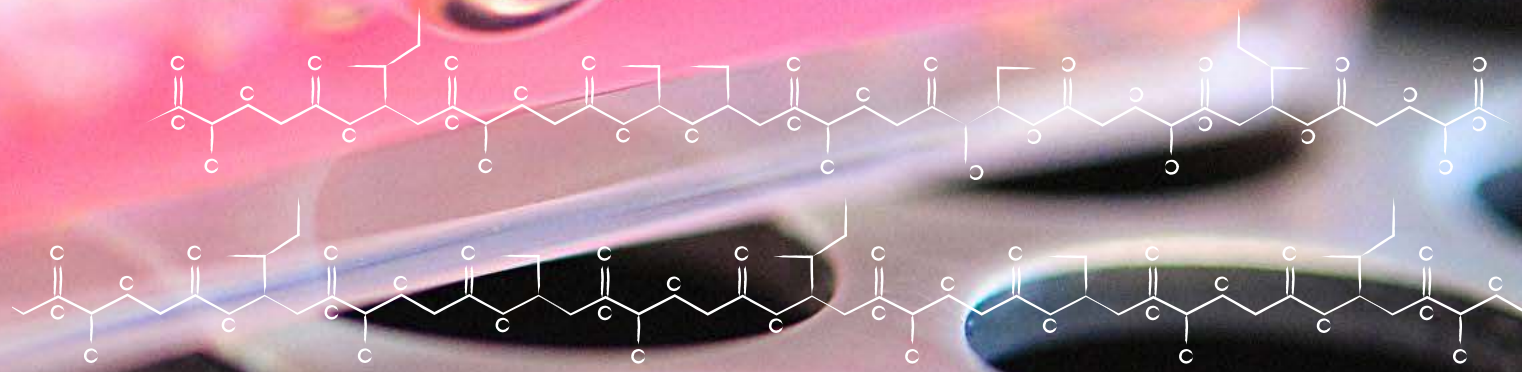

A WORD FROM OUR CEO AND OUR CORPORATE MANAGEMENT TEAM

A defining year for sustainability

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2024 was a truly transformative year for Zealand Pharma as a business. And, with the launch of our first dedicated sustainability strategy, it was also a defining one.

Thorough environmental management, a commitment to our employees and the patients we seek to serve, as well as ethical and responsible business conduct have always been integrated into our way of working, but 2024 marks a paradigm shift with the launch of our first dedicated sustainability strategy. With this, we substantially increase our efforts to operate responsibly, build a sustainable organization, and push for a positive societal development.

Our environmental commitment
In 2024, we calculated our Greenhouse Gas emissions for the first time. We also developed a Climate Change Transition Plan to outline our reduction possibilities and ensure that our activities are in line with limiting global warming to 1.5 °C in accordance with the Paris Agreement. As a rapidly growing company, this can be challenging, but we remain dedicated to transitioning our company and working together with our business partners to mitigate climate change.

Building a sustainable organization
In 2024, we achieved notable organizational growth, expanding our number of employees by 82, an increase of 30% compared to 2023. Such growth is a challenge for any company. Therefore, we are humbled that we were able to maintain our high employee engagement score from employee surveys during the year and achieve an even lower employee turnover than in 2023. We believe this is a testament to our unique and strong company culture, and we are incredibly proud that we can maintain our 'DNA' in this transformation.

Focusing on the needs of patients
Our purpose is to change lives with next-generation peptide therapeutics, and patients are at the center of everything we do. We are focused on developing new and better medications for the many people globally living with obesity, one of the greatest healthcare challenges we face as a society. At the same time, we have a long-standing commitment to patients living with certain rare diseases. In 2024, we significantly advanced our pipeline of differentiated product candidates in obesity and inflammation. With our two rare disease programs for short bowel syndrome and congenital hyperinsulinism, respectively, we faced regulatory hurdles but remain committed to bringing these potential best-in-class innovative medicines to patients in need as quickly as possible.

Fostering solid governance and ethical business practices
Integral to everything we do is being a trusted business partner and conducting business in an ethical and responsible way. However, our business is also changing, and so is the world around us. Our focus in 2024 has nevertheless been to maintain our high ethical and compliance standards, while at the same time developing new, scalable processes and procedures. We have also worked to further integrate sustainability matters into our decision-making and due diligence processes, and we look forward to continuing this work in 2025 and beyond.

A look to the future
We look toward the future with enthusiasm, confidence, and dedication. We are enthusiastic about our growth prospects and the opportunity to leave a positive impact on society. We have confidence in our innovative pipeline of investigational product candidates and their ability to change lives for the better. At the same time, we remain fully dedicated to building a sustainable organization and serving our patients and clinical trial participants in a sustainable way.

On behalf of the Corporate Management team

Adam Steensberg
President and
Chief Executive Officer

Sustainability highlights

With the launch of our first dedicated sustainability strategy, 2024 was a defining year for our work with sustainability. Our strategy has three main focus areas - our patients, our people and our operations. Each pillar includes several sustainability topics, sets the basis for our efforts, and constitutes the frame of our sustainability reporting.

READ MORE →

Find all our sustainability data and accounting policies on pages 108 - 115

Our patients

We leverage innovation to advance the health and wellbeing of patients

84%
employees (FTEs) working with R&D

23
active trials with Zealand Pharma products

Our people

We foster an engaging and enriching workplace for our people

30%
increase of employees from 2023

8.8
of 10 in employee engagement score

Our operations

We take responsibility for the impact of our operations

267,000
tCO_2e emissions

Launched Climate Change transition plan

99%
of emissions coming from scope 3

0
cases or fines in relation to corruption or bribery

General information

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Disclaimer
While Zealand Pharma is not legally required to report according to the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) before the financial year of 2025, the following report will follow the structure and include some key dimensions of the CSRD and ESRS. Thus, the following is to be considered as a voluntary reporting, not a legally required "Sustainability statement". This Sustainability report fulfils Zealand Pharma's current legal requirements regarding Corporate Social Responsibility cf. section 99a of the Financial Statements Act

GENERAL INFORMATION

Sustainability governance and accountability

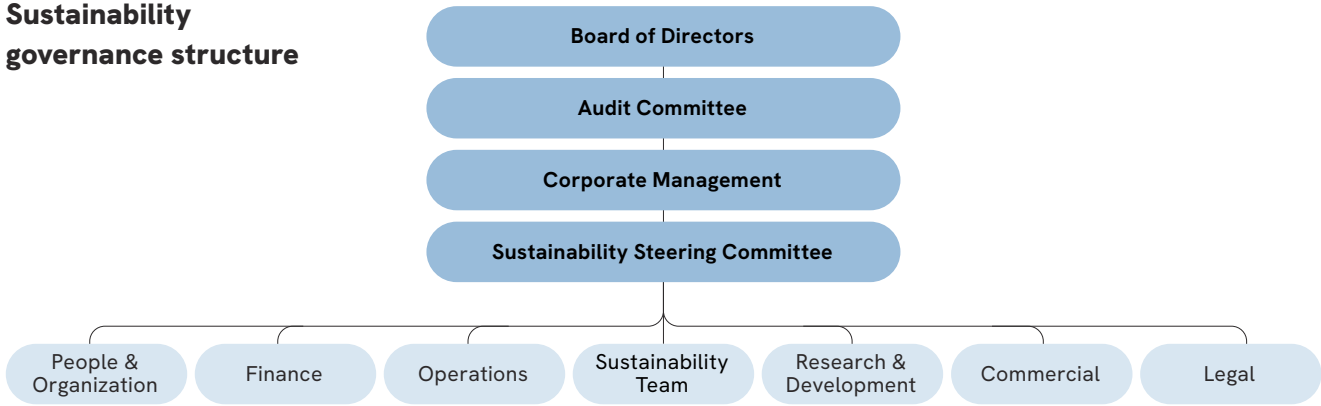
Zealand Pharma's purpose is to change lives with next-generation peptide therapeutics, and working to improve society is at the core of everything we do.

We strive to run a sustainable business. Sustainability and all sustainability-related matters are owned at the top of the organization and worked with throughout Zealand Pharma.

The Board of Directors sets the overall Corporate Strategy for Zealand Pharma as well as our Sustainability Strategy, while the Audit Committee oversees reporting, ESG policies, governance, and Zealand Pharma's ongoing efforts to manage sustainability-related impacts, risks, and opportunities.

For more information about the composition and diversity of Zealand Pharma's Board of Directors and Audit Committee, we refer to → page 35 of our Corporate Governance section.

Sustainability governance structure



In Corporate Management, sustainability is the responsibility of our Chief Financial Officer and our Chief People Officer. Our Sustainability Steering Committee is constituted by our Chief Financial Officer, Chief People Officer, Chief Operating Officer, and General Counsel, and is responsible for executing our sustainability strategy, ensuring that sustainability is embedded in the organization, as well as assuring legal compliance. Furthermore, any targets relating to sustainability impacts, risks, and opportunities are ultimately approved by the Sustainability Steering Committee.

The daily work with sustainability is led by our sustainability team. Different departments within Zealand Pharma have sustainability owners who ensure that sustainability is integrated into the operations of their departments.

Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies

To identify which sustainability topics were material to Zealand Pharma, we have conducted a double materiality assessment (DMA) (see → page 69 for additional details).

The double materiality assessment was conducted with assistance from a third party. The Sustainability Steering Committee was deeply engaged in the process by defining the objectives, supervising the process, rating different impacts, risks and opportunities, and validating the materiality of different sustainability topics. The Board of Directors ultimately approved the double materiality assessment and the following sustainability and reporting strategy.

During 2024, the Board of Directors, through the Audit committee, supervised the progress of the sustainability and reporting strategy, and the progress on working with the identified sustainability topics.

During 2025, the Sustainability Steering Committee will receive monthly updates from Zealand Pharma's Head of Sustainability on the implementation of due diligence in the organization, progress on different sustainability topics, and the policies, actions, targets, and metrics to address them. The Audit Committee will supervise the progress quarterly.

Integration of sustainability-related performance into incentive schemes

Since 2022, sustainability goals have been integrated in Zealand Pharma's overall Company Goals, which are linked to our performance-based bonus schemes. All employees in Zealand Pharma, including Corporate Management, thus have sustainability goals integrated into their bonus. Sustainability-related goals account for 10% of the total bonus.

In 2024, the Sustainability Goals were to develop and launch a dedicated sustainability strategy, establish a solid governance around sustainability, build a reporting framework to ensure readiness with the Corporate Sustainability Reporting Directive (CSRD), and ensure a high response rate in our employee engagement survey. All goals were successfully achieved.

For 2025, we have significantly increased our ambition. In 2025, our goal is to launch a Climate Transition Plan in line with the goals of the Paris Agreement, establish near- and long-term targets, and reach the ones set for Zealand Pharma in 2025. Furthermore, we aim to ensure a high response rate in our employee engagement survey, continue our contribution to the scientific community with scientific communications, integrate the OECD Due Diligence Guidance for Responsible Business Conduct, and ensure quality and progress on our CSRD reporting for 2025.

GENERAL INFORMATION

Statement on due diligence

Our core strength as a company lies in therapeutic peptide design and development. Our strategy is to pursue global development and commercialization partnerships that complement and extend our capabilities to deliver new therapies to patients with unmet medical needs.

Having proper due diligence processes is essential to identifying key sustainability matters. It is also vital to ensuring that sustainability-related impacts, risks, and opportunities are addressed across our value chain.

In our double materiality assessment, we made a deep analysis of key sustainability topics for Zealand Pharma. We engaged directly with external stakeholders in our value chain to identify relevant matters to ensure that our subsequent sustainability strategy and measures focused on the material topics and impacts. Through our different policies, actions, and targets, we work to mitigate these impacts.

Due diligence and our value chain
Similarly, we work to ensure proper due diligence measures and ethical business conduct, both in ongoing partnerships and in our selection of future partners. In the partner selection process, we assess partners' policies and actions in relation to ethical business conduct (e.g., anti-money laundering, anti-bribery, and anti-corruption measures). Furthermore, we have integrated sustainability into our decision-making through the screening and selection process of partners to ensure that actions and ambitions are in line with Zealand Pharma's focus on ethical and sustainable business conduct.

Additionally, all business partners are required to sign Zealand Pharma's Code of Conduct, adopt measures for responsible sourcing, adequate health and safety of workers, and uphold the United Nations Guiding Principles on Business and Human Rights (UNGP). Furthermore, all employees in Zealand Pharma are trained in the contents of the Code of Conduct.

In relation to export control and trade sanctions, we review and screen partners and indirect business associates based on existing rules and internal compliance requirements to ensure partners follow Zealand Pharma's Internal Export Control and Trade Sanctions Compliance Program. Corporate Management, people managers, and certain at-risk employees have all been trained in the compliance program.

Actions for 2025 – adopting the OECD guidelines
Although we believe our current approach is adequately ensuring ethical business practice across our value chain, we recognize the importance of constantly improving our due diligence processes to ensure that adverse impacts, risks, and opportunities are identified and addressed. Therefore, we intend to adopt the recommendations of the OECD Due Diligence Guidance for Responsible Business Conduct into our governance procedures in 2025.

This is a key priority for us and adopting the OECD guidelines is established as a company goal for 2025, impacting the potential bonus of all Zealand Pharma employees, including Corporate Management.

GENERAL INFORMATION

Strategy, business model, and value chain

Our strategy and business model
Zealand Pharma's purpose is to change lives with next-generation peptide therapeutics. Our core strength as a company lies in therapeutic peptide design and development, which has led to our innovative R&D pipeline of promising candidates targeting obesity, rare diseases, and inflammation. This focus is also reflected in our operations, with 84% of employees working with research and development-related activities.

Our strategy is to pursue global development and commercialization partnerships that complement and extend our innovative capabilities. Strongly focused on innovation, we develop potential new therapies to address unmet medical needs, and when relevant, pursue partnerships to ensure that our product canidates reach as many patients as possible. To succeed, we collaborate broadly. Key business relationships include academic and scientific institutions, leading contract research organizations (CROs), contract manufacturing organizations (CMOs), and distribution and commercialization partners. We have already established partnerships for some of our pipeline product candidates. Our efforts will continue in 2025 as we seek to maximize patient access to our potential future innovative treatments.

84%
% of employees (FTEs) working with R&D in 2024

69%
Operating expenditure (OPEX) allocated to R&D in 2024

Dino works in Alliance Management

Partnering to secure that patients have access to our treatments

Two products invented by Zealand Pharma have reached the market and are commercialized by partners.

One such product is Zegalogue® (dasiglucagon) injection, a rapid rescue treatment for severe hypoglycemia that was developed by Zealand Pharma and approved in the U.S. in March 2021. To achieve our ambition of bringing Zegalogue® to many more patients around the world, we entered into a partnership with Novo Nordisk, a global leader in diabetes, for the manufacturing, distribution, and commercialization of this product. During 2024, Zegalogue® gained marketing authorization in Europe, and it is expected that over time the product will be available to patients globally.

As more of Zealand Pharma's product candidates progress through our pipeline, we will continue to seek appropriate partnerships that align with our mission and goals, as we have done in the past. A good example of a long-standing partnership is our relationship with Boehringer Ingelheim. In June 2011, Zealand Pharma entered into a license, research, and development collaboration agreement with Boehringer Ingelheim to advance novel dual acting glucagon/GLP-1 peptide receptor agonists for the potential treatment of patients with type 2 diabetes and obesity. As part of the agreement, Boehringer Ingelheim obtained global development and commercialization rights to the lead drug candidate, now survodutide. In 2023, Boehringer Ingelheim initiated a Phase 3 program with survodutide in people living with overweight or obesity, SYNCHRONIZE™, which includes three global registrational trials. If these trials are successful, Boehringer Ingelheim and Zealand Pharma could be third to market in this new era of weight-loss medications. In 2024, Boehringer Ingelheim expanded the Phase 3 program into one of the most prevalent obesity-related diseases, metabolic dysfunction-associated steatohepatitis (MASH), with two global registrational trials, LIVERAGE™ and LIVERAGE™-Cirrhosis.

The partnership with Boehringer Ingelheim is a prime example of a fruitful partnership that is not only beneficial to both companies, but could ultimately benefit a very large population of patients globally living with obesity and MASH, by ensuring availability and access to the medication so that it may address significant unmet medical needs.

Zealand Pharma core focus
Research

Zealand Pharma core focus
Development

Partner-led
Manufacturing

Partner-led
Distribution

Partner-led
Commercial execution

READ MORE →

about our peptide platform on page 14

GENERAL INFORMATION

Our Double Materiality Assessment

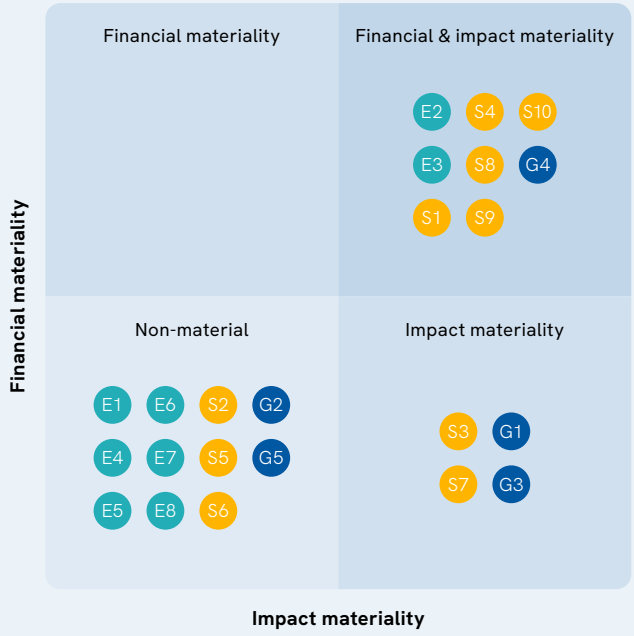
In 2023 we conducted our first double materiality assessment (DMA), laying the foundation of our sustainability strategy.

Due to a rapid transformation of our company, we have used 2024 to update and fine-tune the results to accurately identify material systainability topics and to ensure alignment with the European Sustainability Reporting Standards.

In the DMA, Zealand Pharma, together with an independent third party, analyzed the value chain and business activities of the company to identify material impacts, risks, opportunities, and sustainability topics. We also mapped our stakeholders and engaged with them to ensure their interests and views were included in the assessment. Besides internal experts and topic owners, we engaged with affected stakeholders, which included employees, contract manufacturing organizations (CMOs), contract research organizations (CROs), investors, patients, healthcare practitioners, and regulators.

Our material sustainability topics can be seen to the right. These topics constitute the core elements of our sustainability strategy.

Material Sustainability Topics



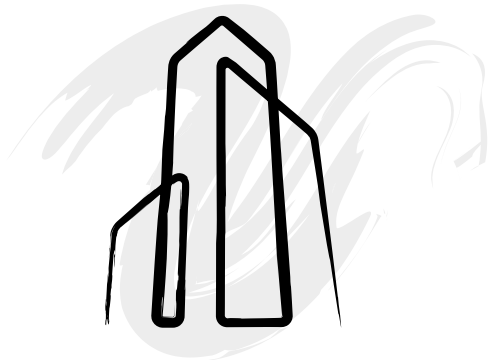
- E1 Climate change adaption
- E2 Climate change mitigation
- E3 Energy management
- E4 Pollution of air, soil, and species
- E5 Water and wastewater management
- E6 Waste management (incl. haz. waste)
- E7 Biodiversity
- E8 Circularity and resource use
- S1 Employee engagement, dev., and culture
- S2 Formal employee labor rights
- S3 Employee health and safety
- S4 Diversity, equity, and inclusion
- S5 Supply chain—Labor conditions
- S6 Supply chain—Health and safety
- S7 Ethical and responsible marketing
- S8 Patient health and safety
- S9 Patient access to medicine
- S10 Patient privacy and data protection
- G1 Risk mgmt and ethical business practices
- G2 Bribery and corruption (excl. HCPs)
- G3 Animal welfare
- G4 Intellectual property
- G5 Community engagement

Our patients

We leverage innovation to advance the health and well-being of patients

Our people

We foster an engaging and enriching workplace for our people



Our operations

We take responsibility for the impact of our operations

Three pillars of our sustainability strategy
As we strive to become the world's leading peptide drug discovery and development company, our impact on global health and society grows. We understand the importance of operating responsibly and sustainably as we expand our business and are committed to serving our patients sustainably.

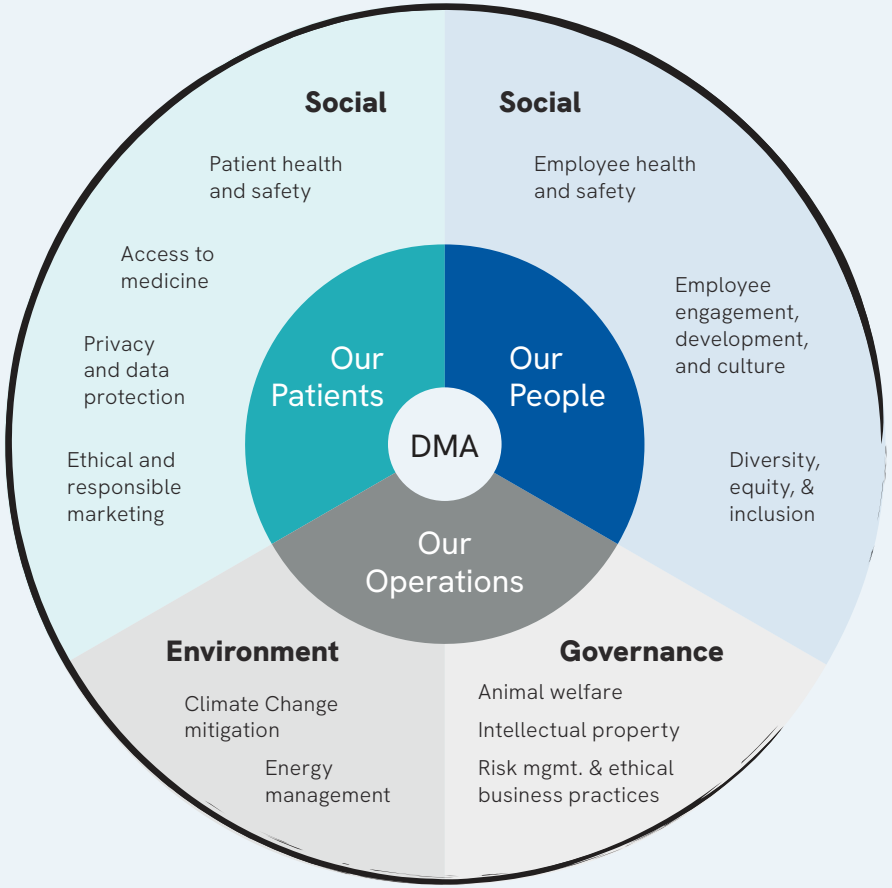
Through our double materiality assessment, it became evident that our business model and our core impacts, risks, and opportunites revolve around three key pillars: our patients, our people, and our operations. Each pillar includes several sustainability topics that set the basis for our work and constitute the frame for our sustainability reporting.

Material topics and our Sustainability Strategy

Our material sustainability topics are clearly linked to the socially focused pillars of our patients and our people. Our operations encompass both environmental and governance-related topics.

As we grow our business, expand our activities, and develop new products, our business model and value chain will change. Therefore, we continuously assess how this influences our material sustainability topics and the impacts, risks, and opportunities of our business model and value chain.

Due to rapid organizational growth in 2024, we will update our DMA at the beginning of 2025 and adjust our material sustainability topics accordingly.



GENERAL INFORMATION

Material topics and their link to our strategy and business model

ENVIRONMENT

Climate change

Location of topic	Why is it material to Zealand Pharma	Link between the topic, our strategy, and business model
Climate change mitigation and energy management		
Own operations and value chain	• Zealand Pharma has a negative impact on the environment through GHG emissions emitted from our own operations and in our value chain, contributing to climate change • Zealand Pharma's increasing business activities require additional energy, thereby increasing our energy demand, potentially derived from non-renewable sources, further contributing to climate change • Through our value chain activities, Zealand Pharma has the opportunity to influence partners to transition to lower carbon and energy intensive operations, thereby contributing positively to climate change	• Climate change directly influences Zealand Pharma's business by potentially eroding the relationship with investors, partners, or employees because of insufficient action on climate change, limiting access to key resources such as capital or a skilled workforce • Growing business activities mean increased energy demand from Zealand Pharma and our partners. There is an increased risk of fluctuating energy prices due to a higher demand, impacts of climate change, and geopolitical instability. This can undermine Zealand Pharma's profitability

SOCIAL

Own workforce

Location of topic	Why is it material to Zealand Pharma	Link between the topic, our strategy, and business model
Employee engagement, development, and culture		
Own operations	• Fostering a good working environment leads to a more engaged workforce, which increases the well-being and the quality of life of our employees • By focusing on the growth and development of our employees, we empower them to grow as individuals and reach their full potential • Zealand Pharma is in a transformative period with rapid growth. Maintaining a strong company culture is essential for sustainable growth, preserving our positive impact on our employees, and ensuring continued engagement, motivation, and well-being	• Engaged employees lead to higher motivation, improved performance, stronger talent attraction, lower turnover, and ultimately, enhanced company performance • Employee development and growth lead to a more skilled workforce, higher motivation and engagement, and ultimately yield better treatment opportunities for patients • A strong company culture fosters collaboration, dedication, and growth, enabling exceptional people performance that may ultimately drive innovative healthcare treatments

SOCIAL

Location of topic	Why is it material to Zealand Pharma	Link between the topic, our strategy, and business model
Diversity, equity, and inclusion		
Own operations	• Ensuring fair treatment and equal opportunities, fostering an inclusive environment, and embracing diverse teams directly impacts the lives of our employees, especially those from minority groups, and contributes positively to society as a whole	• A focus on diversity, equity, and inclusion directly enhances our business by driving more innovative solutions, increasing engagement and productivity, and expanding our access to talent. Consequently, diversity, equity, and inclusion benefit both our company and the patients we serve
Health and Safety		
Own operations	• Failure to mitigate risks can negatively impact the safety and well-being of our employees	• Having a safe physical and mental work environment are critical components of a successful and sustainable workplace. Without it, our company will be negatively impacted through lower engagement, poorer performance, and higher employee turnover

SOCIAL

Patients

Location of topic	Why is it material to Zealand Pharma	Link between the topic, our strategy, and business model
Patient health and safety		
Own operations and value chain	• With investigational medicine, there is a risk of negatively impacting patients' and trial participants' health and safety • Our products have the opportunity to help patients live better, healthier lives	• Keeping our patients and trial participants safe is fundamental to the trust in our business and products and is instrumental to our current and future business success
Access to medicine		
Own operations and value chain	• We aim to have a positive impact on patients and society by developing new, innovative medicines to meet patients' unmet medical needs and making these medicines available to patients • We are focused on developing differentiated treatment options for people with overweight or obesity that cater to the heterogeneity and complexity of the disease • By adressing rare diseases like congenital hyperinsulinism and short bowel syndrome, we can positively impact the lives of those affected by these diseases • We embrace the opportunity to leverage partnerships for development and commercialization to ensure better access to medicines through faster advancement and broader distribution	• Ensuring that patients have access to our medicine is essential to our business success • Addressing the unmet medical need for better and more effective treatment options for overweight and obesity allows us to potentially positively impact public health through such new innovations • Developing effective therapies for rare diseases adressses patient populations with high unmet medical needs, allowing us to change lives with our innovative peptide therapies

SOCIAL

Location of topic	Why is it material to Zealand Pharma	Link between the topic, our strategy, and business model
Ethical and responsible marketing practices		
Own operations and value chain	• Failure to ensure ethical and responsible marketing and accurate information about the products' uses, benefits, potential risks, and safety, could potentially harm patients	• Ensuring ethical and responsible marketing practices and communication is important to maintain legal compliance and ensure the trust stakeholders have in our company
Patient privacy and data protection		
Own operations and value chain	• Through our activities we have access to sensitive medical information. Potential misconduct and breaches can negatively impacts our patients	• Breaches within the value chain or Zealand Pharma's own operations can lead to loss of trust from patients and partners, direct harm to patients, legal consequences, financial penalties, and significant reputational damage

GOVERNANCE

Business conduct

Location of topic	Why is it material to Zealand Pharma	Link between the topic, our strategy, and business model
Risk management and ethical business practices		
Own operations and value chain	• We rely on partnerships, and in our value chain, we risk engaging with partners who do not adhere to our high standards for ethical and responsible business conduct. Solid governance procedures for our own operations and value chain are important to mitigate any risks or potential negative impacts • Through our value chain activities, we have an opportunity to drive a positive change towards more sustainable environmental practices, better adherence to human rights, and generally better business practices that benefit society	• Zealand Pharma operates in a heavily regulated industry, and solid governance, safeguards, and controls to avoid adverse outcomes from our business are critical for both legal compliance and ensuring our reputation as a trusted business and scientific partner • We rely on partnerships to ensure that innovative treatments we develop can be accessed by patients. Ensuring ethical and responsible business conduct is instrumental to our continued success and legal compliance

GOVERNANCE

Location of topic	Why is it material to Zealand Pharma	Link between the topic, our strategy, and business model
Intellectual property		
Own operations and value chain	• Effective intellectual property management is crucial to ensure continuous innovation to develop new treatment possibilities that meet unmet medical needs of patients and provide increasingly safer medicines	• Protecting and respecting intellectual property is essential for fostering innovation and maintaining competitiveness. Failure to do so will hinder new research and development opportunities, stifling innovation and reducing the availability of new treatments
Animal welfare		
Own operations and value chain	• When Zealand Pharma or any of our business partners perform animal studies, it directly impacts the laboratory animals. Through our work and engagement with value chain partners, we do not only have a responsibility for ensuring ethical treatment of animals, we also have an opportunity to enforce improved treatment of laboratory animals and higher, more ethical welfare standards across our value chain	• Patient safety must never be compromised, and animal studies are crucial for ensuring the safety and efficacy of new treatments before they are used in humans • Both Zealand Pharma and some of our partners conduct animal studies. Zealand Pharma must ensure the highest possible animal welfare in these studies

Environment

77 Introduction

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ENVIRONMENT

Introduction

Materiality for environmental topics and their interaction with Zealand Pharma's strategy and business model
At Zealand Pharma, we take responsibility to minimize both our direct environmental impact and our indirect impact through collaboration with partners across the value chain. In our double materiality assessment, we performed an in-depth analysis of our environmental impacts. Here we found that climate change and energy management are where we have the largest impact and where we have the largest opportunity to make a positive difference in our value chain. Hence, this is considered a material topic to us.

We also found that because we mainly perform R&D in laboratories and have ordinary office activities, the environmental impacts in relation to pollution, substances of concern, biodiversity, water usage, and waste were minor. Due to this, all these topics were considered immaterial. As an example, we only produced around 50 metric tons of waste in the entire year of 2024. Similarly, our collaboration with value chain partners is currently focused on R&D and not full-scale manufacturing and distribution. The environmental impacts hereof in relation to pollution, substances of concern, biodiversity, water, and waste are also considered immaterial.

Although these are considered immaterial topics, we still want to take ownership. Therefore, we have several initiatives to reduce the impact of our own operation, e.g., through waste reduction initiatives, water-savings investments, food waste reduction, and in our sourcing of raw materials. Similarly for our current and future collaborations with CMOs, we set high environmental requirements, e.g., in relation to proper waste management systems, water reduction and reusage, as well as pollution reduction.

Furthermore, climate change adaptation is currently not considered material due to our assets mainly being in the form of know-how and intellectual property, and because full-scale manufacturing and distribution of products are not yet established. This means a generally low risk in relation to climate change, and the topic is therefore not currently considered material.

We continuously monitor the scale and scope of our environmental impacts.As we grow as a company and engage with more value chain partners who will manufacture and distribute products, we will reassess whether additional sustainability topics are material for us and if they should be included as individual topics in our sustainability strategy and reporting.

Based on the above, our material environmental sustainability topics are climate change mitigation and energy management.

ENVIRONMENT

Climate change mitigation and energy management

OUR APPROACH AND POLICIES

Climate change mitigation and energy management are key parts of our sustainability strategy. Although Zealand Pharma is a relatively small company in terms of number of employees and environmental footprint, we engage in several activities across our value chain to take responsibility and act to lower our emissions.

Developing a transition plan
We have, in 2024, developed a Climate Change Transition Plan that outlines our efforts for climate change mitigation and proper energy management. The objective of our plan is to transition our company and ensure that our activities are in line with limiting global warming to 1.5 °C in accordance with the Paris Agreement.

Establishing our baseline and setting reduction targets
We have established 2024 as our baseline year. 2024 was truly transformative to Zealand Pharma and we believe that 2024 captures our true climate responsibility. This is particularly seen in the significant growth of excess liquidity invested in marketable securities and increased research and development activities, leading to higher purchased goods and services emissions compared to 2023 (See our Greenhouse Gas Inventory for 2023 and 2024 on the next page).

