Company Announcement
No. 02/2011

10 February 2011

Financial statements for the year ending 31 December 2010

For the full year 2010 Zealand Pharma generated revenue of DKK 87.4 (EUR 11.7) million, compared to DKK 25.3 (EUR 3.4) million in 2009, and recorded a loss before tax of DKK 104.6 (EUR 14.0) million. The revenue stems primarily from milestone payments from sanofi-aventis relating to lixisenatide.

The loss before tax is lower than the previous outlook of DKK 110-120 (EUR 15-16) million mainly as a result of lower costs for incentive programs. As of 31 December 2010 the company's cash and cash equivalents plus liquid investments in securities amounted to DKK 433.0 (EUR 58.1) million.

In November 2010 Zealand Pharma completed an Initial Public Offering and listed on the NASDAQ OMX in Copenhagen raising DKK 372.9 (EUR 50.0) million (gross).

During the year, Zealand Pharma's R&D pipeline in the field of peptide drugs made good progress, notably with the lead drug candidate, lixisenatide, but also with Zealand Pharma's other portfolio programs.

Highlights from 2010

Pipeline achievements

- Zealand Pharma's partner sanofi-aventis announced positive Phase III top-line results from the first two GetGoal clinical trials with lixisenatide;
    - All study endpoints were successfully met in the two trials and lixisenatide was generally well tolerated with no significant adverse events
    - As monotherapy, lixisenatide significantly reduced blood sugar levels vs. placebo
    - In combination with basal insulin, lixisenatide showed significant improvement in glucose control in patients with type 2 diabetes

- Zealand Pharma received milestone payments from its partner sanofi-aventis relating to lixisenatide of a total of DKK 82.8 (USD 15.0) million.
- The global licensing agreement with sanofi-aventis was amended to provide for the development and commercialization of lixisenatide in combination with Lantus®, sanofi-aventis' recombinant human long-acting insulin analog.
- Sanofi-aventis announced publically their expected initiation of the lixisenatide + Lantus® combination product Phase III within 12-18 months from September 2010.
- Zealand Pharma achieved positive results from a Phase Ib trial of ZP1848 for the treatment of Crohn's disease.

Business events

- In November Zealand Pharma raised gross DKK 372.9 (EUR 50) million in an Initial Public Offering making it the largest European biotech IPO in 2010. The company issued 4,336,047 new shares and is now listed at the NASDAQ OMX Copenhagen under the ticker symbol ZEAL.

- In March the management team was strengthened with the appointment of three new members. Christian Grøndahl joined as Chief Scientific Officer, Mats Blom joined as Chief Financial Officer and John Hyttel, co-founder of Zealand Pharma, was appointed Senior Vice President for Operations.

Events after the balance sheet date

- In February 2011, Zealand Pharma's partner sanofi-aventis announced positive data from the GetGoal-X Phase III study of lixisenatide. Lixisenatide achieved its primary endpoint of non-inferiority in HbA1c reduction from baseline, compared with exenatide twice-daily.

Outlook 2011

In 2011, Zealand Pharma expects total operating expenses of approximately DKK 170 (EUR 22.8) million.

Most of Zealand Pharma's revenue stems from activity triggered milestone payments from its partners. As the timing of such payments is largely outside the control of Zealand Pharma, the company does not provide guidance on future revenue.

David Solomon, President and CEO commented on the report:

"2010 was a transformational year for Zealand Pharma. We achieved an IPO in November and joined NASDAQ OMX Copenhagen having raised DKK 372.9 million (gross). We're delighted that our lead compound, lixisenatide, showed positive top-line results - three Phase III studies in the GETGOAL clinical trial program have now been announced and all met primary endpoints and confirmed the attractive efficacy and safety profile of lixisenatide. We also look forward to continuing our close cooperation with Helsinn Healthcare on the further development of ZP1846, a novel therapy for the treatment of chemotherapy-induced diarrhoea. We would like to thank all staff for their dedication to Zealand Pharma and our existing and new shareholders for their continued support. We look forward to further pipeline developments and clinical data throughout 2011 and to an exciting future ahead as a listed company."

