

Company Announcement

No. 4/2013

Zealand Pharma announces grant of warrants to employees under existing incentive scheme

Copenhagen, 8 February 2013 - Zealand Pharma A/S (NASDAQ OMX Copenhagen: ZEAL) announces that its Board of Directors has decided to establish a new warrant program for the company's employees under the authority pursuant to Section 8.1 of the company's Articles of Association, granted on the General Meeting of 2 November 2010. Similar employee warrant programs were decided and announced in February 2011 and February 2012, respectively (Company Announcements nos. 3/2011 and 4/2012).

The warrant incentive scheme is a reflection of Zealand Pharma's objective to attract and retain first-rate employees to help support long-term shareholder value creation, helping to ensure also short and long term common interests among the company's employees, management and shareholders.

A total of up to 389,762 warrants will be granted, giving rights to subscription of up to 389,762 new Zealand Pharma shares of DKK 1 nominal value each. The exercise price on the warrants is fixed at DKK 87.45, reflecting the closing price of the company's shares on NASDAQ OMX Copenhagen on Thursday 7 February plus 10%.

Exercise of the granted warrants may take place, in whole or in part, in the period from 10 February 2016 until and including 10 February 2018. The exercise is to be completed within a four week period following the publication of a Zealand Pharma's full-year annual report or interim reports (for the first quarter, first half or first nine months, respectively).

On the basis of the Black-Scholes model, the granted warrants are calculated to have a total market value of approx. DKK 8.4 million, including a volatility of 39.3%, an interest level of 0.66% and a share price of DKK 79.50.

The terms of the warrant program

In the event that an employee leaves the company, Sections 4 and 5 of the Danish Act on Exercise of Options or Subscription Rights for Shares etc. in Employment Relationships shall apply. The terms and conditions set forth in this Act imply the following:

If the employee leaves the employment by giving notice of termination, the right to exercise granted warrants will lapse. However, where the exercise period of the warrants has commenced before

termination of the employment, the warrants may be exercised until the date where the employee leaves the company. The right to be granted options will also lapse after expiry of the employment.

In case the employment ceases due to termination by the employer and such termination is not caused by a breach on the part of the employee, the employee retains the right to all granted warrants irrespective of whether the exercise period has commenced before the employee leaves the company. The same applies to the instances described in Section 4 (2) of the Danish Act on Exercise of Options or Subscription Rights for Shares etc. in Employment Relationships (termination due to age/retirement) and Section 4 (3) (termination due to gross breach on the part of the employer).

If the employment ceases due to termination by the employer and such termination is caused by a breach on the part of the employee, or in the event that the employee is summarily dismissed for cause, the right to granted warrants will cease as from the date of expiry of the employment. Where the exercise period of the warrants has commenced before termination of the employment, the warrants may be exercised until the date where the employee leaves the company.

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About Zealand Pharma

Zealand Pharma A/S (NASDAQ OMX Copenhagen: 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 focus lies in the field of diabetes/metabolic diseases, and its lead drug invention is lixisenatide (Lyxumia®), a once-daily GLP-1 agonist, which is licensed to Sanofi for the treatment of Type 2 diabetes. Lyxumia® is approved in Europe (February 2013), and under regulatory review in a large number of other countries globally. In the US, a decision on NDA filing acceptance is expected from the FDA in Q1 2013.

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, Helsinn Healthcare in chemotherapy induced diarrhea and AbbVie in acute kidney injury. 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. For further information: www.zealandpharma.com

1. Lyxumia is the protected product name, as the European Medicines Agency (EMA) has approved lixisenatide.