We believe this level of transparency and completeness is essential for demonstrating our genuine commitment to emissions reduction, while also leading to higher absolute near- and long-term reduction targets, due to a higher baseline value. This approach is also in line with the guidelines of the Science Based Targets initiatives (SBTi).

Our transition plan as well as our reduction targets are set to be finalized in Q1 2025 upon approval from the Board of Directors. We also plan to commit formally to the SBTi and to submit an application for approval in 2025.

This work is instrumental to us, hence launching a transition plan and completing our immediate near-team targets for 2025 has been established as a Company Goal, directly linking them to the annual bonus scheme of all employees in Zealand Pharma, including Corporate Management.

Key climate-related data points

Metric	Unit	2024	2023
Energy			
Total energy consumption related to own operations	mWh	935	916
Greenhouse Gas emissions			
Gross Scope 1 greenhouse gas emissions	Metric tonnes CO_2e	145	144
Gross location-based Scope 2 greenhouse gas emissions	Metric tonnes CO_2e	17	56
Gross market-based Scope 2 greenhouse gas emissions	Metric tonnes CO_2e	0	23
Gross Scope 3 greenhouse gas emissions	Metric tonnes CO_2e	266,412	73,757
Total GHG emissions location based	Metric tonnes CO_2e	266,575	73,957
Total GHG emissions market based	Metric tonnes CO_2e	266,557	73,923

Scope 3 categories	Unit	2024	2023	% change from 2023
Gross Scope 3 greenhouse gas emissions	Metric tonnes CO_2e	**260,449**	**58,482**	**345%**
1. Purchased goods and services	Metric tonnes CO_2e	42,712	19,484	119%
2. Capital goods	Metric tonnes CO_2e	536	434	23%
3. Fuel- and energy-related activities (not included in Scope 1 or 2)	Metric tonnes CO_2e	35	39	-11%
4. Upstream transportation and distribution	Metric tonnes CO_2e	289	8	3535%[a]
5. Waste generated in operations	Metric tonnes CO_2e	4	3	24%
6. Business travel	Metric tonnes CO_2e	577	462	25%
7. Employee commuting	Metric tonnes CO_2e	254	134	89%
9. Downstream transportation and distribution	Metric tonnes CO_2e	515	747	-31%
12. End-of-life treatment of sold products	Metric tonnes CO_2e	0.05	0.31	-84%
15. Investments (Total) [b]	Metric tonnes CO_2e	221,492	52,446	322%
15a: Investments (Scope 1 & 2 of investments)	Metric tonnes CO_2e	6,219	4,716	32%
15b: Investments (Scope 3 of investments)	Metric tonnes CO_2e	215,272	47,729	351%

[a] Increase is due to a better classification/data quality in 2024 compared to 2023. In 2023, this was mainly accounted for in "Purchased goods and services"

[b] To follow the best practice recommendations of the GHG protocol Category 15: Investments, Zealand Pharma includes the relative scope 3 carbon emissions of our investments into our total carbon emissions. The increase in investment emissions from 2023 to 2024, is due to significant capital raises in 2024 of DKK 8.5 billion (USD ~1.2 billion) from which excess liquidity was subsequently placed in marketable securities.

READ MORE →

Find our full table of data points and accounting policies on page 108 - 115

Key actions from our climate change transition plan

Scope	2024 tCO_2e	2023 tCO_2e	High level overview of decarbonisation levers	
Scope 1	145	134	• Transition to electric vehicles as leases expire (1-3 years) • Low carbon heating solutions in current and new office spaces (1-5 years) • Replace refrigeration units with low-GWP (Global Warming Potential) alternatives when feasible (1-10 years)	
Scope 2 Location Based	17	56	• Implement energy efficiency measures	
Scope 2 Market Based	0	23	• Maintain 100% renewable electricity through Guarantees of Origin purchases • Consider Power Purchasing Agreements for additional climate impact	
Scope 3	266,412	73,757	**Investment Portfolio:** • Explore target-setting frameworks for emission reductions • Establish investment policy on emissions reduction	**Supply Chain:** • Focus on top 25 suppliers (89% of emissions) • Evaluate supplier engagement approaches to collect activity-based data in the value chain

Our emissions and key reduction levers

Our 2024 greenhouse gas (GHG) emissions demonstrate a clear concentration in Scope 3 emissions, which represent over 99% of our total carbon footprint.

Scope 1 and 2

Our Scope 1 emissions (145 tCO_2e) primarily come from our building heating systems, which account for 94% of these emissions. We have identified clear pathways for reduction, including ensuring that low-carbon heating solutions such as heat pumps or district heating are incorporated into current and potentially new office spaces. For our vehicle fleet, which accounts for 5% of Scope 1 emissions, we are already now transitioning to electric vehicles as existing leases expire. For Scope 2 emissions, we maintain our procurement of renewable electricity through Guarantees of Origin, resulting in zero market-based emissions in 2024. While our location-based emissions are 17 tCO_2e, we continue to explore energy efficiency measures in our operating sites. We believe these operational emission reduction strategies demonstrate our commitment to climate action in areas under our direct control, while also delivering operational cost benefits through improved energy efficiency and reduced transport costs in company vehicles.

Main Scope 3 categories

Our investment portfolio (GHG protocol, Category 15) and supply chain (GHG Protocol, Category 1), constitute 83% and 16% of Scope 3 emissions, respectively, representing our largest emissions sources and greatest opportunities for total emissions reduction.

For our investments, we are working to improve data quality, explore appropriate target-setting frameworks, and develop an investment strategy that emphasizes lower carbon emissions. In our supply chain, we recognize the need to first establish robust data collection and analysis processes to enable effective action. For our supply chain emissions, we are initially focusing on enhancing our understanding of our top 25 suppliers, which account for up to 89% of our supply chain emissions. We plan to evaluate various supplier engagement approaches, including potential participation in established frameworks such as CDP Supply Chain, to better understand and influence our value chain emissions. This foundation will position Zealand Pharma to develop more targeted reduction strategies while strengthening our business relationships and market position.

Other scope 3 categories

While the remaining Scope 3 categories (GHG Protocol, Category 2, 3, 4, 5, 6, 7, 9, and 12) contribute to less than 1% of Zealand Pharma's total carbon footprint, collectively they amount to approximately 2,200 tCO_2e, which is meaningfully larger than our Scope 1 and 2 emissions combined. Although these emissions fall below the Science Based Target initiative's materiality threshold, their relative scale makes them relevant for targeted reduction efforts.

Business travel and employee commuting (830 tCO_2e) represent a highly visible area for employee engagement in our climate initiatives. We will therefore be implementing sustainable travel policies and enhanced monitoring systems while maintaining business effectiveness. Similarly, we will investigate opportunities for lower-impact employee commuting. Transportation and distribution activities (804 tCO_2e) will be addressed through improved data collection and carrier engagement, aligning with our broader supplier engagement strategy of increasing energy efficiency and lower emissions.

Capital goods emissions (536 tCO_2e) will be incorporated into a broader supplier engagement program for Purchased Goods and Services, leveraging overlap in suppliers and procurement processes. Fuel and energy-related emissions (35 tCO_2e) will be addressed through our Scope 1 and 2 reduction activities. For operational waste and end-of-life emissions (4 tCO_2e), we are implementing targeted reduction strategies that align with our broader environmental management objectives. We expect to significantly increase our patient reach and number of marketed products and thus have significantly higher end-of-life emissions. Therefore, we are already now engaging with value chain partners to ensure fewer components as well as better reusability and recyclability of our products and enable better end-of-life treatment.

OUR ACTIONS

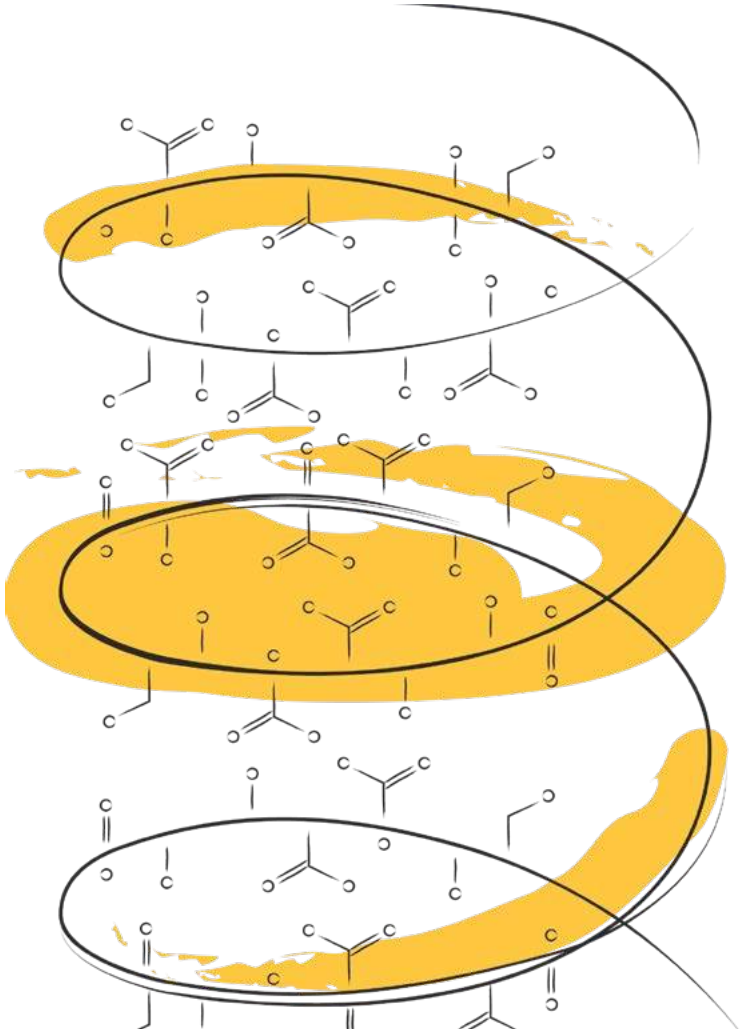
Actions for 2024

- Calculated our first Greenhourse Gas inventory for 2023 and 2024
- Established 2024 as emissions baseline year to better reflect current business model and operational scope
- Developed a Climate Change Transition Plan to outline our reduction possibilities and ensure our activities are in line with limiting global warming to 1.5 °C in accordance with the Paris Agreement
- Conducted an employee commuting survey to understand scope 3 emissions
- Procured 100% renewable electricity through Guarantees of Origin
- Identified top 25 suppliers accounting for 89% of supply chain emissions through spend analysis
- Sourced activity data for the majority of business travel emissions

Looking ahead

Minimizing our environmental impact has always been important to our company, but the transition plan represents a paradigm shift for Zealand Pharma in relation to our work with climate change mitigation and energy management. We will be investing heavily in the area, with future actions and initiatives to include:

- Finalizing transition plan with near- and long-term targets and detailed emissions reduction pathways across the value chain
- Committing and submitting to the SBTi
- Transitioning company vehicle fleet to electric vehicles as existing leases expire
- Implementing low-carbon heating solutions (heat pumps or district heating) in current and new operating sites
- Enhancing data collection and analysis processes for value chain emissions
- Establishing supplier engagement frameworks and explore participation in reporting platforms like CDP Supply Chain
- Focusing on improving data quality from top 25 suppliers who represent 89% of supply chain emissions
- Creating comprehensive emissions tracking capabilities for investment portfolio
- Maintaining 100% renewable electricity procurement through Guarantees of Origin



Social

84 Own employees

94 Our patients

Crosby was born with congenital hyperinsulinism

SOCIAL

Own employees

Introduction

Material topics for our own workforce and their interaction with Zealand Pharma's strategy and business model
Zealand Pharma's purpose is to change lives with next-generation peptide therapeutics. Our core strength lies in the design, development, and innovation of therapeutic peptides. Our employees are instrumental in fulfilling our purpose and executing our strategic vision.

Establishing a sustainable working environment is vital. To guide our efforts, we have identified three material topics as focal points:

- Employee engagement, development, and culture
- Diversity, equity, and inclusion
- Health and safety

All three topics not only have a meaningful impact on our employees' lives but are also directly linked to our strategy and business model.

Dorte works in IT
Rikke works in Facility Operations
Frederik works in Supply Chain & Sourcing

Characteristics of Zealand Pharma's employees
The Zealand Pharma family continues to grow. We started 2024 with 273 employees and we ended 2024 with 355 employees, which is an increase of 30%.

We consider our employee base to be quite diverse, with many different nationalities and a good representation of various age groups. In 2024, we had a particular focus on recruiting younger individuals with less professional experience, offering them training and development opportunities while also gaining valuable insights from their perspectives. We are proud to have almost doubled the number of employees under 30. As a proportion of the entire workforce, this group of employees increased from 6.5% in 2023 to 9% in 2024. We have an international working environment with 25 different nationalities represented.

	2024	2023
Total headcount of own workforce	355	273
Total headcount, Denmark	345	265
Total headcount, United States	10	8
Total headcount, Females	224	162
Total headcount, Male	131	111
Distribution of employees (headcount) under 30 years old	33	18
Distribution of employees (headcount) between 30 and 50 years old	191	150
Distribution of employees (headcount) over 50 years old	131	105
Number of nationalities in own workforce	25	19
Number of employees who have left the undertaking	26	28
Employee engagement score	8.8 of 10	8.8 of 10
Percentage of employee turnover	7.3%	10.3%

In 2024, 26 employees left Zealand Pharma and the turnover rate of 7.3% for the year is considered low. This showcases Zealand Pharma's ability to attract and retain highly skilled professionals, even in a highly competitive market.

Engagement with workers about impacts, channels to raise concerns, and our efforts to remediate negative impacts
At Zealand Pharma, we actively engage with our employees to identify actual and potential impacts. We provide multiple channels for employees to raise concerns and collaborate with management, and we have established processes to address and remediate any negative impacts.

The Board of Directors consists of seven shareholder-elected members and four employee-elected members. The employee-elected members are an important link between the Board of Directors and our employees, guaranteeing that the voices of our employees are heard. Together with the rest of the Board, they ensure that the strategic objectives and goals of the shareholders, management, and employees are aligned.

We conduct an Employee Engagement Survey annually, complemented by a pulse-survey during the year. The surveys are completely confidential and employees can provide feedback on topics such as motivation, career development, corporate management, their direct managers, work-life balance, well-being, diversity, equity, and inclusion. Employees are also encouraged to raise concerns about other topics. People leaders receive continuous training in leadership and people management, and based on the survey results, they may be asked to create action plans to enhance positive impacts and remediate any potential negative impacts identified.

Zealand Pharma also has a whistleblower system, where employees and external stakeholders are able to raise concerns. The whistleblower system is managed by an independent third party and is fully compliant with the EU Whistleblower Act[1]. All reported cases are anonymous and handled by members of the Board of Directors, Corporate Management, and our General Counsel. Claims are screened by the independent third party for potential conflicts of interest among those responsible for addressing the matter.

READ MORE →

about our whistleblower program on page 104

[1] Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law

At Zealand Pharma, we prioritize the health, safety, and well-being of our employees through several processes and channels designed to proactively monitor potential impacts and mitigate risks. We have a well-established Works Council, with participation from both employees and Corporate Management to ensure effective communication and cooperation across the organization.

We also have an Occupational Safety and Health Committee (OSHA), consisting of both employees and Corporate Management. Each year, we conduct an anonymous working environment survey where employees can raise concerns and report potential hazards or incidents, which are then addressed by our OSHA committee.

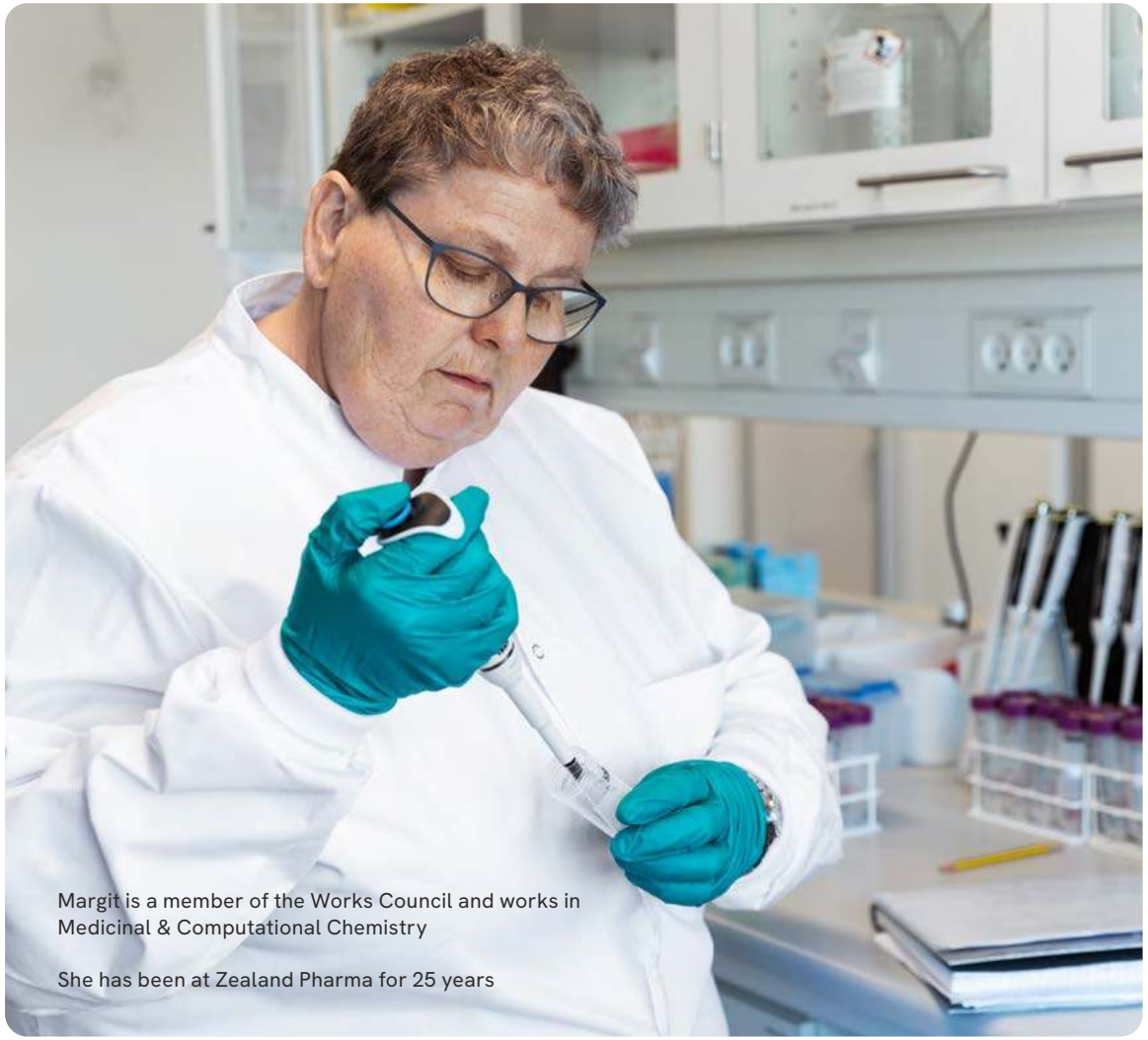
Overall, we believe that we have robust channels in place to identify both actual and potential impacts, along with solid procedures to remediate negative impacts. There is a high level of trust and collaboration between management and our employees. This was reflected in our Employee Engagement Survey from 2024, where two of the top three highest-scoring questions were related to the good relationship between the employees and their immediate manager, as well as the emphasis on employee well-being.

8.8

Employee engagement score in 2024
Compared to 8.8/10 in 2023

7.3%

Employee turnover rate in 2024
Compared to 10.3% in 2023



Margit is a member of the Works Council and works in Medicinal & Computational Chemistry

She has been at Zealand Pharma for 25 years

Employee engagement, development, and culture

Why is the topic material to Zealand Pharma?
At Zealand Pharma, employee engagement, development, and our company culture are fundamental to both our business success and the positive impact we have on our employees. We prioritize continuous training and employee well-being, which foster development, motivation, and retention. These efforts contribute to meaningful improvements in our employees' well-being, while driving the success of our company.

APPROACH AND POLICIES

Employee engagement and our company culture
2024 was truly a transformative year for Zealand Pharma, as we grew our workforce by 82 new colleagues, an increase of 30%. We strive to make Zealand Pharma an engaging place to work, but it can be a challenge to keep a high engagement during such a transformation. Therefore, we are extremely proud that we managed to maintain a very high employee engagement score of 8.8 out of 10 and reduce an already low employee turnover, from 10.3% in 2023 to 7.3% in 2024.

Ensuring employee engagement is a top priority for our Board of Directors, Corporate Management, and all people leaders in Zealand Pharma. Therefore, we monitor our employee engagement through semiannual surveys. Results are transparently shared with the entire company and action plans are developed by all people leaders for their respective departments and teams to maintain and improve engagement, mitigate risks, and remediate negative impacts.

We believe our high employee engagement, even in transformative times, comes from our very strong company culture and ways of working. Throughout our 26-year history, we have built a unique company culture, where employees are given autonomy to shape their work with a strong focus on a deeper purpose. We dare to be BOLD to challenge each other and the status quo. We EMPOWER people to meet their full potential, we always work as ONE TEAM, and we can be TRUSTED. This culture not only ensures engagement, it fosters collaboration, dedication and growth, and enables exceptional people performance ultimately fostering innovation and better healthcare treatment possibilities. Our culture ensures we can grow sustainably and continue to deliver on our business goals, and we work dedicatedly to embed this culture in everything we do, from onboarding, training, and development to project management and strategy development.

Furthermore, we ensure employee engagement is high through flexible work arrangements, attractive working conditions, and benefits. All employees, except students and trainees, are part of Zealand Pharma's bonus scheme. 60% of an employee's bonus is tied to overall company goals. This ensures that we work as one team, encourages collaboration across Zealand Pharma, and creates alignment with shared strategic priorities.

The remaining 40% is based on personal goals where behavior and cultural alignment are as important as performance. This is calibrated thoroughly during our year-end process to ensure a consistent and fair evaluation of each employee. Additionally, all employees, except those on time-limited contracts, have access to our employee equity program.

Additionally, we place a strong emphasis on employee well-being, offering all employees health insurance, attractive parental leave options, and the flexibility to work from home and plan working hours to fit personal lives. Pension contributions are included in all employees' pay, except for students. Furthermore, all employees are offered a semiannual health check and annual flu vaccination, and access to gym facilities for all employees that can be used every day of the week.

OUR ACTIONS

Actions in 2024

- Conducted two employee engagement surveys and developed action plans for people leaders and their respective teams where necessary
- Established a new Leadership Development Program to further develop the management skills of our people leaders
- Established a dedicated talent attraction team and revisited our onboarding process to enhance the training program for all new employees. As a result, we grew our number of employees by 82, a 30% increase compared to 2023
- Implemented Workday as standardized people management system to improve systems and processes.
- Held community breakfasts each Friday morning hosted by the Corporate Management, keeping the organization updated, engaging in dialogue, and allowing for questions and discussions across the entire organization
- Ensured that new employees get a proper introduction to Zealand Pharma and our culture through three full onboarding days and our buddy program
- Had several employee driven social clubs and events such as yoga, running club, football team, board games night, wine club, beer brewing club, ping pong tournament, beers and ideas events, and much more

Looking ahead

For 2025, our goal is to continue our successful 2024 actions and maintain our exceptionally high employee engagement while growing our organization. To achieve this, we will continue our efforts to ensure an effective onboarding and monitor and act on our employee engagement score. We will continue to evolve our Leadership Development program and further train our people leaders to become better leaders.

OUR APPROACH AND POLICIES

Employee development

Without a skilled workforce, we would not be able to fulfill our purpose of changing lives with next-generation peptide therapeutics. At Zealand Pharma, we support our employees in reaching their full potential and focus heavily on continuous training and skills development. We emphasize on-the-job training, and our 2024 employee engagement survey reveals that only 2% of our employees believe they do not learn new things in their current job. We consider this a testament to our culture and emphasis on empowering employees to take on new responsibilities and opportunities to grow.

All employees are part of our annual Growth and Development program, where individual development goals and performance targets are established. Employees and managers continuously monitor performance with feedback provided throughout the year. At year-end, targets and goals are evaluated jointly, influencing individual bonus schemes. Individuals are consistently supported in their development, and offered tools for job-specific development, on-the-job learning, knowledge sharing, and opportunities to attend conferences, university courses, e-learning sessions, and internal mentoring programs. Furthermore, we have implemented a Talent Review and Succession planning framework for leaders to ensure stronger organizational robustness, better talent development, and enhanced short- and long-term growth and development opportunities for employees.

With 84% of our employees working with R&D, training and skills development in this field is a particular focus for us. We emphasize growth through hands-on practical learning and delegation of new responsibilities in a supportive environment. Our collaboration with universities on trials and publications, frequent participation in scientific events and conferences, internal knowledge sharing, and educational courses ensure our employees remain at the forefront of their fields.

OUR ACTIONS

Actions in 2024

- 100% of employees were part of Zealand Pharma's Growth and Development program
- Established Leadership Development Program and educated all people leaders in our Leadership Development Framework, specifically designed for Zealand Pharma and built on our DNA
- Developed and launched Talent Review and Succession planning framework
- Relaunched our company-wide Mentor Program to ensure personal growth, knowledge sharing, and skills development
- Ensured all new employees participated in our three day introduction program, onboarding all new employees to our strategy, goals, priorities, culture, and ways of working

Looking ahead

To support the growth and development of all our employees, we plan to launch a new Career Framework in 2025. This is to ensure a transparent career architecture structure and clearer development opportunities. Furthermore, we wish to continue our internal educational sessions and competency development, e.g., on project management, negotiation skills, data literacy, and AI.

Lone and Christin work in Molecular Pharmacology

Diversity, Equity, and Inclusion

Why is the topic material to Zealand Pharma?
We value diversity, equity, and inclusion, not only because we believe that this is the socially responsible thing to do, but because we believe that ensuring fair treatment and opportunities for all, and fostering an inclusive environment. Having diverse teams mean that we arrive at better, more innovative solutions, eventually benefitting patients, our company, and society as a whole. Furthermore, a diverse, equitable, and inclusive culture leads to higher engagement and productivity and increased access to talent.

OUR APPROACH AND POLICIES

Diversity, equity, and inclusion have always been an integral part of everything we do. Our approach is formalized in our Diversity Policy, which has been approved by the Board of Directors. The policy is available online here: → https://www.zealandpharma.com/about-us/reports-policies/#diversity-policy. To enforce our policy, we focus on three key areas; our recruitment, core people processes, and training of people leaders.

Our recruitment process is guided by our Recruitment Guidelines, which emphasize fostering diversity, equity, and inclusion, unbiased decision making, and a positive candidate experience, while maintaining our focus on selecting the most qualified candidates for each role. We have implemented practices that reduce unconscious bias and ensure that job requirements are clearly defined, consistently applied, and directly linked to the qualifications being assessed. To promote equity, all shortlists for recruitment will reflect a balanced representation of the different diversity dimensions. Additionally, we use inclusive language and tone in our communication to encourage applications from individuals of all traits and backgrounds, provided they meet the qualifications for the role. For management positions, we ensure a diverse selection panel to enhance equitable and inclusive decision-making.

We continuously review all our core people processes, including onboarding, performance management, and employee training and development, to ensure alignment with our commitment to diversity, equity, and inclusion. This fosters an environment where everyone feels valued and supported. We take a firm stance against bullying, discrimination, and harassment of any kind. We actively monitor employee experiences and are committed to taking decisive action to eliminate any cases thay may arise.

Furthermore, we are committed to empowering our leaders with tools and training to advance an inclusive workplace. We have integrated an Inclusiveness Index into our annual employee engagement survey, which provides managers with valuable feedback on team inclusiveness, helping them continuously improve and create a more equitable and welcoming environment.

Diversity in management
Diversity, equity, and inclusion are of great importance to Zealand Pharma, and we recognize the importance of promoting an equitable and inclusive culture, and ensuring diversity at all organizational levels, including management. To us, diversity encompasses dimensions such as race, age, social origin, ethnicity, religion, gender, experience, and educational background. We emphasize the strengths of diversity in both recruiting and internal advancement.

	2024	2023
Board of Directors[2]		
Number of members	7	7
Underrepresented gender	43%	29%
Executive Management[3]		
Number of members	2	2
Underrepresented gender	50%	50%
Other management positions[4]		
Number of members	23	22
Underrepresented gender	35%	45%

When reporting diversity in management, the Board of Directors, Executive Management (Zealand Pharma's CEO and CFO), and other management positions are considered. We strive to achieve balanced representation of genders at all

READ MORE →

about the background of our Corporate Management team on pages 38 - 39

[2] Shareholder Elected board members of Zealand Pharma A/S
[3] Chief Executive Officer and Chief Financial Officer of Zealand Pharma A/S
[4] Corporate Management and their direct reports with managerial responsibilities, all actively employed by Zealand Pharma A/S

management levels, from the Board of Directors to the heads of departments.

The Board of Directors consisted of three females and four males elected at the Annual General Meeting in 2024 and is therefore regarded as having an equal gender distribution (underrepresented gender: 43%).

Our Executive Management consists of our CEO and CFO. With one male and one female, there is an equal distribution. As of December 31, 2024, Other Management Positions consisted of 23 employees of which eight were female (35%). This is a decrease from 2023, where ten of 22 were female (45%). This decrease is due to an organizational restructuring made in 2024. As we execute our strategy and experience natural employee turnover, fluctuations in the gender balance can occur over the shorter term. However, Zealand Pharma's target is to increase the underrepresented gender to at least 40% by 2026. We aim to achieve this by maintaining our efforts in balancing gender representation as well as other diversity dimensions in terms of recruiting and internal advancement. We will also continue to safeguard a culture where every employee experiences the same opportunities for career development and advancement, regardless of their gender or background for all levels of the organization.

Actions in 2024

- Established and published a formal Diversity Policy
- Updated our Recruitment policy/framework to emphasize our focus on diversity, equity, and inclusion
- Reviewed and updated core HR processes to ensure better focus on diversity, equity, and inclusion

Looking ahead

During 2025, we will implement the tool 'Develop Diverse' and ensure a minimum inclusive score on all job ads. We will also continue our review of core people processes and define areas for improvement. Furthermore, we will offer leadership development programs focused on the fundamentals of inclusion and the behaviors essential for strengthening inclusive leadership practices.

Taylor works in Communications
Tina works in Facility Operations
Rasmus works in Finance

Health and safety

Why is the topic material to Zealand Pharma?
Ensuring our employees' health, safety, and well-being is of great importance to Zealand Pharma. A safe physical and mental work environment are critical components of a successful and sustainable workplace. The risk for physical injuries is generally low as most employees work with low-risk office activities. Zealand Pharma also owns and operates research laboratories, where various chemicals and organic solvents are used in peptide syntheses, which pose a small risk to our employees.

OUR APPROACH AND POLICIES

Employee health, safety, and well-being
It is important for us to foster a safe and supportive work culture. To support our employees, we work systematically to maintain a safe, inclusive, secure, and healthy work environment. We have designed our policies and governance systems to promote physical and psychosocial health to comply with local regulation, including a Works Council and an Occupational Safety and Health Committee (OSHA Committee). Here, both management and employees are represented and matters related to our work environment are regularly evaluated and goals are set.

We work systematically to mitigate risks of work-related injuries and ill health, and we maintain a safe and healthy work environment for employees through our Occupational Safety and Health policy and operating procedures. We have a particular focus on training and education, and our employees are trained in our safety protocol and given the tools to manage their occupational safety. Quarterly safety walk throughs of our facilities are performed, and an accident and near-accident reporting system is in place to maintain our strong safety track record and safeguard against potential future accidents.

Special attention is taken in our laboratories, where policies and operating procedures are enforced to mitigate specific risks related to chemicals, toxins, waste, equipment, etc. The guidelines are revised annually. Furthermore, additional and continuous training of employees working in labs is performed.

Our U.S based employees are not covered by our Danish health and safety management system, as they work from home and are at very low risk. U.S. employees are instead offered full health insurance and tools to ensure their health, safety, and well-being while working from home.

We are proud of our efforts to mitigate potential health and safety risks, and in 2024 we maintained our strong record of very few health and safety incidents. We had one case of lost time due to a work-related injury, similar to 2023. We had 1 near-accident case in 2024, and action plans have been made to optimize our procedures.