Conference call

The company will host a conference call today, Thursday, February 10 at 15:00 CET. David Solomon, President & CEO, and Mats Blom, CFO, will present the year-end results followed by a Q&A session. The conference call will be conducted in English and the dial-in numbers are:

DK +45 32 71 46 07
UK and international +44 (0) 145 255 5566
US +1 866 966 9439

Passcode for all participants: 42824017

An accompanying presentation will be available for download from the company's website (ir.zealandpharma.com) approximately one hour before the event.

For further information, please contact:

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Forward-looking statements
This announcement includes "forward-looking statements" that involve risk, uncertainties and other factors, many of which are outside of our control that could cause actual results to differ materially from the results discussed in the forward-looking statements. Forward-looking statements include statements concerning our plans, objectives, goals, future events, performance and/or other information that is not historical information. We undertake no obligation to publicly update or revise forward-looking statements to reflect subsequent events or circumstances after the date made, except as required by law.

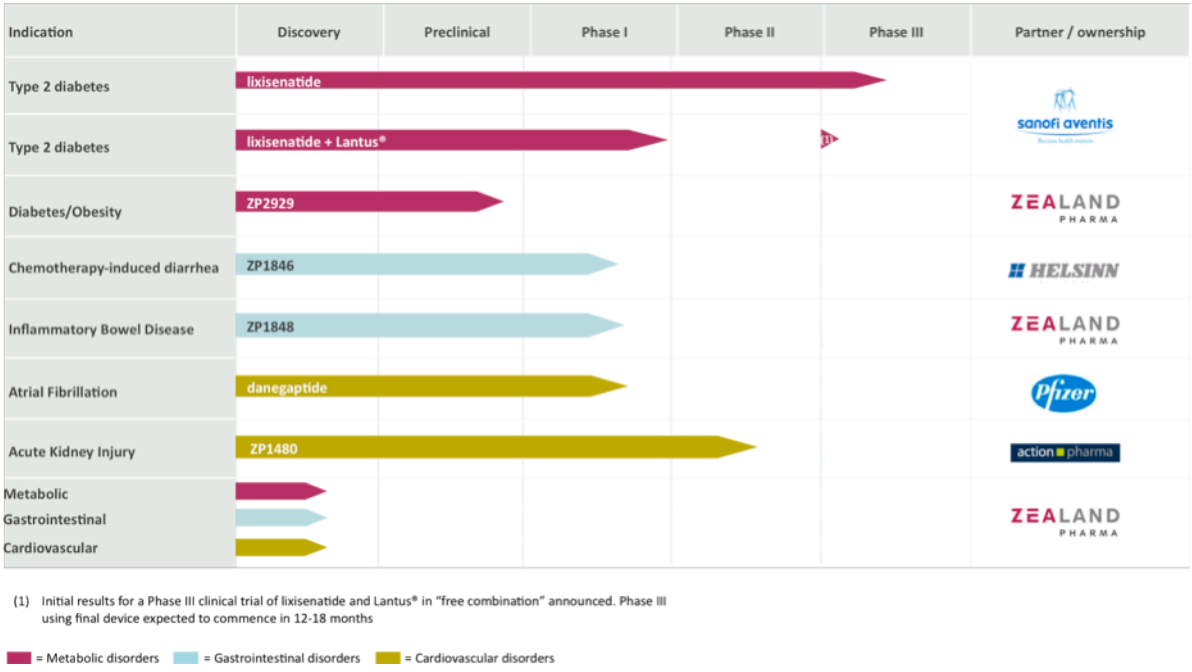
Consolidated Financial Statement 2010

The Board of Directors and Executive Management have approved this financial statement containing condensed financial information for 2010. These financial statements are prepared in accordance with the recognition and measurement requirements of the International Financial Reporting Standards (IFRS) as issued by IASB, IFRS as endorsed by the EU and the additional Danish disclosure requirements for listed companies.

