Prospectus

for Zealand Pharma A/S

(a public limited liability company incorporated in Denmark registered under CVR no. 20045078)

Admission to trading and official listing of 4,375,000 New Shares of DKK 1, nominal value, each

This prospectus (the "**Prospectus**") has been prepared for the sole purpose of the admission to trading and official listing (the "**Admission**") on Nasdaq Copenhagen A/S ("**Nasdaq Copenhagen**") of 4,375,000 new shares of a nominal value of DKK 1, each (the "**New Shares**") of Zealand Pharma A/S ("**Zealand Pharma**" or the "**Company**"). The New Shares are issued in connection with an initial public offering (the "**Offering**") in the United States of 4,375,000 American Depositary Shares ("**ADSs**") at a price of USD 17.87 per ADS. Each ADS represents 1 New Share. The New Shares are underlying the ADSs. The ADSs were listed and began trading on 9 August 2017 on the NASDAQ Global Select Market in the United States ("**NASDAQ**") under the symbol "ZEAL". The price of USD 17.87 per ADS corresponds to a subscription price of DKK 112.58 per New Share (using a USD/DKK exchange rate of 6.3)The Bank of New York Mellon has been appointed as depositary (the "**Depositary**") for the ADSs and will be the holder of the New Shares upon issue.

No offer of New Shares will be made on the basis of this Prospectus or in connection with the Admission. No offer of New Shares or ADSs has been or will be made in the EU/EEA and no offer of any securities has been or will be made under this Prospectus in the United States or to U.S. Persons (as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended). Investors in ADSs may not rely on this Prospectus for any purpose.

The New Shares will be issued pursuant to the authorization granted to the Company's Board of Directors on 31 July 2017 to increase the nominal registered share capital of the Company by up to nominally DKK 7,000,000 without pre-emptive rights for the Existing Shareholders. Any Over-allotment Shares (as defined below) will also be issued pursuant to this authorization.

Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC (as joint global coordinators and bookrunners) and Guggenheim Securities, LLC and Needham & Company, LLC (as co-lead managers) (jointly the "**Underwriters**") have severally agreed to purchase 4,375,000 New Shares to be delivered in the form of ADSs in total in the Offering. Further, the Company has granted Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the Underwriters, an option to purchase up to an additional 656,250 Shares to be delivered in the form of ADSs to cover any over-allotments (the "**Over-allotment Option**"). The Over-allotment Option will expire on 7 September 2017. The Over-allotment Option may be exercised in full or in part. The Company must deliver up to 656,250 additional Shares if the Over-allotment Option is exercised. The Company will deliver up to 500,000 of such Shares in the form of Existing Shares held by the Company as treasury shares, or, if such 500,000 Existing Shares held by the Company as treasury shares are not sufficient to cover the Shares to be delivered, in the form of newly issued shares (the "**Over-allotment Shares**"). Hence, up to 156,250 additional Shares may be issued as Over-allotment Shares. Any Over-allotment Shares issued by the Company will be admitted to trading and official listing on Nasdaq Copenhagen in reliance on the exemption in section 15(1) of the Danish Executive Order on Prospectuses and not on the basis of this Prospectus.

Prior to the issue of the New Shares, the Company has issued 26,187,402 shares with a nominal value of DKK 1 (the "**Existing Shares**) which are all fully paid-up. After completion of the Offering, the Company will have issued 30,562,402 Shares, assuming the Over-Allotment Option is not exercised.

The Company's Existing Shares are admitted to trading and official listing on Nasdaq Copenhagen under the symbol "ZEAL" and in the ISIN code DK0060257814. The Company's application has been made for the New Shares to be admitted to trading and official listing on Nasdaq Copenhagen under the same symbol and ISIN code as for the Existing Shares. It is expected that the New Shares will be admitted to trading and official listing on Nasdaq Copenhagen on 15 August 2017 in the ISIN code for the Existing Shares. Any change to this date will be announced via Nasdaq Copenhagen.

The New Shares are expected to be registered with the Danish Business Authority on 14 August 2017 and will upon such registration rank *pari passu* in all respects with the Existing Shares. The ADSs will not carry the same rights as the Shares and the ADS holders will not have shareholder rights. For a description of the rights pertaining to holders of the ADSs, see *"Description of the Offering and American Depositary Shares - ADS (American depositary shares)" page 67*.

Future prospective investors in the Shares should be aware that investing in the Shares involves a high degree of risk. See page 36, "*Risk Factors*", for a discussion of certain risks that future prospective investors should consider before deciding on investing in the Shares.

This Prospectus has been prepared under Danish law in compliance with the requirements set out in Consolidated Act no. 251 of 21 March 2017 on Securities Trading (the "Danish Securities Trading Act"), the Executive Order no. 1257 of 6 November 2015, as amended, on prospectuses for securities

admitted to trading in a regulated market and for offering to the public of securities of at least EUR 5,000,000 (the "Danish Executive Order on Prospectuses"), as well as Commission Regulation (EC) no. 809/2004 of 29 April, 2004 and amendments thereto (the "Prospectus Regulation") (Part I of this Prospectus in conformity with Annex XXV and Part II in conformity with Annex III of the Prospectus Regulation). This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any of the Shares or ADSs in any jurisdiction.

The Company has filed a registration statement with the U.S. Securities and Exchange Commission (the "SEC") on form F-1 (the "U.S. Prospectus") in respect of the ADSs and the Depositary has filed a registration statement with the SEC on form F-6 in respect of the New Shares. The New Shares and the ADSs have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or determined the adequacy or accuracy of the information contained in this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The distribution of this Prospectus in certain jurisdictions is restricted by law. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe such restrictions. For a description of certain restrictions on distribution of this document, see page 7 "*Certain information with regard to the Prospectus*".

This Prospectus is prepared for the sole purpose of satisfying applicable Danish securities legal and regulatory requirements in order to list the New Shares underlying the ADSs on Nasdaq Copenhagen. This Prospectus may not be relied upon for any other purposes, including with respect to the Offering by us or any other person. Neither we, our management team, our board of directors, our employees, our advisors, the Underwriters nor any other person accept any liability for any information contained (or not contained) in the U.S. Prospectus or for any inconsistencies between the U.S. Prospectus and the contents of this Prospectus.

The date of this Prospectus is 10 August 2017

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CERTAIN INFORMATION WITH REGARD TO THE PROSPECTUS

Zealand Pharma is under the Prospectus Regulation considered a SME (small and medium size enterprise) and consequently, part I of this Prospectus has been prepared in conformity with Annex XXV of the Prospectus Regulation.

Neither we nor our advisors have authorized anyone to provide you with information that is different from that contained in this Prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. The information contained in this Prospectus is accurate only as of the date on the front of this Prospectus.

The information in this Prospectus is as of the date printed on the front of the cover, unless expressly stated otherwise. The delivery of this Prospectus at any time does not imply that there has been no change in the Zealand Pharma Group's business or affairs since the date hereof or that the information contained herein is correct as of any time subsequent to the date hereof. In the event of any changes to the information in this Prospectus that may affect the valuation of the New Shares during the period from the date of announcement to the first day of trading of the New Shares, such changes will be announced pursuant to the rules in the Danish Executive Order on Prospectuses which, *inter alia,* governs the publication of prospectus supplements.

Unless the context otherwise requires, references in this Prospectus to the ''Company,'' ''Zealand Pharma'', ''we,'' ''us'' and ''our'' refer to Zealand Pharma A/S and "Zealand Pharma Group" and "Group" refer to Zealand Pharma A/S and its subsidiaries. Certain technical terms, abbreviations and defined terms have the meaning given to it in Part III - Section 1, "*Glossary*".

The Underwriters have not been involved in the preparation of this Prospectus.

Notice to investors in the United States

The New Shares and the ADSs have not been approved, disapproved or recommended by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of such regulatory authorities passed upon Admission to trading and official listing of the New Shares on Nasdaq Copenhagen or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense in the United States.

No offer to the public of New Shares is being or will be made in the United States. This Prospectus has been prepared for the sole purpose of the Admission to trading and official listing of the New Shares on Nasdaq Copenhagen and on the basis that no offer to the public of the New Shares will be made in that connection.

Any reproduction or distribution of this Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person, is prohibited. This Prospectus is personal to each reader and does not constitute an offer to any person or to the public generally to subscribe for, or otherwise acquire, the New Shares.

European Economic Area restrictions

This Prospectus has been prepared for the purpose of the Admission to trading and official listing of the New Shares on Nasdaq Copenhagen and on the basis that no offer to the public of the New Shares will be made in that connection, neither in Denmark nor in any other member state of the EEA.

Accordingly, any person making or intending to make any offer within the EEA of New Shares should only do so in circumstances in which no obligation arises for the Zealand Pharma Group to produce a prospectus for such offer. The Zealand Pharma Group has not authorised, nor do the Zealand Pharma Group authorise, the making of any offer of the New Shares through any financial intermediary.

RESPONSIBILITY STATEMENT

Our responsibility

Zealand Pharma A/S is responsible for this Prospectus in accordance with Danish law.

Statement

We hereby declare that we, as the persons responsible for this Prospectus on behalf of Zealand Pharma A/S, have taken all reasonable care to ensure that, to the best of our knowledge and belief, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of its contents.

Glostrup, 10 August 2017

Board of Directors

Martin Nicklasson
Chairman

Rosemary Crane
Vice Chairman

Michael J. Owen

Alain Munoz

Catherine Moukheibir

Rasmus Just

Hanne Heidenheim Bak

Jens Peter Stenvang

Martin Nicklasson is a professional board member
Alain Munoz is a professional board member
Michael J. Owen is a professional board member
Rosemary Crane is a professional board member
Catherine Moukheibir is a professional board member
Rasmus Just is director, business development and innovation sourcing
Hanne Heidenheim Bak is senior project director
Jens Peter Stenvang is applications specialist

Executive management

Britt Meelby Jensen
President and CEO

Mats Blom
Executive Vice President and CFO

SUMMARY

The Danish summary below is a translation of the English summary beginning on page 22. In the event of any discrepancies between the Danish and the English version, the English version shall prevail.

Dansk resumé

Det danske resumé nedenfor er en oversættelse af det engelske resumé, som begynder på side 22. I tilfælde af uoverensstemmelser mellem det danske og det engelske resumé, skal det engelske resumé have forrang.

Resuméer består af oplysningskrav, der benævnes "Elementer". Elementerne er nummereret i afsnit A–E (A.1–E.7). Dette resumé indeholder alle de Elementer, der skal være indeholdt i et resumé for denne type værdipapir og udsteder i henhold til prospektforordningen nr. 809/2004 med senere ændringer. Da nogle Elementer ikke kræves medtaget, kan der forekomme huller i nummereringen af Elementerne. Selv om et Element skal indsættes i resuméet på grund af typen af værdipapir og udsteder, er det muligt, at der ikke kan gives nogen relevante oplysninger om Elementet. I så fald indeholder resuméet en kort beskrivelse af Elementet med angivelsen "ikke relevant".

Afsnit A – Indledning og advarsler

Element	Oplysningskrav	Oplysninger
A.1	Advarsel til investorer	Dette resumé bør læses som en indledning til Prospektet. Enhver beslutning om investering i Aktierne bør træffes af investoren på baggrund af Prospektet som helhed. Den sagsøgende investor kan, hvis en sag vedrørende oplysningerne i Prospektet indbringes for en domstol i henhold til national lovgivning i medlemsstaterne i det Europæiske Økonomiske Samarbejdsområde, være forpligtet til at betale omkostningerne i forbindelse med en oversættelse af Prospektet, inden sagen indledes. Kun de personer, som har indgivet resuméet, herunder eventuelle oversættelser heraf, kan ifalde et civilretligt erstatningsansvar, men kun såfremt resuméet er misvisende, ukorrekt eller uoverensstemmende, når det læses sammen med de andre dele af Prospektet, eller hvis det ikke, når det læses sammen med Prospektets øvrige dele, indeholder nøgleoplysninger, som hjælp til investorernes overvejelser om, hvorvidt de vil investere i Aktierne.
A.2	Tilsagn til formidlere	Ikke relevant. Der er ikke indgået nogen aftale vedrørende anvendelse af Prospektet i forbindelse med et efterfølgende salg eller endelig placering af Aktierne.

