Company announcement – No. 20 / 2016

Zealand increases its share capital as a consequence of exercise of employee warrants

Copenhagen, 26 May 2016 – Zealand has increased its share capital with nominal DKK 43,071 divided into 43,071 new shares with a nominal value of DKK 1 each. The increase is a consequence of the exercise of employee warrants granted under three of the company's warrant programs as described in the Articles of Association.

The exercise price is DKK 77.00 per share for 8,000 of the new shares, DKK 50.27 per share for 29,221 of the new shares and DKK 87.45 per share for 5,850 of the new shares. The total proceeds to Zealand from the capital increase amounts to DKK 2,596,522.17.

The new shares give rights to dividend and other rights from the time of the warrant holder's exercise notice. Each new share carries one vote at Zealand's general meetings. Zealand only has one class of shares.

The new shares will be listed on Nasdaq Copenhagen after registration of the capital increase with the Danish Business Authority. Following registration of the new shares, the share capital of Zealand will be nominal DKK 24,492,906 divided into 24,492,906 shares with a nominal value of DKK 1 each.

The amendment of Zealand's Articles of Association entailed by the share capital increase has today been registered with the Danish Business Authority. The new Articles of Association are available on the company's website: www.zealandpharma.com.

For further information, please contact:

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About Zealand Pharma A/S

Zealand Pharma A/S (Nasdaq Copenhagen: ZEAL) ("Zealand") is a biotech company with leading scientific expertise in turning peptides into medicines. Zealand has a growing proprietary pipeline of novel investigational medicines and a portfolio of products and projects 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 (ex-US) as Lyxumia® and has it under regulatory review in the US. The license agreement with Sanofi covers also a fixed-ratio combination of lixisenatide with basal insulin glargine (Lantus®) undergoing regulatory review in both the US and Europe.

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)* 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