

Zealand Pharma and Protagonist Therapeutics team up for peptide drug discovery and development

***-- Zealand Pharma's expertise in peptide optimization and drug development combined with
Protagonist's platform for identifying novel peptide drug candidates --***

Copenhagen, Denmark and Menlo Park, California, USA (June 18, 2012) – Zealand Pharma A/S (NASDAQ OMX Copenhagen: ZEAL), a Danish biotechnology company dedicated to the discovery and development of novel peptide drugs, has signed a collaboration agreement with Protagonist Therapeutics, Inc., a privately-owned US incorporated biotechnology company. Under the agreement, Zealand Pharma and Protagonist will join forces to identify, optimize and develop novel disulfide rich peptides (DRPs) with the therapeutic potential to offer better treatment for patients in defined, non-disclosed disease areas.

Protagonist brings to the collaboration a validated and proprietary technology platform for the discovery and optimization of novel DRPs (disulfide rich peptides). Besides potent biological activity, DRPs are characterized by inherent stabilizing properties which lead to improved pharmacokinetic profiles. Zealand Pharma has identified the disease targets for the peptide drug discovery activities covered by the collaboration and will be responsible for preclinical and clinical drug development of DRPs, discovered under the collaboration.

Zealand Pharma will finance all activities under the agreement and will retain all rights to novel DRP drug candidates stemming from the collaboration. Protagonist will receive an undisclosed upfront payment and will be entitled to receive additional payments dependent upon the successful achievement of pre-defined discovery and development milestones as well as on Zealand Pharma's product sales and revenues from partnering agreements. In addition, Protagonist has been granted an option to co-finance Zealand Pharma's development of DRP drug candidates.

"Protagonist has developed a proprietary peptide technology platform with unique attributes that complements and leverages our internal peptide drug discovery and development capabilities," said Christian Grøndahl, Chief Scientific Officer of Zealand Pharma. "This agreement is an embodiment of Zealand Pharma's strategy to remain at the forefront of peptide drug innovation, partly through R&D alliances. We look forward to working with Protagonist with the objective of generating new and attractive pipeline opportunities for Zealand Pharma and improved treatments for patients."

"Zealand Pharma has an impressive track record of developing peptide based NCEs (new chemical entities) and we look forward to applying our unique technology platform to their specific research objectives," said Dinesh V. Patel, President and CEO of Protagonist Therapeutics. "This is Protagonist's second collaboration and it exemplifies our business model of creating a balancing act between limited strategic partnerships and internal R&D. Peptides offer exceptional therapeutic opportunities not fully realized by conventional small molecule or antibodies against certain biological targets, and we are well positioned to capitalize on this opportunity."

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About Zealand Pharma

Zealand Pharma A/S (NASDAQ OMX: ZEAL) is a biotechnology company based in Copenhagen, Denmark. Zealand Pharma specializes in the discovery, optimization and development of novel peptide drugs and has a broad and mature pipeline of drug candidates identified through its own drug discovery activities. The company's lead drug invention is lixisenatide (Lyxumia®)¹, a once-daily GLP-1 agonist, which is licensed to Sanofi for the treatment of Type 2 diabetes. In November 2011, Sanofi filed for registration of lixisenatide in Europe and regulatory filing in the United States is expected in Q4 2012.

Zealand Pharma has a partnering strategy for the development and commercialization of its products and in addition to the collaboration with Sanofi in Type 2 diabetes, the company has partnerships with Boehringer Ingelheim in diabetes/obesity, Abbott in acute kidney injury and Helsinn Healthcare in chemotherapy induced diarrhea. Zealand Pharma focuses its activities in disease areas where existing treatments fail to adequately serve patient needs and where the market potential for improved treatments through the use of peptide drugs is high.

1. Lyxumia is the proprietary name submitted to the EMA for lixisenatide. The proprietary name for lixisenatide in the United States is under consideration. Lixisenatide is not currently approved or licensed anywhere in the world.

About Protagonist Therapeutics

Protagonist Therapeutics is a US incorporated biotechnology company pursuing the discovery and development of disulfide rich peptides (DRPs) as well differentiated alternatives to antibodies, and also as new chemical entities (NCEs) against those targets and life threatening diseases for which suitable small molecule and/or biologic options are not available. DRPs are a proven chemical class of drugs with numerous examples of orally stable and injectable NCEs on the market and in various stages of clinical development. The company has a validated technology platform well suited to exploit the DRP scaffold class. It comprises of a purposefully built computational design environment, directed evolution approaches to prepare millions of molecules via phage libraries, and classical small molecule medicinal chemistry type analoging and SAR development.

Protagonist is a spin-out of University of Queensland's Institute of Molecular Biosciences (IMB) and has discovery operations in Menlo Park, California USA and Brisbane, Queensland, Australia. For further information, please visit <http://www.protagonist-inc.com>.