Afsnit B – Udsteder

Element	Oplysningskrav	Oplysninger
B.1	Juridisk navn og binavn	Selskabet er registreret under navnet Zealand Pharma A/S. Selskabet driver også virksomhed under binavnet Zealand Pharmaceuticals A/S.
B.2	Domicil, retlig form, indregistreringsland	Selskabet er et aktieselskab og er underlagt dansk ret og har hjemsted på adressen Smedeland 36, 2600 Glostrup, Danmark.
B.3	Nuværende virksomhed og hovedaktiviteter	Selskabet er et biotech-selskab, der fokuserer på opfindelse af, design og udvikling af innovative peptidbaserede lægemidler. Selskabets produktportefølje omfatter to godkendte produkter til behandling af type 2 diabetes: (i) Lixisenatide, der er godkendt af FDA og markedsføres i USA under produktnavnet Adlyxin, og som er blevet godkendt af EMA og af andre myndigheder uden for USA, hvor det markedsføres under produktnavnet Lyxumia; og (ii) en kombination af Lixisenatide med Lantus, produktnavnet for insulin glargin udviklet af Sanofi, som er blevet godkendt af FDA og markedsføres i USA under produktnavnet Soliqua100/33, og er blevet godkendt af EMA og blev lanceret i Nederlandene under produktnavnet Suliqua. Suliqua forventes at blive lanceret i visse andre europæiske lande i begyndelsen af andet halvår af 2017. Både Adlyxin / Lyxumia og Soliqua 100 / 33 /

		Suliqua er markedsført af Sanofi i henhold til en licensaftale, som giver Sanofi retten til at kommercialisere disse produkter. Ud over Selskabets nuværende godkendte og markedsførte produkter har Selskabet også andre produktkandidater i udviklingsfasen, der er på forskellige stadier i den prækliniske og kliniske udvikling målrettet mod gastrointestinal-, stofskifte- og andre sjældne sygdomme med markante udækkede medicinske behov. Egne opfindelser danner basis for Selskabets portefølje og påviser dets evne til at opfinde og udvikle innovative peptidbaserede produktkandidater med gunstige terapeutiske profiler.
B.4a	Beskrivelse af de væsentligste nyere tendenser, der påvirker Koncernen og de sektorer, inden for hvilke denne opererer	Zealand Pharma har i øjeblikket to lægemidler på markedet via dets samarbejdspartner Sanofi. Ingen af Zealand Pharmas ikke-licenserede lægemidler (produktkandidater) er imidlertid markedsført endnu. Enhver udvikling på markederne, hvor Selskabet driver forretning, forventes at have en mere direkte indflydelse på Selskabets virksomhed som følge af kommercialiseringen af dets produktkandidater i udviklingsfasen. I løbet af de seneste år har der været et generelt pres på at reducere medicinpriserne på de udviklede markeder som en konsekvens af politiske initiativer og lovgivning med det formål at bremse fortsat forhøjelse af udgifterne til sundhedsvæsenet. Enhver omsætning, Selskabet opnår i fremtiden, kan blive påvirket af sådanne politiske initiativer og lovgivning. Selskabet forventer, at denne udvikling fortsætter i de kommende år. Udgifter til sundhedsbranchen er imidlertid mindre påvirket af den generelle økonomiske udvikling, end tilfældet er inden for mange andre brancher. Mens faldende medicinpriser på de fuldt modnede medicinalmarkeder, som fx USA og EU, har en negativ indflydelse på de generelle niveauer for salgsudvikling inden for lægemiddelindustrien som helhed på disse markeder, forventer Selskabet, at salgsudviklingen fortsætter til et højere niveau på de nye markeder. Udover ovennævnte har der været et særligt prispres inden for insulinområdet som følge af øget konkurrence og lancering/introduktion af biolignende insulinprodukter. Selskabet forventer også, at demografisk udvikling, forøgede behandlingsgennembrud, især på nyligt etablerede medicinmarkeder, og forbedret diagnosticeringsværktøj vil resultere i fortsat vækst inden for det globale medicinsalg. Derudover er prisfastsættelse af særlægemidler (orphan drugs) eller andre speciallægemidler ofte beskyttet mod det generelle pres på medicinpriser. Selskabets strategiske fokus er at udvikle og kommercialisere sine lægemiddelkandidater inden for sær- og specialeangivelserne på stofskifte- og gastrointestinalområdet.
B.5	Beskrivelse af Zealand og Selskabets plads i Zealand-koncernen	Zealand Pharma er moderselskabet i Zealand Pharma-koncernen. Selskabet har to helejede datterselskaber: ZP Holding og ZP General 1. ZP Holding har to helejede datterselskaber: ZP SPV og ZP General Partner 2.
B.6	Personer, som direkte eller indirekte har en andel i Selskabets kapital eller stemmerettigheder eller kontrollerer Selskabet	Udover hvad fremgår nedenfor, er Selskabet pr. datoen for dette Prospekt ikke bekendt med nogen personer, som direkte eller indirekte har en andel i Selskabets aktiekapital eller stemmerettigheder, der er anmeldelsespligtig i henhold til dansk lovgivning: • Sunstone Life Science Ventures Fund I K/S ejer 8,04% af Selskabets aktiekapital og stemmerettigheder. Sunstone LSV Management A/S forvalter og udøver stemmerettighederne for Sunstone Life Science Ventures Fund I K/S; og • Legg Mason (Royce) Inc., ejer 6,78% af Selskabets aktiekapital og stemmerettigheder. Selskabet har ikke kendskab til nogen aftaler, der kan medføre en ændring af kontrollen i Selskabet. Selskabet er ikke bekendt med nogen storaktionærer, der har andre stemmerettigheder.

B.7 Udvalgte regnskabs- og virksomhedsoplysninger

De udvalgte koncernregnskabsoplysninger for de tre måneder, der sluttede 31. marts 2017 og 2016 anført nedenfor, er uddraget fra Selskabets ikke-reviderede koncern-perioderegnskab for de tre måneder, der sluttede 31. marts 2017, med sammenlignelige tal for de tre måneder, der sluttede 31. marts 2016, præsenteret deri (koncernregnskabsoplysninger for de tre måneder, der sluttede 31. marts 2016 er blevet korrigeret med henblik på at rette visse forkerte oplysninger. Se Note 1 i det ikke-reviderede koncern-perioderegnskab for de tre måneder, der sluttede 31. marts 2017, der indeholder en beskrivelse af karakteren og følgerne af de forkerte oplysninger, der relaterer sig til de tre måneder der sluttede 31. marts 2016). De udvalgte koncernregnskabsoplysninger for regnskabsårene, der sluttede henholdsvis 31. december 2016 og 2015, stammer fra Selskabets reviderede koncernregnskaber for regnskabsårene, der sluttede henholdsvis 31. december 2016 og 2015 (koncernregnskabsoplysninger for regnskabsåret, der sluttede 31. december 2015 er blevet korrigeret med henblik på at rette visse forkerte oplysninger. Se Note 1 i det reviderede koncernregnskab for regnskabsåret, der sluttede 31. december 2016, der indeholder en beskrivelse af karakteren og følgerne af de forkerte oplysninger, der relaterer til regnskabsåret, der sluttede 31. december 2015).

Selskabet fører sine regnskaber og registreringer i DKK og udarbejder sine koncernregnskaber i overensstemmelse med IFRS som godkendt af EU og yderligere krav i henhold til Årsregnskabsloven og sine ikke-reviderede koncern-perioderegnskaber i overensstemmelse med IAS 34 "Interim Financial Reporting" som godkendt af EU og yderligere danske krav til delårsrapporter for børsnoterede virksomheder noteret på Nasdaq Copenhagen.

Fra datoen for dette Prospekt er der ikke sket betydelige ændringer i vores finansielle forhold og driftsresultater siden 31. marts 2017.

Koncernresultatopgørelse

	Tre mdr. afsluttet 31. marts		Regnskabsår	
(millioner DKK)	**2017**	**2016[2]**	**2016**	**2015[1]**
Omsætning	77,6	6,7	234,8	187,7
Royalty-omkostninger	(10,5)	(0,9)	(31,5)	(22,3)
Forsknings- og udviklingsomkostninger	(60,7)	(63,7)	(268,2)	(217,7)
Administrative omkostninger	(9,9)	(7,5)	(52,5)	(41,8)
Andre driftsindtægter	0,1	0,9	1,7	12,8
Driftsresultat	(3,3)	(64,5)	(115,7)	(81,3)
Finansielle indtægter	0,8	0,8	0,6	3,9
Finansielle omkostninger	(25,2)	(15,2)	(44,4)	(42,4)
Resultat før skat	(27,7)	(78,9)	(159,4)	(119,8)
Indkomstskattefordel	1,4	1,1	5,5	5,8
Tab i perioden	(26,3)	(77,8)	(153,9)	(114,0)
Tab pr. aktie (DKK)				
Tab pr. aktie (basis)	(1,03)	(3,27)	(6,33)	(4,94)
Udvandet tab pr. aktie	(1,03)	(3,27)	(6,33)	(4,94)

(1) Koncernregnskabsoplysninger for regnskabsåret, der sluttede 31. december 2015, er blevet korrigeret med henblik på at rette visse forkerte oplysninger. Se Note 1 i det reviderede koncernregnskab for regnskabsåret, der sluttede 31. december 2016, der indeholder en beskrivelse af karakteren og følgerne af de forkerte oplysninger, der relaterer sig til regnskabsåret, der sluttede 31. december 2015.

(2) Koncernregnskabsoplysninger for de tre måneder, der sluttede 31. marts 2016, er blevet korrigeret med henblik på at rette visse forkerte oplysninger. Se Note 1 i det ikke-reviderede koncern-perioderegnskab for de tre måneder, der sluttede 31. marts 2017, der indeholder en beskrivelse af karakteren og følgerne af de forkerte oplysninger, der relaterer til de tre måneder, der sluttede 31. marts 2016.

Koncernresultatopgørelse

	Tre mdr. afsluttet	Regnskabsår	
(millioner DKK)	**31. marts 2017**	**2016**	**2015[1]**
Likvidbeholdning	410,3	323,3	418,8
Begrænset likvidbeholdning	6,7	318,7	21,4
Aktiver i alt	474,2	694,6	636,2
Overført tab	(1.215,5)	(1.189,2)	(1.035,3)
Samlet egenkapital	252,7	278,2	252,2
Langfristet gæld	126,5	328,9	313,0
Kortfristet gæld	95,0	87,6	71,0
Samlet egenkapital og passiver	474,2	694,6	636,2

(1) Koncernregnskabsoplysninger for regnskabsåret, der sluttede 31. december 2015 er blevet korrigeret med henblik på at rette visse forkerte oplysninger. Se Note 1 i det reviderede koncernregnskab for regnskabsåret, der sluttede 31. december 2016, der indeholder en beskrivelse af karakteren og følgerne af de forkerte oplysninger, der relaterer sig til regnskabsåret, der sluttede 31. december 2015.

Koncern-pengestrømsopgørelse

	Regnskabsår	
(millioner DKK)	**2016**	**2015[1]**
Kontant tilgang (afgang) fra driftsaktiviteter	40,9	(224,8)
Kontant tilgang (afgang) fra investeringsaktiviteter	(300)	(1,6)
Kontant tilgang (afgang) fra finansieringsaktiviteter	157,1	96,4
Stigning (fald) af likvide midler	**(101,9)**	**(129,9)**

(1) Koncernregnskabsoplysninger for regnskabsåret, der sluttede 31. december 2015 er blevet korrigeret med henblik på at rette visse forkerte oplysninger. Se Note 1 i det reviderede koncernregnskab for regnskabsåret, der sluttede 31. december 2016, der indeholder en beskrivelse af karakteren og følgerne af de forkerte oplysninger, der relaterer sig til regnskabsåret, der sluttede 31. december 2015.

	Tre måneder afsluttet 31. marts	
(millioner DKK)	**2017**	**2016[1]**
Kontant tilgang (afgang) fra driftsaktiviteter	(51,9)	41,3
Kontant tilgang (afgang) fra investeringsaktiviteter	310,3	(90,3)

Kontant tilgang (afgang) fra finansieringsaktiviteter	(174,1)	3,9
Stigning (fald) af likvide midler	84,3	(45,1)

(1) Koncernregnskabsoplysninger for de tre måneder, der sluttede 31. marts 2016 er blevet korrigeret med henblik på at rette visse forkerte oplysninger. Se Note 1 i det ikke-reviderede koncern-perioderegnskab for de tre måneder, der sluttede 31. marts 2017, der indeholder en beskrivelse af karakteren og følgerne af de forkerte oplysninger, der relaterer sig til de tre måneder der sluttede 31. marts 2016.