1000 DKK	IFRS **2010**	IFRS **2009**	IFRS **2008**	Danish Gaap **2007**	Danish Gaap **2006**
INCOME STATEMENT					
Revenue	87,357	25,319	56,262	59,921	3,083
Research and Development Expenses	-151,278	-93,121	-87,919	-105,144	-96,534
Administrative Expenses	-39,732	-16,735	-15,812	-17,544	-13,232
Initial public offering expenses	-5,820	0	0	0	0
Net Result (after tax)	-104,634	-76,351	-36,392	-55,000	-98,991
Earnings per Share - basic and diluted (DKK)	-5.92	-4.45	-2.12	-3.21	-7.46
STATEMENT OF FINANCIAL POSITION (31 DECEMBER)					
Cash and Cash Equivalents	383,305	144,617	209,681	246,299	311,508
Securities	49,837	n/a	n/a	n/a	n/a
Total Assets	450,550	158,678	225,244	263,368	331,122
Share Capital ('000 shares)	22,871	17,682	17,682	17,682	17,682
Shareholder's Equity	407,108	132,924	208,634	242,365	297,365
Equity / assets ratio	0.90	0.84	0.93	0.92	0.90
OTHER					
Marketprice (year end)	70.00	n/a	n/a	n/a	n/a
Investments in Fixed Assets	-4,236	-3,574	-3,372	-2,376	-5,341
Average number of employees (full-time equivalents)	72	69	68	70	62
Compunds in Clinical Development (year end)	6	6	4	4	3

Management's review

Development pipeline



Introduction to Zealand Pharma

Zealand Pharma is a Danish biopharmaceutical company dedicated to the discovery and development of innovative peptide drugs. The company's own scientific expertise in peptide discovery, optimization and development has resulted in a strong and growing pipeline of peptide drug candidates with favorable therapeutic attributes. The company focuses on three therapeutic areas: metabolic (diabetes and obesity), gastrointestinal and cardiovascular diseases. Zealand Pharma's innovation has a track record of filing a new Investigational New Drug (IND) Application, or the European equivalent, on average every 18 months. On a commercial basis, Zealand Pharma has a strong track record of securing partnerships and licensing arrangements with pharmaceutical companies and intends to continue to out-license development and commercial rights for its drug candidates in markets where it considers the financial and or operational strengths of a pharmaceutical partner to be advantageous. The company intends, however, to retain development and commercialization rights to selected geographic and or therapeutic markets where it believes it can develop the requisite capabilities.

Diabetes and other metabolic diseases

Zealand Pharma has three drug candidates in development that have the potential to offer type 2 diabetes patients improved treatment outcomes. Lixisenatide, a once-daily GLP-1 receptor agonist drug being developed through a partnership with sanofi-aventis, has shown great promise as monotherapy, with positive Phase III results reported throughout 2010 and early 2011. Lixisenatide is also being developed as a combination therapy with Lantus® (insulin glargine) sanofi-aventis' recombinant human long-acting insulin analog. This

combination product is also expected to provide significant treatment benefits to type 2 diabetes patients. ZP2929, a dual-acting GLP-1/glucagon receptor agonist for the treatment of obese type 2 diabetes patients, has shown sustained and clinically relevant weight loss and glycemic control in preclinical animal models, and is expected to commence human clinical trials in 2011.

Lixisenatide

Zealand Pharma has out-licensed global rights to lixisenatide to sanofi-aventis, the fourth largest pharmaceutical firm in the world based on global sales. Lixisenatide is now under development as both a once-daily monotherapy, and in combination with sanofi-aventis' long-acting insulin analog Lantus®, the current market leader among long-acting insulin analogs.

Lixisenatide monotherapy
The efficacy and safety of lixisenatide once-daily is being assessed in the GetGoal Phase III clinical trial program. The GetGoal clinical trial program started in May 2008 and has enrolled more than 4,500 patients globally. Enrolment of the GetGoal Phase III program assessing efficacy and safety of lixisenatide in adult patients with type 2 diabetes mellitus treated with various oral anti-diabetic agents or insulin was completed at the end of 2009. The next results of the GetGoal Phase III program are expected to be released in Q2 2011.

Clinical development
Following the announcement of top-line results in April 2010, the full study findings from the first monotherapy trial, GETGOAL MONO, were reported in September 2010 at the EASD congress in Stockholm. GETGOAL MONO involved 360 patients with type 2 diabetes not currently receiving glucose-lowering therapy and with initial HbA1c levels between 7% and 10%. Lixisenatide met all of the primary end-points and was generally well tolerated.

Sanofi-aventis has further announced the initiation of additional Phase II/IIIb studies comparing lixisenatide and leading diabetes treatments, and Zealand Pharma expects that applications for marketing authorizations for lixisenatide as monotherapy will be filed in the fourth quarter of 2011 in the European Union, and in the fourth quarter of 2012 in the United States.