	2024	2023
Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognized standards or guidelines	97%	97%
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	0	0
Number of recordable work-related accidents for own workforce	1	1
Rate of recordable work-related accidents for own workforce (accidents/mio working hours)	2.2	2.8
Number of near-accidents	2	1
Number of cases of recordable work-related ill health of employees	0	0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health, and fatalities from ill health related to employees	4	5

[5] LBK nr 2062 af 16/11/2021 Bekendtgørelse af lov om arbejdsmiljø & BEK nr 65 af 22/01/2024 Bekendtgørelse om systematisk arbejdsmiljøarbejde

Employee well-being

Zealand Pharma is on a transformative journey. We have a high-paced working environment and offer our employees ample opportunities to learn, develop, and take on new responsibilities. Ensuring the well-being of our employees during this transformation is crucial to us. Our hybrid working environment allows our employees to work from home when it suits their individual needs and specific work tasks, with necessary equipment provided. We offer all Zealand Pharma employees and PhD students parental leave benefits that exceed minimum legal requirements, with up to 26 weeks of full pay for mothers, fathers, and co-parents, and offer parents the possibility of child-sick days. We also value our senior employees, offering them the opportunity to adjust and reduce their work hours.

All our employees are offered free health checks through an independent third party, and Zealand Pharma provides a fulltime accident and health insurance. This includes free services and guidance from e.g., physiotherapists, dieticians, chiropractors, psychologists, and psychiatrists, ensuring improved well-being both inside and outside work. Additionally, Zealand Pharma has a collective bargaining agreement on working conditions that covers all employees in Denmark, with the same conditions extended to our U.S. colleagues.

In cases where employees unfortunately become ill, such as through work-related burnout or stress, we have developed a Sickness Policy. We fully support all employees needing time off and facilitate a gradual return to work. Employees receive full pay, and the responsibilities of the individual employees, managers, and the organization are clearly outlined in our policy, allowing for a focused recovery and a well-planned return to work.

OUR ACTIONS

Actions in 2024

- Revised our chemical handling operating procedure to ensure safer laboratory practices
- All new hires received training in our OSHA protocols as part of their introduction program. Additional training was offered to employees working in laboratories
- Conducted employee survey on psychological working environment and employee well-being
- Introduced a new collaboration together with PFA on improving work-life balance, stress, and well-being

Looking ahead

For 2025, we plan on continuing many of our solid procedures to maintain our low health and safety risks and the well-being of our employees. We will further implement the PFA Framework through communication and training, and provide additional training for people leaders on management and employee well-being.

SOCIAL

Our patients

Introduction

Material topics for our patients and their interaction with Zealand Pharma's strategy and business model
We place patients at the center of everything we do. Every day, we work to pursue our mission of transforming patients' lives through peptide innovations. This is manifested in how we develop our peptide medicines through clinical trials and ensure that as many patients as possible can receive our novel treatment solutions, once approved, to address their unmet needs. Doing so responsibly, ethically, and compliantly is absolutely instrumental to us and our patients. In our double materiality assessment we identified four key sustainability topics in relation to patients:

- patient health and safety
- access to medicine
- ethical and responsible marketing
- privacy and data protection

These topics not only have a potential impact on our patients, but are also directly linked to both our strategy and business model.

Patient health and safety

Why is the topic material to Zealand Pharma?
With our R&D of innovative candidates, we hope to help patients live better, healthier lives. Therefore, ensuring the health and safety of our patients when developing new medicines is essential. Failure to keep our patients and trial participants safe not only has a direct negative impact on individuals, but it is also fundamental to our current and future business success. Ultimately, the health and safety of our patients is the cornerstone of everything we do.

OUR APPROACH AND POLICIES

When conducting clinical trials, the safety and rights of our patients and the integrity of the data generated are essential. To remain compliant and ensure patient safety, we strive to integrate quality into all our processes. Both the Development organization and Operations work in full accordance with good practices (GxP).

Our Pharmaceutical Quality System is described in our Quality Manual, which also defines our Quality Policy. Ongoing evaluation of our quality system is performed through both internal audits and external inspections from relevant health authorities, including the Danish Medicines Agency, the European Medicines Agency, and the U.S. Food and Drug Administration.

We have an internal Safety Committee that evaluates the safety data emerging on our products and product candidates to ensure that our patients are not exposed to unnecessary risks and that the benefit-risk profile of our medicines remains positive.

We outsource some of our activities to partners who are carefully selected through a rigorous process where we focus on business ethics and business continuity as well as capability and capacity of the services provided. We partner with our suppliers to maintain a strict and permanent oversight on the activities outsourced, while also auditing our suppliers regularly, to ensure that:

- the safety and the rights of our patients are not jeopardized
- the quality of our products is maintained
- the integrity of the data is maintained

Ultimately, Zealand Pharma remains fully compliant with all requirements, Good Practice (GxP) systems and processes, and appropriate standards.

OUR ACTIONS

Actions 2024
- Conducted GxP and Patient Safety training for all current and new employees
- Reviewed and strengthened our Quality Systems and IT GxP systems

Looking ahead
In 2025, we wish to continue our current efforts to ensure that patient safety is never compromised. We will continuously monitor our own and our partners' processes and procedures while remaining dedicated to our own training and competency development.

Line works in Pharmaceutical Development

Access to medicines

Why is the topic material to Zealand Pharma?
Patients are at the heart of everything we do. Developing new, innovative medicines to address patients' unmet medical needs and ensuring that these potential future therapies reach as many patients as possible are essential, both for our business and for the positive impact we as a company can have on society. The focus of our investigational candidates is to address unmet medcial needs for patients living with chronic diseases, including obesity, which has reached pandemic levels, chronic inflammation, and rare diseases like congenital hyperinsulinism (CHI) and short bowel syndrome (SBS).

OUR APPROACH AND POLICIES

R&D is at the core of our business as we strive to be the world's best peptide drug discovery and development company. To ensure that our products and product candidates can reach as many patients as possible, our strategy is to leverage our core expertise in peptide R&D, while pursuing global development and commercialization partnerships that complement and extend our innovative capabilities. Since our founding, we have established several partnerships for a number of our pipeline candidates, and our efforts will continue in 2025.

We work tirelessly to advance our investigational candidates into and through clinical trials to support regulatory approvals, so that they can become available to patients. In 2024, five investigational candidates from our pipeline were being evaluated in clinical trials and a sixth entered clinical development. Zealand Pharma sponsered nine active clinical trials, with partners and academic collaborators sponsoring an additional 14. When enrolling trial participants, we focus on diversity of our trial participants, such as gender balance in our Phase 2 obesity programs, through recruitment campaigns, as well as selection criteria. → Read more about our pipeline and trials on page 15-24.

	2024	2023
Number of active trials with Zealand Pharma products	23	14
Scientific communications	44	30

We strongly emphasize transparency in our R&D. To increase awareness of our scientific advances and to update the community, we strive to publish our research in scientific journal publications and attend scientific congresses. In 2024, we contributed with 44 scientific communications, a significant increase from 30 in 2023. This was due to results becoming available from clinical trials and other scientific advances in 2024. It is important for us to continue our scientific contributions to society, and therefore we have adopted a company goal for 2025 to sustain a high degree of scientific communication of at least 35 communications. Our company goals are part of all employees' annual bonus schemes, including Corporate Management's, which we believe underlines our dedication to this important contribution.

Obesity – addressing the greatest healthcare challenge of our time
With a profound negative impact on public health, the obesity pandemic represents one of the greatest healthcare challenges of our time. During the past 50 years, the prevalence of overweight and obesity has seen a significant increase, rising from ~10% to ~40-50%[6]. With current trends, it is estimated that 54% of adults, or 3.3 billion people, globally will live with overweight or obesity by 2035. Alarmingly, the prevalence rate for children between the ages of 5 and 19 is projected to be 39% in 2035[6]. Obesity places a substantial burden on individual patients' quality of life, adversely impacting physical health, emotional well-being, and ability to perform daily activities, which often lead to challenges in mobility, increased risk of comorbidities, and psychological distress.

For many years, the weight-loss medications available have had limited efficacy and/or, for many, been associated with considerable side effects and tolerability issues. Since 2021, two GLP-1RA-based therapies with better efficacy and safety profiles have been approved for chronic weight management. Yet, the extremely low treatment rate today speaks to the substantial unmet medical need for more and better treatment options for the heterogenous population living with overweight or obesity.

While GLP-1-based therapies are effective in providing weight loss, they are commonly associated with tolerability issues,

READ MORE →

about our next-generation obesity candidates on pages 16 - 19

[6] Source: World Obesity Atlas 2024 & American Medical Association 2024

primarily gastrointestinal, which reduce treatment persistence. For patients who cannot tolerate such therapies, there are currently no other treatment options available. In order for people living with overweight or obesity to maintain the health benefits associated with weight loss, patients need to sustain the weight loss achieved. To improve patient experience and ensure a sustained weight loss with a prolonged increase in quality of life of patients, there is a large unmet medical need for weight loss medications with similar efficacy as the GLP-1RA-based therapies but fewer gastrointestinal side effects. We believe that our long-acting amylin analog can address this need, representing an alternative to GLP-1RA-based therapies with the potential to become the future foundational therapy for chronic weight management.

Obesity is a complex disease associated with more than 220 complications and comorbidities and more than 5 million deaths globally are ascribed to overweight and obesity every single year[8]. Given the heterogeneity of overweight and obesity, we believe that the success of future weight loss medications will be determined by not only weight loss efficacy but differentiation catering to different unmet medical needs, for example improved tolerability and/or better effect on select obesity-related comorbidities. We are therefore also developing product candidates that add pharmacology to GLP-1 receptor agonism. Our clinical-stage pipeline for obesity and obesity-related comorbidities includes a glucagon/GLP-1 receptor dual agonist, survodutide, partnered with Boehringer Ingelheim, targeting MASH, a debilitating liver disease and one of the most prevalent obesity-related comorbidities, as well as a GLP-1/GLP-2 receptor dual agonist, dapiglutide, targeting obesity-related low-grade inflammation.

We are investing significantly in the development of our product candidates targeting obesity and obesity-related comorbidities. Due to the magnitude of the obesity pandemic and size of the addressable population, our strategy is to pursue development and commercialization partnerships with large pharmaceutical companies that have strong manufacturing networks and global commercial reach to reach as many patients as possible.

Rare disease program – focusing on small patient populations with substantial unmet needs

Looking to our rare disease programs for congenital hyperinsulinism (CHI) and short bowel syndrome (SBS), we are fully committed to reaching these patients and providing treatment for these two devastating, yet often overlooked, rare diseases.

In rare diseases, patient collaboration is especially critical to raise awareness and understanding of these diseases and improve access to care. At Zealand Pharma, we have long-standing relationships with organizations, including Congenital Hyperinsulinism International (CHI) and The Oley Foundation (SBS), and engage with them through various initiatives such as

READ MORE →

about our rare disease assets on pages 20 - 22 of the annual report

funding support and clinical trial collaboration. We also work with thought leaders and external experts in both disease areas of CHI and SBS on the design and conduct of clinical trials.

As many trials within our rare disease programs show positive results that are vital for trial participants' sustained quality of life, we support these patients with continued access to investigational products. An Expanded Access Program (EAP), also known as an early access or compassionate use program, is in place to ensure continued treatment for patients who have benefited from participation during our clinical trials prior to products being available on the market. The EAP also supports other patients outside of participation in clinical trials where an investigational medical product may be considered an appropriate therapeutical option.

In 2023, we submitted a New Drug Application to the U.S. Food and Drug Administration (FDA) for marketing authorization of glepaglutide for the treatment of short bowel syndrome. Unfortunately, in 2024, the FDA issued a Complete Response Letter (CRL) for glepaglutide, concluding that Zealand Pharma's application did not meet the full requirements for substantial evidence to establish the efficacy and safety of the to-be-marketed dose of twice-weekly glepaglutide. Despite this setback, Zealand Pharma remains committed to ensuring that glepaglutide reaches SBS patients in the U.S. and other geographies as soon as possible, and will continue the dialogue with the FDA to align on the path toward obtaining regulatory approval in the U.S. → You can read more about our plans for glepaglutide in SBS on page 22 of the annual report.

CHI is very close to our heart, as it is a severe disease targeting newborns. We are ready to resubmit the NDA for dasiglucagon in CHI for up to three weeks of dosing and to submit the required analyses to support use beyond three weeks. The regulatory submissions are, however, pending an inspection classification upgrade from a reinspection of a third-party manufacturing facility. We are conducting all the necessary pre-launch activities to be able to make the product available to patients as soon as possible once approved. → You can read more about our plans for dasiglucagon in CHI on page 20 of the annual report.

OUR ACTIONS

Actions 2024

- Contributed with 44 scientific communications to ensure our data and research is shared with the public
- Zealand Pharma and partners are currently conducting 23 active trials to progress our programs in obesity, MASH, and inflammation
- Expanded our commercial team and capabilities to ensure launch readiness of dasiglucagon for the treatment of CHI and glepaglutide for the treatment of SBS

Looking ahead

During 2025 our focus is on continuing to advance our R&D pipeline through clinical trials towards registration. We plan to both progress the clinical trials already initiated and expand our clinical development program through the initiation of additional clinical trials.

In late 2024, we initiated a large, comprehensive Phase 2b trial for petrelintide in participants with overweight or obesity (ZUPREME-1). The trial will have 33 sites across the U.S., Poland, and Romania. To ensure approximate gender balance, there will be a recruitment limit of up to 60% of either male or female trial participants. We expect to complete enrollment of approximately 480 trial participants during 2025. In 2025, we also expect to initiate a second Phase 2b trial for petrelintide in participants with overweight or obesity and type 2 diabetes (ZUPREME-2). We also plan to initiate a large, comprehensive Phase 2b trial for our other obesity asset, dapiglutide.

We are deeply committed to making our medicines for both CHI and SBS available to patients in need as soon as possible. In 2025, we plan to initiate a single Phase 3 trial to provide confirmatory evidence for a regulatory submission with glepaglutide in the U.S. and to support regulatory submissions outside the U.S. and Europe, as we maintain a strong commitment to bringing this medicine to patients who need it globally.

Alongside the regulatory and clinical activities for our rare disease programs, we continue our efforts to initiate new strategic partnerships for co-development and commercialization, to ensure that our medicines reach as many patients as possible.

Finally, we remain dedicated to our contribution to science and will continue with scientific communications in 2025.

Ethical and responsible marketing

Why is the topic material to Zealand Pharma?
Ethical and responsible marketing for medicine involves promoting these products in a manner that, above all, prioritizes patient safety, transparency, and compliance with regulatory standards. This includes providing accurate information about a product's uses, benefits, and potential risks, as well as avoiding misleading claims, off-labeling use of products, or practices that could harm patients or undermine trust in our products and our company.

OUR APPROACH AND POLICIES

While Zealand Pharma does not currently have many products available for marketing to patients, this topic is still important to us. We work actively to ensure that ethical and responsible marketing is upheld and that legal compliance is maintained in our future development and commercialization activities. Zealand Pharma has several policies and guidelines in place in relation to product development, pre-commercialization activities, and corporate communications.

We have firmly established policies and standard operating procedures for our development, pre-commercial, and future commercial activities. This ensures that all product communication, including those for product labeling, meets legal requirements and has clear professional and patient information around the uses, benefits, potential risks, and how to avoid misleading claims. All labeling activities are monitored and approved by the heads of Regulatory Affairs, Development, Medical and Science, Patient Safety, Medical Affairs, Commercial, and Legal. This is to ensure that the Target Product Profile, Target Product Claims, Company Core Data Sheets, and Company Core Safety Information match what is being communicated on the label, match the requirements of the country/region that the product is launched in, and that the communication and our claims are continuously updated through the product lifecycle. We continuously monitor our products, and update labeling and communication should there be new, relevant data, adverse reactions, user complaints, or if health authorities request updates. Furthermore, all new and current Zealand Pharma employees receive training on how to report to the Patient Safety department. This includes reporting any adverse events or other special safety situations or product quality complaints connected to the use of Zealand Pharma marketed medicinal products or devices.

When it comes to our corporate communications and the communication from individual employees, we follow a strict set of guidelines to ensure that no illegal promotional activities of e.g., clinical candidates, products, projects, or employees occur. Corporate communication is handled by our Investor Relations and Corporate Communications department to ensure compliant and consistent communication to all external stakeholders.

In 2024, we developed and launched a company-wide Social Media Policy, wherein we train current and new employees on social media communication to ensure that we follow legal requirements and communicate responsibly and ethically to the public.

OUR ACTIONS

Actions 2024
- Launched updated Social Media Policy
- Activities to ensure compliance as we prepare for commercial launch of rare disease products

Looking ahead
We strongly believe that our current measures, policies, and procedures ensure both compliance and ethical and responsible marketing. As we look towards 2025 and beyond, we hope to advance our pipeline and bring several new products to patients worldwide. This also entails an increased focus on ethical and responsible marketing and securing accurate information about the products' uses, benefits, potential risks, and avoiding misleading claims, off-label use of products, or practices that could harm patients. We therefore expect to further invest in this area to meet the needs of the future.

Privacy and data protection

Why is the topic material to Zealand Pharma?
In the pharmaceutical industry, particularly within R&D, safeguarding patient privacy and upholding data protection is crucial. This involves ensuring that sensitive medical information, including patient conditions and clinical trial data, is kept confidential and secure from unauthorized access, breaches, and cyber threats. Breaches within the value chain or Zealand Pharma's own operations can lead to loss of patient and partners trust, direct harm to patients, legal consequences, financial penalties, and significant reputational damage.

OUR APPROACH AND POLICIES

At Zealand Pharma, we work dedicatedly with privacy and data protection. While patient data has a particular focus for us, we also ensure data privacy and protection of employees, partners, and authorities. To safeguard our data, we have established different procedures for both our own operations and our value chain partners.

Ensuring proper safeguards in our own operations
Regarding our own operation, we have developed a Data Protection Policy which lays the foundation for our company-wide practices on data privacy. All employees are required to complete training on our Data Protection Policy, and we also train our employees annually in Data Protection and the General Data Protection Regulation (GDPR) via our web portal for compliance. Any personal data processing activity within Zealand Pharma is assessed and documented via our Data Platform System, and we have a Data Protection Life Cycle Policy that sets the framework for continuous management of data.

To safeguard our digital assets and ensure the integrity of our systems, we adhere to the CIS Controls Version 8 (CIS18). Our cybersecurity program includes continuous monitoring, infrastructure hardening, penetration tests, disaster recovery planning, as well as continuous employee training to prevent breaches and protect sensitive information.

Ownership of our Data Protection Policy, Data Protection Life Cycle Policy, and our Cyber Security program lies with Corporate Management and our Board of Directors and audit committee monitor the state of and procedures regarding data and cyber security on a continuous basis.

Working together with our value chain partners to ensure the safety of data
Our strategy is to pursue global co-development and commercialization partnerships that complement and extend our innovative capabilities. Subsequently, we outsource many activities to partners and have several policies and standard operating procedures in place to secure safe and ethical use of data, in both new and ongoing partnerships.

Each partner is carefully selected and undergoes a detailed assessment before any activities begin. A dedicated section of the assessment covers data protection requirements for the partners, which are detailed in the contract. For certain activities, a data protection impact assessment is carried out as well. We also monitor our partners via spot checks and by rigorously investigating any identified gaps.

We have additional safeguards in place for partnerships related to patients and clinical development, Contract Research Organizations (CROs), Clinical Sites, and other service providers are contractually obligated to set up technical and organizational measures to protect patient's Health Data. The agreements oblige all parties to use the Health Data and Human Biological Material only as consented to by the Subject on the Informed Consent Form or as required by law. Any Health Data will only be transferred to partners who can demonstrate that they comply with the GDPR .

Zealand Pharma maintains oversight of Good Clinical Practice (GCP) IT systems used by the CROs to ensure data integrity and patient safety. Zealand Pharma is responsible for ensuring that the validation of computerized systems is done and the CROs provide adequate documented evidence on the validated state of the GCP IT systems used.

Additionally, Zealand Pharma performs security risk assessments of new IT software and services procured to ensure adequate security and safeguards are maintained.

OUR ACTIONS

Actions 2024

- Additional employees have been brought in to focus on data protection and cyber security
- Developed and delivered on our Cyber Security Program. CIS18 framework assessment performed by an independent third party shows increased maturity across all security control dimensions.
- Independent third party performed audit of the Biometrics department. No major or critical findings

Looking ahead

We believe that our current efforts in relation to privacy and data protection are strong, and for 2025 we wish to continue our efforts to maintain our strong safeguards. We will have a continued focus on training the organization in Data Protection topics including how to handle Data Subject Requests and Data Incidents. We plan to implement more technical solutions in 2025, which will improve processes and heighten Zealand Pharma's compliance to Patient Privacy. Additionally, we will work to ensure compliance with the EU Network and Information Security Directive 2 (NIS2) as the legislation takes effect in Denmark in 2025.

Governance

Ivan is Chief Operating Officer
Henriette is Chief Financial Officer
Adam is Chief Executive Officer

GOVERNANCE

Governance

Introduction

Material governance topics and their interaction with Zealand Pharma´s strategy and business model
At Zealand Pharma, we work dedicatedly to ensure solid governance as well as ethical and responsible business conduct, and we take responsibility for the impact of our operations and our value chain activities. With our focus on R&D, many activities related to manufacturing, distribution, and commercial execution are partner-driven. Due to this, we manage a complex value chain with additional risks. It is instrumental to our business success that this is managed responsibly. Additionally, we have a huge opportunity to ensure that our partners and value chain activities are managed sustainably and contribute to positive societal development.

In relation to our governance and business conduct, we have identified three material topics to focus on:

- Risk management and ethical business practices
- Intellectual property
- Animal welfare

These topics are closely linked to our strategy and business model and are important for us to succeed in our purpose of changing lives with next-generation peptide therapeutics.

Nicole works in Clinical Operations

Risk management and ethical business practices

Why is the topic material to Zealand Pharma?
As a biotechnology company specialized in R&D, we rely on partnerships to ensure that our innovative treatment possibilities can be accessed by patients. Our reputation as a trusted business and scientific partner is crucial to our ability to engage successfully in existing and potentially new partnerships. Therefore, having solid governance, risk management processes, and policies in place to ensure ethical and compliant operations across the value chain is not only critical to our business success, but also an opportunity for us to make a positive impact.

OUR APPROACH AND POLICIES

Ensuring proper risk management and ethical business practice internally and in our value chain
As part of our ordinary course of business and conduct, we strive to operate according to the highest ethical standards. We work dedicatedly to ensure sound governance and risk management procedures of our own operations and responsible business conduct for our partners. Therefore, we ensure that our employees are continuously trained and kept updated with policies on good business practice, compliance, insider trading, and appropriate legal management of third-party intellectual property. We proactively engage in positive dialogue with all regulatory and advisory authorities and with stakeholders from relevant industries in order to be inspired and to continuously improve.

Our approach is anchored in our Code of Business Conduct and Ethics, as well as our Supplier Code of Conduct. (Both codes are available online through this link: → https://www.zealandpharma.com/about-us/reports-policies/#code-of-business-conduct). All Zealand Pharma employees are continuously trained in these codes. All contracting parties are obligated to comply with our Code of Business Conduct and Ethics and Supplier Code of Conduct and to uphold our principles on data privacy, bribery, corruption, fraud, human rights, child labor, health and safety, workers´ rights, and reducing environmental impacts. Additionally, for business-critical partnerships, e.g., for R&D and manufacturing, we perform additional due diligence and set additional requirements for material sustainability matters, such as greenhouse gas emissions, water and waste management, and green manufacturing initiates.

Managers and employees are trained in and obligated to monitor and identify risks and to communicate such risks to upper management as applicable. Any non-compliance on the part of the contracting party may necessitate Zealand Pharma to, among other actions, renegotiate the contract, escalate to establish a breach of contract, or terminate the contract. All current suppliers have confirmed adherence to our Supplier Code of Conduct.

In 2024, we launched our Export Control and Trade Sanctions Compliance Program ensuring strict compliance with all trade sanctions and export control regulations. Our procedures involve both continuous training and awareness raising with all employees, as well as different compliance measures, such as business partner screening and audits. Our operations department reviews partners bi-annually to secure adherence to our Export Control and Trade Sanction Program, our Business Code of Conduct, and Supplier Code of Conduct.

Our whistleblower program
As part of our program of maintaining a robust ethical working environment, Zealand Pharma hosts a whistleblower platform, in full accordance with the EU Whistleblower act. (This policy is available online here: → https://www.zealandpharma.com/compliance-hotline/). The whistleblower policy is reflected in Zealand Pharma's Employee Handbook and is further described in a separate policy laying down guidelines for Zealand Pharma's whistleblower system. Our platform is monitored by an external law firm to ensure that issues are handled independently, and that cases that need to be investigated by Corporate Management and members of the Board of Directors are brought to their attention when appropriate. All employees are introduced to the whistleblower service when they join the company to ensure that they are able to use it if the occasion arises, and partners are informed and

encouraged to use the platform, if relevant. In both 2023 and 2024, we had zero whistleblower cases.

	2023	2024
Number of whistleblower cases	0	0
Number of convictions for violation of anti-corruption and anti-bribery laws	0	0
Amount of fines for violation of anti-corruption and anti-bribery laws (EUR)	0	0
Number of confirmed incidents of corruption or bribery	0	0
Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	0	0
Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	0	0

We take a strong stance against any form of bribery, corruption, or fraud, and in 2023 and 2024, Zealand Pharma did not have any confirmed cases nor any dismissals, convictions, or fines in relation to corruption or bribery. Furthermore, no contracts with partners were terminated due to violations related to corruption or bribery.

Our approach to insider trading and fair taxation

As a listed company, we have taken every precaution to keep all employees, board members, and certain stakeholders up to date and compliant with our internal rules on insider trading. We distinguish carefully between those who are listed on the permanent insiders' list and those who are exposed to what is deemed insider information. In the latter case, we take every precaution to keep an up-to-date list of employees' knowledge of insider information. All new employees are introduced to our internal rules and are required to digitally sign off stipulating that they have read and understood these rules.

At Zealand Pharma, we believe in being transparent about our global tax positions and tax policies (available online through this link: → https://www.zealandpharma.com/about-us/reports-policies/#company-tax-policy. We are committed to always paying taxes in due time in the countries in which we operate in accordance with applicable tax laws and regulations. We aim to keep the business setup as simple as possible and therefore have a limited number of entities present in Denmark and the United States. Transactions between the Group companies are conducted on market terms in accordance with the arms' length principle. In general, we assess that the risk regarding transfer pricing is limited due to the simple business structure.

OUR ACTIONS

Actions 2024

- Launched our Export Control and Trade Sanctions Compliance Programme
- Training of current and new employees in our Code of Business Conduct and Ethics, as well as our Supplier Code of Conduct

Looking ahead

Through 2025, we will continue with our solid measures and safeguards to uphold our strong risk management processes and ethical business practices. It is our aim to further integrate our sustainability strategy and material sustainability matters into our partner management and due diligence measures. Therefore, we have a goal of integrating the OECD Guidelines for Multinational Enterprises into our due diligence measures e.g., through partner screenings, selection criteria, contracts, and risk assessments. This has been established as a core company goal for 2025, impacting the potential bonus of both management and employees in Zealand Pharma.

Intellectual Property

Why is the topic material to Zealand Pharma?
As a pharmaceutical company heavily focused on R&D, protecting and respecting intellectual property (IP) is essential for fostering innovation and maintaining competitiveness. Misuse of IP and challenges in defending IP can have significant negative impacts on our business and ability to reach patients.

Within the company's own operations, misuse of IP can similarly impede new research and development efforts, limiting the company's ability to innovate. Furthermore, the loss of know-how due to employees leaving poses a risk to defending the IP base of treatments, eroding treatment exclusivity and profitability.

Misuse of IP within the value chain can severely hinder new research and development opportunities, stifling innovation and reducing the availability of new treatments. Additionally, the inability to defend the IP base of treatments against challenges can undermine market exclusivity and erode profitability.

OUR APPROACH AND POLICIES

Effective IP management is crucial to ensure continuous innovation, to maintain profitability, and to develop new treatment possibilities to meet unmet medical needs, and we work dedicatedly with our own operations and value chain to ensure proper safeguards and IP management.

In Zealand Pharma, we have developed strict internal guidelines for IP management and continuously monitor and update to suit our operational setup and strategic partners. The supervision of IP management rests with Corporate Management and is the responsibility of the Vice President for IP and our IP department.

Our IP department works closely with an external IP counsel and our partners' IP counsel to protect Zealand Pharma innovations, to minimize the risk of IP infringement claims, and to mitigate any IP-related risks. Furthermore, all Zealand Pharma employees receive training and updates on guidelines regarding the correct and lawful management of internal and external intellectual property. Through our efforts, Zealand Pharma has detailed adequate processes for protecting innovations, for controlling ownership and chain-of-title, and for securing freedom-to-operate throughout the research and development process.

In partnerships, collaborations, and other relations to externals, Zealand Pharma secures clear distribution of background and foreground IP through relevant agreements. We contractually require other parties to respect both Zealand Pharma IP and third-party IP, and IP risks are considered in our ongoing risk management processes.

OUR ACTIONS

Actions 2024

- Conducted IP management training with all current and new employees
- Expanded our IP department with additional personnel
- Carried out several IP communication and awareness activities, including company-wide presentations and smaller workshops with high-risk departments and personnel. This has resulted in higher IP awareness with Zealand Pharma employees.

Looking ahead
We believe that we currently have strong IP management in Zealand Pharma, and for 2025, we wish to continue our efforts to maintain strong safeguards. There will be continued focus on creating increased awareness in the organization, and we will maintain our emphasis on training new and current employees with a particular focus on those in high-risk functions. Furthermore, we plan on formalizing our current guidelines for IP management into a company-wide policy.

Animal Welfare

Why is the topic material to Zealand Pharma?
Through our research, we have the opportunity to improve the lives of millions of people. Patient health and safety must however, never be compromised, and conducting studies with animals is essential for the development of new medicines. These studies are crucial for ensuring the safety and efficacy of new treatments before they are used in humans. We have an interest and an obligation to ensure the highest animal welfare standards possible in all studies conducted.

OUR APPROACH AND POLICIES

Ensuring high animal welfare in our development activities is a top priority for Zealand Pharma, reflecting our commitment to ethical practices and the well-being of animals. Our Policy on Animal Ethics and Welfare entails only using animal studies where no in vitro or in silico alternatives exist. All laboratory animals used under our responsibility must be treated gently and with respect, and only purpose-bred animals are used. We adhere to the principles of the 3Rs (reduce, refine, replace) and work to integrate these principles in all studies.

We have established an Animal Welfare body that continuously reviews all new protocols and applications for animal experiments. The Animal Welfare body also assesses new external partners Zealand Pharma works with in the conduct of in vivo studies prior to engagement to ensure that they conform to Zealand Pharma's high animal ethics and welfare standards. The assessment is based on a site visit as well as a questionnaire which is sent to the facility in advance of the visit.

All in-house animal studies are carried out in accordance with specific licenses issued by the Ministry of Environment and Food of Denmark. Danish law stipulates regular inspections of the animal facilities as well as comprehensive reporting protocols overseeing experiments conducted during the year, processed through The Animal Experiments Inspectorate. Continuous dialogue between animal caretakers, laboratory technicians, veterinarians, academic staff, and heads of departments ultimately ensures the highest animal welfare standards in all studies conducted. Furthermore, all studies with laboratory animals sponsored by Zealand Pharma, conducted with external partners, are completed in accordance with present EU law (Directive 2010/63/EU).

All employees working with laboratory animals have appropriate and documented education and training and proactively monitor developments in the field. Veterinary checks of our animals are performed regularly.

Transportation of laboratory animals, used in in vivo studies under Zealand Pharma's responsibility, is only transported with adherence to the requirements in EU law (Directive 2010/63/EU).

The necessity of animal experiments for our research and development activities cannot be overstated, which is why we constantly strive for the greatest vigilance and care in our treatment of animals.

OUR ACTIONS

Actions 2024
- Onboarding and training of new and current employees
- Tunnel handling project and training conducted to improve handling of all mice, resulting in calmer mice during handling.

Looking ahead
Through our current procedures, we ensure high animal welfare in our development activities, and in 2025 we plan on continuing these efforts. As we will no doubt bring in many new employees into our company, we will have an increased focus on training and awareness.

