

InvestEU Scoreboard¹

Presentation of the financing or investment operation:

Implementing Partner: EIB

Name of the Operation: PROJECT HIVE

Type of approval:

☒ Individual financing or investment operation

Name of the final recipient: ZEELAND PHARMA A/S

Country(-ies) of implementation: Denmark

Short description of the financing or investment operation:

The project supports the R&D activities of Zealand Pharma A/S ("Company" or "Zealand"), a pharmaceutical R&D and manufacturing company, undertaking research and manufacturing of medicinal products for the treatment of rare diseases in the therapeutic areas of endocrinology and gastroenterology.

Zealand Pharma's strategy is focused on the discovery, design, and development of innovative peptide-based medicines. The Company aspires to be a leader in specialty medicines focusing on metabolic and gastrointestinal diseases and other rare disease areas with significant unmet medical needs. The Company's pipeline focuses on gastrointestinal, metabolic, and other specialty diseases where the present standard of care is deemed inadequate and where Zealand's proprietary peptide-based product candidates can fill a market gap. Zealand leverages their deep understanding of peptide chemistry and extensive experience in improving the therapeutic characteristics of naturally occurring peptides by modifying and optimizing their structures, to improve naturally occurring peptides to enhance their therapeutic benefit, duration of action, stability and/or convenience of use.

Public Statement

The loan will provide direct equity-type financing supported by the Invest EU mandate to finance RD&I activities of an innovative Danish biopharmaceutical company for the development of its diversified portfolio of novel preclinical and clinical-stage peptide-based product therapeutics for metabolic (obesity, diabetes), gastrointestinal and rare diseases. The creation of knowledge and support of skilled jobs in Denmark will further contribute positively towards the EU's 3% RDI intensity target.

The project contributes to the InvestEU primary objectives of RD&I and manufacturing of pharmaceuticals and medical devices while addressing the general market failure in financial markets for innovative biotech companies to access long-term, non-dilutive financing options to support such significant investments. Due to the inherent risks linked to drug development, approval and commercialisation, the Company's access to long-term debt from commercial lenders is limited on the background of increased volatility in the European markets.

To align the needs for significant investments for the RD&I project while taking into consideration the development risks and the potential upside potential, the EIB quasi-equity investment is offering a long tenor that minimises upfront cash outflows, bullet repayment and mostly deferred remuneration in the form of deferred interest and warrants linked to the success of the Company's drug portfolio.

¹ This Scoreboard of indicators reflects the information presented to the InvestEU Investment Committee (IC) for its decision on the use of the EU guarantee for this operation. Therefore, the document does not take into account possible developments that could have occurred after this decision.

This will be a first InvestEU transaction between EIB and this counterpart. Without the InvestEU support, its size would have been significantly reduced and therefore inadequate to support the Borrower's significant RD&I programme. The project would not have been carried out (to the same extent) without the InvestEU support.

Pillar 3 - Market failure or sub-optimal investment situation addressed by the financing or investment operation (**Excellent**)

Pillar 4 - Financial and technical contribution by the Implementing Partner (**Very Good**)

Pillar 5 - Impact of the financing or investment operation (**Very Good**)

Pillar 7 - Complementary indicators²

Key project characteristics

Expected at PCR

Start of works	01.01.2024
End of works	31.12.2026
Project investment cost	340.00 MEUR
Mandate eligible investment mobilized	340.00 MEUR
Mandate multiplier effect	6.30
Mandate leverage effect	1.67
Amount of private financing	250.00 MEUR
Co-financing with national promotional banks	0.00 MEUR
Co-financing with structural funds (ESIF)	0.00 MEUR
Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc.)	0.00 MEUR
Energy efficiencies realized	0.00 MWh/a
Climate Action indicator	N/a
Less developed regions	N/a
Transition regions	N/a
Employment during construction temporary jobs	896 person years
Employment during operation – new permanent jobs	81 FTE
Gender Tag	No Significant contribution to Gender Equality

Outputs

Expected at PCR

Compliance with Best Available Technologies (BAT)	Yes
National or international patents granted	22.00 Units/yr
Publications in international journals	2.00 Units/yr
% of Development Projects translated into manufacturing stage	27.00 %
Digitalisation– PROJECT based share of project investment cost	9.00 %

² The abbreviation PCR stands for Project Completion Report.

Outcomes**Expected at PCR**

% of sales and services from new products	60.00 %
EU collaboration agreements with universities, research institutes, etc.	3.00 Units/yr
Total sales of the promoter	350.00 MEUR
Percentage of promoter's sales supported by the project	60.00 %
Total potential sales resulting from the project	226.00 MEUR
Total employment of the promoter	327 FTE
Percentage of promoter's employment supported by the project	25.00 %
Employment supported by the project	81 FTE
Digital transformation impact	1 - Fair