B.8	Udvalgte vigtige proforma-regnskabsoplysninger	Ikke gældende. Der eksisterer ikke ændringer, der kræver, at pro forma finansielle oplysninger inkluderes i dette Prospekt.
B.9	Resultatforventninger eller -prognoser	For 2017 forventer Selskabet en fortsat forøgelse af royalty betalinger fra Sanofi. Der kan ikke fremlægges specifik prognose om niveauet af sådanne royalty-betalinger, da Sanofi ikke har givet nogen prognose om det forventede salg i 2017. Yderligere omsætning op til DKK 100 millioner forventes fra hændelsesbaserede partner-relaterede milepælsbetalinger, hvoraf DKK 70 millioner blev modtaget i januar 2017. Nettodriftsomkostninger i 2017 forventes at være inden for intervallet DKK 390-410 millioner. Forøgelsen i 2017 sammenlignet med 2016 er et resultat af forøgede niveauer af kliniske udviklingsomkostninger forbundet med fremskridt i udviklingen af Selskabets interne produktkandidater som Glepaglutide og Dasiglucagon. Drift før royalty indtægter/udgifter forventes derfor at være inden for intervallet DKK 290-310 millioner, eksklusiv royalty indtægt.

(millioner DKK)	
Indtægter fra milepælsbetalinger	100
Nettodriftsomkostninger[1]	390-410
Driftstab før royalty indtægter/udgifter	290-310

[1] Nettodriftsomkostninger består af forskning, udvikling og administrative udgifter minus driftsindtægter.

B.10	Forbehold i revisionspåtegningen vedrørende historiske finansielle oplysninger	Ikke relevant. Revisionspåtegningen på de reviderede koncernregnskaber inkluderet ved henvisning i dette Prospekt er blevet givet uden forbehold.
B.11	Forklaring, hvis udsteders arbejdskapital ikke er tilstrækkelig til at dække Selskabets nuværende behov	Ikke relevant. Selskabet er af den opfattelse, at nettofortjenesten fra Udbuddet, sammen med dets eksisterende likvide midler, indtægter fra milepælsbetalinger i forbindelse med samarbejder og andre bundne finansieringskilder, vil være tilstrækkelige til at gøre Selskabet i stand til at finansiere dets forventede driftsudgifter, anlægsudgifter og gældsforpligtelser for de 12 måneder, der følger datoen for dette Prospekt. Selskabet har baseret dette estimat på antagelser, der kan vise sig at være forkerte.

Afsnit C – Værdipapirer

Element	Oplysningskrav	Oplysninger
C.1	Beskrivelse af typen og klassen af Aktier, herunder eventuel fondskode	Aktierne, herunder de Nye Aktier, er ikke inddelt i aktieklasser og skal lyde på navn og skal registreres på navn i Selskabets ejerbog gennem ejerens depotbank. De Nye Aktier vil blive udstedt i den midlertidige ISIN kode DK0060887321, forventeligt den 14. august 2017, og vil blive optaget til handel og officiel notering på Nasdaq Copenhagen i den permanente ISIN-kode for Selskabets Eksisterende Aktier, DK0060257814, og under det eksisterende symbol "ZEAL", forventeligt den 15. august 2017.
C.2	Aktiernes valuta	De Nye Aktier er udstedt i DKK.
C.3	Antallet af udstedte og fuldt indbetalte Aktier og antallet af udstedte Aktier, der ikke er fuldt indbetalt	På datoen for dette Prospekt er Selskabets registrerede, udstedte og udestående aktiekapital på DKK 26.187.402 opdelt i 26.187.402 Aktier til en nominel værdi af DKK 1 hver. Umiddelbart efter Udbuddet vil Selskabets udstedte og udestående aktiekapital være DKK 30.562.402 opdelt i 30.562.402 Aktier til en nominel værdi af DKK 1 hver**,** hvis Overallokeringsoptionen ikke udnyttes, og DKK 30.718.652 opdelt i 30.718.652 Aktier til en nominel værdi af DKK 1 hver, hvis Overallokeringsoptionen udnyttes til fulde.
C.4	Beskrivelse af rettigheder, der er knyttet til Aktierne	Alle Aktier, herunder de Nye Aktier (og eventuelle Overallokeringsaktier), ligestilles *pari passu* med alle andre Aktier, inklusive hvad angår stemmerettigheder, fortegningsrettigheder, indløsning, ombytning og restriktioner eller begrænsninger i henhold til Vedtægterne eller ret til at modtage udbytte eller afkast i tilfælde af opløsning eller likvidation. Hver Aktie giver ejeren én stemmeret på Selskabets generalforsamlingen.
C.5	Beskrivelse af eventuelle indskrænkninger i Aktiernes omsættelighed	Ikke relevant. Aktierne er omsætningspapirer, og der gælder ingen indskrænkninger af Aktiernes omsættelighed i henhold til Vedtægterne eller dansk ret.
C.6	Optagelse til handel på et reguleret marked	De Eksisterende Aktier er optaget til handel og officiel notering på Nasdaq Copenhagen under symbolet "ZEAL" og i ISIN-koden 0060257814. Der er ansøgt om, at de Nye Aktier optages til handel og officiel notering på Nasdaq Copenhagen. Det forventes, at optagelse til handel af de Nye Aktier på Nasdaq Copenhagen under Selskabets eksisterende symbol "ZEAL" og i ISIN-koden for de Eksisterende Aktier, DK DK0060257814, vil finde sted på eller omkring den 15. august 2017 efter registrering af kapitalforhøjelsen vedrørende de Nye Aktier, hos Erhvervsstyrelsen, forventeligt den 14. august 2017. De Nye Aktier er udstedt i forbindelse med Udbuddet i USA af 4.375.000 ADS'er til en pris af USD 17,87 pr. ADS. Hver ADS repræsentere 1 Ny Aktie. De Nye Aktier danner grundlag for ADS'erne, der blev optaget til handel på NASDAQ pr. den 9. august 2017 under symbolet "ZEAL".
C.7	Beskrivelse af udbyttepolitik	Selskabet har aldrig deklareret eller betalt noget kontant udbytte på sine Aktier, og Selskabet forventer ikke at udbetale noget kontant udbytte på sine Aktier i den nærmeste fremtid. Selskabet forventer at beholde alle disponible midler og enhver fremtidig indtjening for at finansiere udviklingen og ekspansionen af sin forretning. Enhver fremtidig fastsættelse vedrørende Selskabets udbyttepolitik og deklarationen af ethvert udbytte vil blive foretaget efter Bestyrelsens skøn og vil afhænge af et antal faktorer, herunder Selskabets driftsresultat, finansielle forhold, fremtidsudsigter, kontraktuelle restriktioner, restriktioner pålagt i henhold til gældende ret og andre faktorer, som Selskabets Bestyrelse anser for at være relevante.

Afsnit D – Risici

Element	Oplysningskrav	Oplysninger
D.1	Nøgleoplysninger om de vigtigste risici, der er specifikke for Zealand-koncernen eller dennes branche	*En investering i Aktierne indebærer en væsentlig økonomisk risiko. Alle oplysninger i dette Prospekt bør nøje overvejes, herunder de risici, der er beskrevet nedenfor, før det besluttes at købe Aktierne. Dette afsnit vedrører både generelle risici forbundet med den branche, som Selskabet driver forretning i, og specifikke risici forbundet med Selskabets drift. Hvis nogle af disse risici bliver aktuelle, kan det væsentligt påvirke og forringe Selskabets forretning, drift, finansielle tilstand og/eller fremtidsudsigt, hvilket kan føre til et fald i Aktiernes værdi, og til at hele eller en del af det investerede beløb mistes. Endvidere beskriver dette afsnit visse risici, der relaterer sig til de Nye Aktier, som kan have en negativ påvirkning på værdien af de Eksisterende Aktier.* *De nedenfor omtalte risici og usikkerheder omfatter de risici, som Selskabets ledelse på nuværende tidspunkt vurderer som værende væsentlige, men det er ikke de eneste risici og usikkerheder, som Selskabet er eksponeret imod. Der er yderligere risici og usikkerheder, herunder risici som Selskabet på nuværende tidspunkt ikke er bekendt med, eller som ledelsen anser for at være uvæsentlige, der kan opstå eller blive væsentlige i fremtiden, og som kan føre til et fald i Aktiernes værdi, og til at hele eller en del af det investerede beløb mistes. De nedenfor nævnte risici er ikke nævnt i prioriteret rækkefølge efter vigtighed eller sandsynlighed.* Risici forbundet med Selskabets forretning inkluderer, men er ikke begrænset til følgende: • Risici forbundet med Selskabets forretning o Selskabet har haft negative resultater i den seneste tid og fortsætter muligvis med at have negative resultater. o Selskabet er i høj grad afhængigt af sit samarbejde med Sanofi. o De lovgivningsmæssige godkendelsesprocesser for FDA, EMA og andre tilsvarende myndigheder er langstrakte, tidskrævende og i sagens natur uforudsigelige, og hvis Selskabet eller dets samarbejdspartnere ultimativt set ikke er i stand til at få en myndighedsgodkendelse af Selskabets egne eller udlicenserede produktkandidater, kan forretningen lide væsentlig skade. o For så vidt angår visse markedsførte produkter, produktkandidater og kliniske udviklingsprogrammer er Selskabet afhængigt af, at samarbejdspartnere udvikler og udfører kliniske forsøg, opnår myndighedsgodkendelse af, markedsfører og sælger Selskabets produktkandidater. Hvis samarbejdspartnerne ikke formår at gøre som forventet, vil Selskabets evne til at skabe omsætning fra disse produktkandidater blive væsentligt nedsat, og Selskabets forretning kan lide betydelig skade. o Selskabet udstedte obligationer i december 2014, hvilket reducerer dets evne til at udnytte licensbetalinger fra Sanofi Licensaftalen til andre formål. o Prissætningen af Selskabets udlicenserede produkter og Selskabets produktkandidater, når og hvis de bliver godkendt til markedsføring, afhænger delvist af prissætningsstrategier fra Selskabets konkurrenter. o Selskabet vil muligvis skulle skaffe yderligere finansiering, som måske ikke kan opnås på acceptable vilkår, eller overhovedet, og manglende anskaffelse af finansiering kan tvinge Selskabet til at udsætte, begrænse eller afslutte sin produktudvikling og andre foretagender. o På grund af Selskabets begrænsede ressourcer og adgang til kapital, må Selskabet prioritere sin udvikling af produktkandidater, som det har gjort før i tiden. Disse beslutninger kan vise sig at være forkerte og kan væsentligt skade Selskabets omsætning. o Selskabet vil muligvis ikke have succes i sine bestræbelser på at benytte pengestrømme fra sine godkendte udlicenierede produkter til at udvide sin nye interne måludviklingsplatform for at bygge en pipeline af produktkandidater.

