

ROYALTY PHARMA

Royalty Pharma Announces \$205 Million Acquisition of Zealand Pharma's Interest in Sanofi's Lixisenatide Franchise

NEW YORK, September 6, 2018 – Royalty Pharma announced today that it has acquired future royalty streams and \$85 million of potential commercial milestones on Sanofi's (NYSE:SNY) Soliqua® 100/33/ Suliqua® and Lyxumia®/Adlyxin® from Zealand Pharma A/S (NASDAQ: ZEAL), for \$205 million in cash, to be paid when the transaction closes later this month. In conjunction with the transaction, Zealand will keep a payment of up to \$15 million, expected in 2020.

Royalty Pharma's CEO, Pablo Legorreta, stated, "We are pleased to partner with Zealand in this important transaction and to help Zealand convert the value of this non-core financial asset into capital for its strategic goals. Our diversified portfolio results in a low cost of capital, enabling us to provide the highest value to holders of royalties. We believe that Soliqua and Lyxumia, members of Sanofi's world class diabetes franchise, are important new options for physicians in the treatment of patients with diabetes, and we are excited to secure a royalty interest in these products."

"The licensing agreement with Sanofi has provided Zealand with significant funding since 2003. However, since we do not have influence on the commercialization, nor visibility over future revenue, the monetization provides financial certainty and independence," added Mats Blom, Executive Vice President and Chief Financial Officer at Zealand. "Our thorough bidding process has secured the best possible value for Zealand. This is positive for both Zealand and our shareholders."

About Royalty Pharma

Founded in 1996, Royalty Pharma is the industry leader in acquiring revenue-producing intellectual property, with over \$15 billion in royalty assets. Royalty Pharma funds innovation in life sciences both directly and indirectly: directly when it partners with life sciences companies to co-develop and co-fund products in late-stage clinical trials, and indirectly when it acquires existing royalty interests from the original innovators (academic institutions, research hospitals, foundations and inventors). The company's portfolio includes royalty interests in over 40 approved products including AbbVie's Humira, AbbVie and J&J's Imbruvica, Biogen's Tecfidera and Tysabri, Vertex's Kalydeco and Orkambi, J&J's Remicade, Merck's Januvia, Gilead's Atripla and Truvada, Pfizer's Lyrica, and Astellas and Pfizer's Xtandi. Royalty Pharma is also a leading investor in pre-approval royalties, having committed over \$850 million to direct R&D funding in exchange for royalties, and having invested over \$4 billion in royalties on pre-approval products since 2011. More information on Royalty Pharma is available at www.royaltypharma.com.

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