Combination therapy of lixisenatide and Lantus® therapy
Almost all patients with type 2 diabetes ultimately require insulin treatment as the disease progresses. Although effective, insulin therapy has shortcomings, in particular weight gain and the risk of hypoglycemia.

Zealand Pharma expects that the combination of lixisenatide and sanofi-aventis' Lantus® has the potential to provide type 2 diabetes patients with a superior therapeutic alternative through better glycemic management, fewer hypoglycemic events and better weight control, slowing disease progression as well as convenience.

Clinical development
A Phase I clinical trial of the lixisenatide-Lantus® combination therapy using separate and simultaneous injections of the two products ('free combination') was successfully completed in 2010 and a complete Phase III development plan is now being finalized for the combination product. In September 2010, sanofi-aventis announced the top-line results of the GETGOAL-L-ASIA clinical trial involving lixisenatide administered as an add-on treatment on top of basal insulins including Lantus®.

According to sanofi-aventis, the Phase III combination study met its primary endpoint, the addition of lixisenatide once-daily to once-daily basal insulin reduced HbA1c levels by 0.88% versus placebo ($p<0.0001$), and the study raised no safety concerns. The full study findings are expected in 2011.

Sanofi-aventis has announced that, in order to obtain marketing authorizations, it will have to perform a pivotal clinical study, which it currently expects to start within September 2011 to March 2012 using a combination of lixisenatide and Lantus® administered with the device to be selected by sanofi-aventis for commercial launch.

ZP2929

ZP2929 is a highly potent, selective dual-acting agonist peptide that acts on both GLP-1 and glucagon receptors, and is being developed for once-daily subcutaneous administration to improve glycemic control and induce a clinical relevant weight loss in obese type 2 diabetes patients. ZP 2929 is fully owned by Zealand Pharma.

ZP2929 entered preclinical development in 2009. To date, the effect of ZP2929 has been compared in animal models to both placebo and a commercially available GLP-1 receptor agonist. ZP2929 has been found to achieve glycemic control (HbA1c) equivalent to that of a marketed GLP-1, with superior weight control and favorable effects on blood cholesterol levels.

As part of the ZP2929 preclinical program, the company has recently commenced toxicology and safety pharmacology studies to support Phase I clinical trials currently planned to commence in Q3 2011.

Gastrointestinal diseases

Zealand Pharma has two drug candidates in development that have the potential to offer improved treatment options for patients suffering from certain gastrointestinal diseases.

ZP1846

ZP1846 is a novel, potent and selective GLP-2 receptor agonist that the company believes has a regenerative effect on the intestine by stimulating mucosal growth. GLP-2 is a naturally occurring peptide hormone produced primarily by the small intestine.

In November 2008, Zealand Pharma out-licensed ZP1846 to Helsinn Healthcare, an established cancer supportive care company. Helsinn Healthcare is currently conducting a Phase Ib trial in five centers in Europe involving colorectal cancer patients.

ZP1848

ZP1848 is a potent and selective GLP-2 agonist that is targeted to offer a novel treatment option for Inflammatory Bowel Disease (IBD) including Crohn's Disease (CD) and Ulcerative Colitis (UC) because of its regenerative effect on the intestinal epithelial surface and enhancement of intestinal function.

Zealand Pharma completed Phase Ia and Ib clinical studies of ZP1848 in 2010. The Phase Ia clinical study concluded that ZP1848 is safe and well tolerated. The Phase Ib clinical study showed clear positive effect on the citrulline levels in the patients treated with ZP1848, as compared to patients treated with placebo.

The significant increase in citrulline levels indicates ZP1848 has the desired effects of enhancing epithelial growth, as well as increasing absorptive area and improving function. Zealand Pharma is currently preparing a Phase IIa study in IBD patients, which the company believes will be commenced by the first quarter of 2012.

Cardiovascular diseases

Zealand Pharma has two drug candidates in development addressing cardiovascular diseases, danegaptide, a drug candidate for Atrial Fibrillation (AF) and other CVD indications, and ZP1480 for acute kidney injury in cardiac surgery.