ESG data and accounting policies

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Jakob works in Finance

APPENDIX

ESG Data table and accounting policy

Environment

Metric	Unit	2024	2023
Energy			
Total energy consumption related to own operations	Mwh	935	916
Greenhouse Gas emissions			
Gross Scope 1 greenhouse gas emissions	tCO_2e	145	144
Gross location-based Scope 2 greenhouse gas emissions	tCO_2e	17	56
Gross market-based Scope 2 greenhouse gas emissions	tCO_2e	0	23
Gross Scope 3 greenhouse gas emissions	tCO_2e	266,412	73,757
1. Purchased goods and services	tCO_2e	42,712	19,484
2. Capital goods	tCO_2e	536	343
3. Fuel- and energy-related activities (not included in Scope 1 or 2)	tCO_2e	35	39
4. Upstream transportation and distribution	tCO_2e	289	8
5. Waste generated in operations	tCO_2e	4	3
6. Business travel	tCO_2e	577	462

Metric	Unit	2024	2023
7. Employee commuting	tCO_2e	254	134
9. Downstream transportation and distribution	tCO_2e	515	747
12. End-of-life treatment of sold products	tCO_2e	0.05	0.31
15. Investments (Total)	tCO_2e	221,492	52446
15a: Investments (Scope 1 & 2 of investments)	tCO_2e	6,219	4,716
15b: Investments (incl. Scope 3 of investments)	tCO_2e	215,272	47,729
Total GHG emissions location based	tCO_2e	266,575	73,957
Total GHG emissions market based	tCO_2e	266,557	73,923

Social

Metric	Unit	2024	2023
Employee Characteristics of own workforce			
Total headcount of own workforce	Count	355	273
Total headcount, Denmark	Count	345	265
Total headcount, United States	Count	10	8
Number of employee who have left undertaking	Count	26	28
Percentage of employee turnover	Percentage	7.30%	10.30%
Employee engagement, development and culture			
Participation score in annual employee engagement survey	Percentage	95%	92%
Engagement score	Rate	8.8 of 10	8.8 of 10
The percentage of employees that participated in regular performance and career development reviews	Percentage	100%	100%
Diversity, equity and inclusion			
Gender distribution in percentage of employees at top management level (Corporate Management)	% Male/ Female	67% / 33%	67% / 33%
Number of members in other management positions	Count	23	22
Gender distribution in percentage of other management positions (Male/Female)	% Male/ Female	65% / 35%	55% / 45%
Total headcount, female	Count	224	162
Total headcount, male	Count	131	111
Distribution of employees (head count) under 30 years old	Count	33	18
Distribution of employees (head count) between 30 and 50 years old	Count	191	150
Distribution of employees (head count) over 50 years old	Count	131	105
Number of nationalities in own workforce	Count	25	19

Metric	Unit	2024	2023
Health and Safety			
Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	Percentage	97%	97%
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	Count	0	0
Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites	Count	0	0!
Number of recordable work-related accidents for own workforce	Count	1	1
Rate of recordable work-related accidents for own workforce	Cases/mio working hours	2.2	2.8
Number of near-accidents	Count	2	1
Number of cases of recordable work-related ill health of employees	Count	1	1
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees	Days	4	5
Patient			
% of operating expenditure (OPEX) allocated to Research and development	Percentage	69%	76%
% of employees (FTEs) working with Research and development	Percentage	84%	85%
Number of active trials with Zealand Pharma products	Count	23	14
Number of scientific communications	Count	44	30

Governance

Data point	Unit	2024	2023
Corruption and bribery			
Number of whistleblower cases	Count	0	0
Number of convictions for violation of anti-corruption and anti- bribery laws	Count	0	0
Amount of fines for violation of anti-corruption and anti-bribery laws	EUR	0	0
Number of confirmed incidents of corruption or bribery	Count	0	0
Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	Count	0	0
Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	Count	0	0
Management disclosures			
Number of executive members	Count	2	2
Board's gender diversity ratio (shareholder elected)	Ratio Male/ Female	4 / 3	5 / 2
Percentage of independent board members	Percentage	64%	64%

APPENDIX

Accounting policies

Basis for preperation

Reporting period
Zealand Pharma's reporting period covers 1 January to 31 December. In this report, 2023 and 2024 data is reported.

Reporting scope, boundaries and assumptions
The scope of our sustainability report, the material sustainability topics and ESG data points reported, is based on a double materiality assessment (DMA) conducted by Zealand Pharma. The DMA follows the specifications of the European Sustainability Reporting Standards (ESRS). Subsequently, this report will not include topics and data points considered immaterial in the scope of our DMA.

While Zealand Pharma is not obligated to report according to the Corporate Sustainability Reporting Directive (CSRD) and the ESRS until the financial year of 2025, many of the ESG data points reported follow the specifications and application requirements of the ESRS. None of the ESG datapoints reported for 2023 or 2024 have undergone limited assurance procedures by an independent third-party.

Unless otherwise stated, the reported ESG data is based on the same organisational scope of the financial statement. Thus, the ESG data includes consolidated data from the parent company Zealand Pharma A/S.

If assumptions and/or estimates have been used, or if there is a difference in acocunting methods between the reporting years of 2023 and 2024, this will be outlined in the individual accounting policies for the respective data points.

Environment

Energy
Total energy consumption, measured in MWh (LHV), is the consumption of power and natural gas, petrol and diesel from the site in Søborg, Denmark where Zealand Pharma has operational control. 2023 includes a previously controlled US office site, which was discotinued in 2024.

There is no onsite consumption of any self generated non-fuel renewable energy and the company does not operate in any high climate impact sectors as per its NACE codes.

Greenhouse Gas emissions
All scope GHG emissions are quantified inline with the principles of the GHG Protocol Corporate Standard. All GHG emissions are expressed in metric tons of carbon dioxide equivalent (tCO_2e) using the latest Global Warming Potential values from the Intergovernmental Panel on Climate Change. Due to inherent limitations in scientific knowledge, estimation methodologies and assumptions in scope 3 the reported emissions data carries some degree of uncertainty.

Scope 1 emissions
Scope 1 emissions comprise direct GHG emissions from sources owned or controlled by Zealand Pharma, including natural gas consumption at facilities, use of company vehicles, and fugitive emissions from refrigeration and air conditioning systems. Emissions are calculated by multiplying activity data (e.g., liters of fuel consumed) by DEFRA emission factors. Energy consumption is based on metre readings and invoices. Petrol and diesel are considered to be 100% mineral blend and not inclusive of any biofuel blending.

Scope 2 emissions
Scope 2 emissions include indirect GHG emissions from purchased electricity and heating. These are calculated using both location-based and market-based methods. The location-based method uses average emission factors for the local electricity grid, while the market-based method reflects contractual arrangements for electricity purchases including any renewable energy certificates. Emission sources result from power consumption from operational sites and onsite 3rd party EV chargers. It is not known nor disclosed what the percentrage of biomass or biogenic CO_2 is.

Scope 3 emissions
Scope 3 emissions encompass all other indirect emissions from Zealand Pharma's value chain. Material and immaterial categories have been identified through a screening. Material scope 3 categories include: purchased goods and services, capital goods, fuel and energy-related activities not included in Scope 1 or 2, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, downstream transportation and distribution, end of life of sold products and investments. Immaterial scope 3 categories are; upstream leased assets, processing of sold products, use of sold products, downstream leased assets, and franchises.

For each category, emissions are calculated using spend data or activity-based metrics multiplied by relevant emission factors. Due to the broad nature of scope 3 emissions and reliance on third-party data, these calculations inherently involve a higher degree of estimation and uncertainty compared to scope 1 and 2 emissions.

The materiality assessment of scope 3 categories is reviewed annually to ensure all significant emission sources are captured and align with Zealand Pharma's operational reality.

Emissions from *purchased goods and services* are calculated using spend data from Zealand Pharma's financial reporting systems. This produces an estimate of upstream cradle-to-gate emissions from the production of purchased goods and services.

Spend based methodology:

Zealand Pharma utilizes the Normative transactional accounting model which classifies each transaction according to corresponding industry and economic sector using suppliers' main industry codes and transactional information. This information is also used to determine the mapping of some transactions to upstream transportation and distribution and business travel.

Spend amounts are converted to EUR using exchange rates from the transaction date if in other currencies. The mapped transactions are then assigned appropriate emission factors from Exiobase representing emissions per monetary unit (kgCO_2e/EUR). The calculation includes assumptions about average emissions intensities within industry sectors.

Emissions from *capital goods* are calculated using annual capital expenditure data from Zealand Pharma's financial systems. The spend on equipment, buildings, vehicles and other capital investments is mapped to relevant industry sectors using the spend based methodology. The emission factors used account for average emissions intensities of capital goods manufacturing within each sector.

Fuel and energy-related activities encompass all upstream greenhouse gas emissions (CO_2e) associated with purchased fuels and energy, beyond what's covered in Scope 1 and 2 emissions. Emissions are quantified by first converting energy usage into kilowatt-hours (kWh), then multiplied by country-specific emission factors provided by DEFRA and the IEA. In the absence of country-specific emission factors worldwide emission factors are applied. This category accounts for all upstream emissions, including those from transportation and distribution, related to electricity, heat, and fuel production.

Zealand Pharma accounts for *upstream transportation* emissions that result from purchased products transported or distributed in vehicles and facilities not owned or controlled by Zealand Pharma. These emissions are calculated based on the amount spent using the spend based methodology.

Emissions from *waste generated in operations* account for the CO_2e generated from the disposal and treatment of operational and clinical waste by third-party providers at company sites. To calculate these emissions, waste weight data obtained from third-party waste providers is multiplied by DEFRA's waste-specific emission factors. It is assumed that clinical waste which requires special handling is disposed of using combustion.

Business travel emissions are calculated using third-party travel data, primarily from business flights. Flights not captured in this category are quantified using DEFRA emission factors inclusive of radiative forcing. This category also includes emissions from other travel-related expenses, such as hotel stays, which are quantified using the spend methodology.

Employee commuting emissions result for all employees commuting to their place of work. They are calculated from a survey which estimates the average employee emissions which is then multiplied by the number of FTEs. Survey parameters include the mode of transport (car, bus, train or light rail), employment duration and the frequency of travel. Emissions are quantified using emission factors from DEFRA.

Zealand Pharma accounts for *downstream transportation* emissions that result from sold products transported or distributed in vehicles and facilities not owned or controlled by Zealand Pharma. These emissions are calculated based on information extracted from the financial reporting system and the spend based methodology.

End-of-life treatment emissions include CO_2e from the disposal of all market-sold products and their packaging. Sales data from Zegalog to downstream business customers determines the product quantities and the methodology does not differentiate between packaging and product. Since these are medical products, they are classified as commercial and industrial waste and are incinerated at disposal. A global emission factor is used to calculate these emissions.

Investment emissions capture the proportional share of scope 1, 2 and 3 emissions from investment holdings, based on the size of each investment. Data is obtained directly from the investment provider, granular emission data is provided for significant investments. Where emissions data is missing, scope averages are calculated and applied to ensure comprehensive coverage across the investment portfolio.

Total Greenhouse Gas emissions and intensity
Total GHG emissions location based is the sum of all scopes inclusive of scope 2 location based.

Total GHG emissions market based is the sum of all scopes inclusive of scope 2 market based.

Social

Employee Characteristics
Total number of employees (head count) refer to the total number of employees employed in Zealand Pharma by 31 december of the reporting year. All employee data, including gender, age distribution, and nationality is based on registrations in Zealand Pharma's HR systems.

Number of employees who have left undertaking refer to employees of Zealand Pharma who leave voluntarily or due to dismissal, retirement, or death in service as per december 31st of the reporting year.

Percentage of employee turnover is calculated by taking the number of employees (headcount) who left the undertaking per december 31st of the reporting year as the numerator, and the total number of employees (head count) as per december 31st of the reporting year as the denominator

Employee engagement, development and culture
Participation score in annual employee engagement survey refers to the percentage of eligible employees who completed the annual employee engagement survey, compared to the total number of eligible employees. Eligible employees are defined as those who have been employed at Zealand Pharma for a minimum of 3 months upon the publication date of the engagement survey.

The engagement score is based on an anonimous employee survey conducted by a third party. Eligible employees respond to the question, "How likely is it, that you would recommend others at

applying for a job at Zealand Pharma" from a scale from 0-10. 0 is defined as "not likely at all" and 10 is defined as "very likely". The engagement score is the average response.

In relation to the percentage of employees that participated in regular performance and career development reviews, a regular performance and career development review is defined as a review based on criteria known to the employee and his or her superior undertaken with the knowledge of the employee at least once per year. The percentage is calculated by using the headcount of employees in the denominator, and the number of performance reviews performed in the numerator.

Diversity, equity and inclusion
The gender distribution at the top management level is reported as the percentage split by male/female on December 31 of the reporting year. Top management is defined as the Corporate Management team (C-levels), in Zealand Pharma.

Count of, and gender distribution in percentage of other management positions refers to the total sum, and split between male and female employees actively employed in Zealand Pharma on December 31 of the reporting year. By other management levels, we mean the two management levels below Zealand Pharma's Board of Directors. The first management level is the executive management and the individuals who are organizationally at the same management level as the executive management, in our Zealand Pharma's case Corporate Management. The second management level includes individuals with personnel responsibility who report directly to the first management level. This definition is in line with the definition of "other management level" from the Danish Gender Balance Act

Number of nationalities refer to the total number of different nationalities employed by Zealand Pharma on 31 December of the reporting year. Data is deprived from Zealand Pharma's HR system.

Health and Safety - scope and definitions
Definition of "work related": Work-related injuries and work-related ill health arise from exposure to hazards at work, and are accounted for. In relation to "work related", Zealand Pharma considers the following work-related:

With regard to travelling for work purposes, injuries and ill health that occur while a person is travelling are work-related if, at the time of the injury or ill health, the person was engaged in work activities "in the interest of Zealand Pharma". If Zealand Pharma is responsible for the transport commuting, incidents occurred while commuting are considered to be work-related.

Ill health is defined according to the specifications of Danish regulation regarding "Erhvervssygdomme", and cover all ilnesses highlighed in BEK nr 1324 af 29/11/2024. Cases are collected through the Danish business register.

With regard to working from home, injuries and ill health that occur when working from home are work-related, if the injury or ill health occurs while the person is performing work from home; and the injury or ill health is directly related to the performance of work rather than the general home environment or setting.

With regard to mental illness, it is considered to be work-related, if it has been notified voluntarily by the person concerned and it is supported by an opinion from a licensed healthcare professional with appropriate training and experience; and if such opinion states that the illness is work-related.

Health issues resulting, for example, from smoking, drug and alcohol abuse, physical inactivity, unhealthy diets, and psychosocial factors unrelated to work are not considered work-related.

Occupational diseases are not considered work-related injuries but are covered under work-related ill health.

Health and safety - data points
Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines refer to the percentage of employees, by headcount, who are covered by Zealand Pharmas health and safety management system. It is calculated by taking the headcount of people covered in the numerator, and the headcount of total employees in the denominator. Zealand Pharma's Health and Safety Management System follow the national regulation of LBK nr 2062 af 16/11/2021, "Bekendtgørelse af lov om arbejdsmiljø".

Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites refer to fatalities of non Zealand Pharma employess that occur on Zealand Pharma premises, within the reporting year.

Number of fatalities as result of work-related injuries and work-related ill health of other workers working on undertaking's sites refer to fatalities of non Zealand Pharma employess that occur on Zealand Pharma premises, within the reporting year

Number of recordable work-related accidents for own workforce if defined as a work-related accident which results in absence of at least one day, in addition to the day of the accident.

Near accidents are those cases, where an accident did not occur, but a report was made. Near-accidents can be reported by all employees, and are handles by Zealands OSHA committee.

Rate of recordable work-related accidents for own workforce is calculated by taking the respective number of recordable work-related accidents and fatalities for own workforce of the reporting year, dividing it by the total number of actual hours worked (in million) by own employees. Data on working hours is coming from Zealand Pharma's HR and payroll systems.

Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees refers to the total number of days lost. The count includes the number of calendar days lost such that the first full day and last day of absence is included. Calendar days are used for the calculation, thus days on which the affected individual is not scheduled for work (for example, weekends, public holidays) will count as lost days.

Patient
For % of operating expenditure (OPEX) allocated to Research and development , please see note 2.5, "Research and development expencted" of the consolidated financial statements

% of employees working with research and development refer to the total number of employee working hours allocation to R&D activities, in relation to the total working hours of all employees. Data is based on Zealand Pharma's financial accounts and HR system.

Number of active trials refer to active clinical trials of Zealand Pharma products during the reporting year, performed either by Zealand Pharma or partners. As some trials are active between repoting years, the same trial might be accounted for in both reporting years.

Scientific communications refer to the contributions made by Zealand Pharma to the scientific environment and pharmaceutical industry, including research abstracts, poster presentations, oral presentations at international congresses, published scientific manuscripts, and other scientific publications (e.g. book chapters) within the reporting year.

Governance

Corruption and bribery
Whistleblower cases are received in Zealand Pharma's whistleblowing system, and handled by an independent third-party. Cases are dealt with by representatives of the Legal department, Corporate management and the audit committee. Zealand's whistleblower hotline is available for both internal and external parties.

All whistleblowing cases are managed in accordance with the Danish Whisleblowing Act, and are supported by Zealand's internal operating procedures. Only cases which are closed during the financial year are reported. "

Number of convictions for violation of anti-corruption and anti- bribery laws refer to instances within the reporting year, upon which Zealand Pharma has been convicted for violating anti-corruption and anti-bribery laws.

Amount of fines for violation of anti-corruption and anti- bribery laws refer to the total amount of fines received by Zealand Pharma within the reporting year.

Number of confirmed incidents of corruption or bribery refor to the number of cases within the reporting year, upon which Zealand Pharma, or Zealand Pharma own workers were confirmed to violate corruption or bribery related matters. This includes, but is not limited to bribery, facilitation payments, fraud, extortion, collusion, and money laundering. Incidents of corruption or bribery that are still under investigation in the reporting period are not reported.

Confirmed incidents of corruption or bribery that resulted in dismissal or disciplinary action of Zealand Pharma Employees, within the reporting year. Disiplinary actions refer to reduction in work hours, job perks, or benefits, temporary suspension of duties or demotion.

Terminations or non-renewals of contracts with business partners due to violations related to corruption or bribery related matters includes, but is not limited to bribery, facilitation payments, fraud, extortion, collusion, and money laundering. Incidents of corruption or bribery that are still under investigation in the reporting period are not reported.

Management disclosures
Number of executive members refers to the executive management, who is obligated in accordance with the Danish Companies act, to be registered in the Danish Business authority IT register.

Board's gender diversity ratio refers to the gender (male/female) of the shareholder-elected members of the Board of Directors of Zealand Pharma

Percentage of independent board members refers to the percentage of shareholder-elected board members. Non-independent members are employee-elected board members.

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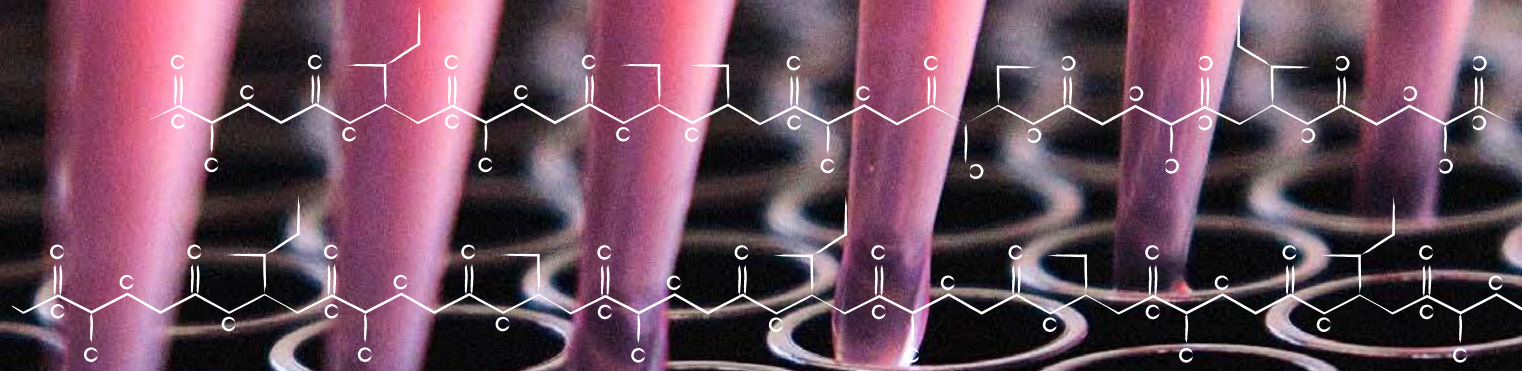

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Consolidated statement of loss for the years ended December 31, 2024 and 2023

DKK thousand	Note	2024	2023
Revenue	2.1	62,691	342,788
Royalty expenses	2.3	-	-9,138
Cost of goods sold	2.4	-7,874	-10,036
Gross profit		**54,817**	**323,614**
Research and development expenses	2.5	-919,866	-684,902
Sales and marketing expenses	2.6	-88,115	-30,627
General and administrative expenses	2.7	-315,907	-185,302
Other operating income	2.9	-	15,979
Other operating expenses	2.9	-3,136	-11,000
Net operating expenses		**-1,327,024**	**-895,852**
Operating result		**-1,272,207**	**-572,238**
Financial income	4.7	240,264	54,115
Financial expenses	4.7	-51,502	-190,742
Result before tax		**-1,083,445**	**-708,865**
Corporate tax	5.1	4,617	5,126
Net result for the year		**-1,078,828**	**-703,739**
Loss per share, basic/diluted (DKK)	2.10	-16.24	-12.44

Consolidated statement of comprehensive loss for the years ended December 31, 2024 and 2023

DKK thousand	Note	2024	2023
Net result for the year		-1,078,828	-703,739
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		-316	8,087
Total comprehensive result for the year		**-1,079,144**	**-695,652**

Consolidated financial statements

Consolidated statement of financial position as of December 31, 2024 and 2023

DKK thousand	Note	2024	2023
Assets			
Intangible assets	3.1	12,620	12,255
Property, plant and equipment	3.2	46,479	47,047
Right-of-use assets	3.3	78,768	102,805
Other investments	3.4	-	14,004
Deferred tax assets	5.1	985	925
Trade receivables	3.7	-	6,887
Other receivables	3.8	19,412	8,907
Marketable securities	4.5	819,632	-
Other financial assets	3.6	-	7,375
Total non-current assets		**977,896**	**200,205**
Inventory	3.5	10,698	7,935
Trade receivables	3.7	193,559	97,803
Other receivables	3.8	87,205	24,556
Corporate tax receivable	5.1	10,232	16,437
Other investments	3.4	23,626	-
Marketable securities	4.5	7,722,081	1,183,746
Cash and cash equivalents	4.4	480,303	449,311
Total current assets		**8,527,704**	**1,779,788**
Total assets		**9,505,600**	**1,979,993**

DKK thousand	Note	2024	2023
Share capital	4.8	71,024	58,751
Share premium		14,680,771	6,406,225
Currency translation reserve		22,388	22,704
Accumulated losses		-6,157,441	-4,894,841
Total shareholders' equity		**8,616,742**	**1,592,839**
Borrowings	4.6	285,332	-
Derivative financial liabilities	4.6	109,665	-
Lease liabilities	3.3	90,388	102,575
Total non-current liabilities		**485,385**	**102,575**
Lease liabilities	3.3	16,036	16,655
Trade payables	3.9	254,843	125,071
Other payables	3.10	132,594	142,853
Total current liabilities		**403,473**	**284,579**
Total liabilities		**888,858**	**387,154**
Total shareholders' equity and liabilities		**9,505,600**	**1,979,993**

Consolidated financial statements

Consolidated statement of cash flows for the years ended December 31, 2024 and 2023

DKK thousand	Note	2024	2023
Net result for the year		-1,078,828	-703,739
Adjustment for other non-cash items	6.6	-80,501	202,033
Changes in working capital	6.6	122,379	52,103
Financial income received		119,010	37,887
Financial expenses paid		-24,031	-25,252
Corporate taxes received		11,155	11,300
Cash flow used in operating activities		**-930,816**	**-425,668**
Proceeds from sale of marketable securites		4,137,897	1,089,547
Purchase of marketable securities		-11,457,664	-2,159,831
Purchase of intangible assets		-3,095	-12,508
Purchase of property, plant and equipment		-10,053	-11,241
Cash flow used in investing activities		**-7,332,915**	**-1,094,033**
Proceeds from borrowings	4.6	369,867	-
Repayment of borrowings	4.6	-	-525,764
Lease installments	3.3	-16,442	-17,664
Proceeds from issuance of shares		8,492,752	1,500,000
Purchase of treasury shares	4.8	-351,834	-41,600
Proceeds from issuance of shares related to exercise of share-based compensation		30,727	63,950
Costs related to issuance of shares		-236,579	-71,908
Cash flow from financing activities		**8,288,491**	**907,014**
Increase/(decrease) in cash and cash equivalents		24,760	-612,687
Cash and cash equivalents at beginning of year		449,311	1,069,234
Exchange rate adjustments		6,232	-7,236
Cash and cash equivalents at end of year		**480,303**	**449,311**

Consolidated statement of changes in shareholders' equity at December 31, 2024 and 2023

DKK thousand	Share capital	Share premium	Currency translation reserve	Accu-mulated losses	Total
Equity at January 1, 2024	**58,751**	**6,406,225**	**22,704**	**-4,894,841**	**1,592,839**
Exchange differences on translation of foreign operations	-	-	-316	-	-316
Net result for the year	-	-	-	-1,078,828	-1,078,828
Total comprehensive income	**-**	**-**	**-316**	**-1,078,828**	**-1,079,144**
Transactions with owners					
Purchase of treasury shares	-	-	-	-270,804	-270,804
Exercise of warrants	161	30,566	-	-	30,727
Share-based compensation expenses	-	-	-	87,032	87,032
Capital increases	12,112	8,480,559	-	-	8,492,671
Costs related to capital increases	-	-236,579	-	-	-236,579
Equity at December 31, 2024	**71,024**	**14,680,771**	**22,388**	**-6,157,441**	**8,616,742**
Equity at January 1, 2023	**51,702**	**4,921,232**	**14,617**	**-4,171,640**	**815,911**
Exchange differences on translation of foreign operations	-	-	8,087	-	8,087
Net result for the year	-	-	-	-703,739	-703,739
Total comprehensive income	**-**	**-**	**8,087**	**-703,739**	**-695,652**
Transactions with owners					
Purchase of treasury shares	-	-	-	-81,045	-81,045
Net settlement of PSUs and RSUs	-	-	-	157	157
Exercise of warrants	470	63,480	-	-	63,950
Share-based compensation expenses	-	-	-	61,426	61,426
Capital increases	6,579	1,493,421	-	-	1,500,000
Costs related to capital increases	-	-71,908	-	-	-71,908
Equity at December 31, 2023	**58,751**	**6,406,225**	**22,704**	**-4,894,841**	**1,592,839**

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1.0 Basis of preparation

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1.1 Basis of preparation, going concern assumption, nature of the business and accounting policies

Basis of preparation
These consolidated financial statements include Zealand Pharma A/S (the parent company) and subsidiaries over which the parent company has control. The Zealand consolidated Group is referenced herein as "Zealand" or the "Group".

This section describes Zealand's material financial accounting policies including Management's judgements and estimates. New or revised EU endorsed accounting standards and interpretations are described, in addition to how these changes are expected to impact the financial performance and reporting of Zealand.

Accounting policies
The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act (class D). The consolidated financial statements were approved by the Board of Directors and authorized for issue on February 20, 2025. Except as outlined in note 1.2 New accounting policies and disclosures, the financial statements have been prepared using the same accounting policies as in previous years.

Zealand describes material accounting policy information in conjunction with each note with the aim to provide a more understandable description of each accounting area.

Going concern assessment
The Company's strategy to prioritize research and development allows the Company to focus on the research and development of innovative peptide-based medicines and leverage its peptide platform through strategic collaborations.

Until such time where the Company becomes able to generate positive cash-flows from its operations, additional funding is expected to be necessary to fund future research and development activities. Therefore, the Company may raise additional funds through either public financing, debt financing, collaboration agreements, strategic alliances and licensing arrangements, or a combination of such.

Management’s judgement and assessment of the Company’s ability to continue as a going concern includes evaluation of the Company's operational cash-flow requirements for the forthcoming 12 months from the balance sheet date and future sources and uses of cash. Management has assessed factors such

Notes to the Consolidated financial statements

1.1 Basis of preparation, going concern assumption, nature of the business and accounting policies (continued)

as its product pipeline, cash position, planned research and development activities, current license and collaboration agreements, undrawn borrowing facilities and financing opportunities.

Management expects that the Company's cash and cash equivalents as of December 31, 2024, will be sufficient to fund the Company's research and development activities as planned and capital requirements for at least 12 months from the December 31, 2024 balance sheet date. Following the capital increases completed in January 2024 and June 2024 the Group received gross proceeds of DKK 1.5 billion and DKK 7.0 billion, respectively.

On this basis, these consolidated financial statements are prepared using the going concern assumption.

Nature of the Business
Zealand is a biotechnology company focused on the discovery, design, and development of innovative peptide-based medicines within the three therapeutic focus areas: obesity and obesity-related comorbidities, rare diseases, and chronic inflammation.

In obesity, our peptide capabilities place us in a unique position to address a vast global healthcare challenge and positively impact hundreds of millions of lives. Within rare diseases, we have a long-standing commitment to deliver new and effective treatments to patients living with congenital hyperinsulinism and short bowel syndrome. For chronic inflammatory diseases, we are progressing peptide programs focused on high-profile targets shown to be difficult to address with small molecules and antibodies.

Zealand's strategy is to pursue global co-development and commercialization partnerships that complement and extend our capabilities across the value chain to deliver new peptide therapies to people who need them.

Zealand Pharma A/S, founded in 1998, is incorporated in Denmark and headquartered in Copenhagen, Denmark with a presence in the U.S.

Materiality
Zealand's Annual Report is based on the concept of materiality and the Company focuses on information that is considered material and relevant to the users of the consolidated financial statements. The consolidated financial statements consist of a large number of transactions. These transactions are aggregated into classes according to their nature or function and presented in classes of similar items in the consolidated financial statements as required by IFRS and the Danish Financial Statements Act. If items are individually immaterial, they are aggregated with other items of similar nature in the financial statements or in the notes.

Consolidated Financial Statements
The consolidated financial statements include Zealand A/S and subsidiaries over which the parent company has control. The parent controls a subsidiary when the parent is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power to direct the activities of the subsidiary.

Zealand's consolidated financial statements have been prepared on the basis of the financial statements of the parent company and subsidiaries, prepared under Zealand's accounting policies by combining similar accounting items on a line-by-line basis. On consolidation, intercompany income and expenses, intercompany receivables and payables, and unrealized gains and losses on transactions between the consolidated companies are eliminated.

The recorded value of the equity interests in the consolidated subsidiaries is eliminated with the proportionate share of the subsidiaries' equity. Subsidiaries are consolidated from the date when control is transferred to the Group.

Notes to the Consolidated financial statements

1.1 Basis of preparation, going concern assumption, nature of the business and accounting policies (continued)

The income statements for subsidiaries with a different functional currency than Zealand's presentation currency, are translated into Zealand's presentation currency at average exchange rates, and the balance sheets are translated at the exchange rate in effect at the balance sheet date.

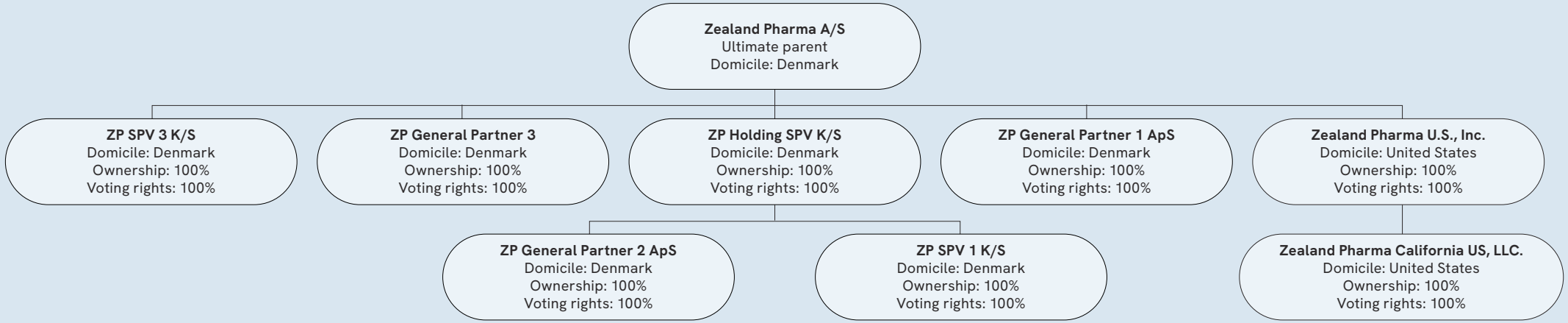
Exchange rate differences arising from the translation of foreign subsidiaries shareholders' equity at the beginning of the year and exchange rate differences arising as a result of foreign subsidiaries' income statements being translated at average exchange rates are recorded in translation reserves in shareholders' equity.

Functional and Presentation Currency
The consolidated financial statements have been presented in Danish Kroner (DKK), which is the functional and presentation currency of the parent company.

Foreign Currency
Transactions in foreign currencies are translated at the exchange rates in effect at the date of the transaction.

