

Company announcement – No. 29/2017

## **Zealand Pharma A/S commences initial public offering of American Depositary Shares in the United States**

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- **Zealand Pharma A/S has today commenced an initial public offering of American Depositary Shares on The Nasdaq Global Select Market in the United States under the symbol "ZEAL" and filed a preliminary prospectus relating to the offering**
- **The proposed initial public offering is an offering of up to 3,900,000 American Depositary Shares plus an over-allotment option of up to 15%**
- **Zealand Pharma A/S' board of directors has exercised an authorization granted by its extraordinary general meeting held on July 31, 2017, to increase Zealand Pharma A/S' share capital by issuing new shares underlying the American Depositary Shares offered in the initial public offering**

*Copenhagen, August 1, 2017* – With reference to the company announcement no. 25/2017, dated July 6, 2017, regarding the initial public filing of registration statement on Form F-1 (the "F-1") with the U.S. Securities and Exchange Commission (the "SEC") for a proposed initial public offering of American Depositary Shares ("ADSs") on The Nasdaq Global Select Market in the United States ("NASDAQ") under the symbol "ZEAL" (the "Offering"), Zealand Pharma A/S ("Zealand") announces that it has today filed the preliminary prospectus with the SEC and has commenced the Offering of up to 3,900,000 ADSs (the "Firm ADSs"). When available, copies of the preliminary prospectus related to the Offering is available at [www.sec.gov](http://www.sec.gov). Application to list the ADSs on NASDAQ has been submitted. In addition, Zealand will grant Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the several Underwriters (as defined below), an option (the "Over-allotment Option") to purchase additional ADSs up to a number corresponding to 15% of the Firm ADSs sold in the Offering (the "Over-allotment ADSs") to cover any over-allotments, of which 500,000 of the underlying shares will be delivered in the form of existing treasury shares and the rest of the underlying shares will be delivered in the form of newly issued shares (the latter, the "Over-allotment Shares") (if the number of existing shares held by the Company as treasury shares is not sufficient to cover the shares to be delivered under the Over-allotment Option).

Zealand intends to use the net proceeds from the Offering together with its existing cash resources for the following purposes:

- approximately USD 45 million to fund clinical trials and registration of glepaglutide as a treatment for SBS (short bowel syndrome);
- approximately USD 25 million to fund clinical trials and registration of dasiglucagon as single-dose rescue treatment for acute, severe hypoglycemia or "insulin shock";
- approximately USD 20 million to fund clinical trials of dasiglucagon as a multiple-dose version for use in a dual-hormone artificial pancreas system for improved hypoglycemia control and better diabetes management;
- approximately USD 10 million to fund clinical trials of dasiglucagon as a multiple-dose version for use in a single-hormone pump for the treatment of congenital hyperinsulinism; and
- the remainder to advance in-house, as well as in licensed, research projects into preclinical and clinical development, to fund working capital, and for general corporate purposes which may include funding for new research and development activities, the hiring of additional personnel, capital expenditures and the costs of operating as a public company.

Zealand's expected use of the net proceeds from the Offering represents its current intentions based upon its present plans and business conditions. As of the date of this announcement, Zealand cannot predict with certainty all of the particular of the net proceeds of the Offering or the amounts that Zealand will actually spend on the uses set forth above. The amounts and timing of Zealand's actual use of net proceeds will vary based on numerous factors, including its ability to obtain additional financing, the relative success and cost of its research, preclinical and clinical development programs, and whether Zealand enters into collaborations with third parties in the future. As a result, the management of Zealand will have broad discretion in the application of the net proceeds, and investors will be relying on its judgment regarding the application of the net proceeds of the Offering.



Except for the expected use of the net proceeds from the Offering described above, the preliminary prospectus filed with the SEC does not contain any material information not already published by Zealand.

ADSs are U.S. dollar-denominated negotiable instruments issued by a depositary bank that facilitate U.S. trading and investment in shares of non-U.S. companies. Each ADS represents one underlying share in Zealand.

Zealand's board of directors (the "Board") has in accordance with article 7A of Zealand's articles of association exercised an authorization granted by Zealand's extraordinary general meeting held on July 31, 2017, to increase Zealand's share capital by issue of up to 7,000,000 new shares underlying the ADSs (covering both the Firm ADSs and Over-allotment ADSs), of which up to 6,521,740 new shares (the "Firm Shares") will cover the Firm ADSs and up to 478,260 new shares will cover the Over-allotment Shares. If all the Firm Shares and all the Over-allotment Shares are subscribed for, the Firm Shares will represent 19.65% of Zealand's share capital and the Over-allotment Shares will represent 1.44%.

It is expected that such underlying new shares will be admitted to trading and official listing on Nasdaq Copenhagen upon issuance.

Pricing of the Offering is expected to take place on August 8, 2017 after market close in the United States.

The Board has not yet determined whether to complete the Offering. Even if the Board determines to complete the Offering, the Offering may not be consummated. Neither the timing, number of Firm ADSs and Over-allotment ADSs, number of underlying shares of Zealand (including the number of Over-Allotment Shares) nor the price of the ADSs and thereby the price of the underlying shares have been determined. If consummated, the final price per ADS (and thereby the price per underlying share) will be determined following the book-building process.

Zealand's shares are currently listed on Nasdaq Copenhagen under the symbol "ZEAL". The filing of the preliminary prospectus has no implications for Zealand's listing on Nasdaq Copenhagen in Denmark.

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.

A registration statement relating to the ADSs referred to herein has been filed with the SEC, but has not yet been declared effective. These ADSs may not be sold nor may offers to buy these ADSs be accepted prior to the time such registration statement becomes effective. Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC are acting as joint book-running managers and Guggenheim Partners, LLC and Needham & Company, LLC are acting as co-lead managers for the proposed Offering referred to herein. Copies of the preliminary prospectus relating to such 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: 212-902-9316, or email: [prospectus-ny@ny.email.gs.com](mailto:prospectus-ny@ny.email.gs.com).

#### **For further information, please contact:**

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#### **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 U.S., prescribe approved drugs for any use they deem appropriate, including unapproved uses, at Zealand, promotion of unapproved uses is strictly prohibited.