Danegaptide

Danegaptide is a small and potent, first-in-class modified dipeptide, second-generation gap junction modifier with oral availability. Danegaptide has shown promise for the prevention of postoperative AF and the maintenance of normal sinus/heart rhythm in patients with acute and chronic AF.

Termination of collaboration
Following the acquisition of Wyeth by Pfizer in 2009, Wyeth's active development of danegaptide was halted. Pfizer had previously announced that it was ceasing substantially all research in the cardiovascular area. On July 13, 2010, Pfizer formally notified Zealand Pharma of termination of the agreement with the company. Zealand Pharma and Pfizer agree on the terms of transfer to the company by Wyeth of necessary data and rights, and Zealand Pharma intends to continue the development of danegaptide together with a new partner.

Clinical development
The development program for danegaptide conducted by Wyeth consisted of an intravenous formulation for acute use and an oral formulation for long-term use. The completed range of Phase I clinical studies included a total of 153 healthy volunteers, and concluded that danegaptide is safe and well tolerated.

The company intends to prepare for the Phase IIa proof of principle study in 2011/2012 for an intravenous formulation for studying post-operative AF in patients that have undergone heart surgery like coronary artery bypass graft patients. Zealand Pharma also intends to move forward with a Phase I clinical study for the oral formulation of danegaptide in AF and potentially other CVD indications.

ZP1480

ZP1480 is a peptide drug being developed for in-hospital, intravenous treatment of post-surgical Acute Kidney Injury (AKI) associated with cardiac surgery. In April 2003, Zealand Pharma out licensed the further development of ZP1480 to Action Pharma.

A Phase IIa exploratory clinical trial was completed in mid-2010 with a total of 42 patients. Key results have shown that ZP1480 is safe and well tolerated, with positive effects in prevention of kidney injury in patients undergoing cardiac surgery.

Business events

Initial Public Offering

Zealand Pharma raised gross proceeds of DKK 372.9 million via an initial public offering and joined NASDAQ OMX Copenhagen on November 23, 2010. Proceeds were raised for the continued development of the drug development pipeline and growth of the company.

Strengthened management team

In March 2010 the management team of Zealand Pharma was strengthened with the appointment of three new members. Dr. Christian Grøndahl joined as Chief Scientific Officer from Novo Nordisk A/S where he previously served as Corporate Vice President. Mr. Mats Blom joined as Chief Financial Officer from Swedish Orphan International Holding AB (acquired by Biovitrum AB in 2009) where he served as the Chief Financial Officer. Dr. John Hyttel was appointed Senior Vice President for Operations and is a co-founder of Zealand Pharma.

Financial statements for the period (1 January- 31 December 2010, audited)

Income statement
The net result for the year 2010 was a loss of DKK 104.6 million compared to a loss of DKK 76.4 million in 2009. The development in net result is mainly a result of higher revenue from milestone payments in 2010 than in 2009, combined with higher R&D and administrative expenses related to increased personnel expenses.

Revenue
For the full-year 2010, Zealand Pharma generated revenue of DKK 87.4 million compared to DKK 25.3 million in 2009, an increase amounting to DKK 62.0 million. This increase resulted from higher milestone payments from partners in 2010, mainly from two milestone payments from sanofi-aventis relating to lixisenatide. In 2009, milestone payments were received from Helsinn Healthcare SA as a result of the issuance of a US patent for ZP1846, and from Wyeth (now Pfizer) as a result of the issuance of the final report on the Phase I clinical trial for danegaptide.

Research and development expenses
Zealand Pharma's research and development expenses amounted to DKK 151.3 million in 2010, compared to DKK 93.1 million in 2009, an increase of DKK 58.2 million. The increase resulted from increased personnel expenses of DKK 52.9 million, royalty expenses of DKK 11.1 million and a decrease of DKK 5.8 million in other research and development expenses, mainly due to lower clinical expenses.

Administrative expenses
Zealand Pharma's administrative expenses amounted to DKK 39.7 million in 2010, compared to DKK 16.7 million in 2009, an increase of DKK 23.0 million. The increase resulted mainly from increased personnel expenses of DKK 18.6 million. Other administrative expenses have increased by DKK 4.4 million partly due to increased licensing activities.

Listing expenses
The total costs associated with the company's listing on the NASDAQ OMX Copenhagen on November 23, 2010 amounted to DKK 52.6 million. Of this DKK 5.8 million has been expensed in the income statement and the remaining DKK 46.8 million has been booked against the proceeds from the offering.

