

Company Announcement
No. 5/2014

Zealand announces the grant of warrants to its Chief Scientific Officer under existing incentive scheme

Copenhagen, 1 April 2014 - Zealand Pharma A/S (Zealand) (NASDAQ OMX Copenhagen: ZEAL) announces that the company's Board of Directors has decided to establish a warrant incentive scheme for Torsten Hoffmann, who joined Zealand on 1 October 2013 as Executive Vice President and Chief Scientific Officer. The grant of warrants is covered by the authority pursuant to Section 8.1 of the company's Articles of Association, adopted at the General Meeting on 2 November 2010.

The warrant incentive scheme is a reflection of Zealand's objective to attract and retain first-rate employees and thereby support long-term shareholder value creation. The grant of warrants shall help ensure common short and long term interests between the management and the shareholders of the company.

A total of 100,000 warrants have been granted, giving the right to subscription of up to 100,000 new Zealand shares of DKK 1 nominal value each. The exercise price is fixed at DKK 75.90 reflecting the closing price of the company's shares on NASDAQ OMX Copenhagen on Monday 31 March plus 10%.

The exercise of the warrants may take place, in whole or in part, in the period from 1 April 2017 until and including 1 April 2019. The exercise must be completed within a period of four weeks following the publication of Zealand's full year report or interim reports (for the first quarter, first half or first nine months, respectively).

Pursuant to Section 28 a of the Danish Securities Trading Act, Torsten Hoffmann as EVP and Chief Scientific Officer is subject to a reporting obligation upon receipt of the 100,000 warrants under the incentive program.

The granted warrants have a total market value of DKK 2,104,671 calculated on basis of the Black-Scholes model including a 6 months historic volatility of 37,5% a 5-year risk free interest rate of 0,71% and a share price of DKK 69 .



The terms of the warrant incentive scheme

In the event that an employee, holding warrants, leaves Zealand, 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 an employee leaves by giving notice of employment 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.

For further information, please contact:

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About Zealand

Zealand Pharma A/S (NASDAQ OMX Copenhagen: ZEAL) ("Zealand") is a biotechnology company based in Copenhagen, Denmark. Zealand 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 cardio-metabolic diseases, diabetes and obesity in particular, and its lead drug invention is lixisenatide, a once-daily prandial GLP-1 agonist, which is licensed to Sanofi for the treatment of Type 2 diabetes. Lixisenatide (marketed by Sanofi as Lyxumia®) is approved in several countries globally, including Europe and Japan. In the U.S., an NDA is planned to be submitted in 2015, after completion of the ELIXA Cardiovascular outcome study. In February 2014, Sanofi started the pivotal Phase 3 clinical program for the Lantus®/Lyxumia® combination product (LixiLan).

Zealand has a partnering strategy for the development and commercialization of its products and, in addition to the license agreement with Sanofi in Type 2 diabetes, the company has partnerships with Boehringer Ingelheim in diabetes/obesity, Lilly in diabetes and obesity, Helsinn Healthcare in chemotherapy induced diarrhea and AbbVie in acute kidney injury.

For further information: zealandpharma.com

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