Afsnit D – Risici

Element	Oplysningskrav	Oplysninger

- Risici forbundet med Selskabets produkter og produktkandidater
  - Selskabet er afhængigt af Sanofis succesfulde kommercialisering af Adlyxin / Lyxumia og Soliqua100/33 / Suliqua og klinisk succes med Selskabets interne produktkandidater, herunder Glepaglutide og Dasiglucagon.
  - Selskabets produktkandidater vil skulle gennemgå kliniske forsøg, som er tidskrævende og dyre, hvis udfald er uforudsigelige, og hvor der er en høj risiko for, at det mislykkes. Hvis Selskabets kliniske forsøg af produktkandidater ikke i tilfredsstillende grad udviser sikkerhed og effekt for FDA, EMA eller andre tilsvarende myndigheder, vil Selskabet måske skulle betale yderligere omkostninger eller opleve forsinkelser i at færdiggøre, og i sidste ende ikke kunne færdiggøre udviklingen af disse produktkandidater.
  - Den tid, det tager, for at Selskabet fuldfører sine præ-kliniske undersøgelser og kliniske forsøg afhænger af mange faktorer, herunder, men ikke begrænset til, patienttilmelding.
  - Adlyxin / Lyxumia, Soliqua100/33 / Suliqua eller andre af Selskabets produktkandidater, som har fået markedsføringsgodkendelse, kan blive underlagt post-markedsføringsrestriktioner eller kan blive taget af markedet, og Selskabet kan blive pålagt betydelige sanktioner, hvis Selskabet eller dets samarbejdspartnere ikke lever op til myndighedskrav eller oplever uventede problemer med Selskabets produkter efter myndighedsgodkendelse.
  - Selskabet er afhængig af udvalgte tredjeparter, som udfører kliniske forsøg og foretager dataindsamling og analyse, som kan medføre omkostninger og forsinkelser, som forhindrer Selskabet i succesfuldt at kommercialisere sine produktkandidater.
  - Selskabet er afhængigt af tredjeparter til at fremstille sine præ-kliniske og kliniske medicinalforsyninger, og Selskabet har til hensigt at være afhængig af tredjeparter til at producere handelsbeholdninger for enhver af dets produktkandidater.
  - Selskabet er genstand for intens konkurrence fra selskaber, som har betydeligt flere ressourcer og mere erfaring end Selskabet, hvilket kan betyde, at andre opdager, udvikler, modtager godkendelse af eller kommercialiserer produkter før eller mere succesfuldt end Selskabet.
  - Negative sikkerhedsepisoder forbundet med Adlyxin / Lyxumia, Soliqua100/33 / Suliqua eller Selskabets produktkandidater kan få negativ indvirkning på Selskabets forretning og aktiekursen.
  - Hvis FDA, EMA eller andre tilsvarende myndigheder godkender generiske versioner af Adlyxin / Lyxumia, Soliqua100/33 / Suliqua eller andre af Selskabets produktkandidater, som modtager markedsføringsgodkendelse, eller at sådanne myndigheder ikke giver Selskabet eller dets samarbejdspartneres produktkandidater passende perioder af dataeksklusivitet før godkendelse af generiske versioner af Selskabets eller dets samarbejdspartneres produkter, vil salget af disse produkter blive negativt påvirket.
  - Visse af Selskabets peptid-produktkandidater vil forventeligt blive leveret parenteralt af medicinske instrumenter, som måske vil blive betragtet som et kombinationsprodukt, der kræver en separat FDA godkendelse eller før-markedsgodkendelse og/eller godkendelse af andre myndigheder.
  - Selskabets produktkandidater er komplekse at fremstille, og Selskabet og dets samarbejdspartnere kan støde på problemer i fremstillingen, der kan have en væsentlig negativ indvirkning på Selskabets forretning og finansielle resultater.
  - Selskabet har ikke på nuværende tidspunkt egen salgsfunktion. Hvis Selskabet ikke er i stand til at etablere en salgsfunktion eller at indgå salgs-, markedsførings- eller distributionsaftaler med tredjeparter, vil Selskabet måske ikke have succes med at kommercialisere sine interne produktkandidater, når og hvis de godkendes.

Afsnit D – Risici

Element	Oplysningskrav	Oplysninger

- Risici forbundet med Selskabets drift
  - Der er en risiko for, at Selskabets produkter kan have væsentlige bivirkninger, der kan medføre betydeligt ansvar.
  - Der er en risiko for, at Selskabet ikke vil være i stand til at få tilstrækkelig forsikringsdækning, og at eksisterende og fremtidige forsikringspolicer eller dets egne ressourcer ikke vil være tilstrækkelige til at dække erstatningskrav, som Selskabet mødes med i fremtiden.
  - Selskabets fremtidige succes afhænger af dets evne til at fastholde dets ledelse og nøglemedarbejdere.
  - Selskabets R&D aktiviteter kan blive påvirket af eller forsinket som følge af restriktioner på dyreforsøg.
  - Hvis Selskabet ikke lykkes med at administrere sin vækst effektivt, kan dets evne til at udvikle og kommercialisere produkter lide skade.
  - Selskabet kan erhverve forretninger eller produkter eller skabe strategiske alliancer i fremtiden, og Selskabet kan måske ikke høste gavn af disse erhvervelser.
  - Selskabets interne computersystemer, eller dem fra dets samarbejdspartnere eller andre kontraktsparter eller konsulenter, kan bryde sammen eller være udsat for sikkerhedsbrister, der kan medføre betydelige forstyrrelser af Selskabets produktudviklingsprogram.
  - Selskabet vil blive underlagt den amerikanske Foreign Corrupt Practices Act, som pålægger betydelige bøder ved overtrædelse af loven.
- Risici forbundet med Selskabets immaterielle rettigheder
  - Selskabets evne til at konkurrere kan forringes, hvis Selskabet eller dets samarbejdspartnere ikke er i stand til eller i tilstrækkelig grad i stand til at beskytte immaterielle rettigheder, eller hvis Selskabets immaterielle rettigheder er utilstrækkelige for dets produktkandidater eller fremtidige produktkandidater.
  - Udstedte patenter, som dækker Selskabets produktkandidater, kan blive dømt ugyldige eller ikke håndhæves, hvis de bestrides i en retssag.
  - Selskabet kan blive part til retssager for at beskytte og håndhæve sine patenter og immaterielle rettigheder, hvilket kan være dyrt, tidskrævende og fejle og have en væsentlig negativ indvirkning på Selskabets drift.
  - Krav om, at Selskabets produktkandidater eller deres brug krænker tredjemands immaterielle rettigheder kan medføre dyr procesførelse og ugunstige udfald, som kræver, at Selskabet betaler erstatning eller licens, og kan begrænse Selskabets R&D aktiviteter eller dets evne til at kommercialisere visse produkter.
  - Biofarmaceutiske patenter og patentansøgninger indebærer meget komplekse juridiske og faktuelle spørgsmål, der, hvis det falder negativt ud for Selskabet, kan påvirke dets patentstilling negativt.
  - Hvis Selskabet ikke er i stand til at beskytte sin fortrolighed eller sine forretningshemmeligheder og know-how, vil dets forretning og konkurrencestilling lide skade.
  - Udvikling i patentlovgivning i USA og andre jurisdiktioner kan have en negativ indvirkning på Selskabets forretning.
  - Selskabet vil ikke søge at beskytte sine immaterielle rettigheder i alle jurisdiktioner i hele verden, og Selskabet er måske ikke i stand til i tilstrækkelig grad at håndhæve sine immaterielle rettigheder selv i jurisdiktioner, hvor Selskabet søger beskyttelse.
  - Patentbetingelser og lovgivningsmæssige enerettigheder kan være utilstrækkelige til at beskytte Selskabets konkurrencestilling til dets produktkandidater i en tilstrækkelig tidsperiode.

Afsnit D – Risici

Element	Oplysningskrav	Oplysninger
		○ Tredjeparter kan udfordre Selskabets opfindelser og andre immaterielle rettigheder, der søges patent til, og kan kræve ejerskab eller kommercielle rettigheder over opfindelser, som Selskabet udvikler. ○ Tredjeparter kan påstå, at Selskabets ansatte eller konsulenter eller Selskabet selv uberettiget har brugt eller fremlagt fortrolige oplysninger eller udleveret forretningshemmeligheder eller kræve ejerskab over, hvad Selskabet anser som værende sine immaterielle rettigheder. ○ Hvis Selskabets varemærker eller varenavn ikke er tilstrækkeligt beskyttet, kan Selskabet måske ikke opbygge navnegenkendelse på sine markeder, og dets forretning kan blive negativt påvirket. ○ At opnå og vedligeholde patentbeskyttelse afhænger af, at man følger diverse procedurer, dokumentindlevering, gebyrbetalinger og andre krav pålagt af patentmyndigheder, og Selskabets patentbeskyttelse kan blive reduceret eller fjernet, hvis ikke disse krav følges. • Risici forbundet med lovgivningsmæssige tiltag ○ Lovgivningsmæssige restriktioner på prissætning og tilskud ligesom andre sundhedsmæssige betalinger og tilskudsmæssige initiativer kan negativt påvirke Selskabets evne til at lave omsætning. ○ Selskabet kan møde udfordringer ved ændringer til den nuværende lovgivning og fremtidig lovgivning i USA. ○ Selskabets drift indebærer kontakt med farlige materialer, og Selskabet og tredjeparter med hvem Selskabet har indgået kontrakt skal følge miljøregler, der kan være dyre og begrænse Selskabets måde at drive forretning på. ○ Selskabet er underlagt sundhedsregler, der kan kræve mange ressourcer at følge, og kan udsætte Selskabet for strafferetlige sanktioner, civilretlige sanktioner, udelukkelse fra offentlige sundhedsprogrammer, kontraktuelt ansvar, omdømmemæssig skade, formindsket overskud og fremtidig indtjening blandt mulige sanktioner. ○ Selskabets ansatte eller samarbejdspartnere kan være involveret i tjenesteforseelser eller anden utilbørlig adfærd, herunder brud på gældende regler eller deltagelse i insiderhandel, som kan skade Selskabets forretning væsentligt. ○ Ændringer i dansk, amerikansk eller anden udenlandsk skattelovgivning eller compliance-krav, eller i den praktiske fortolkning eller administration heraf, kan have en væsentlig negativ effekt på Selskabets forretning, finansielle position og driftsresultat ○ Konsekvenserne for Selskabet af den seneste afstemning i Storbritannien om at forlade EU kan ikke forudsiges.
D.3	Nøgleoplysninger om de vigtigste risici vedrørende Aktierne	• Markedskursen på Selskabets Aktier kan være volatil på grund af faktorer uden for Selskabets kontrol, og købere af Aktierne kan pådrage sig betydelige tab. • Selskabet har et vidt skøn til anvendelsen af nettoprovenuet fra Udbuddet og kan anvende dette på måder, som Aktionærerne ikke er enige i, og på måder, som muligvis ikke vil forbedre Selskabets driftsresultater eller kursen på Aktierne. • Hvis aktie- eller industrianalytikere ikke offentliggør forskningsresultater eller offentliggør unøjagtige eller ugunstige forskningsresultater vedrørende Selskabets forretning, kan kursen på Aktierne eller deres handelsvolumen falde. • Selskabet har intention om at beholde alle tilgængelige midler og alle fremtidige indtægter, og som konsekvens heraf vil Aktionærernes mulighed for at opnå et afkast på deres investering være afhængig af udviklingen i kursen på Aktierne.

Afsnit D – Risici

Element	Oplysningskrav	Oplysninger
		• Fremtidige salg, eller forestillingen om fremtidige salg, af en betydelig mængde af Selskabets Aktier kan have en negativ indvirkning på kursen på Aktierne, og faktisk salg af Selskabets egenkapital vil udvande dets Aktionærer. • Hvis Selskabet udsteder Aktier i fremtidige finansieringsrunder, kan Aktionærerne opleve udvanding, og som resultat deraf kan Selskabets aktiekurs falde. • Amerikanske og andre ikke-danske ejere af Aktier vil muligvis ikke kunne udøve forkøbsrettigheder eller deltage i fremtidige udbud. • Det kan være vanskeligt eller umuligt for investorer uden for Danmark at håndhæve afgørelser fra deres hjemlandsjurisdiktioner mod Selskabet. • I fremtiden kan Selskabet miste sin status som foreign private issuer i USA, hvilket kan resultere i yderligere betydelige omkostninger og udgifter. • Som følge af at blive et offentligt handlet selskab i USA vil Selskabet blive underlagt yderligere lovgivningsmæssige krav, inklusiv paragraf 404 i Sarbanes Oxley Act, som kan medføre, at efterlevelsen heraf kan være tidskrævende, dyr og forøge presset på Selskabets systemer og ressourcer. • Selskabet har identificeret væsentlige svagheder i dets interne kontrol af den finansielle rapportering. Hvis Selskabet ikke formår at opretholde et effektivt system til intern kontrol af finansiel rapportering, vil det muligvis ikke være i stand til nøjagtigt at rapportere dets finansielle resultater til tiden eller forhindre bedrageri, som kan have en negativ påvirkning af Selskabets forretning, investortilliden til Selskabet og markedskursen på dets Aktier.

