

Zealand announces information received from its major shareholder, Sunstone LSV Management A/S, and a related change to its Board of Directors

- **A proposed voluntary liquidation of certain Sunstone managed funds during Q3 2016 will lead to the distribution of 13% of Zealand's share capital to a broad group of institutional investors**
- **Zealand has been informed that no single investor will receive more than 5% of the share capital**
- **Following the liquidation, Sunstone will remain an 8.5% shareholder in Zealand**
- **Peter Benson, managing partner in Sunstone, steps down from Zealand's Board of Directors. He remains a member of Zealand's Nomination Committee**

Copenhagen, 2 June 2016 – Zealand announces that it has received information from its major shareholder, Sunstone LSV Management A/S, that the following funds are expected to enter into voluntary liquidation during the third quarter of 2016; P/S Sunstone Biomedicinsk Venture III, K/S Sunstone Biomedical Ventures Annex I, K/S Sunstone Biomedical Ventures Annex II and K/S Sunstone Biomedical Ventures Annex III.

The four funds hold a total of 3,177,593 shares in Zealand, representing 13% of Zealand's total share capital. As part of the liquidation, these shares will be distributed to the funds' investors, who represent a broad group of Danish institutional investors. Zealand has been informed by Sunstone LSV Management A/S that no single investor will receive more than 5% of Zealand's share capital. Following the liquidations, Sunstone LSV Management A/S will remain a significant shareholder in Zealand through its management of Sunstone Life Science Ventures Fund I K/S, which holds 2,083,483 shares or 8.5% of Zealand's total share capital.

Søren Lemonius, Partner in Sunstone LSV Management A/S, commented:

"We are pleased to be able to place a relatively large amount of Zealand shares with Danish investors in connection with the planned liquidation of certain of our funds. At the same time, we are committed to Sunstone's remaining shareholding in the company as we believe Zealand is at an exciting point in its trajectory towards accelerated value creation and look forward to following its continued development."

In connection with the upcoming liquidation of Sunstone managed funds and subsequent expected distribution of Zealand ownership, Peter Benson, managing partner of Sunstone and independent Zealand board member, will step down from the Board of Directors with effect from today. Peter Benson has served on Zealand's Board of Directors since 2007. He continues as member of Zealand's Nomination Committee.

Martin Nicklasson, Chairman of the Board of Directors of Zealand, said:

"Sunstone has been a long-term supportive investor in Zealand both before and after the company went public. This includes valuable contributions by Peter Benson, who during his 10 years on our board has



been instrumental for the successful development of Zealand from its early years and till today. On behalf of everyone on the board I would like to extend my most sincere thanks to Peter and at the same time express my full respect for his decision to now step down.

“We are pleased that Sunstone remains a major shareholder while welcoming an increased diversification of ownership in our company. Together with Zealand’s management, I look forward to engaging in dialogue with our coming new shareholders.”

Zealand expects to receive a formal shareholder notification from Sunstone LSV Management A/S when the liquidation has taken place.



For further information, please contact:

Britt Meelby Jensen, President and Chief Executive Officer

Tel: +45 51 67 61 28, email: bmj@zealandpharma.com

Hanne Leth Hillman, Senior Vice President, Investor Relations and Communications

Tel: +45 50 60 36 89, email: lh@zealandpharma.com

About Zealand Pharma A/S

Zealand Pharma A/S (Nasdaq Copenhagen: ZEAL) (“Zealand”) is a biotechnology company with leading scientific expertise in turning peptides into medicines. Zealand has a pipeline of proprietary drug candidates which target specialty disease areas with significant unmet medical needs and a portfolio of medicines and product candidates under license collaborations with Sanofi, Helsinn and Boehringer Ingelheim.

The company’s first invented medicine, lixisenatide, a once-daily prandial GLP-1 analogue for the treatment of Type 2 diabetes, is licensed to Sanofi who markets the product globally outside the US as Lyxumia®. Lixisenatide is under regulatory review in the US. Lixisenatide is also under regulatory review in the US and Europe as part of a fixed-ratio combination with basal insulin glargine (Lantus®), a product referred to as iGlarLixi.

Zealand’s proprietary pipeline of product candidates includes: *ZP4207 (single-dose rescue treatment)* for acute, severe hypoglycemia (Phase II); *ZP1848* for Short Bowel Syndrome (Phase II); *ZP4207 (multiple-dose version)* intended for use in a dual-hormone artificial pancreas system for better hypoglycemia management in diabetes (Phase I); *ZP2929* for diabetes/obesity (Phase I); and several preclinical peptide therapeutics.

The company is based in Copenhagen (Glostrup), Denmark. For further information about Zealand’s business and activities, please visit: www.zealandpharma.com or follow us on Twitter @ZealandPharma