Personnel expenses
Total personnel expenses, which are included in the research and development expenses and the administrative expenses, amounted to DKK 121.6 million in 2010, compared to DKK 49.3 million in 2009. The increase mainly resulted from incentive program expenses; of which offering bonus and warrant programs contributed DKK 45.1 million and cash bonus programs contributed DKK 19.4. In addition, personnel expenses increased by DKK 7.8 million due to an increase in headcount, including expansion of the management team.

Other operating income
Other operating income amounted to DKK 0.8 million in 2010, compared to DKK 4.0 million in 2009. As ZP1846 has advanced in the clinic, the level of paid research work performed by Zealand Pharma on behalf of Helsinn Healthcare SA has decreased by DKK 3.2 million. In 2010 Zealand Pharma initiated two projects funded by Eurostar and the refund amounted to DKK 0.5 million.

Operating results
Operating loss amounted to 108.7 million in 2010, compared to an operating loss of DKK 80.6 million in 2009. The increase in the company's operating loss from operations is a result of the effects described above.

Financial income
Financial income has remained relatively stable at DKK 4.1 million in 2010 and DKK 4.3 million in 2009. Financial income consists of interest income and gains based on changes in exchange rates.

Financial expenses
Financial expenses amounted to DKK 0.1 million in 2010 and DKK 0.1 million in 2009. Financial expenses consist of banking fees and losses based on changes in exchange rates.

Results from ordinary activities before tax
Zealand Pharma's results from ordinary activities before tax came to a loss of DKK 104.6 million in 2010 compared to a loss of 76.4 million in 2009.

Tax on ordinary activities
Deferred tax assets of DKK 168.0 have not been recognized in the Statement of financial position due to uncertainty as to whether tax losses can be utilized. As a consequence, no tax on ordinary activities has been recognized in either 2010 or 2009.

Net result
Net result amounted to DKK 104.6 million in 2010 and DKK 76.4 million in 2009, in each case, due primarily to the factors described above.

Allocation of loss
No dividend has been proposed and the year's consolidated loss of DKK 104.6 million has been transferred to retained earnings.

Capital expenditure
Investment in new equipment amounted to DKK 4.2 million in 2010 as compared to DKK 3.6 million in 2009.

Cash flow
As of 31 December 2010, Zealand Pharma had cash and cash equivalents of DKK 383.3 million compared to DKK 144.6 million as of 31 December 2009. The increase was attributable to operating costs (excluding incentive programs with no cash effect of DKK 49.4 million) of DKK 147.4 million, partly offset by milestone payments of DKK 87.4 million, investments of DKK 4.2 million, other adjustments DKK 3.9 million and cash flow from financing activities of DKK 299.0 million related to the IPO and investments in securities.

Outlook
In 2011, Zealand Pharma expects total operating expenses of approximately DKK 170 (EUR 22.8) million.

Most of Zealand Pharma's revenue stems from activity triggered milestone payments from its partners. As the timing of such payments is largely outside the control of Zealand Pharma, the company does not provide guidance on future revenue.

Events after the balance sheet date

On 2 February 2011 sanofi-aventis reported positive data from the GetGoal-X Phase III study of lixisenatide, licensed from Zealand Pharma, achieving its primary endpoint of non-inferiority in HbA1c reduction from baseline, compared with exenatide twice-daily. In addition, the initial results showed that significantly fewer people with type 2 diabetes treated with lixisenatide once-daily reported hypoglycemic events versus patients treated with exenatide. In the lixisenatide arm three-fold fewer people reported symptomatic hypoglycemia than people who were on exenatide (2.5% vs. 7.9%; $p<0.05$). Six-fold fewer hypoglycemia events were observed in patients on lixisenatide than those treated with exenatide (8 vs. 48 events). Other endpoints were broadly consistent with what has been observed with other GLP-1 agonists.

GetGoal-X is the third Phase III study in the GetGoal program reporting positively meeting its primary endpoints.

Shareholder information

Zealand Pharma's shares are listed on the NASDAQ OMX Copenhagen A/S under securities identification code DK0060257814 (ZEAL) and are included in the Mid Cap segment.