Afsnit E – Udbud

Element	Oplysningskrav	Oplysninger
E.1	Udstedelsens samlede nettoprovenu og anslåede udgifter	Bruttoprovenuet fra Udbuddet vil være DKK 492.541.875, hvis Overallokeringsoptionen ikke udnyttes, og nettoprovenuet forventes at blive DKK 427.916.648. Hvis Overallokeringsoptionen udnyttes fuldt ud, vil bruttoprovenuet blive DKK 566.423.156, og nettoprovenuet forventes at blive DKK 496,626,239. De fleste udgifter i relation til Udbuddet afholdes af Selskabet. Disse udgifter forventes at udgøre ca. DKK 64.625.227, hvis Overallokeringsoptionen ikke udnyttes, og ca. DKK 69.796.917, hvis Overallokeringsoptionen udnyttes fuldt ud. Emissionsbankerne, der alene tegner de Nye Aktier, har accepteret at refundere visse af vore udgifter i forbindelse med Udbuddet. Emissionsbankerne vil således refundere os DKK 1.231.354, hvis Overallokeringsoptionen ikke udnyttes, og DKK 1.416.057, hvis Overallokeringsoptionen udnyttes fuldt ud. Bortset fra sådanne refunderede udgifter, pålægges Emissionsbankerne ikke udgifter I forbindelse med Udbuddet.
E.2a	Baggrund for Udstedelsen og anvendelse af provenu, forventet nettoprovenu	Selskabets begrundelse for Udbuddet er at opnå adgang til det amerikanske kapitalmarked for at kunne rejse midler til at finansiere dets forretning. Selskabet har til hensigt at anvende nettoprovenuet fra Udbuddet sammen med dets eksisterende likvide midler til følgende formål: • Ca. USD 45 millioner til at finansiere kliniske forsøg og registrering af Glepaglutide som behandling for SBS (korttarmssyndrom). • Ca. USD 25 millioner til at finansiere kliniske forsøg og registrering af Dasiglucagon som en enkeltdoseringsbehandling for akut, svær hypoglykæmi eller "insulinchok".

Afsnit E – Udbud

Element	Oplysningskrav	Oplysninger
		• Ca. USD 20 millioner til at finansiere kliniske forsøg med Dasiglucagon som en flerdoseringsversion til brug i et kunstigt bi-hormonelt bugspytkirtelsystem til forbedret kontrol af hypoglykæmi og bedre diabeteshåndtering. • Ca. USD 10 millioner til at finansiere kliniske forsøg med Dasiglucagon som en flerdoseringsversion til brug for en enkelthomonpumpe til behandlingen af hyperinsulinisme. • Det resterende provenu bruges til forbedring af interne, såvel som licenserede, forskningsprojekter i præklinisk og klinisk udvikling, til at finansiere arbejdskapital og til generelle forretningsmæssige formål, som kan inkludere finansiering af nye forsknings- og udviklingsaktiviteter, ansættelse af yderligere personale, anlægsinvesteringer og andre udgifter relateret til driften af et selskab optaget til handel. Selskabets forventede udnyttelse af nettoprovenuet fra Udbuddet repræsenterer dets nuværende intentioner baseret på dets bestående planer og forretningsmæssige omstændigheder. Selskabet kan ikke fra og med datoen for dette Prospekt med sikkerhed forudsige det faktiske nettoprovenu fra Udbuddet eller beløb, som Selskabet faktisk anvender til formålene anført ovenfor. Beløbene og timingen af Selskabets faktiske anvendelse af nettoprovenuet vil variere afhængig af adskillige faktorer, herunder dets evne til at opnå yderligere finansiering, dets forholdsmæssige succes og pris for dets forskning, prækliniske og kliniske udviklingsprogrammer, samt hvorvidt Selskabet i fremtiden indtræder i samarbejder med tredjeparter. Som følge heraf vil ledelsen have et vidt skøn i anvendelsen af nettoprovenuet, og investorer må henholde sig til dens dømmekraft vedrørende anvendelsen af Udbuddets nettoprovenu. Selskabet estimerer, at nettoprovenuet fra Udbuddet vil være omtrent DKK 427.916.648 efter fradrag af provision til Emissionsbankerne og estimerede udbudsomkostninger, der betales af Selskabet. Hvis Morgan Stanley & Co. LLC og Goldman Sachs & Co. LLC som repræsentanter for Emissionsbankerne udnytter Overallokeringsoptionen fuldt ud, estimerer Selskabet, at nettoprovenuet til Selskabet fra Udbuddet vil være omtrent DKK 496.626.239 efter fradrag af provision til Emissionsbankerne og estimerede udbudsomkostninger, der betales af Selskabet.
E.3	Udstedelsesbetingelser	Dette Prospekt er et prospekt til optagelse til handel, hvori der ikke foretages et offentligt udbud af Nye Aktier i Danmark, EØS eller i USA. De Nye Aktier vil i deres helhed blive tegnet af Emissionsbankerne, der har instrueret Selskabet i at overdrage aktierne til Depositaren, The Bank of New York Mellon, 101 Barclay Street, New York, New York 10286. Selskabet har indgået en Garantiaftale med Morgan Stanley & Co. LLC og Goldman Sachs & Co. LLC som repræsentanter for Emissionsbankerne vedrørende ADS'erne. Tegningskursen for de Nye Aktier er DKK 112,58 svarende til en pris på DKK 112,58 per ADS (ved brug af en USD/DKK vekselkurs på 6,30). De Nye Aktier forventes at blive udstedt af Selskabet og kapitalforhøjelsen registreret hos Erhvervsstyrelsen den 14. august 2017. De Nye Aktier forventes at blive leveret til Depositaren gennem VP Securities' faciliteter. De Nye Aktier registreres og cleares hos VP Securities og er blevet accepteret til clearing gennem Danske Bank A/S.
E.4	Væsentlige interesser i Udstedelsen, herunder interessekonflikter	Bestyrelsesmedlemmer, direktører og Nøglemedarbejdere ejer warrants og aktier i Selskabet.

Afsnit E – Udbud

Element	Oplysningskrav	Oplysninger
		Selskabet er ikke bekendt med andre potentielle interesser, eller interessekonflikter, for fysiske eller juridiske personer involveret i Udbuddet, som kan have en væsentlig interesse i Udbuddet og optagelsen til handel og officiel notering af de Nye Aktier på Nasdaq Copenhagen.
E.5	Sælgende Aktionærer og Lockup-aftaler	I forbindelse med Udbuddet har Selskabet, de nuværende bestyrelsesmedlemmer, direktionen og visse andre ejere af Aktier aftalt, at de ikke i en periode, der slutter 180 dage (dog 90 dage for visse andre ejere af Aktier) efter datoen for the Amerikanske Prospekt (den "Indskrænkende Periode"), uden forudgående skriftligt samtykke fra Morgan Stanley & Co. LLC og Goldman Sachs & Co. LLC som repræsentanter for Emissionsbankerne vil: • udbyde, pantsætte, sælge, indgå aftale om at sælge eller købe, købe en option eller kontrakt til at sælge, tildele en option, ret eller warrant til af købe, låne eller på anden måde overdrage eller disponere over, direkte eller indirekte, over enhver Aktie, ADS eller andet værdipapir, der kan konverteres til, udøves som eller ombyttes til Aktier eller ADS'er og • indgå nogen aftale om ombytning eller anden foranstaltning, der, helt eller delvist, overdrager til en anden enhver form for økonomisk konsekvens af ejerskabet over Aktierne eller ADS'erne uanset om sådan en transaktion, som beskrevet ovenfor, skal afvikles ved overdragelse af Aktier, ADS'er eller sådanne andre værdipapirer, med kontante midler eller på anden vis. Derudover har Selskabet og enhver af sådanne personer aftalt, at de hver især i den Indskrænkende Periode ikke uden forudgående skriftligt samtykke fra Morgan Stanley & Co. LLC og Goldman Sachs & Co. LLC som repræsentanter for Emissionsbankerne vil gøre krav på eller udøve nogen form for ret med hensyn til, registreringen af Aktier, ADS'er eller ethvert andet værdipapir, som kan udøves eller ombyttes til Aktier eller ADS'er. Der er aftalt visse sædvanlige undtagelser til lock-up forpligtelsen.
E.6	Beløb og procentdel for umiddelbar udvanding som følge af Udstedelsen	De Eksisterende Aktier, der er udstedt og udestående på Prospektdagen, vil blive udvandet af udstedelsen af 4.375.000 stk. Nye Aktier svarende til en nominel værdi på DKK 4.375.000, hvis Overallokeringsoptionen ikke udnyttes, og 4.531.250 stk. Nye Aktier, svarende til en nominel værdi på DKK 4.531.250, hvis Overallokeringsoptionen udnyttes fuldt ud. Efter Udbuddets gennemførelse udgør de Eksisterende Aktier, der er udstedt og udestående på Prospektdagen, 14,31 % af Selskabets aktiekapital, hvis Overallokeringsoptionen ikke udnyttes, og 14,75 % hvis Overallokeringsoptionen udnyttes fuldt ud.
E.7	Anslåede udgifter, som investor pålægges af Selskabet	Ikke relevant, idet der ikke betales kurtage i forbindelse med udstedelsen af de Nye Aktier, og Selskabet ikke vil pålægge nogen udgifter. Investorer skal afholde sædvanlige transaktions- og ekspeditionsgebyrer, der opkræves af deres kontoførende institut.

English summary

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in sections A–E (A.1–E.7). This summary contains all the Elements required to be included in a summary for this type of security and issuer under the Prospectus Regulation no. 809/2004, as amended. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In this case, a short description of the Element is included in the summary with the mention of "not applicable".

Section A – Introduction and warnings

Element	Disclosure requirement	Disclosure
A.1	Warning to investors	This summary should be read as an introduction to this Prospectus. Any decision to invest in the Shares should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, under the national legislation of the European Economic Area member states, the plaintiff investor might have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Shares.
A.2	Consent for intermediaries	Not applicable. No agreement has been made in regard to the use of the Prospectus in connection with a subsequent resale or final placement of the Offer Shares.

Section B – Issuer

Element	Disclosure requirement	Disclosure
B.1	Legal and commercial name	The Company is registered with the legal name Zealand Pharma A/S. The Company also carries out business under the secondary name of Zealand Pharmaceuticals A/S.
B.2	Domicile, legal form, country of incorporation	The Company is incorporated in Denmark as a public limited liability company under Danish law and has its registered office at Smedeland 36, 2600 Glostrup, Denmark.
B.3	Current operations and principal activities	The Company is a biotechnology company focused on the discovery, design and development of innovative peptide-based medicines. The Company's portfolio includes two approved products for the treatment of type 2 diabetes: (i) Lixisenatide, which has been approved by the FDA and is marketed in the United States under the brand name Adlyxin and which has been approved by the EMA and by other regulatory authorities outside the United States where it is marketed under the brand name Lyxumia; and (ii) a combination of Lixisenatide with Lantus, the brand name of insulin glargine developed by Sanofi which has been approved by the FDA and is marketed in the United States under the brand name Soliqua100/33, and has been approved by the EMA and launched in the Netherlands under the brand name Suliqua. Suliqua is expected to be launched in certain other countries beginning in the second half of 2017. Both Adlyxin / Lyxumia and Soliqua 100 / 33 / Suliqua are marketed by Sanofi pursuant to a license agreement granting Sanofi commercialization rights for these products. In addition to the Company's currently approved and marketed products, the Company also has a pipeline of other product candidates in various stages of pre-clinical and clinical development targeting gastrointestinal, metabolic and other specialty disease areas with significant unmet medical needs. In-house inventions are the basis of the Company's portfolio, demonstrating its ability to discover and develop innovative peptide-based product candidates with favorable therapeutic profiles.

