

Company announcement – No. 31/2017

Zealand Pharma A/S prices its initial public offering of American Depositary Shares on The Nasdaq Global Select Market in the United States

- **In continuation of Zealand Pharma A/S' initial public offering of American Depositary Shares in the United States, Zealand Pharma A/S announces that it has resolved to increase the size of the offering and that a total of 4,375,000 American Depositary Shares and a corresponding number of underlying new shares will be issued in the offering at a public offering price of USD 17.87 per American Depositary Share, corresponding to a subscription price of DKK 112.58 per underlying share**

Copenhagen, August 9, 2017 – With reference to the company announcement no. 29/2017 dated August 1, 2017 regarding the filing of a Form F-1 registration statement, including a preliminary prospectus, and commencement of an initial public offering of American Depositary Shares ("ADSs") on The Nasdaq Global Select Market in the United States under the symbol "ZEAL" (the "Offering"), Zealand Pharma A/S ("Zealand") announces that the board of directors of Zealand (the "Board") has today determined (i) to increase the size of the Offering from up to 3,900,000 ADSs to a total of 4,375,000 ADSs, and to issue a total of 4,375,000 ADSs (excluding any ADSs that may be sold or issued as part of the Over-allotment Option (as defined below)) and a corresponding number of underlying new shares, and (ii) that the public offering price for the ADSs issued as part of the Offering is USD 17.87 per ADS, corresponding to a subscription price of DKK 112.58 per underlying new share. The Offering is expected to be completed on August 14, 2017 (subject to the satisfaction of customary closing conditions).

The Form F-1 registration statement, including the preliminary prospectus, related to the Offering has been declared effective by the U.S. Securities and Exchange Commission. The Offering of the ADSs is being made only by means of such U.S. prospectus. A copy of the final U.S. prospectus related to the Offering may be obtained at no cost, when available, by visiting EDGAR on the U.S. Securities and Exchange Commission website (www.sec.gov).

Summary of the Offering:

- The Offering will consist of an offering of a total of 4,375,000 ADSs, corresponding to 4,375,000 underlying new shares (the "New Shares"), which in their entirety are expected to be subscribed for by Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC (the "Book-running Managers"), as representatives of the several Underwriters (as defined below), with an instruction to deliver such new shares to The Bank of New York Mellon acting as depositary for the underlying new shares in the Offering;
- The public offering price is USD 17.87 per ADS, corresponding to a subscription price of DKK 112.58 per underlying New Share;
- The Book-running Managers, as representatives of the several Underwriters (as defined below), have been granted an over-allotment option (the "Over-allotment Option") to acquire an additional 656,250 ADSs, exercisable in whole or in part through September 7, 2017 of which up to 500,000 of the underlying shares will be delivered in the form of existing treasury shares and 156,250 as new shares (the latter, the "Over-allotment Shares");
- Upon issue of the New Shares underlying the ADSs, the market capitalization of Zealand will be approximately DKK 3,595,749,012 assuming no exercise of the Over-allotment Option and approximately DKK 3,669,630,293 assuming full exercise of the Over-allotment Option;
- The New Shares underlying the ADSs will correspond to 14.31% of Zealand's entire share capital assuming no exercise of the Over-allotment Option and 14.75% of Zealand's entire share capital assuming full exercise of the Over-allotment Option;
- Gross proceeds from the Offering will amount to DKK 492,541,875 million assuming no exercise of the Over-allotment Option and DKK 566,423,156 million assuming full exercise of the Over-allotment Option;
- Allocation of the ADSs has been determined by the Board in consultation with the Book-running Managers; and
- A timetable of expected future principal events can be seen below:



Event	Expected date
The ADSs starts trading on The Nasdaq Global Select Market.....	August 9, 2017
Publication in the United States of the final U.S. prospectus	August 9, 2017
Publication of the Danish prospectus for the new shares underlying the ADSs.....	August 10, 2017
Completion of the Offering in the United States.....	August 14, 2017
Registration of the new shares underlying the ADSs with the Danish Business Authority	August 14, 2017
First day of trading of the new shares underlying the ADSs on Nasdaq Copenhagen in the ISIN code for Zealand's existing shares.....	August 15, 2017

This company announcement does not constitute an offer to sell nor a solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC are acting as joint book-running managers and Guggenheim Securities, LLC and Needham & Company, LLC are acting as co-lead managers for the Offering referred to herein (together, the "Underwriters"). Copies of the preliminary U.S. prospectus and, when available, the final U.S. prospectus relating to the Offering may be obtained from Morgan Stanley & Co. LLC, Attention: Prospectus Department, 180 Varick Street, 2nd Floor, New York, New York 10014; or Goldman Sachs & Co. LLC, Attention: Prospectus Department, 200 West Street, New York, NY 10282, telephone: +1-866-471-2526, facsimile: +1 212-902-9316, or email: prospectus-ny@ny.email.gs.com .

For further information, please contact:

Britt Meelby Jensen, President and CEO

Tel.: +45 51 67 61 28, e-mail: bmj@zealandpharma.com

Mats Blom, Executive Vice President, Chief Financial Officer

Tel.: +45 31 53 79 73, e-mail: mabl@zealandpharma.com

Important information

No announcements or information regarding the proposed initial public offering may be disseminated to the public in jurisdictions where a prior registration or approval is required for such purpose. No steps have been taken, or will be taken, for the offering of shares or ADSs in any jurisdiction where such steps would be required. The issue or sale of ADSs, and the subscription for or purchase of ADSs, are subject to special legal or statutory restrictions in certain jurisdictions. Zealand is not liable if these restrictions are not complied with by any other person.

About Zealand Pharma A/S

Zealand (Nasdaq Copenhagen: ZEAL) is a biotechnology company focused on the discovery, design and development of innovative peptide-based medicines.

Zealand is based in Copenhagen (Glostrup), Denmark.

Safe Harbor/Forward-Looking Statements

The above information contains forward-looking statements that provide our expectations or forecasts of future events such as our ability to complete the Offering, new product introductions, clinical development activities and anticipated results, product approvals and financial performance. Such forward-looking statements are subject to risks, uncertainties and inaccurate assumptions. This may cause actual results to differ materially from expectations and it may cause any or all of our forward-looking statements here or in other publications to be wrong. Factors that may affect future results include interest rate and currency exchange rate fluctuations, delay or failure of clinical trials and other development activities, production problems, unexpected contract breaches or terminations, government-mandated or market-driven price decreases for Zealand's products, introduction of competing products, Zealand's ability to successfully market both new and existing products, exposure to product liability and other lawsuits, changes in



reimbursement rules and governmental laws and related interpretation thereof, and unexpected growth in costs and expenses.

Certain assumptions made by Zealand are required by Danish Securities Law for full disclosure of material corporate information. Some assumptions, including assumptions relating to sales associated with a product that is prescribed for unapproved uses, are made taking into account past performances of other similar drugs for similar disease states or past performance of the same drug in other regions where the product is currently marketed. It is important to note that although physicians may, as part of their freedom to practice medicine in the United States, prescribe approved drugs for any use they deem appropriate, including unapproved uses, at Zealand, promotion of unapproved uses is strictly prohibited.