Exchange rate gains and losses arising between the transaction date and the settlement date are recognized in the income statement as financial income or expense.

Unsettled monetary assets and liabilities in foreign currencies are translated at the exchange rates in effect at the balance sheet date. Exchange rate gains and losses arising between the transaction date and the balance sheet date are recognized in the income statement as financial income or expense.



Notes to the Consolidated financial statements

1.1 Basis of preparation, going concern assumption, nature of the business and accounting policies (continued)

Statements of Cash Flows
The cash flow statement is presented using the indirect method.

Cash flows from operating activities are stated as the net result for the year adjusted for net financial items, non-cash operating items such as depreciation, amortization, impairment losses, share-based compensation expenses, provisions, and for changes in operating assets and liabilities, interest paid and received, interest elements of lease payments and corporate taxes paid or received. Operating assets and liabilities are mainly comprised of changes in receivables and other payables excluding the items included in cash and cash equivalents. Changes in non-current assets and liabilities are included in operating assets and liabilities, if related to the main revenue-producing activities of Zealand.

Cash flows from investing activities consist of purchases and sales of marketable securities and other investments, as well as purchases of intangible assets and property and equipment.

Cash flows from financing activities relate to the issuance of shares, purchase of treasury shares and proceeds/repayments of loans including installments on lease liabilities.

Cash and cash equivalents are comprised of cash, bank deposits, and marketable securities with a maturity of less than ninety days on the date of acquisition.

The statements of cash flows cannot be derived solely from the consolidated financial statements.

ESEF and iXBRL reporting
Zealand Pharma is required to file its annual report in ESEF format, and the annual report is therefore prepared in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format. The consolidated financial statements are tagged using inline eXtensible Business Reporting Language (iXBRL). The iXBRL tags comply with the ESEF taxonomy, which is included in the ESEF Regulation and developed based on the IFRS taxonomy published by the IFRS Foundation. Where a financial statement line item is not defined in the ESEF taxonomy, an extension to the taxonomy has been created. Extensions are anchored to elements in the ESEF taxonomy, except for extensions which are subtotals. The Annual Report submitted to the Danish Financial Supervisory Authority consists of the XHTML document together with certain technical files, all included in a file named zealandpharma-2024-12-31-en.zip.

1.2 New accounting policies and disclosures

Implementation of new and revised standards and interpretations
Zealand has, with effect from January 1, 2024, applied and implemented the following new standards and amendments, which are relevant for Zealand:

- Amendments to IFRS 16, Leases, Lease Liability in a Sale-and-Leaseback
- Amendment to IAS 1, Presentation of Financial Statements, Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The implementation of the above new and revised standards and amendments did not have any material impact on amounts recognized in current and prior periods and is not expected to have a material impact in the current or future reporting periods.

Standards and interpretations not yet effective
The IASB has issued a number of new standards and updated some existing standards, which are effective for accounting periods beginning on January 1, 2025, or later. Therefore, they are not incorporated in these consolidated financial statements. On April 9, 2024, the IASB issued a new standard – IFRS 18, Presentation and Disclosure in Financial Statements. IFRS 18 will be effective for annual reporting periods beginning on or after January 1, 2027, including for interim financial statements. The key new concepts introduced in IFRS 18 relate to the structure of the statement of profit or loss; the required disclosures in the financial statements for management-defined performance measures and enhanced principles on aggregation and disaggregation.

1.3 Management's judgements and estimates under IFRS

In preparing consolidated financial statements under IFRS, certain provisions in the standards require Management's judgements, including various accounting estimates and assumptions. These judgements and estimates affect the application of accounting policies, as well as reported amounts within the consolidated financial statements and disclosures.

Determining the carrying amount of certain assets and liabilities requires judgements, estimates and assumptions concerning future events that are based on historical experience and other factors, which by their very nature are associated with uncertainty and unpredictability.

Notes to the Consolidated financial statements

1.3 Management's judgements and estimates under IFRS (continued)

Accounting estimates are based on historical experience and various other factors relative to the circumstances in which they are applied. Estimates are generally made based on information available at the time. An example would include Management's estimation of useful lives of intangible assets.

Accounting judgements are made in the process of applying accounting policies. These judgements are typically made based on the guidance and information available at the time of application. Examples would include Management's judgements utilized in determining revenue recognition.

These estimates and judgements may prove incomplete or incorrect, and unexpected events or circumstances may arise. Zealand is also subject to risks and uncertainties which may lead actual results to differ from these estimates, both positively and negatively. Specific risks for Zealand are discussed in the relevant section of this Annual Report and in the notes to the consolidated financial statements.

The areas involving a high degree of judgement and estimation that at the end of the reporting period have a significant risk of resulting in material adjustment to the carrying amount of assets and liabilities within the next financial year are summarized below. Refer to the identified notes for further information on the key accounting estimates and judgements utilized in the preparation of these consolidated financial statements.

Accounting topic	Key accounting estimates and judgements	Note reference	Estimation risk
Revenue recognition	Judgement in assessing the nature of combined performance obligations within contracts	2.1	Moderate
	Judgement in assessing the probability of attainment of milestones		Low
	Estimation of stand-alone selling price for each identified performance obligation		Moderate
Deferred taxes	Judgement and estimate regarding valuation of deferred income tax assets	5.1	Low
Accrual of costs for clinical contracts	Estimate on allocation of total contract costs between start-up, patient treatment and wrap-up phases for clinical trials including estimate of value for expected change orders	2.5	Low
Derivative financial liabilities, warrants	Estimate of fair value of cash-settled warrant liability from disbursement of EIB loan (Tranche A)	4.6	Moderate

Notes to the Consolidated financial statements

2.0 Results for the year

This section includes disclosures related to the consolidated statement of loss. A detailed description of the results for the year is provided in the Financial Review section in the Management's Review.

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2.1 Revenue

§ Accounting policies

Zealand recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration that the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that Zealand determines are within the scope of IFRS 15, Zealand performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. Zealand only applies the five-step model to contracts when it is probable that the Company will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope of IFRS 15, Zealand assesses the goods and services promised within each contract and identifies as a performance obligation each good or service that is distinct. Revenue is recognized in the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

Milestone revenue

At the inception of each arrangement that includes milestone payments, Zealand evaluates whether the achievement of milestones is considered highly probable and estimates the amount to be included in the transaction price using the most likely amount method. If it is highly probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestone payments that are not within the control of Zealand or the license and collaboration partner, such as milestones conditioned of regulatory approvals, are not considered probable of being achieved until such regulatory approvals are received. The transaction price is then allocated to each performance obligation on a relative stand-alone selling price basis, for which Zealand recognizes revenue as or when the performance obligations under the contract are satisfied. At the end of each subsequent reporting period, Zealand re-evaluates the probability of achievement of such milestones and any related constraint, and if necessary, adjusts its estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect revenue and earnings in the period of adjustment.

License revenue for intellectual property

If the license to Zealand's functional intellectual property is determined to be distinct from the other performance obligations identified in the arrangement, Zealand recognizes revenues from

Notes to the Consolidated financial statements

2.1 Revenue (continued)

non-refundable upfront fees allocated to the license at the point in time the license is transferred to the licensee and the licensee is able to use and benefit from the license. For licenses that are bundled with other promises, Zealand utilizes judgement to assess the nature of the combined performance obligation to determine whether the combined performance obligation is satisfied over time or at a point in time and, if over time, the appropriate method of measuring progress for purposes of recognizing revenue from non-refundable, upfront fees.

Royalties
Some of Zealand's license and collaboration agreements include sales-based royalties including commercial milestone payments based on the level of sales. The license has been deemed to be the predominant item to which the royalties relate under Zealand's license and collaboration agreements. As a result, Zealand recognizes revenue when the related sales occur.

Reimbursement revenue for R&D services
Zealand's research and development collaboration agreements include the provisions for reimbursement or cost sharing for research and development services and payment for full-time equivalent employees (FTEs) at contractual rates. R&D services are performed over time given that the customer simultaneously receives and consumes the benefits provided by Zealand and revenue for research and development services is therefore recognized over time. Amount is recognized net of any passthrough cost incurred on behalf of the customer. The assessment of if a cost is incurred on behalf of the customer is made by evaluating the nature of its promise to the customer including whether the specified good or service to be provided to the customer is controlled by the Company before that good or service is transferred to the customer.

Product sales
Revenue from sale of goods is recognized at a point in time when control of the goods is transferred to the customer and recorded net of adjustments for rebates and chargebacks, all of which are estimated at the time of sale.

Management's judgements and estimates

Revenue recognition
Evaluating the criteria for revenue recognition under license and collaboration agreements requires Management's judgement to assess and determine the following:

- *Identification of performance obligations within the contract and determine the nature of performance obligations and whether they are distinct or should be combined with other performance obligations to determine whether the performance obligations are satisfied over time or at a point in time.*
- *Determine the transaction price, including an assessment of whether the achievement of milestone payments is highly probable.*
- *Allocation of transaction price to performance obligations to determine the stand-alone selling price of each performance obligation identified in the contract using key assumptions which may include forecasted revenues, development timelines, reimbursement rates for personnel costs, discount rates and probabilities of technical and regulatory success.*

Notes to the Consolidated financial statements

2.1 Revenue (continued)

Recognized revenue can be specified as follows for all agreements and product sales:

DKK thousand	2024	2023
Alexion Pharmaceuticals Inc.	406	4,094
Boehringer Ingelheim International GmbH	-	223,725
Novo Nordisk A/S	54,411	34,149
Sanofi-Aventis Deutschland GmbH	-	70,784
Total revenue from license and collaboration agreements	**54,817**	**332,752**
Gross product sales	7,874	10,036
Total revenue from sale of goods	**7,874**	**10,036**
Total revenue	**62,691**	**342,788**
Total revenue recognized over time	39,817	38,244
Total revenue recognized at a point in time	22,874	304,544
Milestone revenue	15,000	294,509
Royalty revenue	985	841
Reimbursement revenue for R&D services	38,832	37,402
Product sales	7,874	10,036
Total revenue by revenue stream	**62,691**	**342,788**

Alexion Pharmaceuticals Inc. agreement
Under the Alexion license, research and development agreement, Zealand has received an upfront non-refundable payment of USD 25 million for the Complement C3 program and a concurrent USD 15 million equity investment in Zealand at a premium to the market price. These payments have been received and recognized in revenue in prior years. The agreement is described further in note 6.7 Collaborations and technology licenses.

Revenue of DKK 0.4 million in 2024 (2023: DKK 4.1 million) under the Alexion agreement solely relates to compensation on a time and material basis for R&D services.

In October 2024 a termination agreement with Alexion was signed. Zealand will receive an exclusive, royalty-free, worldwide, irrevocable license to use (incl. research, develop, commercialize) the a) discontinued product intellectual property and b) the know how created by Alexion.

Boehringer Ingelheim International GmbH agreement
In June 2011, Zealand entered into a license, research and development collaboration agreement with Boehringer Ingelheim International GmbH (BI) to advance novel dual acting glucagon/GLP-1 peptide receptor agonists for the treatment of patients with type 2 diabetes and obesity. As part of the agreement, Boehringer obtained global development and commercialization rights to the lead drug candidate, survodutide. Boehringer funds all research, development, and commercialization activities under the agreement.

In November 2023 an EUR 30 million milestone payment was triggered as Boehringer initiated the Phase 3 program with survodutide in patients living with obesity or overweight (SYNCHRONIZE™) that consists of three global clinical trials. 85% of the payment was received in December 2023 with 15% withholding taxes that will be paid out upon approval of Zealand's withholding tax exemption application. As of December 31, 2024, withholding taxes of DKK 35.4 million is still outstanding, refer to note 3.7 Trade receivables. For further information about potential future milestone payments refer to note 6.7 Collaborations and technology licenses.

Notes to the Consolidated financial statements

2.1 Revenue (continued)

Novo Nordisk A/S license and development agreement
On September 7, 2022, Zealand announced a global license and development agreement with Novo Nordisk to commercialize Zegalogue® (dasiglucagon) for injection. Under the agreement Zealand received DKK 25 million in upfront payments and is eligible for up to DKK 45 million in development milestones and DKK 220 million in net sales-based milestones as well as compensation on a time and material basis. The agreement with Novo Nordisk is considered a contract with a customer as defined in IFRS 15.

In June 2023, the submission of EU marketing authorization application was completed. Total revenue recognized over time relating to this performance obligation amounted to DKK 13 million, of which DKK 10 million was recognized in 2023.

The delivery of specified development activities are recognized over time as the activities progress. Revenue is measured based on Zealand's estimate of actual expenses incurred while rendering the services during the period compared to planned service periods and budgeted expenses. As such, Zealand applies an input-based method (budget expenses) when determining the timing of satisfaction of performance obligations as the services related to delivery of specified development activities are performed by an indeterminate number of acts over the development timeline. Revenue from delivery of the specified development activities has been recognized with DKK 2 million in 2022, DKK 6 million in 2023 and DKK 5 million in 2024 respectively, resulting in a remaining obligation as of December 31, 2024, of DKK 1 million.

On May 31, 2024, the Committee for Medicinal Products for Human Use (CHMP) recommended granting a marketing authorization for Zegalogue© triggering DKK 15 (each of DKK 7.5 million) million in milestone payments from Novo Nordisk A/S. Zegalogue© received the marketing authorization valid throughout the EU in July 2024.

Sanofi-Aventis Deutschland GmbH agreement
In 2023, USD 10 million in milestone payments associated with lixisenatide were received from Sanofi. Out of the USD 10 million from Sanofi, Zealand will pay USD 1.3 million in royalty expenses to Alkermes in line with a termination agreement following the dissolution of a former joint venture with Elan Corporation (now Alkermes), stipulating that Alkermes is entitled to 13% of payments received by Zealand in respect to lixisenatide under the Sanofi License Agreement. As of December 31, 2023 and onwards, there are no other outstanding milestone payments associated with the license agreement with Sanofi. All royalties related to lixisenatide were sold to Royalty Pharma in 2018.

Notes to the Consolidated financial statements

2.2 Information about geographic areas

(DKK thousand)	Revenue 2024	Non-current assets 2024	Revenue 2023	Non-current assets 2023
Denmark	62,285	125,247	44,185	136,819
United States	406	-	4,094	13,033
Germany	-	-	294,509	-
Total by geographic area	**62,691**	**125,247**	**342,788**	**149,852**

Zealand is managed and operated as one business unit, which is reflected in the organizational structure and internal reporting. No separate lines of business or separate business entities have been identified with respect to any licensed products, marketed products, product candidates or geographical markets and no segment information is currently prepared for internal reporting.

The development in non-current assets in United States is a result of the US Boston office being subleased from August 1, 2024.

2.3 Royalty expenses

§ Accounting policies

Royalty expenses comprise contractual amounts payable to third parties that are derived from milestone payments. Royalty expenses are recognized in the income statement when the related payments and milestone events in the corresponding collaboration agreements materialize.

Royalty expense associated with lixisenatide under the Sanofi License Agreement
We have agreed to pay some of our revenue in deferred payments or royalties to third parties. At the time of the dissolution of a former joint venture with Elan Corporation, plc (Elan) and certain of its subsidiaries that were party to the joint venture agreement with us, we agreed to pay royalties to Elan – now Alkermes plc, as successor in interest to a termination agreement between us and the Elan entities - including 13% of future payments we receive in respect of lixisenatide under the Sanofi License Agreement. In addition, we have agreed to pay a royalty of 0.5% of the total amounts we receive in connection with our SIP-modified peptides, including lixisenatide, to one of the inventors of our SIP technology, who is one of our employees.

As of December 31, 2024, the estimated royalty to be paid to this inventor amounts to DKK 1.5 million and is calculated on the basis of future sales until December 31, 2026. In 2024, no royalty expenses have been recognized (2023: DKK 9.1 million).

2.4 Cost of goods sold

Costs of goods sold in 2024 of DKK 7.9 million (2023: DKK 10.0 million) relates to inventory utilized in the production under the supply agreement with Novo Nordisk A/S. The inventory is measured at net realizable value which equals the agreed selling price with Novo Nordisk A/S. Therefore, an equivalent revenue from sale of goods of DKK 7.9 million has been recognized, refer to note 2.1 Revenue.

Notes to the Consolidated financial statements

2.5 Research and development expenses

Accounting policies

Research and development expenses primarily include salaries, benefits and other employee related costs of Zealand's research and development staff, license costs, manufacturing costs, preclinical costs, clinical trials, contractors and outside service fees, amortization and impairment of licenses and rights related to intangible assets, and depreciation of property and equipment, to the extent that such costs are related to the Group's research and development activities.

Management's judgements and estimates

Treatment of research and development expenses

Research and development expenses are recognized in the income statement as incurred and in the period in which they relate, except for development expenses for which the capitalization criteria are met.

Please see note 3.1 Intangible assets for a more detailed description on the treatment of Zealand's development expenses related to internal development projects.

Accrual of costs for clinical contracts

Management estimates expenses to be recognized from Contract Research Organizations (CROs) based on an estimate on allocation of total contract costs between start-up, patient treatment and wrap-up phases for clinical trials including an estimate of treatment cost per patient and value of expected change orders.

Total contract costs are allocated to each phase using the below split for all Zealand's CRO contracts based on previous experiences:

- *Service fee: Start-up (20%), Patient treatment (75%), Wrap-up (5%)*
- *Pass through: Start-up (5%), Patient treatment (90%), Wrap-up (5%)*

CRO contracts are recognized over the contract period based on an estimate of the contract's cost driving element which could be either i) patients or ii) time. If the primary goal of the study is to get a certain number of patients through the study, then patients is used as the cost driving element. Time is used if the study runs through a certain timeline regardless of how many patients that are enrolled.

At the end of each reporting period, Management estimates any expected change orders, which are recognized up front with an amount corresponding to the completion rate of the contract (patients or time). The remaining change order amount will be recognized over the remaining contract period.

DKK thousand	2024	2023
Staff costs (note 2.8)	-336,922	-256,310
Amortization, depreciation, impairment losses on intangible assets, property plant and equipment, and right of use assets	-19,592	-18,717
Other external research and development expenses	-563,352	-409,875
Total research and development expenses	**-919,866**	**-684,902**

The last years' capital raises have allowed Zealand to intensify its research and development activities in line with company strategy, which have been continuously increasing throughout 2023 and 2024. The increase compared to 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.

Notes to the Consolidated financial statements

2.6 Selling and marketing expenses

§ Accounting policies

Selling and marketing expenses relate to Zealand's commercial activities, including costs related to preparing the market for Zealand's products and administration of commercial partnerships. This includes salaries, benefits and other headcount costs related to commercial minded departments as well as third-party costs.

In addition, depreciation and impairment of property and equipment, to the extent such expenses are related to commercial functions are also included. Selling and marketing expenses are recognized in the income statement in the period to which they relate.

DKK thousand	2024	2023
Staff costs (note 2.8)	-18,896	-14,455
Amortization, depreciation, impairment losses on intangibles assets, property, plant and equipment, and right-of-use assets	-533	-120
Other external sales and marketing expenses	-68,686	-16,052
Total sales and marketing expenses	**-88,115**	**-30,627**

In 2024, total sales and marketing expenses have increased driven by pre-launch activities for our late-stage rare disease assets while pursuing strategic partnership.

2.7 General and administrative expenses

§ Accounting policies

General and administrative expenses relate to the recurring management and administration of Zealand. This includes salaries, benefits and other headcount costs related to management and support functions including human resources and the finance departments.

In addition, depreciation and impairment of property and equipment, to the extent such expenses are related to administrative functions are also included. General and administrative expenses are recognized in the income statement in the period to which they relate.

DKK thousand	2024	2023
Staff costs (note 2.8)	-149,670	-105,256
Amortization, depreciation, impairment losses on intangibles assets, property, plant and equipment, and right-of-use assets	-5,722	-6,249
Other external general and administrative expenses	-160,515	-73,797
Total general and administrative expenses	**-315,907**	**-185,302**

The increase in total general and administrative expenses compared to prior year reflects additional legal expenses related to our patent portfolio and strengthening of organizational capabilities, also in select corporate functions.

As of December 31, 2024, Zealand has accrued DKK 35.9 million in legal expenses related to disputes. The amount is included in other external general and administrative expenses.

Notes to the Consolidated financial statements

2.8 Staff costs

§ Accounting policies

Wages and salaries are recognized in the income statement in the period in which services for wages and salaries is rendered to the Company.

DKK thousand	2024	2023
Total staff costs can be specified as follows:		
Wages and salaries	-363,202	-268,078
Share-based compensation (note 4.9)	-87,032	-61,426
Pension schemes (defined contribution plans)	-28,000	-21,189
Government grants	9	7
Other payroll and staff-related costs	-27,263	-25,335
Total staff costs	**-505,488**	**-376,021**
The amount is charged as:		
Research and development expenses	-336,922	-256,310
Sales and marketing expenses	-18,896	-14,455
General and administrative expenses	-149,670	-105,256
Total staff costs	**-505,488**	**-376,021**
Average number of employees	**289**	**235**

For additional information refer to note 4.9 Share-based instruments and note 6.1 Remuneration of the Board of Directors and Executive Management.

2.9 Other operating items

§ Accounting policies

Other operating items comprise non-revenue income and expenses related to Zealand's operations that are assessed to be non-recurring and significant for the understanding of the financial performance of Zealand.

Other operating items also includes expenses such as impairment charges, reversal of inventory write-downs and other significant one-time transaction expenses.

DKK thousand	2024	2023
Settlement of legal disputes	-3,136	-
Write-down of US Boston lease	-	-11,000
Reversal of inventory write-down (note 3.5)	-	15,979
Total other operating items	**-3,136**	**4,979**
Presentation in income statement:		
Other operating income	-	15,979
Other operating expenses	-3,136	-11,000

In 2024, Zealand settled a legal dispute of DKK 3.1 million related to the asset agreement signed in May 2022 for the sale of V-GO.

In 2023 impairment of right-of-use assets related to an impairment of the US Boston office of DKK 11.0 million. The DKK 11.0 million comprised DKK 3.5 from impairment of furniture, fixtures & equipment (FF&E), DKK 1.3 million from impairment of right-of-use assets ("ROU"), and DKK 6.2 million from onerous contract (not recovered operating expenses and real estate taxes). The change in estimate of the recoverable amount reflected Management's assessment of future cash flows and market conditions from subleasing the US Boston lease, where the feedback received from the real estate agent indicated a lower rent level than previously anticipated which triggered impairment, refer to note 3.3 Right-of-use assets and lease liabilities.

In 2023 a reversal of Zegalogue® inventory write-down of DKK 16.0 million was made related to materials expected to be utilized in the production and sale under the supply agreement with Novo Nordisk A/S, reference is made to note 3.5 Inventories.

Notes to the Consolidated financial statements

2.10 Earnings per share

§ Accounting policies

Basic result per share

Basic result per share is calculated as the net result for the period, divided by the weighted average number of ordinary shares outstanding, excluding treasury shares held by the Company.

Diluted result per share

Diluted result per share is calculated as the net result for the period, divided by the weighted average number of ordinary shares outstanding, excluding the treasury shares, and adjusted for the dilutive effect of share equivalents.

DKK thousand	2024	2023
Net result used in the calculation of basic and diluted earnings/ losses per share	-1,078,828	-703,739
Weighted average number of ordinary shares	66,750,969	56,881,075
Weighted average number of treasury shares	-316,703	-292,488
Weighted average number of ordinary shares excluding treasury shares used in the calculation of basic/diluted earnings/losses per share	**66,434,266**	**56,588,587**
Total loss per share - basic/diluted (DKK)	**-16.24**	**-12.44**

In the calculation of the diluted loss per share for 2024, 1,290,194 potential ordinary shares related to share-based payment instruments have been excluded as they are anti-dilutive (2023: 1,970,432).

On January 8, 2024, Zealand announced an issue of 3,761,470 new ordinary shares, which represent 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.

Notes to the Consolidated financial statements

3.0 Operating assets and liabilities

This section covers the operating assets and related liabilities that form the basis for Zealand's activities. Assets related to Zealand's financing activities are described in detail in section 4.0 Capital structure, financial risks and related items.

136 3.1 Intangible assets
138 3.2 Property, plant and equipment
140 3.3 Right-of-use assets and lease liabilities
142 3.4 Other investments
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144 3.7 Trade receivables
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145 3.9 Trade payables
145 3.10 Other payables

3.1 Intangible assets

§ Accounting policies

Internal development programs
Zealand currently has not recognized internally generated intangible assets from development, as the criteria for recognition of an asset are not met as described below.

Software
Software comprises capitalized implementation costs on IT projects initially measured at cost. Costs include configuration and customization of the underlying software, including training and testing. Capitalization ceases when the asset is in the condition necessary for it to be capable of operating in the manner intended by Management. The intangible assets are subsequently measured at cost less accumulated amortization and any impairment losses according to IAS 38. Amortization is calculated on a straight-line basis over the estimated useful life which is 3-5 years and is included in the income statement under general and administrative expenses.

Acquired licenses and rights
Acquired licenses, rights, and patents are initially measured at cost and include the net present value of any future payments. The net present value of any future payments is recognized as a liability. When triggered, milestone payments are accounted for as an increase in the cost to acquire licenses, rights, and patents unless such subsequent expenditures are recognized in the income statement as Research & Development expenses if they do not satisfy the conditions for recognition as an asset.

Amortization
Licenses, rights, and patents are amortized using the straight-line method over the estimated useful life which is determined when the asset is available for use. Amortizations, impairment losses and gain or losses on the disposal of intangible assets are recognized in the income statement as Research & Development expenses.

Impairment
If circumstances or changes in Zealand's operations indicate that the carrying amount of the intangible assets may not be recoverable, Management will review the intangibles for impairment. Intangible assets not ready for use are reviewed for impairment on an annual basis.

Notes to the Consolidated financial statements

3.1 Intangible assets (continued)

Management's judgements and estimates

According to IAS 38, intangible assets arising from development projects should be recognized in the balance sheet. The criteria that must be met for capitalization are that:

- *the development project is clearly defined and identifiable and the attributable costs can be measured reliably during the development period; and*
- *the technological feasibility, adequate resources to complete and a market for the product or an internal use of the product can be documented; and*
- *Management has the intent to produce and market the product or to use it internally.*

Such an intangible asset should be recognized if sufficient certainty can be documented that the future income from the development project will exceed the aggregate cost of production, development and sale and administration of the product.

A development project involves a single product candidate undergoing a high number of tests to illustrate its safety profile and its effect on humans prior to obtaining the necessary final approval of the product from the authorities. The future economic benefit associated with the individual development projects are dependent on obtaining such approval. Considering the significant risk and duration of the development period related to the development of biological products, Management has concluded that the future economic benefits associated with the individual projects cannot be estimated with sufficient certainty until the project has been finalized and the necessary final regulatory approval of the product has been obtained. Accordingly, Zealand has not recognized such assets at this time and therefore all research and development costs are recognized in the income statement when incurred.

DKK thousand	Software
Cost at January 1, 2024	12,508
Additions	3,094
Cost at December 31, 2024	**15,602**
Amortization and impairment at January 1, 2024	-253
Amortization for the year	-2,729
Amortization and impairment at December 31, 2024	**-2,982**
Carrying amount at December 31, 2024	**12,620**
Amortization and impairment for the financial year has been charged as:	
General and administrative expenses	-2,729
Total	**-2,729**

Notes to the Consolidated financial statements

3.1 Intangible assets (continued)

DKK thousand	Software
Cost at January 1, 2023	-
Additions	12,508
Cost at December 31, 2023	**12,508**
Amortization and impairment at January 1, 2023	-
Amortization for the year	-253
Amortization and impairment at December 31, 2023	**-253**
Carrying amount at December 31, 2023	**12,255**
Amortization and impairment for the financial year has been charged as:	
General and administrative expenses	-253
Total	**-253**

In 2023, Zealand implemented a new budget tool along with a new enterprise resource planning system (ERP) to further strengthen Management reporting. In 2023, a new quality assurance (QA) system has also been implemented.

3.2 Property, plant and equipment

§ Accounting policies

Property, plant, and equipment is mainly comprised of plant and machinery, other fixtures and fittings, leasehold improvements, and assets under construction, which are measured at cost less accumulated depreciation. and any impairment losses.

The cost is comprised of the acquisition price and costs directly related to the acquisition until the asset is ready for use. Costs include direct costs and costs to subcontractors.

Depreciaion
Depreciation is calculated on a straight-line basis to allocate the cost of the assets, net of any residual value, over the estimated useful lives, which are as follows:

Leasehold improvements 5-13 years, but never longer than the lease term
Plant and machinery 5-10 years
Other fixtures and fittings 3-5 years

The useful lives and residual values are reviewed and adjusted if appropriate on a yearly basis. Assets under construction are not depreciated.

Impairment
If circumstances or changes in Zealand's operations indicate that the carrying amount of property, plant and equipment may not be recoverable, Management reviews that asset for impairment. The basis for the review is the recoverable amount of the assets, determined as the greater of the fair value less cost to sell or its value in use. Value in use is calculated as the net present value of future cash inflow or savings generated from the asset.

If the carrying amount is greater than the recoverable amount, the asset is written down to the recoverable amount. An impairment loss is recognized in the income statement when the impairment is identified.

Notes to the Consolidated financial statements

3.2 Property, plant and equipment (continued)

DKK thousand	Plant and machinery	Other fixtures and fittings	Leasehold improvements	Assets under construction
Cost at January 1, 2024	60,805	17,766	38,907	-
Additions	8,225	1,625	202	-
Disposals	-2,415	-1,215	-	-
Currency translation	-	115	187	-
Cost at December 31, 2024	**66,615**	**18,291**	**39,296**	**-**
Accumulated depreciation and impairment at January 1, 2024	42,750	14,339	13,342	-
Depreciation for the year	5,510	2,164	2,948	-
Disposals	-2,415	-1,215	-	-
Currency translation	-	115	185	-
Accumulated depreciation and impairment at December 31, 2024	**45,845**	**15,403**	**16,475**	**-**
Carrying amount at December 31, 2024	**20,770**	**2,888**	**22,821**	**-**
Depreciation and impairment for the financial year has been charged as:				
Research and development expenses	-5,501	-1,833	-2,480	-
Sales and marketing expenses	-2	-62	-88	-
General and administrative expenses	-7	-268	-380	-
Total	**-5,510**	**-2,163**	**-2,948**	**-**

DKK thousand	Plant and machinery	Other fixtures and fittings	Leasehold improvements	Assets under construction
Cost at January 1, 2023	66,828	15,997	38,193	870
Transfers	-	870	-	-870
Additions	9,043	1,386	812	-
Disposals	-15,066	-427	-	-
Currency translation	-	-60	-98	-
Cost at December 31, 2023	**60,805**	**17,766**	**38,907**	**-**
Accumulated depreciation and impairment at January 1, 2023	52,339	11,233	7,788	-
Depreciation for the year	5,330	2,372	3,296	-
Impairment for the year	-	1,173	2,270	-
Disposals	-14,919	-427	-	-
Currency translation	-	-12	-12	-
Accumulated depreciation and impairment at December 31, 2023	**42,750**	**14,339**	**13,342**	**-**
Carrying amount at December 31, 2023	**18,055**	**3,427**	**25,565**	**-**
Depreciation and impairment for the financial year has been charged as:				
Research and development expenses	-5,320	-1,775	-2,523	-
Sales and marketing expenses	-	-68	-51	-
General and administrative expenses	-10	-1,702	-2,992	-
Total	**-5,330**	**-3,545**	**-5,566**	**-**

Impairment in 2023 on other fixtures and fittings of DKK 1.2 million and DKK 2.3 million on leasehold improvements related to the US Boston office and was included in other operating expenses, refer to note 2.9 Other operating items. For further information on the impairment assessment refer to Management's judgements and estimates in note 3.3 Right-of-use assets and lease liabilities.

Disposals on plant and machinery mainly related to scrap of old lab equipment in May 2023.

Notes to the Consolidated financial statements

3.3 Right-of-use assets and lease liabilities

Accounting policies

Zealand determines if an arrangement is a lease at inception. Zealand leases comprise various properties and cars. Rental contracts are typically made for fixed periods. Lease terms are negotiated on an individual basis and contain wide range of different terms and conditions.

All leases are recognized in the balance sheet as a right-of-use ("ROU") asset with a corresponding lease liability, except for short term assets in which the lease term is 12 months or less, or low value assets. ROU assets represent Zealand's right to use an underlying asset for the lease term and lease liabilities represent Zealand's obligation to make lease payments arising from the lease.

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments, less any lease incentives. As Zealand's leases do not provide an implicit interest rate, Zealand uses an incremental borrowing rate based on the information available at the commencement date of the lease in determining the present value of lease payments. Lease terms utilized by Zealand may include options to extend or terminate the lease when it is reasonably certain that Zealand will exercise that option. In determining the lease term, Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Interest expenses related to the lease liability are classified in financial items.