Section B – Issuer

Element	Disclosure requirement	Disclosure
B.4a	A description of the most significant recent trends affecting the Group and the industries in which it operates.	Zealand Pharma currently has two drugs on the market through its partner Sanofi. However, none of Zealand Pharma's non-licensed drugs (product candidates) are yet marketed. Accordingly, any trends within the markets in which the Company operates are expected to have more direct impact on the Company's business following commercialization of its pipeline product candidates. Over the past few years, there has been a general pressure to reduce drug prices in the developed markets as a consequence of political initiatives and regulations aiming to curb continuous increase in healthcare spending. Any revenue the Company earns in the future may be affected by such political initiatives and regulations. The Company expects this trend to continue in the years ahead. However, spending in the healthcare industry is less linked to economic trends than in many other industries. Furthermore, while falling drug prices in the mature drug markets such as the United States and the EU are having a negative impact on general sales growth levels for the pharmaceutical industry as a whole in those markets, the Company expects sales growth to continue at higher levels in emerging markets. In addition to the above there has been specific price pressure in the insulin space due to increased competition and the launch of biosimilar insulins. The Company also expects that demographic developments, increased treatment penetration, especially in newly established drug markets, and better diagnostic tools, will result in continuing growth in global drug sales. Further, pricing for orphan drugs or other speciality drugs is often insulated from the general pressure on drug prices. The strategic focus of the Company is to develop and commercialize its drug candidates within orphan and specialty indications in the Metabolic and Gastro Intestinal space.
B.5	Description of the Zealand and the Company's position within the Zealand Pharma Group	Zealand Pharma is the parent company in the Zealand Pharma Group. The Company has two wholly-owned subsidiaries: ZP Holding and ZP General Partner 1. ZP Holding has two wholly-owned subsidiaries: ZP SPV and ZP General Partner 2.
B.6	Persons who, directly or indirectly, have an interest in the Company's capital or voting rights or have control over the Company	Other than as set out below, the Company is not aware of any person who, directly or indirectly, owns an interest in the Share capital or voting rights that is notifiable under Danish law: • Sunstone Life Science Ventures Fund I K/S owns 8.04% of the Share capital and voting rights. Sunstone LSV Management A/S manages and exercises the voting rights of Sunstone Life Science Ventures Fund I K/S; and • Legg Mason (Royce) Inc., owns 6.78% of the Share capital and voting rights The Company does not have knowledge of any arrangements, the operations of which may result in a change of control in the Company. The Company is not aware of any major Shareholders having different voting rights.
B.7	Selected financial and business information	The selected consolidated financial data for the three months ended 31 March 2017 and 2016 set forth below are derived from the Company's unaudited consolidated interim financial statements for the three months ended 31 March 2017, with comparative figures for the three months ended 31 March 2016, presented therein (the consolidated financial data for the three month ended 31 March 2016 have been restated for the correction of certain misstatements. See Note 1 of the unaudited consolidated interim financial statements for the three months ended 31 March 2017 which includes a description of the nature and effects of the misstatements related to the three months ended 31 March 2016). The selected consolidated financial data for the financial years ended 31 December 2016 and 2015, respectively, have been derived from the Company's audited consolidated financial

statements for the financial years ended 31 December 2016 and 2015, respectively (the consolidated financial data for the financial year ended 31 December 2015 have been restated for the correction of certain misstatements. See Note 1 of the audited consolidated financial statements for the financial year ended 31 December 2016 which includes a description of the nature and effects of the misstatements related to the financial year ended 31 December 2015).

The Company maintain its books and records in DKK, and prepare its consolidated financial statements in accordance with IFRS as adopted by the EU and additional requirements under the Danish Financial Statements Act and its unaudited consolidated interim financial statements in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and the additional Danish requirements for submission of interim reports for companies listed on Nasdaq Copenhagen.

As of the date of this Prospectus, there have been no significant changes to our financial condition and operating results since 31 March 2017.

Consolidated Income Statements Data

	Three months ended 31 March		Year Ended 31 December	
(in millions DKK)	**2017**	**2016[2]**	**2016**	**2015[1]**
Revenue	77.6	6.7	234.8	187.7
Royalty expenses	(10.5)	(0.9)	(31.5)	(22.3)
Research and development expenses	(60.7)	(63.7)	(268.2)	(217.7)
Administrative expenses	(9.9)	(7.5)	(52.5)	(41.8)
Other operating income	0.1	0.9	1.7	12.8
Operating loss	(3.3)	(64.5)	(115.7)	(81.3)
Financial income	0.8	0.8	0.6	3.9
Financial expenses	(25.2)	(15.2)	(44.4)	(42.4)
Loss before tax	(27.7)	(78.9)	(159.4)	(119.8)
Income tax benefit	1.4	1.1	5.5	5.9
Net loss for the period	(26.3)	(77.8)	(153.9)	(114.0)
Loss per Share (DKK)				
Basic loss per Share	(1.03)	(3.27)	(6.33)	(4.94)
Diluted loss per Share	(1.03)	(3.27)	(6.33)	(4.94)

(1) The consolidated financial data for the financial year ended 31 December 2015 have been restated for the correction of certain misstatements. See Note 1 of the audited consolidated financial statements for the financial year ended 31 December 2016 which includes a description of the nature and effects of the misstatements related to the financial year ended 31 December 2015.

(2) The consolidated financial data for the three months ended 31 March 2016 have been restated for the correction of certain misstatements. See Note 1 of the unaudited consolidated interim financial statements for the three months ended 31 March 2017 which includes a description of the nature and effects of the misstatements related to the three months ended 31 March 2016.

Section B – Issuer

Element	Disclosure requirement	Disclosure

Consolidated Statement of Financial Position Data

(in millions DKK)	Three months ended 31 March 2017	Year ended 31 December 2016	2015[1]
Cash and cash equivalents	410.3	323.3	418.8
Restricted cash	6.7	318.7	21.4
Total assets	474.2	694.6	636.2
Retained losses	(1,215.5)	(1,189.2)	(1,035.3)
Total equity	252.7	278.2	252.2
Non-current liabilities	126.5	328.9	313.0
Current liabilities	95.0	87.6	71.0
Total equity and liabilities	474.2	694.6	636.2

(1) The consolidated financial data for the financial year ended 31 December 2015 have been restated for the correction of certain misstatements. See Note 1 of the audited consolidated financial statements for the financial year ended 31 December 2016 which includes a description of the nature and effects of the misstatements related to the financial year ended 31 December 2015.

Consolidated Statement of Cash Flow

(in millions DKK)	Year Ended 31 December 2016	2015[1]
Cash inflow (outflow) from operating activities	40.9	(224.8)
Cash (outflow) from investing activities	(300)	(1.6)
Cash inflow from financing activities	157.1	96.4
Increase (decrease) in cash and cash equivalents	**(101.9)**	**(129.9)**

(1) The consolidated financial data for the financial year ended 31 December 2015 have been restated for the correction of certain misstatements. See Note 1 of the audited consolidated financial statements for the financial year ended 31 December 2016 which includes a description of the nature and effects of the misstatements related to the financial year ended 31 December 2015.

(in millions DKK)	Three months ended 31 March 2017	2016[1]
Cash inflow (outflow) from operating activities	(51.9)	41.3
Cash inflow (outflow) from investing activities	310.3	(90.3)
Cash inflow (outflow) from financing activities	(174.1)	3.9
Increase (decrease) in cash and cash equivalents	84.3	(45.1)

Section B – Issuer

Element	Disclosure requirement	Disclosure
		(1) The consolidated financial data for the three months ended 31 March 2016 have been restated for the correction of certain misstatements. See Note 1 of the unaudited consolidated interim financial statements for the three months ended 31 March 2017 which includes a description of the nature and effects of the misstatements related to the three months ended 31 March 2016.
B.8	Selected key pro forma financial information	Not applicable. No changes requiring pro forma financial information to be included in this Prospectus exist.
B.9	Profit forecast or estimate	For 2017, the Company expects a continued increase in royalty payments from Sanofi. No specific guidance on the level of such royalties can be provided, as Sanofi has not given any guidance on expected 2017 sales. Additional revenue of up to DKK 100 million is expected from event-driven partner-related milestones of which DKK 70 million was received in January 2017. Net operating expenses in 2017 are expected to be within the range DKK 390-410 million. The increase in 2017 as compared to 2016 is a result of increased levels of clinical development costs associated with the advancements of Glepaglutide and Dasiglucagon. The operating loss before royalty income/expenses is therefore expected to be within the range DKK 290-310 million, excluding royalty revenue.

(in millions DKK)	
Milestone revenue	100
Net operating expenses[1]	390-410
Operating loss before royalty income/expenses	290-310

[1] Net operating expenses consist of research, development and administrative expenses less operating income.

B.10	Qualifications in the audit report on the historical financial information	Not applicable. The audit reports on the audited consolidated financial statements included by reference in this Prospectus have been issued without qualifications.
B.11	Explanation if the issuer's working capital is not sufficient for the Company's present requirements	Not applicable. The Company believes that the net proceeds from the Offering, together with its existing cash and cash equivalents, revenue from milestones pursuant to collaborations and other committed sources of funds, will be sufficient to enable the Company to fund its anticipated operating expenses, capital expenditure and debt service requirements for the next 12 months following the date of this Prospectus. The Company has based this estimate on assumptions that may prove to be wrong.

Section C – Securities

Element	Disclosure requirement	Disclosure
C.1	Description of the type and the class of the Shares, including any security identification number	The Shares, including the New Shares, are not divided into share classes and shall be issued in the name of the holder and shall be recorded in the holder's name in the Company's register of shareholders through the holder's custodian bank. The New Shares will be issued in the temporary ISIN code DK0060887321, expectedly on 14 August 2017, and will be admitted to trading and official listing on Nasdaq Copenhagen in the permanent ISIN code for the Company's Existing Shares, DK0060257814, and under the existing symbol "ZEAL", expectedly on 15 August 2017.

Section C – Securities

Element	Disclosure requirement	Disclosure
C.2	Currency of the Shares	The New Shares are denominated in DKK.
C.3	Number of Shares issued and fully paid and issued but not fully paid	As of the date of this Prospectus, the Company's registered, issued and outstanding share capital is DKK 26,187,402 distributed into 26,187,402 shares of nominal value DKK 1 each. Immediately after the Offering, the Company's issued and outstanding share capital will be DKK 30,562,402 distributed into 30,562,402 Shares of nominal value DKK 1 each if the Over-allotment Option is not exercised and DKK 30,718,652 distributed into 30,718,652 Shares of nominal value DKK 1 each if the Over-allotment Option is exercised in full.
C.4	Description of the rights attached to the Shares	All Shares, including the New Shares (and any Over-allotment Shares), rank *pari passu* with all other Shares, including in respect of voting rights, pre-emptive rights, redemption, conversion and restrictions or limitations according to the Articles of Association or eligibility to receive dividend or proceeds in the event of dissolution and liquidation. Each Share entitles its holder to one vote at general meetings of shareholders of the Company.
C.5	Description of any restrictions on the free transferability of the Shares	Not applicable. The Shares are negotiable instruments and no restrictions under the Articles of Association or Danish law apply to the transferability of the Shares.
C.6	Admission to trading on a regulated market	The Existing Shares are admitted to trading and official listing on Nasdaq Copenhagen under the symbol "ZEAL" and in the ISIN code 0060257814. Application has been made for the New Shares to be admitted to trading and official listing on Nasdaq Copenhagen. It is expected that listing of the New Shares on Nasdaq Copenhagen under the Company's existing symbol "ZEAL" and in the ISIN code for the Existing Shares, DK DK0060257814, will be effective on or about 15 August 2017 after registration of the capital increase relating to the New Shares with the Danish Business Authority, expected on 14 August 2017. The New Shares are issued in connection with the Offering in the United States of 4,375,000 ADSs at a price of USD 17.87 per ADS. Each ADS represents 1 New Share. The New Shares are underlying the ADSs. The ADSs were listed and began trading on NASDAQ on 9 August 2017 under the symbol "ZEAL".
C.7	Description of dividend policy	The Company has never declared or paid any cash dividends on its Shares and the Company does not anticipate paying any cash dividends on its Shares in the foreseeable future. The Company intends to retain all available funds and any future earnings to fund the development and expansion of its business. Any future determination related to the Company's dividend policy and the declaration of any dividends will be made at the discretion of its Board of Directors and will depend on a number of factors, including its results of operations, financial condition, future prospects, contractual restrictions, restrictions imposed by applicable law and other factors the Company's Board of Directors deems relevant.

Section D – Risks

Element	Disclosure requirement	Disclosure
D.1	Key information on the key risks that are specific to the Zealand Pharma Group or its industry	*An investment in the Shares involves a high degree of financial risk. Prospective investors should carefully consider all information in this Prospectus, including the risks described below, before prospective investors decide to buy the Shares. This section addresses both general risks associated with the industry in which the Company operates and the specific risks associated with its business. If any such risks were to materialise, the Company's business, results of operations, financial condition and/or prospects could be materially and adversely affected, resulting in a decline in the value of the Shares and a loss of part or all of the investment of a prospective investor. Further, this section describes certain risks relating to the New Shares which could also adversely impact the value of the Existing Shares.*

Section D – Risks

Element	Disclosure requirement	Disclosure

The risks and uncertainties discussed below are those that the Company currently views as material, but these risks and uncertainties are not the only ones that the Company faces. Additional risks and uncertainties, including risks that are not known to the Company at present or that the Company currently deems immaterial, may also arise or become material in the future, which could lead to a decline in the value of the Shares and a loss of part or all of the investment of a prospective investor. The following risk factors are not listed in any particular order of priority as to significance or probability.