Share price performance in 2010
The Zealand Pharma share was listed on NASDAQ OMX Copenhagen on 23 November 2010. Listing price was 86 DKK per share. On 30 December 2010 the closing price was 70 DKK per share, equivalent to a drop of 19 %.

For the period 23 November to 30 December 2010 the turnover of Zealand Pharma's shares totalled DKK 24.6 Million, equivalent to an average daily turnover of DKK 0.9 million. A total of 322,537 shares were traded during the period.

The market capitalization of Zealand Pharma amounted to approximately DKK 1.6 billion on 30 December 2010.

Share capital
As of 30 December 2010, the nominal value of Zealand Pharma's share capital was DKK 22,870,523 distributed on 22,870,523 shares with a nominal value of DKK 1 each. This compares to DKK 17,682,069 and 17,682,069 shares, respectively at year-end 2009.

The increase in share capital is the result of a rights issue in connection with the initial public offering of Zealand Pharma shares and the listing on NASDAQ OMX Copenhagen on 23 November 2010. In total Zealand Pharma issued 4,336,047 new shares at a price of DKK 86 per share. Further, in December 852,407 warrants have been exercised increasing the share capital by 852,407 shares.

Ownership structure
On 31 December 2010 Zealand Pharma had 589 registered shareholders, who held a total of 21,846,357 Zealand Pharma shares, corresponding to 95.5 % of the total share capital. The shareholders holding more then 5% of Zealand Pharma shares at 31 December 2010 were:

Sunstone BI Funds, Copenhagen, Denmark	18.6 %
LD Pension (Lønmodtagernes Dyrtidsfond), Copenhagen, Denmark	12.7 %
CDC Innovation, Paris, France	11.3 %
Sunstone Life Science Ventures Fund, Copenhagen, Denmark	10.0 %
Idinvest, Paris, France	7.8 %
A/S Dansk Erhvervsinvestering, Copenhagen, Denmark	5.4 %
LSP, Amsterdam, The Netherlands	5.3 %

Warrant and bonus programs

In order to attract and maintain skilled employees Zealand Pharma has regularly established warrant programs. Currently two warrant programs are outstanding:

- In the 2007 employee incentive program, 360,998 warrants were outstanding by 31 December 2010. The warrants under this programme expire by 31 December 2011.

- In the 2010 employee incentive program, 595,406 warrants were outstanding by 31 December 2010. The warrants may be exercised in the period from 3 November 2013 until 3 November 2015. An expense of DKK 19.3 was recognized in 2010.

  Under the 2010 program, the company issued additional 445,500 warrants on 10 February 2011. The warrants may be exercised in the period from 10 February 2014 until 10 February 2016. An expense of DKK 6.5 million will be recognized in the first quarter of 2011.

In addition to the warrant programs, Zealand Pharma has established cash bonus programs for the President & CEO and the chairman of the Board:

- The company's President & CEO, David Solomon, and the chairman of the Board of Directors, Daniël Jan Ellens, has been granted a cash bonus, calculated on basis of the value of the company's share. The total calculated estimated cost as at 31 December 2010 was DKK 19.4 million. Although these cash bonuses were not payable in 2010 the estimated cost has been booked as an expense in 2010.

- In addition, the company's President & CEO, David Solomon, will be entitled to a cash bonus based on the company's market capitalization exceeding DKK 2,460 million at the time of payment. The calculated estimated cost as at 31 December 2010 was DKK 0 million.

In connection with the company's listing on NASDAQ OMX Copenhagen, a cash bonus totalling DKK 15.1 million was paid to all employees.

Organisation

Zealand Pharma employed 77 employees at 31 December 2010.

Financial Calendar 2011

14 April 2011	Annual Report
28 April 2011	Annual General Meeting
12 May 2011	Q1 Interim report
18 August 2011	Q2 Interim report
17 November 2011	Q3 Interim report

1000 DKK	2010	2009
CONSOLIDATED INCOME STATEMENT		
Revenue	87,357	25,319
Research and development expenses	-151,278	-93,121
Administrative expenses	-39,732	-16,735
Initial public offering expenses	-5,820	
Other operating income	777	3,971
Operating result	**-108,696**	**-80,566**
Financial income	4,125	4,319
Financial expenses	-63	-104
Results from ordinary activities before tax	**-104,634**	**-76,351**
Tax on ordinary activities	0	0
Net loss for the year	**-104,634**	**-76,351**
Comprehensive Income for the year	**-104,634**	**-76,351**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (at 31 DECEMBER)