ROU assets are measured at cost and include the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and restoration costs. ROU assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis over the lease term.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less and low-value assets comprise IT equipment and small items of office furniture.

Impairment

If circumstances or changes in Zealand's operations indicate that the carrying amount of right-of-use assets ("ROU") may not be recoverable, Management reviews that ROU for impairment. The basis for the review is the recoverable amount of the ROU, determined as the greater of the fair value less cost to sell or its value in use. Value in use is calculated as the net present value of future cash inflow or savings generated from the ROU. If the carrying amount is greater than the recoverable amount, the ROU is written down to the recoverable amount. An impairment loss is recognized in the income statement when the impairment is identified.

Management's judgements and estimates

Zealand has subleased the US Boston office with effect from August 1, 2024. As of December 31, 2023 Management estimated the recoverable amount of the right-of-use asset related to the US Boston office. The impairment in 2023 of DKK 11.0 million reflected an assessment of the ROU's carrying amount against its recoverable amount, considering factors such as future cash flows and market conditions for office rentals in Boston, Massachusetts. The lease agreement was irrevocable until 2029 thereby knowing the expected cash flows many years ahead. The initial feedback received from the real estate agent in 2023 indicated a lower rent level than anticipated thereby triggering the impairment.

The recoverable amount was calculated by applying a discount rate of 4.5% on future cash flows being the annual effective discount rate from the lease contract. Future cash flows were projected with 2% annual escalations and current projections included an estimate of the recoverable rent payments until the end of the lease term on August 31, 2029, partly offset by non-recovered operating expenses and real estate taxes.

The estimated recoverable amount was subject to sensitivity if the projected level for base rent per square feet changed. The final sublease agreement that Zealand entered into is in line with Management's assessment from 2023, thus no adjustments to the impairment have been made in 2024.

The DKK 1.3 million from impairment of right-of-use assets ("ROU") was included in other operating expenses, refer to note 2.9 Other operating items.

The total provision for onerous contract of DKK 6.2 million was been recognized as an addition to lease liabilities as of December 31, 2023, out of which DKK 1.4 million was short-term and DKK 4.8 million was long-term. No impairment losses were previously recognized for the right-of-use asset in Zealand Pharma U.S., Inc.

Notes to the Consolidated financial statements

3.3 Right-of-use assets and lease liabilities (continued)

Amounts recognized in the statement of financial position
The statement of financial position shows the following amounts relating to right-of-use assets:

DKK thousand	Office Buildings	Other fixtures and fittings
As at January 1, 2024	100,884	1,921
Disposals	-12,201	-21
Depreciation expense	-11,690	-847
Currency translation	722	-
As at December 31, 2024	**77,715**	**1,053**
As at January 1, 2023	113,379	1,581
Additions	1,860	1,344
Depreciation expense	-12,557	-1,025
Impairment	-1,266	-
Currency translation	-532	21
As at December 31, 2023	**100,884**	**1,921**

The Group leases office buildings, equipment, and vehicles. The rental contract for the HQ office building has been made for a minimum period of 13 years with no extension option (terminable by the landlord after 15 years). Management has assessed the lease period to be 13 years.

The rental contract for the US office site has a lease expiration date of August 31, 2029 and has been subleased from August 1, 2024 until the expiration date in 2029 why the right-of-use asset has been derecognized and reclassified to other receivables, DKK 13.7 million in total (DKK 3.2 million short-term and DKK 10.5 million long-term, refer to note 3.8). Equipment and vehicles are leased over a period of 3-4 years with no extension option.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

DKK thousand	2024	2023
As at January 1	119,231	122,729
Additions	1,079	5,680
Accretion of interest	2,348	2,890
Payments	-15,475	-12,711
Currency translation	-759	643
As at December 31	**106,424**	**119,231**
Non-current	90,388	102,575
Current	16,036	16,655
The following amounts are recognized in the income statement:		
Depreciation expense of right-of-use assets	-12,496	-13,610
Interest expense on lease liabilities	-2,332	-2,892
Total amount recognized in profit and loss	**-14,828**	**-16,502**
Cash flow	-16,443	-17,664
Total cash outflow from leases	**-16,443**	**-17,664**
Depreciation for the financial year has been charged as:		
Research and development expenses	-9,778	-8,951
Sales and marketing expenses	-382	-
General and administrative expenses	-2,336	-4,659
Total amount recognized in profit and loss	**-12,496**	**-13,610**

Notes to the Consolidated financial statements

3.4 Other investments

Accounting policies

Other investments are measured at fair value on initial recognition and subsequently. Changes in fair value are recognized in the income statement under financial items.

Investment in Beta Bionics Inc.
The Group's 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. The investment in Beta Bionics, Inc. is measured at fair value through profit and loss. This investment represents 0.5% (2023: 0.6%) ownership of Beta Bionics, Inc., and is measured at a fair value of DKK 23.6 million as of December 31, 2024 (2023: DKK 14.0 million).

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 following have been recognized as financial items:

DKK thousand	2024	2023
Other investments at January 1	14,004	30,943
Fair value adjustments	9,622	-16,939
Other investments at December 31	**23,626**	**14,004**

The fair value adjustment of the investment in 2023 of DKK 16.9 million was a combination of a reduction of the implied value per share provided by a third-party valuation expert and a discount for lack of marketability. Reference is made to note 4.3 Financial assets and liabilities for fair value disclosures.

In October 2024 a termination agreement was signed and the partnership with Beta Bionics was concluded, refer to note 6.7 Collaborations and technology licenses. The stock purchase agreements and associated agreements covering Zealand's equity investments in Beta Bionics are unaffected by the termination agreement. In January 2025 all shares in Beta Bionics have been sold, refer to note 6.8 Subsequent events, with the fair value as of December 31, 2024 reflecting the agreed selling price.

3.5 Inventories

Accounting policies

Raw materials, work in progress and finished goods are measured at the lower of cost and net realizable value. Cost is determined on a first in, first out basis and comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to complete the sale.

Inventory manufactured prior to regulatory approval (prelaunch inventory) is capitalized but immediately provided for, until there is a high probability of regulatory approval for the product. A write-down is made against inventory, and the cost is recognized in the income statement as research and development costs. Once there is a high probability of regulatory approval being obtained, the write-down is reversed, up to no more than the original cost.

Zealand reviews inventory for excess or obsolescence and writes down inventory that has no alternative uses to its net realizable value. Economic conditions, customer demand and changes in purchasing and distribution can affect the carrying amount of inventory. We record provisions for potentially obsolete or slow-moving inventory and lower of cost or net realizable value inventory adjustments. In some instances, these adjustments can have a material effect on the financial results of an annual or interim period. In order to determine such adjustments, we evaluate the age, inventory turns, future sales forecasts and the estimated fair value of inventory.

Management's judgements and estimates

In 2023, Zegalogue® related raw materials at cost amounted to DKK 7.9 million. Management estimated the net realizable value to be DKK 7.9 million, and therefore a reversal of Zegalogue® inventory write-down of DKK 16.0 million was made as the raw materials were expected to be utilized under the license and development agreement with Novo Nordisk A/S.

Notes to the Consolidated financial statements

3.5 Inventories (continued)

DKK thousand	2024	2023
Raw materials	10,698	7,935
Total	**10,698**	**7,935**

Write downs on inventory were comprised as follows:

DKK thousand	2024	2023
Accumulated write-downs, January 1	-12,643	-32,257
Utilization of write-downs	934	3,635
Reversal of write-downs	84	15,979
Effect of standard cost updates	-2,719	-
Accumulated write-downs, December 31	**-14,344**	**-12,643**

The reversal of write-downs on inventory recognized in 2023 was included in other operating income, refer to note 2.9 Other operating items.

3.6 Other financial assets

§ Accounting policies

Please refer to accounting policies in note 4.3 Financial assets and liabilities.

DKK thousand	2024	2023
Other financial assets at January 1	7,375	6,901
Fair value adjustments	-7,375	474
Other financial assets at December 31	**-**	**7,375**

Other financial assets comprise the sales-related milestones from the divestment of V-GO. A maximum of four milestones of USD 2.5 million each can be achieved under the contract based on annual sales. The fair value has been determined using the risk-adjusted net present value method.

As of December 31, 2024, fair value has been determined to be zero based on uncertainty in future cash-flows and whether the first sales-related milestone will be reached. In 2023, a discount rate of 4% and an estimated probability of 50% to reach the first sales-related milestone were applied.

Reference is made to note 4.3 Financial assets and liabilities for fair value disclosures.

Notes to the Consolidated financial statements

3.7 Trade receivables

§ Accounting policies

Receivables are categorized as financial assets measured at amortized cost and are initially measured at transaction price and subsequently measured in the balance sheet at amortized cost, which generally corresponds to nominal value less expected credit loss provision.

Zealand utilizes a simplified approach to measuring expected credit losses and uses a lifetime expected loss allowance for all receivables. To measure the expected credit losses, receivables have been grouped based on credit risk characteristics and the days past due. Expected credit losses as of December 31, 2024, and December 31, 2023, are immaterial.

Prepaid expenses include expenditures related to a future financial period. Prepaid expenses are measured at historical cost.

DKK thousand	2024	2023
Trade receivables	499	1,004
Receivables related to license and collaboration agreements	86,670	68,793
Prepaid expenses	106,390	34,893
Total trade receivables	**193,559**	**104,690**
Non-current	-	6,887
Current	193,559	97,803

Receivables related to license and collaboration agreements include withholding tax receivable of DKK 35.4 million from the Boehringer Ingelheim (BI) milestone payment received in 2023.

The increase in prepaid expenses for 2024 compared to prior year is affected by large prepayments in the second half of 2024 for drug substance related to petrelintide.

3.8 Other receivables

§ Accounting policies

Deposits relate to up-front payments on rental of office buildings measured at nominal value. Other receivables include accrued interest on marketable securities and VAT receivables measured at nominal value.

DKK thousand	2024	2023
Deposits	8,900	8,907
VAT receivables	4,370	9,933
Accrued interest	71,819	9,301
Receivable from sublease	13,697	-
Other receivables	7,831	5,322
Total other receivables	**106,617**	**33,463**
Non-current	19,412	8,907
Current	87,205	24,556

Accrued interest of DKK 71.8 million in 2024 relates to investment in marketable securities, refer to note 4.5 for further information.

As of August 1, 2024 the US Boston office has been subleased. The total receivable from sublease of DKK 13.7 million represents present value of future cash inflows until sublease expiration date on August 31, 2029. Of the DKK 13.7 million, DKK 3.2 million is short-term and DKK 10.5 million is long-term.

Notes to the Consolidated financial statements

3.9 Trade payables

§ Accounting policies

Please refer to accounting policies in note 4.3 Financial assets and liabilities.

DKK thousand	2024	2023
Trade payables	181,279	91,607
Accruals development projects	73,564	33,464
Total trade payables	**254,843**	**125,071**
Non-current	-	-
Current	254,843	125,071

In 2024, the increase in trade payables as of December 31, 2024 is a result of Zealand's intensified research and development activities driven by the significant clinical advancement of the obesity pipeline, including preparations for large, comprehensive Phase 2b trials for the wholly owned obesity assets.

3.10 Other payables

§ Accounting policies

Please refer to accounting policies in note 4.3 Financial assets and liabilities.

DKK thousand	2024	2023
Payable for treasury shares (note 4.8)	-	81,045
Employee benefits	92,987	51,730
Accrued interest	669	-
Deposits from sublease	1,267	-
Other payables	37,671	10,078
Total other payables	**132,594**	**142,853**
Non-current	-	-
Current	132,594	142,853

In April 2024, Zealand settled the bank credit of DKK 81.0 million with Danske Bank entered in June 2023 on the acquisition of 300,000 new treasury shares, refer to note 4.8 Share capital.

Notes to the Consolidated financial statements

4.0 Capital structure, financial risk and related items

This section includes disclosures related to how Zealand manages its capital structure, cash position and related risks and items.

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4.1 Capital management

Capital management
Zealand's goal is to maintain a strong capital base to maintain investor, creditor and market confidence, and a continuous advancement of Zealand's product pipeline and business in general. Zealand is primarily financed through capital increases, long-term borrowings, and partnership collaboration income.

The adequacy of our available funds will depend on various factors, including progress in our research and development programs, our commitments to existing and new clinical collaborators, our ability to establish commercial and licensing arrangements, our capital expenditures, market developments, and any future partnerships and acquisitions. Accordingly, we plan to potentially raise additional funds through equity or debt financings, collaborative agreements with partners, or from other sources.

At the annual general meeting on March 20, 2024, Zealand was authorized to increase the share capital by nominally DKK 12,500,000 during the period until March 20, 2029. On December 31, 2024, nominally DKK 4,150,000 of the authorization remains.

On January 8, 2024, Zealand announced an issue of 3,761,470 new ordinary shares, which represented the remaining authorization from 2023, at a subscription price of DKK 386.45 per new share resulting in gross proceeds of DKK 1.5 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.

On June 30, 2023, Zealand entered a new DKK 350 million Revolving Credit Facility provided by Danske Bank. The facility was terminated in July 2024 following the equity offering in June 2024 resulting in a cash position of DKK 9.7 billion.

In December 2023, Zealand signed a new loan agreement with the European Investment Bank (EIB) providing a credit of up to EUR 90 million, refer to note 4.6 Borrowings for an overview of the loan terms. 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).

Notes to the Consolidated financial statements

4.1 Capital management (continued)

To minimize credit risk Zealand has invested a significant amount in marketable securities, primarily excess liquidity from previous capital raises. As of December 31, 2024, Zealand has DKK 8,542 million invested in marketable securities, corresponding to 95% of total cash, cash equivalents and marketable securities (2023: DKK 1,184 million, 72%). For additional information refer to note 4.5 Marketable securities.

The Company and the Board of Directors monitor the share and capital structure to ensure that Zealand's capital resources support the strategic goals. There was no change in the group's approach to capital management procedures in 2024. Neither Zealand Pharma A/S nor any of its subsidiaries are subject to externally imposed capital requirements other than the conditions related to the loan from the European Investment Bank (EIB), refer to note 4.6 Borrowings.

Under the revolving credit facility (RCF) in Danske Bank, Zealand was required to have a minimum collateral value of 120% of the loan commitment (DKK 420 million) held in the designated custody accounts under management by Danske Asset Management and Zealand's designated cash accounts attached to the custody accounts. Zealand was also to comply with a covenant on fulfilling certain information requirements. In April 2024 all pledges provided in relation to the credit facility (RCF) in Danske Bank were lifted, just prior to the termination of the facility in May 2024.

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. The pledges are described further in note 4.4 Cash and cash equivalents and a description of Zealand's total commitments can be found in note 6.4 Commitments.

4.2 Financial risks

Zealand is exposed to various financial risks, including foreign exchange rate risk, interest rate risk, credit risk and liquidity risk.

The objective of Zealand's treasury policy is to reduce the Group's sensitivity to fluctuations in exchange rates, interest rates, credit rating and liquidity. Zealand's financial management policy has been endorsed by Zealand's Audit Committee and ultimately approved by Zealand's Board of Directors.

Exchange rate risk
Most of Zealand's financial transactions are in DKK, USD, and EUR.

Due to Denmark's long-standing fixed exchange rate policy vis-à-vis the EUR, Zealand has evaluated that there is no material transaction exposure or exchange rate risk regarding transactions in EUR.

Research and development, and regulatory milestone payments in license and collaboration agreements are denominated in foreign currencies, namely USD and EUR. However, as milestone payments are unpredictable in terms of timing and materialization, the payments are not included in the basic exchange rate risk evaluation.

As Zealand conducts clinical trials and toxicology studies around the world and has activities in US, Zealand is exposed to exchange rate risks associated with the denominated currency, which is primarily USD based on volume and fluctuations against DKK. To date, Zealand's policy has been to manage the transaction and translation risk associated with the USD passively, by having a portion of the Group's cash and cash equivalents in a USD account to cover future payment of Zealand's expenses denominated in USD.

As of December 31, 2024, Zealand holds DKK 338.3 million (2023: DKK 313.9 million) of its cash, cash equivalents and marketable securities in USD.

Notes to the Consolidated financial statements

4.2 Financial risks (continued)

Interest rate risk
Zealand has a policy of avoiding financial instruments that expose the Group to any unintended financial risks. During 2024, all cash has been held in current bank accounts in DKK, USD, and EUR.

Following the closure of Silicon Valley Bank in March 2023, Zealand has made a shift towards more investments of surplus cash balances into low-risk marketable securities being fixed income instruments with an investment graded rating of AAA to BBB-.

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. The Group's marketable securities portfolio comprises various types of bonds and securities as described in note 4.5 Marketable securities. All bonds held as of December 31, 2024 mature within 19 months (2023: 13 months). Refer further to note 4.5 Marketable securities for interest sensitivity on marketable securities.

As of December 31, 2024, Zealand has borrowings amounting to DKK 285.3 million (2023: DKK 0 million), derivative financial liabilities at fair value amounting to DKK 109.7 million (2023: DKK 0 million) and lease liabilities amounting to DKK 106.4 million (2023: DKK 119.2 million). Lease liabilities as of December 31, 2023, included a provision for onerous contract of DKK 6.1 million as part of the impairment of the right-of-use asset related to the US Boston office as described in detail in note 3.3 Right-of-use assets and lease liabilities. The change in borrowings and derivative financial liabilities is a result of the EIB loan (Tranche A) as described in note 4.6 Borrowings.

An increase in interest rates would be reflected in an increase in interest income from the group's cash balances.

Credit risk
Zealand is exposed to credit risk in respect of receivables, bank balances and bonds. The maximum credit risk corresponds to the carrying amount. Management believes that credit risk is limited, as the counterparties to the trade receivables are large global pharmaceutical companies. Cash and bonds are associated with an inherent credit risk, though not considered to be very high, as the counterparties are banks with investment-grade ratings (i.e. A3 or higher from Standard & Poor's).

Liquidity risk
The purpose of Zealand's cash management is to ensure that the Group always has sufficient and flexible financial resources at its disposal.

Zealand's short-term liquidity is managed and monitored by means of the Company's internal treasury function, annual budget process and quarterly budget revisions to balance the demand for liquidity and maximize the Company's interest income by matching its free cash in fixed-rate, fixed-term bank deposits and bonds with its expected future cash burn.

Zealand's total liquidity reserve has increased significantly in 2024, with the DKK 1.45 billion and DKK 7.0 billion capital raises in January and June 2024, respectively (surplus funds invested in marketable securities). The proceeds from the EIB loan (Tranche A) was disbursed on March 11, 2024, while the credit facility in Danske Bank was terminated in May 2024.

EIB loan Tranches B and C are excluded as they are dependent on predefined milestones being met.

DKK thousand	2024	2023
Cash and cash equivalents	480,303	449,311
Marketable securities	8,541,713	1,183,746
Danske Bank revolving credit facility (RCF)	-	350,000
EIB loan (Tranche A)	-	372,645
Total liquidity reserve as of December 31	**9,022,016**	**2,355,702**

Reference is made to going concern considerations in note 1.1 Basis of preparation, going concern assumption, nature of the business and accounting policies for further description of the going concern assessment.

Notes to the Consolidated financial statements

4.2 Financial risks (continued)

Sensitivity analysis
The table shows the impact on profit/loss and equity of changes in valuation of the Company's operations in USD, i.e. cash, cash equivalents, marketable securities and lease liabilities as of December 31, 2024, and December 31, 2023, assuming a 10% fluctuation in the USD conversion rate.

	2024		2023	
DKK thousand	**Fluctuation**	**Effect**	**Fluctuation**	**Effect**
USD	+/-10%	+/-28,550	+/-10%	+/-29,187

The table shows the impact on profit/loss and equity from changes in the yield on marketable securities as of December 31, 2024, and December 31, 2023, assuming a 1% fluctuation in the yield rate.

	2024		2023	
DKK thousand	**Fluctuation**	**Effect**	**Fluctuation**	**Effect**
Effect on interest income from a yield change on marketable securities	+/-1.0%	+/-85,417	+/-1.0%	+/-11,837

Contractual maturity (liquidity risk)
Details on the Group's aggregate liquidity risk on financial liabilities is provided below.

The following table details the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The table has been prepared using the undiscounted cash flows for financial liabilities, based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that the specific timing of interest or principal flows is dependent on future events, the table has been prepared based on Management's best estimate of such timing at the end of the reporting period.

Except for leasing and borrowings, there are no interest cash flows to be included in the table below for the existing financial liabilities as they are not interest-bearing financial liabilities.

DKK thousand	< 12 months	1-5 Years	> 5 Years	Total	Carrying amount
Borrowings including derivative financial liabilities	-	-	394,997	394,997	394,997
Lease liabilities	15,428	61,177	33,350	109,955	106,424
Trade payables	254,843	-	-	254,843	254,843
Other payables	132,594	-	-	132,594	132,594
Total financial liabilities as of December 31, 2024	**402,865**	**61,177**	**428,347**	**892,389**	**888,858**
Lease liabilities	15,377	61,094	47,763	124,234	119,231
Trade payables	125,071	-	-	125,071	125,071
Other payables	142,853	-	-	142,853	142,853
Total financial liabilities as of December 31, 2023	**283,301**	**61,094**	**47,763**	**392,158**	**387,155**

All cash flows are non-discounted, including interest. Contractual obligations related to payments under agreements for development projects, including Contract Research Organizations (CROs), are disclosed in note 6.4 Commitments, as their maturity dates are uncertain.

Cash flows denominated in USD are translated into DKK at the USD/DKK rates applicable as of December 31, 2024.

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). On May 10, 2023, Zealand settled the Oberland Capital loan, including embedded derivatives as described in note 4.6 Borrowings.

Notes to the Consolidated financial statements

4.3 Financial assets and liabilities

§ Accounting policies

Classification of Categories of Financial Assets and Liabilities:
Zealand classifies its financial assets held into the following measurement categories:

- *those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and*
- *those to be measured at amortized cost.*

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

Zealand reclassifies debt investments only when its business model for managing those assets changes. Further details about the accounting policy for each of the categories are outlined in the respective notes.

Fair Value Measurement
Zealand measures financial instruments, such as marketable securities, at fair value at each balance sheet date. Management assessed that the fair value of financial assets and liabilities measured at amortized cost such as bank deposits, receivables and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- *In the principal market for the asset or liability, or*
- *In the absence of a principal market, in the most advantageous market for the asset or liability.*

The principal or the most advantageous market must be accessible by Zealand.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Zealand uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. For financial instruments that are measured in the balance sheet at fair value, IFRS 13 for financial instruments requires disclosure of fair value measurements by level of the following fair value measurement hierarchy for:

- *Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities*
- *Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)*
- *Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).*

For assets and liabilities that are recognized in the financial statements on a recurring basis, Zealand determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. Any transfers between the different levels are carried out at the end of the reporting period.

Notes to the Consolidated financial statements

4.3 Financial assets and liabilities (continued)

DKK thousand	Note	2024	2023
Categories of financial instruments			
Trade receivables excluding prepaid expenses	3.7	87,169	69,797
Other receivables	3.8	106,617	33,464
Financial assets at amortized costs		**193,786**	**103,261**
Marketable securities (Level 1)	4.5	8,541,713	1,183,746
Other investments (Level 3)	3.4	23,626	14,004
Other financial assets (Level 3)	3.6	-	7,375
Financial assets measured at fair value through profit and loss		**8,565,339**	**1,205,125**
Borrowings	4.6	285,332	-
Lease liabilities	3.3	106,424	119,230
Trade payables	3.9	254,843	125,071
Other payables	3.10	132,594	142,852
Financial liabilities measured at amortized cost		**779,193**	**387,153**
Cash-settled warrant liability from EIB loan, Tranche A (Level 3)	4.6	109,665	-
Financial liabilities measured at fair value through profit and loss		**109,665**	**-**

DKK thousand	Financial assets (Level 3)	Financial liabilities (Level 3)
Carrying amount at January 1, 2024	21,379	-
Fair value adjustments through profit and loss	2,247	-
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	-	10,602
Carrying amount at December 31, 2024	**23,626**	**109,665**

DKK thousand	Financial assets (Level 3)	Financial liabilities (Level 3)
Carrying amount at January 1, 2023	37,844	80,603
Fair value adjustments through profit and loss	-16,465	-1,161
Exchange rate effect through other comprehensive income	-	-1,916
Derecognition of call option on settlement of Oberland Capital loan	-	-77,526
Carrying amount at December 31, 2023	**21,379**	**-**

No transfers between fair value levels have occurred during 2024 and 2023.

Notes to the Consolidated financial statements

4.4 Cash and cash equivalents

§ Accounting policies

Cash is measured on intitial recognition at cost.

DKK thousand	2024	2023
Cash and cash equivalents	480,303	449,311
Total cash and cash equivalents	**480,303**	**449,311**

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.

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.

4.5 Marketable securities

§ Accounting policies

Marketable securities consist of investments in securities with a maturity of ninety days or greater at the time of acquisition. Measurement of marketable securities depends on the business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories which Zealand considers when classifying its marketable securities:

- *Amortized cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses), together with foreign exchange rate gains/(losses). Impairment losses are presented as a separate line item in the statement of profit or loss.*

- *Fair value through other comprehensive income (FVOCI): Assets that are held with an objective that results in collecting contractual cash flows and selling financial assets are measured at FVOCI. A gain or loss on assets that is subsequently measured at FVOCI is recognized in other comprehensive profit or loss. Impairment losses and foreign exchange rate gains/(losses) are presented as a separate line item in the statement of profit or loss.*

- *Fair value through profit and loss (FVTPL): Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income (FVOCI) are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net within financial income or expenses in the period in which it arises.*

Zealand's portfolio is 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.

Transactions are recognized at trade date.

Notes to the Consolidated financial statements

4.5 Marketable securities (continued)

DKK thousand	2024	2023
DKK portfolio:		
DK bonds	7,341,038	509,948
Total DKK portfolio	**7,341,038**	**509,948**
EUR portfolio:		
IG Corporate bonds (investment-grade)	954,944	454,467
Total EUR portfolio	**954,944**	**454,467**
USD portfolio:		
Asset-backed securities	3,963	2,738
Certificates of deposit	134,964	125,178
Commercial paper	100,003	69,823
U.S. Treasury Debt	1,637	2,664
U.S. Treasury Repurchase Agreement	5,164	18,928
Total USD portfolio	**245,731**	**219,331**
Total portfolio	**8,541,713**	**1,183,746**
Non-current	819,632	-
Current	7,722,081	1,183,746

All marketable securities have a fixed interest rate but different maturities. As of December 31, 2024, all outstanding securities were expected to mature within 19 months (2023: within 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. All securities in the portfolio have an investment graded rating of AAA to BBB-.

Marketable securities acquired in 2024 are managed and evaluated on a fair value basis in accordance with its stated investment guidelines and the information provided internally to Management. This classification is consistent with prior year's classification. Refer to note 4.3 Financial assets and liabilities for information on fair value measurement and the fair value hierarchy.

In October 2023, the USD portfolio previously held at Silicon Valley Bank has been transferred to JP Morgan. The DKK and EUR portfolios are held at Danske Bank.

Notes to the Consolidated financial statements

4.6 Borrowings

§ Accounting policies

On initial recognition, borrowings are measured at fair value which is generally equal to the proceeds received. Fair value is allocated between the debt host contract and, if applicable, an embedded derivative. Transaction costs attributable to the debt host contract are deducted from the initial fair value and amortized over the term of the loan as part of the effective interest rate on the loan. Transaction costs attributable to non-closely related embedded derivatives are expensed on initial recognition. Subsequently, borrowings are measured at amortized cost. On initial recognition, borrowings are evaluated for the existence of non-closely related embedded derivatives, i.e. cash flows or potential cash flows whose economic characteristics and risks are not closely related to the economic characteristics and risks in the debt host contract such as prepayment options at amounts which are not substantially equal to the loan's amortized cost. The cash flows attributable to such non-closely related embedded derivatives are separated and accounted for as derivative financial instruments.

Loan commitments are not recognized. Lender fees and transaction costs attributable to unconditional loan commitments are treated as prepaid transaction costs if the Group expects to draw down on the facility. If the Group has no specific plans for draw down on the loan commitment, the transaction costs are amortized over the commitment period. If a loan commitment is subject to meeting certain conditions, it is considered an unconditional loan commitment if the Group considers it probable that the conditions will be met.

Amendment of the terms of a loan is accounted for as an extinguishment of the original loan and recognition of a new liability reflecting the amended terms if the amended terms are substantially different from the original terms. Both quantitative and qualitive factors are considered. If the present value of the amended cash flows discounted at the original effective interest rate differs by 10% or more, the amendment is treated as an extinguishment. If the presented value of the amended cash flows differs by less than 10%, Management evaluates qualitative factors such as:

- *Change in collateral and restrictions of the use of proceeds*
- *Significant change in the term of the loan*
- *Change in loan currency and interest base*

All fees incurred in connection with a modification of the terms accounted for as an extinguishment are recognized as an expense.

Derecognition of financial liabilities: A financial liability is derecognized when the obligation under the liability is settled, discharged, cancelled, or expires. The difference between the carrying amount of a financial liability extinguished and the consideration paid is recognized through profit and loss.

DKK thousand	2024	2023
Borrowings at amortized cost	285,332	-
Derivative financial liabilities at fair value	109,665	-
Total borrowings including derivative financial liabilities	**394,997**	**-**

Loan facility from the European Investment Bank (EIB)
In December 2023, Zealand entered into a new EUR 90 million finance agreement with the European Investment Bank (EIB). The loan, which was offered at competitive terms, is structured with part of the interest paid at recurring intervals during the term and part being deferred (non-compounding) for payment at maturity of each tranche. In addition, the EIB has entered into a warrant agreement with Zealand that will entitle the EIB to receive warrants in Zealand when each tranche is drawn down. The warrants will, subject to the warrant terms, entitle the warrant holder to subscribe for ordinary shares in Zealand at market price.

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).

In 2024, DKK 2.3 million was capitalized through transaction costs related to the loan facility from entering the agreement, which will be amortized over the loan term (2023: DKK 0.7 million).

Notes to the Consolidated financial statements

4.6 Borrowings (continued)

Loan terms:	
Amount:	The loan facility may be utilized in up to three tranches of EUR 50 million (Tranche A), EUR 20 million (Tranche B) and EUR 20 million (Tranche C), respectively, with disbursement of each tranche subject to pre-specified milestones being met. A floating rate and a deferred interest rate shall be paid on each tranche.
Maturity date:	6 years from the disbursement date of the relevant tranche.
Repayment:	Each tranche under the EIB loan must be repaid on the maturity date.
Prepayment fee:	1-5% of principal amount if prepaid before maturity.
Floating rate:	EURIBOR + fixed margin (cash pay margin).
Deferred interest rate:	Low single digit for all tranches.
Commitment fee:	Low single digit on the daily undrawn and uncancelled balance of the relevant tranche. The commitment fee becomes effective from the date falling 6 months from the date of the agreement (Tranche A) or from the date falling 6 months from conditions being fulfilled (Tranches B and C).
Warrants:	With the disbursement of each tranche, warrants are granted to EIB in accordance with the warrant agreement. The warrants granted will vest as the loan(s) are repaid. If not utilized, any warrants will expire twenty years from the signing date of the contract. Once the warrants have vested, EIB has a put option enabling them to sell the warrants back to Zealand at fair market value at any time.

Management's judgements and estimates

Fair value measurement of warrants, derivative financial liability (EIB, Tranche A)

In accordance with IFRS 2, the fair value of the warrants at grant date is recognized as an expense in the income statement over the vesting period.

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 109.7 million as of December 31, 2024. On initial recognition in March 2024, Management has 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 4.7 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 December 31, 2024, the applied volatility is 53% based on volatility for the Zealand share in the

Notes to the Consolidated financial statements

4.6 Borrowings (continued)

past 5 years. Also impacting the fair value is expected dividend over the next 20 years (Level 3). As of December 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 -8.0 million*
- *Expected volatility +10%, increase in fair value of DKK 6.4 million*
- *Expected dividend +0.5%, decrease in fair value of DKK -11.1 million*
- *Expected dividend +1%, decrease in fair value of DKK -21.1 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 December 31, 2024, the prepayment option does not have any significant fair value.

Termination of Revolving Credit Facility (RCF) provided by Danske Bank
The Revolving Credit Facility of DKK 350 million provided by Danske Bank in May 2023 was terminated in July 2024 following the equity offering in June 2024 resulting in a cash position of DKK 9.7 billion. All pledges provided in relation to the credit facility were lifted in April 2024, refer to note 4.4 Cash and cash equivalents. The main terms of the facility are listed below.

In 2024, there have been no significant transaction costs related to the facility, thus no transaction costs have been capitalized from entering the agreement (2023: None). As of December 31, 2024, total amount of undrawn borrowing facilities amounts to DKK 0 million (2023: DKK 350 million).