1000 DKK	2010	2009
ASSETS		
Plant and machinery	8,426	8,361
Other fixtures and fittings, tools and equipment	198	156
Leasehold improvements	1,102	1,109
Fixed Assets under construction	802	0
Deposits	2,440	2,386
Other investments	0	2
Non current assets, total	**12,968**	**12,014**
Other short term financial assets	3,324	1,034
Prepayments	1,280	1,013
Securities	49,673	
Cash and cash equivalents	383,305	144,617
Current assets, total	**437,582**	**146,664**
TOTAL ASSETS	**450,550**	**158,678**
LIABILITIES AND EQUITY		
Share capital	22,871	17,682
Retained earnings	384,237	115,242
Equity, total	**407,108**	**132,924**
Trade payables	10,668	3,515
Other liabilities	32,774	22,239
Current liabilities	**43,442**	**25,754**
Total liabilities	**43,442**	**25,754**
TOTAL EQUITY AND LIABILITIES	**450,550**	**158,678**

CONSOLIDATED STATEMENT OF CASH FLOWS

1000 DKK	2010	2009
Profit / loss for the year	-104,634	-76,351
Adjustments	29,295	112
Change in working capital	15,194	9,714
Cash flow from operating activities before financing items	-60,145	-66,525
Financial income	4,228	5,178
Financial expenses paid	-63	-105
Cash flow used in operating activities	**-55,980**	**-61,452**
Change in deposit	-54	-38
Purchase of property, plant and equipment	-4,236	-3,574
Cash flow used in investing activities	**-4,290**	**-3,612**
Capital increase	395,563	0
Initial public offering expenses	-46,768	0
Purchase of securities	-49,837	0
Cash flow from financing activities	**298,958**	**0**
Decrease / increase in cash and cash equivalents	238,688	-65,064
Cash and cash equivalents at January 1	144,617	209,681
Cash and cash equivalents at December 31	**383,305**	**144,617**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1000 DKK

	Share capital	Retained earnings	Total
Equity as of January 1, 2009	**17,682**	**190,952**	**208,634**
Warrants compensation expenses	0	641	641
Comprehensive income for the year	0	-76,351	-76,351
Equity as of December 31, 2009	**17,682**	**115,242**	**132,924**
Equity as of January 1, 2010	**17,682**	**115,242**	**132,924**
Warrants compensation expenses	0	30,023	30,023
Capital increase	5,189	390,374	395,563
Initial public offering expenses	0	-46,768	-46,768
Comprehensive income for the year	0	-104,634	-104,634
Equity as of December 31, 2010	**22,871**	**384,237**	**407,108**

Changes in Share Capital	*1000 DKK*
Share capital at January 1, 2005	2,633
Capital increase at January 7, 2005	2,768
Capital increase at February 17, 2005	1,806
Capital increase at September 1, 2005	3,659
Capital increase at November 11, 2005	1,136
Capital increase at September 5, 2006	5,680
Capital increase at November 23, 2010	4,337
Capital increase at December 9, 2010	852
Share Capital at December 31, 2010	22,871

Management statement

The Board of Directors and Executive Management of Zealand Pharma A/S have approved this financial statement containing condensed financial information for 2010.

The condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), and with the International Financial Reporting Standards as endorsed by the EU. Furthermore, the consolidated financial statements and Management's Review are prepared in accordance with additional Danish disclosure requirements for listed companies.

In our opinion, the accounting policies used are appropriate and the overall presentation of this financial statement is adequate. Furthermore, in our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the results for the year and of the financial position of the Group as well as a description of the most significant risks and elements of uncertainty facing the Group in accordance with Danish disclosure requirements for listed companies.

Glostrup, 10 February 2011

Executive Management

David H. Solomon
President and CEO

Mats Blom
SVP and CFO

Christian Grøndahl
EVP and CSO

John Hyttel
SVP and COO

Board of Directors

Daan J. Ellens
Chairman

Peter James Arthur Benson
Vice chairman

Alain Munoz

Christian Herskind

Florian N.C. Reinaud

Helle Størum

Christian Thorkildsen