Settlement of Oberland Capital loan
On April 20, 2023, Oberland Capital exercised an option in the loan agreement to provide an additional loan of USD 12.5 million on similar terms as the existing loan, bringing the total principal amount to USD 62.5 million. The additional loan of USD 12.5 million was not provided in cash.

On May 10, 2023, Zealand settled the Oberland Capital loans, including embedded derivatives, in a one-time payment of USD 77.3 million (DKK 525.7 million). With this final repayment, the Group's loan agreement with Oberland Capital was fully settled. As a result of the settlement Zealand in 2023 recognized a net loss of USD 19.9 million (DKK 135.6 million) under financial items, including derecognition of Oberland Capital's call option with a carrying value as of May 10, 2023, of USD 11.4 million (DKK 77.5 million).

For an overview of the events under the loan agreement from December 31, 2022, and until repayment on May 10, 2023, please refer to the movement table presented below. With the final repayment in 2023, Oberland released all rights to collateral provided for under the loan agreement.

Management's judgements and estimates

Fair value measurement of lender's call option
Fair value of the lender call option was determined as the difference between the present value of the probability weighted contractual cash flow upon the occurrence of a call option trigger event and the present value of the contractual cash flows without a call option trigger event occurring, discounted at the expected internal rate of return of 14.3%. It was assumed that any call option trigger event would result in full repayment of the loan. At the time of settlement on May 10, 2023, the fair value of the option amounted to DKK 77.5 million. The fair value change of DKK 1.2 million in 2023 was included in financial items, while the effect of changes to the exchange rate, DKK 1.9 million, was included in other comprehensive income. Valuation was based on unobservable data (level 3).

Notes to the Consolidated financial statements

4.6 Borrowings (continued)

Changes arising from EIB loan agreement – including changes for level 3 derivative financial liabilities

		Cash changes		Non-cash changes recognized in profit and loss				
	Carrying value as of December 31, 2023	Principal received EUR 50 million	Payment of interest	Currency adjustments	Fair value adjustments	Amortization	Interest accrued	Carrying value as at December 31, 2024
Borrowings at amortized costs	-	273,697	-	-2,124	-	13,759	-	285,332
Derivative financial liabilities at fair value – warrants (Tranche A)	-	99,063	-	-	10,602	-	-	109,665
Other payables - accrued interest	-	-	-11,589	-89	-	-	12,347	669
Total impact from EIB loan agreement	**-**	**372,760**	**-11,589**	**-2,213**	**10,602**	**13,759**	**12,347**	**395,666**

Changes arising from Oberland loan agreement – including changes for level 3 embedded derivatives

		Non-cash changes recognized in profit and loss	Non-cash changes over other comprehensive income				Cash changes		
	Carrying value as of December 31, 2022	Loss on settlement	Fair value adjustments	Amortization	Interest accrued	Currency adjustments	Repayment of debt, Including premium	Currency adjustments	Carrying value as at December 31, 2023
Borrowings at amortized costs	320,743	211,938	-	943	-	-7,960	-525,664	-	-
Embedded derivatives at fair value – Lender call option	80,603	-77,526	-1,161	-	-	-1,916	-	-	-
Other payables - accrued interest	-8,184	1,176	-	-	15,688	263	-	-8,943	-
Total impact from Oberland loan agreement	**393,162**	**135,588**	**-1,161**	**943**	**15,688**	**-9,613**	**-525,664**	**-8,943**	**-**

Notes to the Consolidated financial statements

4.7 Financial items

§ Accounting policies

Financial items include interests, as well as foreign exchange rate adjustments, fair value adjustments of other investments, embedded derivatives and marketable securities, banking fees from managing financial transactions, gains and losses from sale of marketable securities and dividends from marketable securities.

DKK thousand	2024	2023
Interest income	169,639	45,324
Interest expenses from financial liabilities measured at amortized cost	-31,715	-22,941
Interest expenses from lease liabilities	-2,332	-2,890
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	50,089	7,630
Fair value adjustment of other investments	2,247	-16,465
Fair value adjustment warrants, EIB (Tranche A)	-10,602	-
Exchange rate adjustments (primarily on USD deposits)	18,289	-9,708
Other financial expenses	-6,853	-3,150
Financial items in total	**188,762**	**-136,627**
Presentation in income statement:		
Financial income	240,264	54,115
Financial expenses	-51,502	-190,742

Interest income in 2024 of DKK 169.6 million comprises interest on marketable securities. The increase compared to 2023 is a result of the excess liquidity from recent capital increases invested into marketable securities, refer to note 4.5 Marketable securities. Interest income on marketable securities is based on coupon rates provided by J.P. Morgan and Danske Bank.

Interest expenses from financial liabilities measured at amortized cost in 2024 of DKK 31.7 million relate 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 July 2024. In 2023, interest expenses and banking fees related to the Oberland Capital loans which were settled in May 2023.

In 2023, loss on settlement of borrowings relates to the settlement of the Oberland loan on May 10, 2023. Refer to note 4.6 Borrowings for further information.

Fair value adjustment of other investments comprises the accounting impact of the investment in Beta Bionics of DKK 9.6 million as described in note 3.4 Other investments, but also a negative fair value adjustment of V-GO sales-related milestones of DKK 7.4 million, refer to note 3.6 Other financial assets.

Fair value adjustment of warrants, EIB (Tranche A) of DKK 10.6 million in 2024 relates to the warrants granted to the European Investment Bank (EIB) with the disbursement of the loan's first tranche (Tranche A), refer to 4.6 Borrowings.

Notes to the Consolidated financial statements

4.8 Share capital

§ Accounting policies

The share capital comprises the nominal amount of Zealand Pharma A/S's ordinary shares, each at a nominal value of DKK 1. All shares are fully paid.

The share premium reserve is comprised of the amount received, attributable to shareholders' equity, in excess of the nominal amount of the shares issued at the parent company's capital increases or exercise of warrants, reduced by any external expenses directly attributable to the offerings. The total nominal amount from purchase of treasury shares is recognized in retained losses, including any amount excess of the nominal amount.

Share option schemes
The Group has share option schemes for warrants, performance share units (PSUs) and restricted share units (RSUs) under which options to subscribe for the Group's shares have been granted to employees, Management and Board of Directors. Refer to note 4.9 Share-based instruments for further details.

PSUs and RSUs exercised in each respective year have been settled using the treasury shares of the Group. Any excess of the cash received from exercise of warrants over the nominal amount of the shares issued is recorded in share premium.

DKK thousand	2024	2023
Share capital at January 1	58,751	51,702
Shares issued for cash	12,112	6,579
Exercise of warrants	161	470
Share capital at December 31	**71,024**	**58,751**

The share capital solely consists of one class of ordinary shares all issued at DKK 1 each and all shares rank equally. The shares are negotiable instruments with no restrictions on their transferability. All shares have been fully paid. At the annual general meeting on March 20, 2024, Zealand was authorized to increase the share capital by nominally DKK 12,500,000 during the period until March 20, 2029. On December 31, 2024, nominally DKK 4,150,000 of the authorization remains. The Company has an unused authorization to issue convertible debt instruments with access to conversion to shares in the Company of up to a total of nominally DKK 10,850,136. This authorization covers the period until April 15, 2026.

On January 8, 2024, Zealand announced an issue of 3,761,470 new ordinary shares, which represented the remaining authorization from 2023, at a subscription price of DKK 386.45 per new share resulting in gross proceeds of DKK 1.5 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.

The costs related to the capital increases completed in January and June were DKK 22.9 million and DKK 213.6 million, respectively.

During 2024, a total of 161,249 new shares (2023: 470,106) have been issued due to exercise of warrant programs with net proceeds of DKK 30.7 million (2023: DKK 63.9 million) corresponding to an average exercise price of DKK 190.6 (2023: DKK 136.0). For additional information on the potential dilutive effects refer to note 2.10 Earnings per share.

Treasury shares
As of December 31, 2024, there were 373,501 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 other payables, refer to note 3.10.

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.

Notes to the Consolidated financial statements

4.9 Share-based instruments

To motivate and retain key employees, Management and Board of Directors and to encourage the achievement of common goals for employees, Management and shareholders, the Group has established equity-settled incentive plans based on Restricted share units (RSUs), Performance share units (PSUs) and warrants.

Warrants, PSUs and RSUs are granted by the Board of Directors in accordance with authorizations given to it by Zealand Pharma A/S's shareholders. Grants to members of the Board of Directors and members of the Executive Management are subject to the Remuneration Policy adopted at the Annual General Meeting.

Share-based compensation expense
The total expense recognized for the year under staff costs arising from share-based instruments was as follows:

DKK thousand	2024	2023
Recognized as staff costs:		
Share-based compensation expenses	87,032	61,426
Total	**87,032**	**61,426**

Total share-based compensation expenses split on type of award

DKK thousand	2024	2023
PSUs	19,225	18,209
RSUs	36,392	22,481
Warrants	31,415	20,736
Total	**87,032**	**61,426**

Total share-based compensation expenses split on expense type

DKK thousand	2024	2023
The amount is presented as:		
Research and development expenses	41,262	29,758
Selling and marketing expenses	3,467	1,732
General and administrative expenses	42,303	29,936
Total	**87,032**	**61,426**

§ Accounting policies

Share-based compensation expenses
The value of services received as consideration for share-based compensation is measured at the fair value of the granted instrument. The fair value of equity-settled share-based compensation is determined at the grant date and is recognized in the income statement as employee benefit expense over the period in which the instruments vest. The offsetting entry is recognized under equity. At each reporting date, an estimate is made of the number of instruments expected to vest, so the total expense recognized over the vesting period is equal to fair value of the actual number of instruments which vest. The fair value of warrants granted is estimated using the Black–Scholes pricing model, whereas for RSUs and PSUs the closing share price on the day of the grant is used.

In respect of performance obligations, market conditions, such as when the exercisability of an instrument depends on the achievement of a specified target that is based on the market price or value of the entity's equity instruments, relative to an index, are taken into account when estimating the fair value of the award at the grant date, while non-market vesting conditions, such as forfeiture rates, are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so as to reflect the number of awards that are expected to vest.

Management's judgements and estimates

Estimate of fair value of share-based compensation programs
In accordance with IFRS 2, the fair value of the warrants at grant date is recognized as an expense in the income statement over the vesting period.

Notes to the Consolidated financial statements

4.9 Share-based instruments (continued)

The fair value of each warrant granted during the year is calculated using the Black-Scholes pricing model. This pricing model requires the input of assumptions such as:

- *The expected share price volatility, which is based upon the historical volatility of Zealand's share price.*
- *The risk-free interest rate, which is determined based on the interest rate on Danish government bonds (bullet issues) with a maturity similar to the expected life of the option.*
- *The expected life of warrants, which is based on vesting terms, expected rate of exercise, and contractual life terms in the current warrant program.*

These assumptions can vary over time and can change the fair value of future warrants granted.

Estimate of forfeiture rate for share-based compensation programs
The estimated number of shares expected to vest is based on a series of factors such as:

- *The historic rate of employee turnover adjusted for significant events.*
- *Remaining time until vesting.*
- *Expected achievement of performance goals for PSUs.*

Determination of fair value of the instruments granted
The exercise price is determined by the closing price of Zealand's shares on Nasdaq Copenhagen on the day prior to the grant date.

Warrants granted prior to April 15, 2020, expire automatically after five years. Warrants granted from April 15, 2020, and going forward expire automatically after 5 or 10 years for warrants granted to Corporate Management and employees, respectively. Warrants vest either after 3 years of service, with 1/36 each month from the grant date, or with 1/3 after one year, 1/3 after two years and 1/3 after three years. The service cost is recognized over the respective vesting periods.

Warrants may be exercised four times a year during a four-week period starting from the date of the publication of Zealand's Annual Report or interim reports. Dividends are not expected.

For warrants granted after January 1, 2019, the volatility rate used is based on a historical volatility of the Zealand share price calculated as the vesting period of 3 years plus 50% of the exercise period of 7 years i.e., 6.5 years (2023: 6.5 years).

The fair value of the warrants granted in 2024 and 2023 was determined using the Black-Scholes model using the following inputs:

Grant year	2024	2023
Inputs in determining fair value of warrants:		
Life of warrant	10 years	10 years
Weighted average exercise price/share price (DKK)	598.0	219.4
Volatility (%)	46.40	43.0 to 50.3
Risk-free interest rate (%)	2.46	2.68 to 2.89
Exercise period to-from	Apr '27 to Apr '34	Apr '26 to Oct '33

The weighted average fair value of warrants granted in 2024 is DKK 293.0 (2023: DKK 114.7).

Warrant programs
A Warrant grants the beneficiary the option to purchase a new share at a fixed price upon vesting. The only vesting condition is time (service condition).

Incentive programs with outstanding warrants at the end of 2024 and 2023, respectively, have been offered under different warrant programs. The number of warrants granted in 2024 consists of 146,260 warrants granted on April 19, 2024 (2023: 295,837).

The warrants granted in 2024 are valued at DKK 42.9 million (2023: DKK 33.9 million) using the Black-Scholes model.

Warrants have either cliff vesting after 3 years or graded vesting over 3 years.

Notes to the Consolidated financial statements

4.9 Share-based instruments (continued)

Movement table of warrants granted:

No. of warrants	2024	Weighted average exercise price (DKK)
Warrants outstanding at January 1	1,334,658	141.6
Granted during the period	146,260	598.0
Forfeited during the period	-29,475	156.0
Exercised during the period	-161,249	190.6
Expired during the period	-	-
No. of warrants outstanding at December 31	**1,290,194**	**186.88**
Exercisable at the end of the period	251,734	141.9
Exercisable within 1 year	611,127	93.2
Exercisable within 1-2 years	282,932	219.4
Exercisable within 2-3 years	144,401	598.0
Warrants outstanding at the end of the period:		
Range of exercise prices (DKK)	90.7-598.0	
Weighted-average remaining contractual life	6.8	
Number held by Executive Management	160,140	

No. of warrants	2023	Weighted average exercise price (DKK)
Warrants outstanding at January 1	1,549,430	124.7
Granted during the period	295,837	219.4
Forfeited during the period	-33,884	124.7
Exercised during the period	-470,106	136.0
Expired during the period	-6,619	155.8
No. of warrants outstanding at December 31	**1,334,658**	**141.6**
Exercisable at the end of the period	333,302	176.8
Exercisable within 1 year	81,277	97.2
Exercisable within 1-2 years	631,110	93.1
Exercisable within 2-3 years	288,969	219.4
Warrants outstanding at the end of the period:		
Range of exercise prices (DKK)	90.7-300.4	
Weighted-average remaining contractual life	7.0	
Number held by Executive Management	203,101	

The weighted average share price at the date of exercise for warrants exercised in 2024 is DKK 702.2 (2023: DKK 252.2).

The Board of Directors has not been granted warrants. Refer to note 6.1 Remuneration of the Board of Directors and Executive Management for additional information.

Notes to the Consolidated financial statements

4.9 Share-based instruments (continued)

PSU programs
PSUs grant the beneficiary the right to receive one already existing share upon vesting. Vesting conditions for PSUs consist of both a service condition (time) and a performance condition. The performance condition can be either market based (cliff vesting) or operational based (graded vesting). The PSUs have either cliff vesting after 3 years or graded vesting over 3 years.

Operational based PSUs are dependent on pre-determined performance criteria (non-market performance conditions) set out to pursue the overall strategic objectives for the Company.

The number of performance share units granted in 2024 consists of 52,777 shares granted on April 19, 2024 and 4,102 granted on September 1, 2024, totalling 56,879 PSUs (2023: 67,576). The value per share unit granted is determined based on the Company's closing share price on Nasdaq Copenhagen A/S on the day of the grant.

The PSUs granted in 2024 are valued at DKK 35.2 million at grant (2023: DKK 14.7 million) based on a share price of DKK 598.0 to 886.5 (2023: DKK 218.0). The weighted average fair value of PSUs granted in 2024 is DKK 618.9 (2023: DKK 218.0). Dividends are not expected and thus not incorporated into the measurement of fair value.

Movement table of PSU granted shares:

No. of PSUs

DKK thousand	2024	2023
No. of share units:		
At January 1	359,827	357,801
Adjustments due to performance targets	17,747	-
Granted during the year	56,879	67,576
Vested during the year	-118,791	-65,550
Forfeited during the year	-27,775	-
At December 31	**287,887**	**359,827**

The adjustment made in 2024 of 17,747 units was due to reaching a performance target set out in the 2021 market based PSU grant.

RSU programs
RSUs grants the beneficiary the right to receive one of the Company's already issued shares upon vesting. There are no vesting conditions except time (service condition). The RSUs have either cliff vesting after 3 years or graded vesting over 3 years.

The number of restricted share units granted in 2024 consists of 80,345 shares granted on April 19, 2024 and 4,102 granted on September 1, 2024, totalling 84,447 RSUs (2023: 126,747). The value per share unit granted is determined based on the Company's closing share price on Nasdaq Copenhagen A/S on the day of the grant. The RSUs granted in 2024 are valued at DKK 51.7 million (2023: DKK 27.6 million) and are granted at a share price of DKK 598.0 to 886.5 (2023: DKK 218.0). The weighted average fair value of RSUs granted in 2024 is DKK 612.0 (2023: DKK 218.0). Dividends are not expected and thus not incorporated into the measurement of fair value.

Movement table of RSU granted shares:

No. of RSUs

DKK thousand	2024	2023
No. of share units:		
At January 1	275,947	283,272
Granted during the year	84,447	126,747
Vested during the year	-180,513	-91,307
Forfeited during the year	-6,192	-42,765
At December 31	**173,689**	**275,947**

Sale Instruction Scheme
In 2024, Zealand has decided to establish a Sale Instruction Scheme for its Corporate Management. The Scheme allows the individual member of the management to give a sales instruction for future sales at a time where the individual is not in possession of inside information. The Scheme is only to be used by the Zealand management to sell shares to pay their taxes or the cost of exercising the incentive schemes. Zealand has assisted the management in establishing the Scheme, however, it is at the individual management member's own risk and liability to use the Scheme and Zealand cannot be held accountable for any liability. The scheme was not used in 2024.

Notes to the Consolidated financial statements

5.0 Tax

Zealand Pharma's Tax Policy is reviewed annually and approved by the Board of Directors. Please refer to our tax policy on our website: → https://www.zealandpharma.com/media/po0nx3b5/tax-policy-zealand-pharma-2024.pdf.

5.1 Corporate tax

Accounting policies

Income tax on results for the year, which comprises current tax and changes in deferred tax, is recognized in the income statement, except to the extent that the tax is attributable to items which directly relate to shareholders' equity or other comprehensive income.

Current tax liabilities and current tax receivables are measure at the amounts expected to be paid to or recovered from the tax authorities.

Deferred tax is accounted for under the liability method which requires recognition of deferred tax on all temporary differences between the carrying amount of assets and liabilities and the tax base of such assets and liabilities. This includes the tax value of tax losses carried forward.

Deferred tax is calculated in accordance with the tax regulations in the local countries and the tax rates expected to be in force at the time the deferred tax is utilized. Changes in deferred tax from changes in tax rates is recognized in the income statement.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the differences can be utilized.

Management's judgements and estimates

Zealand recognizes deferred tax assets, including the tax base of tax losses carried forward, if Management assesses that these tax assets can be offset against positive taxable income within a foreseeable future. This judgement is made on an ongoing basis and is based on numerous factors, including actual results, budgets, and business plans for the coming years.

The creation and development of therapeutic products within the biotechnology and pharmaceutical industry are subject to considerable risks and uncertainties. Zealand's future taxable income will be driven by future events that are highly susceptible to factors outside of the groups control including outcomes of clinical trials, regulatory approvals, and other matters.

Due to the uncertainties described, Management has concluded that no deferred tax assets should be recognized on December 31, 2024 (none recognized in 2023), except for the US entity, which is expected to have profitable taxable income due to the Group's transfer pricing setup.

Notes to the Consolidated financial statements

5.1 Corporate tax (continued)

DKK thousand	2024	2023
Net result for the year before tax	-1,083,445	-708,865
Corporate tax rate in Denmark	22.0%	22.0%
Expected tax benefit	-238,358	-155,950
Adjustment for foreign tax rates	-30	-2,618
Adjustment for non-deductible expenses	30,360	-6,512
Adjustment for warrants	5,322	-1,690
Adjustment for R&D extra deduction	-24,330	-21,768
Adjustment to prior year	3,625	-28,409
Change in tax assets (not recognized)	218,794	211,821
Total income tax expense/(benefit)	**-4,617**	**-5,126**

Zealand Pharma pays corporate income tax in jurisdictions where the operations are profitable. Corporate income tax is currently only paid in the United States. We are currently in a loss-making position in Denmark with an accumulated tax loss carryforward shown in the table below, which can be offset in future taxable income.

Zealand Pharma accepts government sponsored tax credits and incentives with strict adherence to the rules and in line with the economic substance of the Company's business activities. We only accept credits and incentives which are commonly available. Under Danish tax law, Zealand Pharma is eligible to receive a DKK 5.5 million cash refund in 2024 (2023: DKK 5.5 million) on qualifying research and development expenses, which at the same time equally reduces the tax loss carried forward. Zealand is also eligible for the super deduction in Denmark on certain research and development expenditures. Unrecognized deferred tax assets relate to tax jurisdictions in Denmark and US.

DKK thousand	2024	2023
Specification of deferred tax assets:		
Tax losses carried forward (available indefinitely)	4,936,986	3,898,988
Research and development expenses	1,283,495	1,031,011
Intangible assets	76,129	76,129
Non-current assets	156,776	100,444
Liabilities	10,510	21,981
Other	543,283	412,116
Total temporary differences	**7,007,179**	**5,540,669**
Calculated potential deferred tax asset at local tax rate	1,540,864	1,219,805
Deferred tax asset not expected to be utilized	-1,539,879	-1,218,880
Recognized deferred tax asset	**985**	**925**

Adjustment for foreign tax rates
Adjustment relates to difference in the corporate tax rates between Denmark and United States.

Adjustment for non-deductible expenses
Adjustment mainly relates to interest deduction limitation, value adjustment of tax-exempt portfolio shares in Beta Bionics Inc. and legislation limiting deduction for high salaries.

Adjustment for warrants
Adjustment relates to timing difference between deduction of warrants in the accounts and the deduction for tax purposes, along with differences in accounting and tax values.

In accordance with IFRS 2, the fair value of warrants at grant date is recognized as an expense in the income statement over the vesting period for accounting purposes. For tax purposes, a deduction is claimed at the time the warrants, which fulfill certain conditions, are exercised. The deductible amount is equal to the difference in fair value of the warrants and the exercise price for taxable warrants.

Notes to the Consolidated financial statements

5.1 Corporate tax (continued)

The adjustment relates to Zealand Pharma's warrant incentive schemes and represents the deductible amount along with an adjustment of the expected future tax deduction on incentive schemes. Deductions are calculated based on the circumstances for the individual scheme and the recipient. Zealand Pharma also provides, included in this adjustment, incentive schemes which are non-deductible for tax purposes.

Adjustment for R&D extra deduction
Adjustment relates to an 8% extra deduction taken on qualifying research and development expenses in accordance with the government sponsored tax incentive.

Tax assets not recognized
In accordance with the Group's accounting policies, the value of tax assets originating from Denmark is not recognized, due to uncertainty regarding when and if they will be realized as a future tax advantage within a foreseeable future.

Tax assets originating from Zealand Pharma U.S., Inc. have been recognized with an amount of DKK 1.0 million (2023: DKK 0.9 million), which is expected to be realized as a future tax advantage within a foreseeable future.

Total tax losses carried forward for the Group amount to DKK 4,937 million (2023: DKK 3,899 million).

PFIC disclaimer
We may be a passive foreign investment company, or "PFIC," which could result in U.S. federal income tax consequences to U.S. investors.

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6.0 Other disclosures

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6.1 Remuneration of the Board of Directors and Executive Management

	2024			2023		
DKK thousand	Base board fees	Share-based compensation	Total fees	Base board fees	Share-based compensation	Total fees
Total Board of Directors	**1,100**	**9,361**	**10,461**	**1,100**	**4,891**	**5,991**

The disclosed remuneration for board members excludes minor mandatory social security costs paid by the company.It also excludes reimbursed expenses incurred in connection with board meetings, such as travel and accommodation.

DKK thousand	Base salary	Bonus	Pension contribution	Other short-term benefits	Share-based compensation	Severance payments	Total
2024							
Executive Management							
Adam Sinding Steensberg	9,000	12,150	1,800	276	19,038	-	**42,264**
Henriette Wennicke	4,500	4,500	900	311	6,628	-	**16,839**
Total	**13,500**	**16,650**	**2,700**	**587**	**25,666**	**-**	**59,103**
Other Corporate Management[1]	**11,746**	**11,869**	**1,404**	**1,101**	**15,419**	**3,347**	**44,886**
Total	**25,246**	**28,519**	**4,104**	**1,688**	**41,085**	**3,347**	**103,989**
2023							
Executive Management							
Adam Sinding Steensberg	5,750	4,744	1,150	243	12,950	-	**24,837**
Henriette Wennicke	2,621	1,441	524	267	4,387	-	**9,240**
Total	**8,371**	**6,185**	**1,674**	**510**	**17,337**	**-**	**34,077**
Other Corporate Management[1]	**9,696**	**5,300**	**1,016**	**820**	**15,467**	**-**	**32,299**
Total	**18,067**	**11,485**	**2,690**	**1,330**	**32,804**	**-**	**66,376**

[1] Other Corporate Management in 2024 comprised five members (2023: four).

Notes to the Consolidated financial statements

6.2 Fees to auditors appointed at the annual general meeting

DKK thousand	2024	2023
Audit fee	2,350	2,590
Other assurance engagements	362	-
Tax advisory service	1,379	-
Other services	702	940
Total fees	**4,793**	**3,530**

At the Annual General Meeting on March 20, 2024, PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab (PwC) was elected as Zealand's new auditor for both financial and upcoming sustainability reporting purposes as proposed by the Board of Directors in accordance with the recommendation of the Audit Committee. In 2024 services provided to the Group by PwC consisted of audit of the annual report, compliance review of Q1 and Q3 interim financial statements, half-year review of Q2 interim financial statements, tax advisory services, accounting advisory services and other assistance.

In 2023 EY Godkendt Revisionspartnerselskab provided audit of the annual report, quarterly reviews, other audit-related services on various statements for public authorities, and other accounting advisory services.

6.3 Contingent assets and liabilities

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, future payments under these agreements qualify as contingent assets. However, it is impossible to estimate the amount of variable consideration for these contingent assets, and as such, no assets have been recognized.

6.3 Contingent assets and liabilities (continued)

As part of the license and collaboration agreements that Zealand has entered, 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.

Reference is made to note 6.7 Collaborations and technology licenses for descriptions of Zealand's collaboration and license agreements.

6.4 Commitments

Guarantees and collaterals
Under the revolving credit facility (RCF) in Danske Bank, Zealand was required to have a minimum collateral value of 120% of the loan commitment (DKK 420 million) held in the designated custody accounts under management by Danske Asset Management and Zealand's designated cash accounts attached to the custody accounts. Zealand should also comply with a covenant on fulfilling certain information requirements. The pledges were lifted in April 2024, and in July 2024 the RCF was terminated following the equity offering in June 2024 resulting in a cash position of DKK 9.7 billion, refer to note 4.4 Cash and cash equivalents for further information.

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.

Other purchase obligations
As of December 31, 2024, total contractual obligations related to agreements for development projects, including CROs, amounted to DKK 1,410.0 million of which DKK 670.9 million relates to 2025 and DKK 739.1 million to the years 2026 up to and including 2029 (2023: DKK 304.4 million).

Notes to the Consolidated financial statements

6.5 Related parties

Zealand has no related parties with controlling interest. Zealand's other related parties comprise the Company's Board of Directors and Executive Management. Aside from the remuneration and other transactions described in note 6.1 Remuneration of the Board of Directors and Executive Management, there were no other material related party transactions during 2024 and 2023.

Executive Management
During 2024 a total number of 42,961 warrants were exercised at a strike price of DKK 138.6 leading to a net proceed to Zealand Pharma of DKK 5,954,395.

The total number of warrants outstanding held by Executive Management at the end of the period is 160,140. The total number of performance share units granted to members of Executive Management was 33,634 in 2024. A total number of 61,883 PSUs vested during 2024, and 61,883 shares have thus been released.

The total number of PSUs outstanding held by Executive Management at the end of the period is 180,597.

The total number of restricted share units granted to members of Executive Management was 33,634 in 2024. A total number of 16,665 RSUs vested during 2024, and 16,665 shares have thus been released.

The total number of RSUs outstanding held by Executive Management at the end of the period is 59,241.

Board of Directors
The total number of restricted share units granted to members of the Board of Directors was 20,497 in 2024. A total number of 21,498 RSUs vested during 2024, and 21,498 shares have thus been released.

The total number of RSUs outstanding held by members of the Board of Directors at the end of the period is 39,499.

6.6 Cash flow adjustments

DKK thousand	2024	2023
Depreciation, amortization and impairment losses	25,847	25,086
Reversal of inventory write-down	-	-15,980
Share-based compensation expenses	87,032	61,426
Financial income	-240,264	-54,115
Financial expenses	51,501	190,741
Corporate tax	-4,617	-5,125
Adjustments for non-cash items in total	**-80,501**	**202,033**

DKK thousand	2024	2023
Changes in accounts receivable	-48,961	-6,756
Changes in prepaid expenses	-71,426	28,534
Changes in other receivables	45,508	-11,849
Changes in inventory	-2,762	9,339
Changes in accounts payable	89,915	39,837
Changes in other liabilities	110,105	14,218
Changes in rebate and discount liabilities	-	-2,162
Changes in other liabilities and provisions	-	-19,058
Changes in working capital in total	**122,379**	**52,103**

Notes to the Consolidated financial statements

6.7 Collaborations and technology licenses

Collaboration and license agreements
Zealand Pharma enters into collaborations with biotechnology and pharmaceutical companies to advance the development and commercialization of our product candidates and to supplement our internal pipeline. Zealand Pharma seeks collaborations that will allow Zealand Pharma to retain significant future participation in product sales through either profit-sharing or royalties paid on net sales. Below is an overview of Zealand Pharma's collaboration and license agreements that have had a significant impact or are expected in the near term to have a significant impact on financial results. With reference to note 6.3 Contingent assets and liabilities, each agreement is marked with CA (contingent asset) and CL (contingent liability) if applicable.

Complement C3 (collaboration with Alexion, AstraZeneca Rare Disease) (CA)
Zealand Pharma and Alexion ended their collaboration on the discovery and development of novel peptide therapies for complement-mediated diseases. Under the original terms of the agreement entered in March 2019, Alexion and Zealand Pharma entered into an exclusive collaboration for the discovery and development of subcutaneously delivered peptide therapies directed to up to four complement pathway targets. Zealand Pharma received compensation on a time and material basis for certain research and development services delivered under the contract.

In October 2024 a termination agreement with Alexion was signed. Zealand Pharma will receive an exclusive, royalty-free, worldwide, irrevocable license to use (incl. research, develop, commercialize) the know how created by Alexion. The lead program, ZP10068, is an investigational long-acting inhibitor of Complement C3 which has the potential to treat a broad range of complement mediated diseases. Zealand Pharma is currently evaluating the options for advancing the ZP10068 program. Any future regulatory, clinical, and development efforts will be led and conducted by Zealand Pharma.

Beta Bionics (Dasiglucagon for bi-hormonal artificial pancreas systems) (CA)
Dasiglucagon was in clinical development for use in investigational bi-hormonal artificial pancreas (BHAP) systems containing both insulin and dasiglucagon.

In 2016, Zealand Pharma entered into collaboration with Beta Bionics, Inc., a medical technology company leveraging lifelong, machine-learning, artificial intelligence to develop and commercialize the world's first autonomous bionic pancreas. The partnership aimed to combine product rights from each party to advance a new dual-hormonal artificial pancreas system. The intent of such a system was to offer people with diabetes on insulin therapy more efficacious, safer, and easier blood sugar control for better long-term disease management and outcomes.

In October 2024 the partnership with Beta Bionics was concluded. Under the termination agreement any rights and licenses, permissions and sub-licenses granted in the original agreement shall terminate. All rights, title and interest in and to any and all intellectual property rights created as part of the performance of the co-development activities (1) shall belong to Zealand Pharma if they are necessary or useful for research or development of ZP4207 or its manufacture, use or sale, (2) shall belong to Beta Bionics if they are necessary or useful for research or development of the iLet or its manufacture, use or sale including all improvements and modifications to the iLet.

As a part of the collaboration Zealand Pharma has made an investment in Beta Bionics as described in note 3.4 Other investments. The stock purchase agreements and associated agreements covering Zealand Pharma's equity investments in Beta Bionics are unaffected by the termination agreement. In January 2025 all shares in Beta Bionics have been sold, refer to note 6.8 Subsequent events.

Boehringer Ingelheim (Obesity/survodutide) (CA)
In June 2011, Zealand Pharma entered into a license, research, and development collaboration agreement with Boehringer Ingelheim International GmbH (BI) to advance novel dual acting glucagon/GLP-1 peptide receptor agonists for the treatment of patients with type 2 diabetes and obesity. As part of the agreement, Boehringer obtained global development and commercialization rights to the lead drug candidate, survodutide. Boehringer funds all research, development, and commercialization activities under the agreement.

As of December 31, 2024, Zealand is eligible to receive license and milestone payments of up to EUR 315.0 million, related to the achievement of pre-specified development, regulatory and commercial milestones for the lead product. Zealand Pharma is also eligible to receive tiered royalties ranging from high single digit to low double digit percentages on global sales by Boehringer of all products stemming from this collaboration.

In November 2023, Boehringer initiated the Phase 3 program with survodutide in patients living with obesity or overweight (SYNCHRONIZE™) that consists of three global clinical trials, which triggered a EUR 30 million milestone payment. No milestones were triggered in 2024.

DEKA Research & Development Corp. (CHI/dasiglucagon) (CL)
In November 2021, Zealand Pharma announced a collaboration agreement with DEKA to develop a continuous infusion pump, for which Zealand Pharma receives a worldwide, exclusive license, to be used in combination with dasiglucagon for treatment of CHI.

Notes to the Consolidated financial statements

6.7 Collaborations and technology licenses (continued)

DEKA is responsible for pump development and pump manufacturing activities. Zealand Pharma is responsible for clinical development around the drug-device combination and commercialization in all territories.

As consideration for a global license to use the infusion pump for treatment of CHI, DEKA is eligible to receive a low to high single digit royalty rate of the global net sales of the combination product.

Encycle Therapeutics (CL)
In October 2019, Zealand Pharma announced the acquisition of Encycle Therapeutics through a business combination to obtain a pre-clinical asset that complements Zealand Pharma's focus on developing next-generation peptide therapeutics for gastrointestinal diseases. The assets were to be developed as an orally delivered peptide drug to target integrin alpha-4-beta-7, which is involved in the pathogenesis of inflammatory bowel disease (IBD).

In February 2025, after the balance sheet date, Zealand Pharma sent a notice of termination to the sellers of Encycle Therapeutics, informing them of Zealand Pharma's decision to discontinue the project. Zealand Pharma also expressed its intention to reassign all rights, title, and interest in the asset back to the sellers in due course. The asset was impaired and disposed of in Zealand Pharma's 2022 financial year, as reflected in the annual reports for 2022 and 2023.

MannKind Corporation (V-GO) (CA)
In May 2022, Zealand Pharma announced an Asset Purchase Agreement with MannKind Corporation to sell the V-GO Insulin Delivery Device. V-GO is a once-daily, wearable, insulin delivery device that helps provide blood sugar control for everyday lifestyles. Designed to be patient-friendly, V-GO is worn like a patch and eliminates the need for taking multiple daily shots.

As of December 31, 2024, Zealand Pharma is eligible to receive up to USD 10.0 million in sales-based milestones.

Novo Nordisk (Zegalogue®/dasiglucagon (CA)
In September 2022, Zealand Pharma announced a global license and development agreement with Novo Nordisk A/S to commercialize Zegalogue® (dasiglucagon) for injection. Zegalogue® is approved by the U.S. Food and Drug Administration (FDA) for the treatment of severe hypoglycemia in pediatric and adult patients with diabetes aged 6 and above. Under the agreement Novo Nordisk is responsible for the global commercialization of Zegalogue® while Zealand Pharma is responsible for certain planned regulatory, development and manufacturing activities to support further development and approval outside of the U.S. for which Zealand Pharma is eligible to receive a mix of development milestones, and time and material compensation.

Zealand Pharma retained all non-licensed intellectual property rights to the Company's other dasiglucagon development programs.

As of December 31, 2024, Zealand Pharma is eligible to receive up to DKK 7.5 million in development milestones and DKK 220.0 million in sales-based milestones as well as tiered royalties ranging from high single digit to low double digit percentages on worldwide net sales by Novo Nordisk.

Zealand Pharma is also eligible for compensation on a time and material basis for certain product supply, research and development services delivered under the contract.

On May 31, 2024, the Committee for Medicinal Products for Human Use (CHMP) recommended granting a marketing authorization for Zegalogue® triggering DKK 15 (each of DKK 7.5 million) million in milestone payments from Novo Nordisk. Zegalogue® received the marketing authorization valid throughout the EU in July 2024.

Protagonist Therapeutics (Rusfertide) (CA)
In June 2012, Zealand Pharma and Protagonist entered into a collaboration to develop disulfide-rich peptides. Protagonist has since taken over the full responsibility of the development.

As of December 31, 2024, Zealand Pharma is eligible to receive up to USD 60.0 million in regulatory and commercial milestones, as well as a low single digit royalty rate on global net sales.

Sanofi/Royalty Pharma (Soliqua/Suliqua/Lyxumia/Adlyxin) (CA)
In September 2018, Zealand Pharma announced that all future royalties and all but up to USD 15.0 million of future milestone payments relating to the Sanofi License Agreement were sold to Royalty Pharma.

In 2023, USD 10 million in milestone payments associated with lixisenatide were received from Sanofi. Out of the USD 10 million from Sanofi, Zealand Pharma will pay USD 1.3 million in royalty expenses to Alkermes in line with a termination agreement following the dissolution of a former joint venture with Elan Corporation

Notes to the Consolidated financial statements

6.7 Collaborations and technology licenses (continued)

(now Alkermes), stipulating that Alkermes is entitled to 13% of payments received by Zealand in respect to lixisenatide under the Sanofi License Agreement. As of December 31, 2023 and onwards, there are no other outstanding milestone payments associated with the license agreement with Sanofi.

6.8 Subsequent events

Investment in Beta Bionics Inc.
In January 2025, Zealand sold its shares in Beta Bionics Inc. following the signed mutual termination agreement from October 2024. The agreed selling price was DKK 23.6 million and the sale was completed in January 2025.

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Financial statements of the parent company

Statement of loss for the years ended December 31, 2024 and 2023

DKK thousand	Note	2024	2023
Revenue		68,100	278,131
Royalty expenses	16	-6,783	-7,447
Cost of goods sold		-7,874	-10,036
Gross profit		**53,443**	**260,648**
Research and development expenses	2	-923,302	-690,260
Sales and marketing expenses	3	-67,786	-29,886
General and administrative expenses	4	-339,088	-184,058
Other operating income		-	15,979
Net operating expenses		**-1,330,176**	**-888,225**
Operating result		**-1,276,733**	**-627,577**
Dividend from subsidiaries		86,600	-
Financial income	6	237,330	48,779
Financial expenses	6	-86,240	-330,569
Result before tax		**-1,039,043**	**-909,367**
Corporate tax	7	5,500	5,592
Net result for the year		**-1,033,543**	**-903,775**

Statement of comprehensive loss for the years ended December 31, 2024 and 2023

DKK thousand	Note	2024	2023
Net result for the year		**-1,033,543**	**-903,775**
Other comprehensive income/(loss)		-	-
Total comprehensive result for the year		**-1,033,543**	**-903,775**

Financial statements of the parent company

Statement of financial position as of December 31, 2024 and 2023

DKK thousand	Note	Group note	2024	2023
Assets				
Intangible assets		3.1	12,620	12,255
Property, plant and equipment		3.1	46,479	47,047
Right-of-use assets	8		78,768	89,772
Other investments		3.4	-	14,004
Investments in subsidiaries	9		872	36,186
Trade receivables	10		-	6,886
Other receivables	11		8,900	8,900
Marketable securities		4.5	819,632	-
Other financial assets		3.6	-	7,375
Total non-current assets			**967,271**	**222,425**
Inventory		3.5	10,698	7,935
Trade receivables	10		254,443	153,901
Other receivables	11		76,167	24,348
Corporate tax receivable	7		5,500	11,000
Other Investments		3.4	23,626	-
Marketable securities		4.5	7,722,081	1,183,746
Cash and cash equivalents		4.4	423,054	302,157
Total current assets			**8,515,569**	**1,683,087**
Total assets			**9,482,840**	**1,905,512**

DKK thousand	Note	Group note	2024	2023
Share capital		4.8	71,024	58,751
Share premium			14,680,771	6,406,225
Accumulated losses			-6,145,937	-4,928,620
Total shareholders' equity			**8,605,858**	**1,536,356**
Trade payables	12		-	303
Borrowings		4.6	285,332	-
Derivative financial liabilities		4.6	109,665	-
Lease liabilities	8		74,029	83,977
Total non-current liabilities			**469,026**	**84,280**
Lease liabilities	8		11,797	12,024
Trade payables	12		270,774	136,033
Other payables	13		125,385	136,819
Total current liabilities			**407,956**	**284,876**
Total liabilities			**876,982**	**369,156**
Total shareholders' equity and liabilities			**9,482,840**	**1,905,512**

Financial statements of the parent company

Statement of cash flows for the years ended December 31, 2024 and 2023

DKK thousand	Note	2024	2023
Net result for the year		-1,033,543	-903,775
Adjustment for other non-cash items	17	-56,577	336,963
Changes in working capital	18	145,098	-103,446
Financial income received		116,899	33,816
Financial expenses paid		-23,801	-8,675
Corporate taxes received		11,000	91
Cash flow used in operating activities		**-840,924**	**-645,026**
Proceeds from sale of marketable securites		4,137,897	665,336
Purchase of marketable securities		-11,457,664	-1,843,301
Purchase of intangible assets		-3,095	-12,508
Purchase of property, plant and equipment		-10,053	-11,241
Cash flow from/(used in) investing activities		**-7,332,915**	**-1,201,714**
Proceeds from borrowings		369,867	-
Lease installments	8	-12,060	-11,649
Proceeds from issuance of shares		8,492,670	1,500,000
Purchase of treasury shares		-351,834	-41,600
Proceeds from issuance of shares related to exercise of share-based compensation		30,727	63,950
Costs related to issuance of shares		-236,579	-71,908
Cash flow from financing activities		**8,292,791**	**1,438,793**
New cash flow for the year		118,952	-407,947
Cash and cash equivalents at beginning of year		302,157	710,104
Exchange rate adjustments		1,945	-
Cash and cash equivalents at end of year		**423,054**	**302,157**

Statement of changes in shareholders' equity at December 31, 2024 and 2023

DKK thousand	Share capital	Share premium	Accumulated losses	Total
Equity at January 1, 2024	**58,751**	**6,406,225**	**-4,928,620**	**1,536,356**
Net result for the year	-	-	-1,033,543	-1,033,543
Total comprehensive income	**-**	**-**	**-1,033,543**	**-1,033,543**
Transactions with owners				
Purchase of treasury shares	-	-	-270,806	-270,805
Exercise of warrants	161	30,566	-	30,727
Share-based compensation expenses	-	-	87,032	87,032
Capital increases	12,112	8,480,559	-	8,492,671
Costs related to capital increases	-	-236,579	-	-236,579
Equity at December 31, 2024	**71,024**	**14,680,771**	**-6,145,937**	**8,605,858**
Equity at January 1, 2023	**51,702**	**4,921,232**	**-4,005,383**	**967,551**
Net result for the year	-	-	-903,775	-903,775
Total comprehensive income	**-**	**-**	**-903,775**	**-903,775**
Transactions with owners				
Purchase of treasury shares	-	-	-81,045	-81,045
Net settlement of PSUs and RSUs	-	-	157	157
Exercise of warrants	470	63,480	-	63,950
Share-based compensation expenses	-	-	61,426	61,426
Capital increases	6,579	1,493,421	-	1,500,000
Costs related to capital increases	-	-71,908	-	-71,908
Equity at December 31, 2023	**58,751**	**6,406,225**	**-4,928,620**	**1,536,356**

Notes to the Financial statements of the parent company

Notes

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Notes to the Financial statements of the parent company

1 Significant accounting policies, and significant accounting estimates and assessments

Significant accounting policies

Basis of preparation
The separate financial statement of the parent company has been prepared in accordance with IFRS Accounting Standards as adopted by the EU (IFRS) and additional requirements under the Danish Financial Statements Act (Class D). The accounting policies for the financial statements of the parent company are unchanged from the previous financial year.

A number of new or amended standards became applicable for the current reporting period. The parent company did not change its accounting policies as a result of the adoption of these standards. The accounting policies are the same as for the consolidated financial statements with the supplementary accounting policies for the parent described below. For a description of the accounting policies of the group, please refer to section 1.0 Basis of preparation in the consolidated financial statements.

Notes have only been included in the Parent Financial Statement where amounts differ from the consolidated financial statement.

Supplementary accounting policies for the parent company

Investments in subsidiaries
Please refer to note 9 Investments in subsidiaries.

2 Research and development expenses

DKK thousand	2024	2023
Staff costs (note 5)	-313,786	-241,639
Amortization, depreciation, impairment losses on intangibles assets, property, plant and equipment, and right-of-use assets	-18,382	-18,087
Other external research and development expenses	-591,134	-430,534
Total research and development expenses	**-923,302**	**-690,260**

3 Sales and marketing expenses

DKK thousand	2024	2023
Staff costs (note 5)	-14,776	-10,427
Amortization, depreciation, impairment losses on intangibles assets, property, plant and equipment, and right-of-use assets	-457	-
Other external sales and marketing expenses	-52,553	-19,459
Total sales and marketing expenses	**-67,786**	**-29,886**

Notes to the Financial statements of the parent company

4 General and administrative expenses

DKK thousand	2024	2023
Staff costs (note 5)	-142,313	-94,258
Amortization, depreciation, impairment losses on intangibles assets, property, plant and equipment, and right-of-use assets	-5,495	-3,601
Other external sales and marketing expenses	-191,280	-86,199
Total general and administrative expenses	**-339,088**	**-184,058**

5 Information on staff and remuneration

DKK thousand	2024	2023
Total staff costs can be specified as follows:		
Wages and salaries	-343,925	-247,253
Share-based compensation	-75,477	-55,130
Pension schemes (defined contribution plans)	-27,775	-20,945
Other payroll and staff-related costs	-23,698	-22,996
Total staff costs	**-470,875**	**-346,324**
The amount is charged as:		
Research and development expenses	-313,786	-241,639
Sales and marketing expenses	-14,776	-10,427
General and administrative expenses	-142,313	-94,258
Total staff costs	**-470,875**	**-346,324**
Average number of employees	280	224

For remuneration to the Board of Directors please refer to note 6.1 Remuneration of the Board of Directors and Executive Management in the consolidated financial statements and for additional information regarding staff costs refer to note 2.8 Staff costs.

Notes to the Financial statements of the parent company

5 Information on staff and remuneration (continued)

DKK thousand	Base salary	Bonus	Pension contribution	Other short-term benefits	Share-based compensation	Severance payments	Total
2024							
Remuneration to the Executive Management							
Adam Sinding Steensberg	9,000	12,150	1,800	276	19,038	-	**42,264**
Henriette Wennicke	4,500	4,500	900	311	6,628	-	**16,839**
Total	**13,500**	**16,650**	**2,700**	**587**	**25,666**	**-**	**59,103**
Total Other Corporate Management[1]	**9,272**	**11,869**	**1,335**	**855**	**8,851**	**3,347**	**35,529**
Total	**22,772**	**28,519**	**4,035**	**1,442**	**34,517**	**3,347**	**94,632**
2023							
Remuneration to the Executive Management							
Adam Sinding Steensberg	5,750	4,744	1,150	243	12,950	-	**24,837**
Henriette Wennicke	2,621	1,441	524	267	4,387	-	**9,240**
Total	**8,371**	**6,185**	**1,674**	**510**	**17,337**	**-**	**34,077**
Total Other Corporate Management[1]	**7,728**	**4,910**	**948**	**693**	**11,086**	**-**	**25,365**
Total	**16,099**	**11,095**	**2,622**	**1,203**	**28,423**	**-**	**59,442**

[1] Other Corporate Management in 2024 comprised five members (2023: four).

Notes to the Financial statements of the parent company

6 Financial items

DKK thousand	2024	2023
Interest income	167,529	31,778
Interest expenses from financial liabilities measured at amortized costs	-31,710	-6,050
Interest expenses from lease liabilities	-1,904	-2,075
Interest income from group companies	-	9,701
Impairment of investments in subsidiaries	-35,396	-26,042
Impairment of intercompany receivables	-	-271,897
Fair value adjustment of marketable securities	50,089	7,300
Fair value adjustment of other investments	2,247	-16,466
Fair value adjustment warrants, EIB (Tranche A)	-10,602	-
Exchange rate adjustments	17,465	-5,127
Other financial expenses	-6,628	-2,912
Financial items in total	**151,090**	**-281,790**
Presentation in income statement:		
Financial income	237,330	48,779
Financial expenses	-86,240	-330,569

In 2024, an impairment of DKK 35.4 million from the investment in ZP SPV 3 K/S was triggered from an impairment of the intellectual property rights for Alexion, refer to note 9 Investments in subsidiaries for further information.

In 2023 impairment of investments in subsidiaries of DKK 26.0 million and impairment of intercompany receivables of DKK 271.9 million related to the Oberland Capital loan which Zealand Pharma A/S settled in May 2023 on behalf of Zealand Pharma U.S., Inc., refer to description in note 9 Investments in subsidiaries. Please also refer to note 4.7 Financial items in the consolidated financial statements for additional information regarding financial items.

7 Corporate tax

DKK thousand	2024	2023
Net result for the year before tax	-1,039,043	-909,367
Corporate tax rate in Denmark	22.0%	22.0%
Expected tax benefit	-228,590	-200,061
Adjustment for non-deductible expenses	34,050	48,447
Adjustment for non-taxable income	-19,052	-
Adjustment for warrants	5,322	943
Adjustment for R&D extra deduction	-24,330	-21,768
Adjustment to prior years	-1,264	-30,673
Change in tax assets (not recognized)	228,364	197,520
Total income tax expense/(benefit)	**-5,500**	**-5,592**
Tax on equity		
Warrants shareprice development	-86,927	-32,566
Change in tax assets (not recognized)	86,927	32,566
Total income tax expense (income)	**-**	**-**
Specification of unrecognized deferred tax assets:		
Tax losses carried forward (available indefinitely)	4,927,489	3,862,273
Research and development expenses	1,283,495	1,031,011
Licenses, rights and patents	76,129	76,129
Non-current assets	125,436	109,930
Liabilities	10,796	9,855
Other	492,629	393,640
Total temporary differences	**6,915,974**	**5,482,838**

Please refer to note 5.0 Tax in the consolidated financial statements for additional information regarding income tax.

Notes to the Financial statements of the parent company

8 Right-of-use assets and lease liabilities

Amounts recognized in the statement of financial position The statement of financial position shows the following amounts relating to lease assets:

DKK thousand	Office buildings	Other fixtures and fittings
As at January 1, 2024	87,851	1,921
Disposals	-	-21
Depreciation expense	-10,136	-847
As at December 31, 2024	**77,715**	**1,053**
As at January 1, 2023	95,990	1,581
Additions	1,860	1,344
Depreciation expense	-9,999	-1,004
As at December 31, 2023	**87,851**	**1,921**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

DKK thousand	2024	2023
As at January 1	96,001	102,618
Additions	1,079	3,588
Disposals	-1,103	-393
Accretion of interest	1,904	2,075
Payments	-12,055	-11,887
As at December 31	**85,826**	**96,001**
Non-current	74,029	83,977
Current	11,797	12,024
The following amounts are recognized in the income statement:		
Depreciation expense of right-of-use assets	-10,984	-11,002
Interest expense on lease liabilities	-1,904	-2,075
Total amount recognized in profit and loss	**-12,888**	**-13,077**
Cash flow	-12,060	-11,649
Total cash outflow from leases	**-12,060**	**-11,649**

Notes to the Financial statements of the parent company

9 Investments in subsidiaries

§ Accounting policies

Investments in subsidiaries are measured at cost in the parent company's financial statements. Where the recoverable amount of the investment is lower than cost, the investments are written down to recoverable amount. Impairment losses are recognized under financial items.

DKK thousand	2024	2023
Cost at January 1	60,317	62,228
Additions	81	-
Divestment	-	-1,911
Cost at December 31	**60,398**	**60,317**
Value adjustments at January 1	-24,131	-
Impairment	-35,395	-24,131
Value adjustments at December 31	**-59,526**	**-24,131**
Investments in subsidiaries at December 31	**872**	**36,186**

In October 2024, a termination agreement with Alexion was signed and the intellectual property rights of the Alexion asset in ZP SPV 3 K/S has been written down to zero. A corresponding impairment of the investment in ZP SPV 3 K/S was triggered and recognized under financial items, refer to note 6. The write-down of the IP rights is based on the following input/assumptions:

- Termination of Alexion partnership in October 2024
- No decision has been taken whether Zealand will continue the project internally
- Zealand does not have any cash forecast/business case, and as of December 31, 2024 Zealand is not able to reliably estimate one to base an impairment test on.

In 2023, an impairment of DKK 24.1 million was recognized on the investment in Zealand Pharma U.S. Inc. as a result of lost equity following the settlement of the Oberland Capital loan in May 2023, which Zealand Pharma A/S settled on behalf of Zealand Pharma U.S., Inc. Refer also to note 6 Financial items.

DKK thousand	Domicile	Ownership	Voting rights
Zealand Pharma A/S's subsidiaries:			
ZP Holding SPV K/S	Denmark	100%	100%
ZP General Partner 1 ApS	Denmark	100%	100%
Zealand Pharma US, Inc.	United States	100%	100%
ZP SPV 3 K/S	Denmark	100%	100%
ZP General Partner 3 ApS	Denmark	100%	100%
ZP Holding SPV K/S's subsidiaries:			
ZP SPV 1 K/S	Denmark	100%	100%
ZP General Partner 2 ApS	Denmark	100%	100%
Zealand Pharma US Inc. subsidiary			
Zealand Pharma California US, LLC.	United States	100%	100%

Notes to the Financial statements of the parent company

10 Trade receivables

DKK thousand	2024	2023
Trade receivables	493	987
Intercompany receivables	61,462	57,509
Receivables related to license and collaboration agreements	86,670	68,793
Prepaid expenses	105,818	33,498
Total trade receivables	**254,443**	**160,787**
Non-current	-	6,886
Current	254,443	153,901

11 Other receivables

DKK thousand	2024	2023
Deposits	8,900	8,900
VAT receivables	4,170	9,728
Accrued interest	71,819	9,301
Other receivables	178	5,319
Total other receivables	**85,067**	**33,248**
Non-current	8,900	8,900
Current	76,167	24,348

12 Trade payables

DKK thousand	2024	2023
Trade payables	161,398	90,351
Intercompany payables	37,124	12,521
Accruals development projects	72,252	33,464
Total payables	**270,774**	**136,336**
Non-current	-	303
Current	270,774	136,033

13 Other payables

DKK thousand	2024	2023
Payable treasury shares	-	81,045
Accrued interest	669	-
Employee benefits	88,544	48,009
Other payables	36,172	7,765
Total other payables	**125,385**	**136,819**
Non-current	-	-
Current	125,385	136,819

Notes to the Financial statements of the parent company

14 Fees to auditors appointed at the annual general meeting

DKK thousand	2024	2023
Audit fee	2,230	2,475
Other assurance engagements	362	-
Tax advisory service	1,277	-
Other services	702	940
Total fees	**4,571**	**3,415**

15 Contingent assets, liabilities and other contractual obligations

Zealand Pharma A/S is part of a Danish joint taxation. Consequently, referring to the Danish Corporation Tax Act regulations, Zealand Pharma A/S is liable for any income taxes, etc. for the jointly taxed companies and Zealand Pharma A/S is likewise liable for any obligations to withhold tax at source on interest, royalties and returns for the jointly taxed companies.

Under the revolving credit facility (RCF) in Danske Bank, Zealand was required to have a minimum collateral value of 120% of the loan commitment (DKK 420 million) held in the designated custody accounts under management by Danske Asset Management and Zealand's designated cash accounts attached to the custody accounts. Zealand should also comply with a covenant on fulfilling certain information requirements. The pledges were lifted in April 2024, and in July 2024 the RCF was terminated following the equity offering in June 2024 resulting in a cash position of DKK 9.7 billion, refer to note 4.4 Cash and cash equivalents for further information.

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.

Please refer to note 6.4 Commitments in the consolidated financial statements for information on commitments.

16 Transactions with related parties

Zealand Pharma A/S's related parties are the Board of Directors, Executive Management, and close members of the family of these persons. Refer to note 6.1 Remuneration of the Board of Directors and Executive Management in the consolidated financial statements. Refer to note 5 Information on staff and remuneration in these parent company financial statements for remuneration of the Executive Management.

The parent company had the following transactions with subsidiaries:

DKK thousand	2024	2023
Revenue	5,409	6,127
Research and development expenses	-34,362	-23,323
Sales and marketing expenses	-6,120	-5,615
General and administrative expenses	-36,061	-20,468
Financial items	-	9,701
Receivables	3,953	-113,422
Payables	24,603	11,096
Cash flows	34,755	-157,958
Total	**-7,823**	**-293,862**

Revenue from ZP SPV 3 K/S in parent financial statements
Revenue of DKK 5.4 million (2023: 6.1 million) from ZP SPV 3 K/S relates to IP rights for the Alexion Pharmaceutical Inc. agreement transferred from Zealand Pharma A/S to ZP SPV 3 K/S in 2020.
ZP SPV 3 K/S reimburses ZP A/S for the R&D services carried out on behalf of ZP SPV 3 K/S. The revenue is eliminated in the consolidated financial statements.

Revenue from research and development services rendered to ZP SPV 3 K/S
Revenue from research and development services are performed and satisfied over time given that ZP SPV 3 K/S simultaneously receives and consumes the benefits provided by Zealand Pharma A/S.

Royalty expenses
Royalty expenses of DKK 6.8 million in 2024 (2023: 7.4 million) relate to license fees payable by Zealand Pharma A/S to ZP SPV 3 K/S for use of the IP rights under the Alexion Pharmaceuticals Inc. agreement which were internally transferred to ZP SPV 3 K/S in 2020.

Notes to the Financial statements of the parent company

17 Adjustments for non-cash items

DKK thousand	2024	2023
Depreciation, amortization and impairment losses	24,334	21,688
Reversal of inventory write-down	-	-15,980
Share-based compensation expenses	75,477	55,130
Financial income	-237,128	-52,417
Financial expenses	86,240	334,133
Corporate tax	-5,500	-5,591
Adjustments for non-cash items in total	**-56,577**	**336,963**

18 Changes in working capital

DKK thousand	2024	2023
Changes in accounts receivable	-50,692	-4,304
Changes in prepaid expenses	-72,317	20,583
Changes in other receivables	56,413	-13,594
Changes in inventory	-2,762	9,330
Changes in intercompany receivables	34,755	-157,958
Changes in accounts payable	71,327	40,832
Changes in other liabilities	108,374	20,723
Changes in other liabilities and provisions	-	-19,058
Changes in working capital in total	**145,098**	**-103,446**

19 Significant events after the balance sheet date

Please refer to note 6.8 Subsequent events in the consolidated financial statements.

Alternative performance measures and key ratios for the Group (non-audited)

Free cash flow
Free cash flow is calculated as the sum of cash flows from operating activities less purchase of property, plant, and equipment. A positive free cash flow shows that the Group is able to finance its activities and that external financing or capital raises is thus not necessary for the Group's operating activities. Therefore, Executive Management believes that this non-IFRS liquidity measure provides useful information to investors in addition to the most directly comparable IFRS financial measure "Net cash flow from operating activities". The table below shows a reconciliation of free cash flow for 2024 and 2023:

DKK thousand	2024	2023
Cash outflow from operating activities	-930,816	-425,668
Less purchase of property, plant and equipment	-10,053	-11,241
Free cash flow	**-940,869**	**-436,909**

Liquidity reserve
Zealand's liquidity reserve, classified as a non-IFRS liquidity measure includes assets held in cash, cash equivalents, marketable securities, and undrawn borrowing facilities. Management believes that this APM can provide stakeholders with valuable information regarding Zealand's ability to meet short-term obligations, navigating uncertain economic conditions and adding information about potential capital requirements (runway).

Equity ratio
Equity ratio is calculated as equity at the balance sheet date divided by total assets at the balance sheet date.

Market capitalization
Market capitalization is calculated as weighted outstanding shares at the balance sheet date times the share price at the balance sheet date.

Equity per share
Equity per share is calculated as shareholders' equity divided by weighted average total number of shares less weighted average total number of treasury shares.

Statements by the Executive Management and the Board of Directors

Today, the Executive Management and the Board of Directors have discussed and approved the Zealand Pharma A/S Annual Report for the financial year January 1 - December 31, 2024.

The Consolidated Financial Statements and the Parent Company Financial Statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act. Management's report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Group and the Parent Company and of the results of the Group and Parent Company operations and cash flows for 2024.

In our opinion, Management's report includes a fair review of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty, which the Group and the Parent Company are facing.

In our opinion, the annual report of Zealand Pharma A/S for the financial year 1 January to 31 December 2024 with the file name zealand-pharma-2024-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Søborg, February 20, 2025

Executive 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 Chair

Jeffrey Berkowitz
Board member

Frederik Barfoed Beck
Board member
Employee elected

Bernadette Connaughton
Board member

Leonard Kruimer
Board member

Elaine Sullivan
Board member

Enrique Alfredo Conterno Martinelli
Board member

Anneline Nansen
Board member
Employee elected

Adam Krisko Nygaard
Board member
Employee elected

Ludovic Tranholm Otterbein
Board member
Employee elected

Independent auditor's report

To the shareholders of Zealand Pharma A/S

Report on the audit of the Financial Statements

Our opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at December 31, 2024 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year January 1 to December 31, 2024 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

What we have audited
The Consolidated Financial Statements and Parent Company Financial Statements of Zealand Pharma A/S for the financial year January 1 to December 31, 2024, pp 118 - 187 comprise statement of loss and statement of comprehensive loss, statement of financial position, statement of changes in shareholders' equity, statement of cash flows and notes, including material accounting policy information for the Group as well as for the Parent Company. Collectively referred to as the "Financial Statements".

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment
We were first appointed auditors of Zealand Pharma A/S on March 20, 2024 for the financial year 2024. We have been appointed by shareholder resolution for a total period of uninterrupted engagement of one year.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for 2024. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Statement on Management's Review
Management is responsible for Management's Report.

Our opinion on the Financial Statements does not cover Management's Report, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Report and, in doing so, consider whether Management's Report is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Report includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Report is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Key audit matter	How our audit addressed the key audit matter
Research and development expenses and accruals Research and development expenses and accruals at Zealand Pharma relate to clinical trial expenses, preclinical study fees, manufacturing expenses for non-commercial products, and the development of earlier-stage programs and technologies. This includes expenses for Contract Research Organisations and Contract Manufacturing Organisations providing research and development related services. The diverse nature of these activities, along with varied contract terms, compensation arrangements, and impact from potential scope changes requires significant estimates and judgments by Management in recognising expenses and accruals for research and development activities. Management has established accrual models used to recognise expenses for research and development activities over the periods which services are provided to the Group and estimate clinical trial accruals at the balance sheet date. We focused on the research and development expenses and accruals because of the significance and complexity associated with management's estimates and judgment in recognising accruals for research and development activities, including allocation of contract costs to clinical development phases, determination of clinical trial service periods, and the effect from changes to clinical trial scope. We considered the accounting for research and development expenses and accruals a key audit matter. Refer to note 2.5 and 3.9 in the financial statements.	We assessed whether the Group's accounting policies related to research and development expenses and accruals comply with IFRS Accounting Standards. We performed risk assessment procedures to obtain an understanding of relevant controls, including Group controlling procedures, IT systems, and business processes related to research and development expenses and accruals. For these controls, we assessed whether they were designed and implemented to effectively address the risk of material misstatement. For selected controls on which we planned to rely, we tested their operating effectiveness. We performed tests of details, including computer-assisted analytical procedures, over research and development expenses to verify the completeness and cut-off of recorded expenses. We evaluated and assessed Management's methodology related to research and development accrual models, including challenging significant assumptions applied and testing key input data, such as contract costs, patient enrollment data, and treatment timelines. We assessed the completeness and accuracy of the disclosures of research and development expenses and accruals against the disclosure requirements in IFRS.

Auditor's responsibilities for the audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we

conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of Zealand Pharma A/S for the financial year January 1 to December 31, 2024 with the filename zealandpharma-2024-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;

- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgment where necessary;

- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and

- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;

- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;

- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;

- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;

- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and

- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of Zealand Pharma A/S for the financial year January 1 to December 31, 2024 with the file name zealandpharma-2024-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, February 20, 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab (PwC)
CVR no 3377 1231

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Production: Noted