The risks related to the Company's business include but are not limited to:

- Risks Related the Company's business
  - The Company has incurred net losses in recent periods and may continue to do so;
  - The Company is heavily dependent on its collaboration with Sanofi;
  - The regulatory approval processes of the FDA, the EMA and other comparable regulatory authorities are lengthy, time consuming and inherently unpredictable, and if the Company or its collaboration partners are ultimately unable to obtain regulatory approval for the Company's internal or out licensed product candidates, its business could be substantially harmed;
  - For certain marketed products, product candidates and clinical development programs, the Company depends on collaboration partners to develop and conduct clinical trials with, obtain regulatory approvals for, and market and sell the Company's product candidates. If such collaboration partners fail to perform as expected, the potential for the Company to generate future revenue from such product candidates would be significantly reduced and the Company's business could be significantly harmed;
  - The Company issued a bond in December 2014, which reduces its ability to use royalty payments received under the Sanofi License Agreement for other purposes;
  - The pricing of the Company's out-licensed products and the Company's product candidates, if and when approved for marketing, will depend in part on pricing strategies adopted by the Company's competitors;
  - The Company may need to raise additional funding, which may not be available on acceptable terms, or at all, and failure to obtain this capital when needed may force the Company to delay, limit or terminate its product development efforts or other operations;
  - Due to the Company's limited resources and access to capital, the Company must, as it has in the past, prioritize the development of certain product candidates. These decisions may prove to be wrong and may adversely affect the Company's revenue; and
  - The Company may not be successful in its efforts to use cash flows from its approved out-licensed products to expand its novel, internal target discovery platform to build a pipeline of product candidates.
- Risks Related to the Company's products and product candidates
  - The Company is dependent on the successful commercialization by Sanofi of Adlyxin / Lyxumia and Soliqua100/33 / Suliqua, and the clinical success of the Company's internal product candidates, including Glepaglutide and Dasiglucagon;

Section D – Risks

Element	Disclosure requirement	Disclosure

- The Company's product candidates will need to undergo clinical trials that are time consuming and expensive, the outcomes of which are unpredictable, and for which there is a high risk of failure. If clinical trials of the Company's product candidates fail to satisfactorily demonstrate safety and efficacy to the EMA, the FDA and any other comparable regulatory authority, the Company may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development of these product candidates;
- The speed at which the Company completes its preclinical studies and clinical trials depend on many factors, including, but not limited to, patient enrollment;
- Adlyxin / Lyxumia, Soliqua100/33 / Suliqua or any of the Company's product candidates for which marketing approval is obtained could be subject to post-marketing restrictions or withdrawal from the market, and the Company may be subject to substantial penalties if the Company or its collaboration partners fail to comply with regulatory requirements or experience unanticipated problems with the Company's products following approval;
- The Company selectively relies on third parties to conduct its clinical trials and perform data collection and analysis, which may result in costs and delays that prevent the Company from successfully commercializing its product candidates;
- The Company relies on third parties to manufacture its preclinical and clinical drug supplies and the Company intends to rely on third parties to produce commercial supplies of any approved product candidate;
- The Company faces substantial competition from companies with considerably more resources and experience than the Company, which may result in others discovering, developing, receiving approval for or commercializing products before or more successfully than the Company;
- Adverse safety events involving Adlyxin / Lyxumia, Soliqua100/33 / Suliqua or the Company's product candidates can negatively affect the Company's business and Share price;
- If the FDA, the EMA or other comparable foreign regulatory authority approves generic versions of Adlyxin / Lyxumia, Soliqua100/33 / Suliqua or any of the Company's product candidates that receive marketing approval, or such authorities do not grant the Company's or its collaboration partners' product candidates appropriate periods of data exclusivity before approving generic versions of the Company's or its collaboration partners' products, the sales of such products could be adversely affected;
- Certain of the Company's peptide product candidates are expected to be delivered parenterally by medical devices that may be regulated as combination products that are required to obtain separate FDA clearance or pre-market approval and/or approval by other regulatory authorities;
- The Company's product candidates are complex to manufacture, and the Company or its collaboration partners may encounter difficulties in production that could have a material adverse effect on the Company's business and financial results; and

Section D – Risks

Element	Disclosure requirement	Disclosure

- The Company currently has no sales function. If the Company is unable to establish a sales function or enter into sales, marketing and distribution arrangements with third parties, the Company may not be successful in commercializing its internal product candidates if and when they are approved.

- Risks Related to the Company's operations
  - There is a risk that the Company's products may have major side effects that may give rise to substantial liability claims;
  - There is a risk that the Company may not be able to maintain insurance coverage, and that existing or any future insurance policies or its own resources will not sufficiently cover claims for damages that the Company may receive in the future;
  - The Company's future success depends on its ability to retain its management team and key employees;
  - The Company's R&D activities could be affected or delayed as a result of possible restrictions on animal testing;
  - If the Company fails to manage its growth effectively, its ability to develop and commercialize products could suffer;
  - The Company may acquire businesses or products, or form strategic alliances, in the future, and the Company may not realize the benefits of such acquisitions;
  - The Company's internal computer systems, or those of its collaboration partners or other contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of the Company's product development programs; and
  - The Company will become subject to the U.S. Foreign Corrupt Practices Act which imposes significant penalties for payments in violation of such Act.

Risks Related to the Company's intellectual property

- The Company's ability to compete may decline if the Company or its collaboration partners are unable to or do not adequately protect intellectual property rights or if the Company's intellectual property rights are inadequate for its product candidates or future product candidates;
- Issued patents covering the Company's product candidates could be found invalid or unenforceable if challenged in court;
- The Company may become involved in lawsuits to protect or enforce its patents or other intellectual property, which could be expensive, time consuming and unsuccessful and have a material adverse effect on the success of the Company's business;
- Claims that the Company's product candidates or their uses infringe the intellectual property rights of third parties could result in costly litigation, and unfavorable outcomes could require the Company to pay damages or royalties and could limit the Company's R&D activities or its ability to commercialize certain products;
- Biopharmaceutical patents and patent applications involve highly complex legal and factual questions, which, if determined adversely to the Company, could negatively impact its patent position;

Section D – Risks

Element	Disclosure requirement	Disclosure
		o If the Company is unable to protect the confidentiality of its trade secrets and know-how, its business and competitive position would be harmed; o Developments in patent law in the United States and other jurisdictions could have a negative impact on the Company's business; o The Company will not seek to protect its intellectual property rights in all jurisdictions throughout the world, and the Company may not be able to adequately enforce its intellectual property rights even in the jurisdictions where the Company seeks protection; o Patent terms and regulatory exclusivities may be inadequate to protect the Company's competitive position on its product candidates for an adequate amount of time; o Third parties may challenge the inventorship of the Company's patent filings and other intellectual property or may assert ownership or commercial rights to inventions the Company develops; o Third parties may assert that the Company's employees or consultants or the Company have wrongfully used or disclosed confidential information or misappropriated trade secrets, or claim ownership of what the Company regards as its own intellectual property; o If the Company's trademarks and trade names are not adequately protected, then the Company may not be able to build name recognition in its markets of interest and its business may be adversely affected; and o Obtaining and maintaining patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and the Company's patent protection could be reduced or eliminated for non-compliance with these requirements.

Section D – Risks

Element	Disclosure requirement	Disclosure
		• Risks Related to government regulation o Government restrictions on pricing and reimbursement, as well as other healthcare pay or cost-containment initiatives, may negatively impact the Company's ability to generate revenue; o The Company may face difficulties from changes to current regulations and future legislation in the United States; o The Company's operations involve hazardous materials and the Company and third parties with whom the Company contract must comply with environmental laws and regulations, which can be expensive and restrict how the Company does business; o The Company is subject to healthcare laws and regulations, which may require substantial compliance efforts and could expose the Company to criminal sanctions, civil penalties, exclusion from government healthcare programs, contractual damages, reputational harm and diminished profits and future earnings, among other penalties; o The Company's employees and collaboration partners may engage in misconduct or other improper activities, including violating applicable regulatory standards and requirements or engaging in insider trading, which could significantly harm the Company's business; o Changes in Danish, U.S. or other foreign tax laws or compliance requirements, or the practical interpretation and administration thereof, could have a material adverse effect on the Company's business, financial condition and results of operations; and o The impact on the Company of the recent vote by the United Kingdom to leave the EU cannot be predicted.
D.3	Key information on the key risks relating to the Shares	• The trading price of the Company's Shares may be volatile due to factors beyond the Company's control, and purchasers of the Shares could incur substantial losses; • The Company has broad discretion over the use of the net proceeds from the Offering and may use them in ways with which Shareholders do not agree and in ways that may not enhance the Company's operating results or the price of the Shares; • If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about the Company's business, the price of the Shares and their trading volume could decline; • The Company intends to retain all available funds and any future earnings and, consequently, the Shareholders' ability to achieve a return on their investment will depend on appreciation in the price of the Shares; • Future sales, or the perception of future sales, of a substantial number of the Company's Shares could adversely affect the price of the Shares, and actual sales of the Company's equity will dilute its Shareholders; • If the Company issues Shares in future financings, Shareholders may experience dilution and, as a result, the Company's Share price may decline; • U.S. holders and other non-Danish holders of Shares may not be able to exercise pre-emptive rights or participate in any future rights offerings;

Section D – Risks

Element	Disclosure requirement	Disclosure
		• It may be difficult or impossible for investors outside Denmark to enforce judgments from their home jurisdictions against the Company; • In the future, the Company may lose its foreign private issuer status in the U.S, which could result in significant additional costs and expenses; • As a result of becoming a public company in the U.S., the Company will become subject to additional regulatory compliance requirements, including Section 404 of the Sarbanes Oxley Act, and such compliance may be time consuming, costly and increase demand on the Company's systems and resources; and • The Company has identified material weaknesses in its internal control over financial reporting. If the Company fails to maintain an effective system of internal control over financial reporting, it may not be able to accurately report its financial results in a timely manner or prevent fraud, which may adversely affect the Company's business, investor confidence in the Company and the market price of its Shares.

Section E – Offer

Element	Disclosure requirement	Disclosure
E.1	Total net proceeds of the Issue and estimated expenses	Gross proceeds from the Offering will be DKK 492,541,875 if the Over-allotment Option is not exercised, and net proceeds are expected to be DKK 427,916,648. If the Over-allotment Option is exercised in full, gross proceeds will be DKK 566,423,156, and net proceeds are expected to be DKK 496,626,239. Most expenses in relation to the Offering are payable by us. These expenses are expected to be approximately DKK 64,625,227 if the Over-allotment Option is not exercised, and DKK 69,796,917 if the Over-allotment Option is exercised in full. The Underwriters who are the sole subscribers for the New Shares have agreed to reimburse us for certain of the offering expenses. Hence, the Underwriters will reimburse an amount of DKK 1,231,354 if the Over-allotment Option is not exercised and DKK 1,416,057 if the Over-allotment Option is exercised in full. Apart from such reimbursed expenses, the Underwriters shall not bear expenses in relation to the Offering.
E.2a	Reasons for the Issue and use of proceeds, estimated net amount of the proceeds	The Company's reason for the Offering is to access the U.S. capital markets in order to raise funds to support its business. The Company 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

Section E – Offer

Element	Disclosure requirement	Disclosure
		• 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. The Company'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 Prospectus, the Company cannot predict with certainty all of the particular of the net proceeds of the Offering or the amounts that the Company will actually spend on the uses set forth above. The amounts and timing of the Company'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 the Company enters into collaborations with third parties in the future. As a result, management 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. The Company estimates that the net proceeds from the Offering will be approximately DKK 427,916,648 after deducting the underwriting commission and estimated offering expenses payable by the Company. If Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the Underwriters, exercise the Over-allotment Option in full, the Company estimates that the net proceeds to the Company from the Offering will be approximately DKK 496,626,239, after deducting the underwriting commission and estimated offering expenses payable by the Company.
E.3	Terms and conditions of the Issue	This Prospectus is a listing prospectus in which there is no public offering of New Shares in Denmark, the EEA or in the United States. The New Shares will in their entirety be subscribed for by the Underwriters who have instructed the Company to deliver the New Shares to the Depositary, The Bank of New York Mellon whose business address is 101 Barclay Street, New York, New York 10286. The Company has entered into the Underwriting Agreement with Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the Underwriters, in relation to the ADSs. The subscription price for the New Shares is DKK 112.58 corresponding to a price of DKK 112.58 per ADS (using a USD/DKK exchange rate of 6.3). The New Shares are expected to be issued by the Company and the capital increase to be registered with the Danish Business Authority on 14 August 2017. The New Shares are expected to be delivered to the Depositary through the facilities of VP Securities. The New Shares will be registered and cleared through VP Securities and have been accepted for clearing through Danske Bank A/S.
E.4	Material interests in the issue including conflicts of interest	Members of the board of directors, members of the executive management and the Key Employees have Shares and warrants in the Company. The Company is not aware of any other potential interest, or conflict of interest, of natural or legal persons involved in the Offering who may have a material interest in the Offering and the admission to trading and official listing of the New Shares on Nasdaq Copenhagen.
E.5	Selling shareholders and Lock-up Arrangements	In connection with the Offering, the Company, the current members of the board of directors and the executive management and certain holders of Shares have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the Underwriters, that they will not, during the period ending 180 days (90 days for certain holders of Shares) after the date of the U.S. Prospectus (the "**Restricted Period**"): • offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise

Section E – Offer

Element	Disclosure requirement	Disclosure
		transfer or dispose of, directly or indirectly, any Shares, ADSs or any securities convertible into or exercisable or exchangeable for Shares or ADSs; and • enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares or ADSs, whether any such transaction described above is to be settled by delivery of Shares, ADSs or such other securities, in cash or otherwise. In addition, the Company and each such person have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the Underwriters, they will not, during the Restricted Period, make any demand for, or exercise any right with respect to, the registration of any Shares, ADSs or any security convertible into or exercisable or exchangeable for Shares or ADSs. There are certain customary exemptions to the lock-up undertaking.
E.6	The amount and percentage of immediate dilution resulting from the Issue	The Existing Shares at the date of this Prospectus will be diluted by the issue of 4,375,000 New Shares, corresponding to a nominal value of DKK 4,375,000, if the Over-allotment Option is not exercised, and 4,5031,250 New Shares, corresponding to a nominal value of DKK 4,5031,250, if the Over-allotment Option is exercised in full. Following the completion of the Offering, the Existing Shares will represent 14.31% of the Company's share capital if the Over-allotment Option is not exercised, and 14.75% if the Over-allotment Option is exercised in full.
E.7	Estimated expenses charged to the investor by the Company	Not applicable, as no brokerage fees are paid in connection with the issue of the New Shares and the Company will not charge any expenses. Investors will have to bear customary transaction and handling fees charges by their account-keeping financial institution.

RISK FACTORS

An investment in the Shares involves a high degree of financial risk. You should carefully consider all information in this Prospectus, including the risks described below, before you decide to buy the Shares. This section addresses both general risks associated with the industry in which we operate and the specific risks associated with our business. If any such risks were to materialise, our business, results of operations, financial condition and/or prospects could be materially and adversely affected, resulting in a decline in the value of the Shares and a loss of part or all of your investment. Further, this section describes certain risks relating to the New Shares which could also adversely impact the value of the Existing Shares.

The risks and uncertainties discussed below are those that we currently view as material, but these risks and uncertainties are not the only ones that we face. Additional risks and uncertainties, including risks that are not known to us at present or that we currently deem immaterial, may also arise or become material in the future, which could lead to a decline in the value of the Shares and a loss of part or all of your investment. The following risk factors are not listed in any particular order of priority as to significance or probability.

Risks Related to Our Business

We have incurred net losses in recent periods and may continue to do so.

We recognized net losses of DKK 153.9 million in 2016 and DKK 114.0 million in 2015. In the three months ended 31 March 2017, we recognized a net loss of DKK 26.3 million. These losses are primarily the result of our internal and external research expenditures and development costs for conducting preclinical studies and clinical trials in respect of our internal product portfolio. Our ability to generate revenue from our internal product portfolio depends on our ability to successfully develop and commercialize our product candidates and to obtain the regulatory and marketing approvals necessary to commercialize one or more of our product candidates.

In 2015, 2016 and the three months ended 31 March 2017, we generated revenue from milestone payments for our out-licensed products and royalty payments in respect of global net sales of Lixisenatide, which is out-licensed to and marketed by Sanofi, both as a stand-alone therapy under the brand names Adlyxin in the United States and Lyxumia in the EU and in various other jurisdictions and as a combination therapy with Lantus under the brand names Soliqua100/33 in the United States and Suliqua in the EU. Our ability to generate revenue from out-licensing certain of our product candidates depends on the ability of our collaboration partners to successfully commercialize, complete the development of and obtain the regulatory and marketing approvals for our out-licensed product candidates.

Our ability and our collaboration partners' ability to generate future revenue from product sales or pursuant to milestone payments depend heavily on many factors, including, but not limited to:

- completing research activities and preclinical and clinical development of our out-licensed and internal product candidates;
- continuing sales of Adlyxin / Lyxumia and Soliqua100/33 / Suliqua and our ability to realize royalty revenue therefrom;
- on our own, or together with our strategic collaboration partners, obtaining regulatory approvals for our product candidates;
- negotiating favourable terms of and entering into further collaboration, licensing or other arrangements;
- the ability of our collaboration partners to successfully commercialize or our ability to commercialize or co-promote our product candidates;
- obtaining market acceptance of our product candidates, if approved;
- addressing any competing technological or market developments;
- identifying, assessing, acquiring, in-licensing or developing new product candidates;

- maintaining, protecting and expanding our portfolio of intellectual property rights, including patents, trade secrets and know-how, and our ability to develop, manufacture and commercialize our product candidates and products without infringing the intellectual property rights of others; and

- attracting, hiring, and retaining qualified personnel.

In cases where we, or our collaboration partners, are successful in obtaining regulatory approvals to market one or more of our product candidates, our revenue will be dependent, in part, upon the size of the markets in the territories for which regulatory approval is granted, the price or prices at which we or our collaboration partners are able to sell such products and our ability to get paid or reimbursed for such products. If the number of individuals suitable for our product candidates is not as significant as we estimate, the indications approved by regulatory authorities are narrower than we expect, or the reasonably accepted population for treatment is narrowed by competition, physician choice or applicable guidelines, we may not generate significant revenue from the sale of such products, even if approved. Our failure to generate revenue from sales of one or more of our product candidates or pursuant to license or milestone payments or if the level of revenue generated therefrom is lower than our or the market's expectations, could have a material adverse effect on our business, financial position, results of operations and future growth prospects.

We expect our expenses to continue to increase and that we will continue to incur losses as we further develop our internal product portfolio. In particular, we anticipate that our expenses and losses will increase substantially if and as we:

- continue the preclinical and clinical development of our internal product candidates;

- expand the scope of or otherwise materially modify our current clinical trials for our internal product candidates;

- begin new clinical trials for our internal product candidates;

- develop our commercial manufacturing capabilities for our internal product candidates;

- seek regulatory and marketing approvals for any internal product candidates that successfully complete clinical trials;

- establish a sales, marketing and distribution infrastructure to commercialize any drugs for which we may obtain marketing approval and for which we have not entered into a collaboration with a third party;

- seek to identify and validate additional product candidates;

- acquire or in-license product candidates and technologies;

- maintain, protect and expand our intellectual property portfolio;

- attract new and retain existing skilled personnel; and

- create additional infrastructure to support our operations as a U.S. public company.

The net losses we incur may fluctuate significantly from year-to-year, such that a year-to-year comparison of our results of operations may not be a good indication of our future performance. In any particular period or periods, our operating results could be below the expectations of securities analysts or investors, which could cause the price of the Shares to decline.

We are heavily dependent on our collaboration with Sanofi.

We have entered into a number of agreements for the out-licensing of certain products and product candidates and rely on our collaboration partners to develop and commercialize those product candidates. In particular, the Sanofi License Agreement, which grants Sanofi the exclusive worldwide rights to develop, manufacture, commercialize and market Lixisenatide, both as a stand-alone and combination therapy. To date, the majority of our revenue has been derived from milestone payments made by Sanofi, as well as royalty payments from Sanofi in respect of sales of our approved product Adlyxin in

the United States and Lyxumia outside the United States. We expect to continue to be highly dependent on the Sanofi License Agreement for revenue in the foreseeable future. In December 2016, Sanofi announced its plan to cut its diabetes and cardiovascular salesforce by 20% in the United States as a result of increased pricing pressure and competition within this sector. This decision, or if Sanofi were to further change its priorities, either in the United States or around the world, could cause Sanofi to reallocate resources relating to Lyxumia / Adlyxin and Soliqua100/33 / Suliqua, terminate its relationship with us, fail to make payments as and when due under the Sanofi License Agreement or fail to devote sufficient time and resources or slow down or change schedules or strategies for the development, commercialization and marketing of Lyxumia / Adlyxin and Soliqua100/33 / Suliqua, could have a material adverse effect on our business, financial position, results of operations and future growth prospects. Sanofi has initiated co-pay programs for Soligua 100/33 and Adlyxin in the United States, the effect of which will be to reduce reported net sales on which our royalties are calculated for so long as the programs are in place.

The regulatory approval processes of the FDA, the EMA and other comparable regulatory authorities are lengthy, time consuming and inherently unpredictable, and if we or our collaboration partners are ultimately unable to obtain regulatory approval for our internal or out-licensed product candidates, our business could be substantially harmed.

The time required to obtain approval by the FDA, the EMA and other comparable regulatory authorities is unpredictable, but typically takes many years following the commencement of clinical trials and depends upon numerous factors, including the substantial discretion of the regulatory authorities. In addition, approval policies, regulations or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and varies among jurisdictions. While products that we have out licensed to Sanofi have received regulatory approval, we have not obtained regulatory approval in Europe and/or the United States for any product candidate for which we retain full development, commercialization and marketing control, and it is possible that none of our existing product candidates or any product candidates that we may seek to develop in the future will ever obtain regulatory approval

Such product candidates could fail to receive regulatory approval for many reasons, including, but not limited to, the following:

- the FDA, the EMA or other comparable regulatory authorities may disagree with the design or implementation of our clinical trials;
- we or our collaboration partners may be unable to demonstrate to the satisfaction of the FDA, the EMA or other comparable regulatory authorities that a product candidate is safe and effective for its proposed indications;
- we or our collaboration partners may be unable to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- the FDA, the EMA or other comparable regulatory authorities may disagree with our interpretation of data from preclinical studies or clinical trials;
- the data collected from clinical trials of our product candidates may not be sufficient to support the submission of a NDA, supplemental NDA or other submission or to obtain regulatory approval in Europe, the United States, or elsewhere;
- the FDA, the EMA or any other comparable regulatory authority may fail to approve the labeled conditions for use that we or our collaboration partners propose for a product candidate;
- the FDA, the EMA or other comparable regulatory authorities may fail to approve the manufacturing processes or facilities of any third party manufacturers with which we may contract for clinical and commercial supplies or such processes or facilities may not pass a preapproval inspection; and
- the approval policies or regulations of the FDA, the EMA or other comparable regulatory authorities may change or differ significantly from one another in a manner rendering our clinical data insufficient for approval.

This lengthy approval process, as well as the unpredictability of ongoing clinical trial results, may result in our or our collaboration partners' failure to obtain regulatory approval to market our product candidates, which would harm our business, financial position, results of operations and future growth prospects significantly. In addition, even if we or our collaboration partners were to obtain approval, regulatory authorities may approve any of our

product candidates for fewer or more limited indications than requested, may grant approval contingent on the performance of costly post-marketing clinical trials or may approve a product candidate with a label that does not include the labelling claims necessary or desirable for the successful commercialization of that product candidate. In certain jurisdictions, regulatory authorities may not approve the price we or our collaboration partners intend to charge for our products. Any of the foregoing scenarios could materially harm the commercial prospects of our product candidates.

For certain marketed products, product candidates and clinical development programs, we depend on collaboration partners to develop and conduct clinical trials with, obtain regulatory approvals for, and market and sell our product candidates. If such collaboration partners fail to perform as expected, the potential for us to generate future revenue from such product candidates would be significantly reduced and our business could be significantly harmed.

For certain marketed products, product candidates and clinical development programs, we do, and may in the future continue to, rely on our collaboration partners to develop, conduct clinical trials of, and commercialize our product candidates and approved products. We have existing collaborations with Sanofi and BI, (collectively our "**Licensees**"). We may also enter into collaboration agreements with other parties in the future relating to product candidates. Ultimately, if such out-licensed product candidates are advanced through clinical trials and receive marketing approval from the EMA (as was the case for Lyxumia and Suliqua), the FDA (as was the case for Adlyxin and Soliqua100/33) or similar regulatory authorities, certain of our collaboration partners will be responsible for commercialization of these out-licensed products. The potential for us to obtain future development milestone payments and, ultimately, generate revenue from royalties on sales of such out-licensed products depends on the successful development, regulatory approval, marketing and commercialization by our collaboration partners. If our collaboration partners do not perform in the manner we expect or fail to fulfill their responsibilities in a timely manner or at all, if our agreements with them terminate or if the quality or accuracy of the clinical data they obtain is compromised, the clinical development, regulatory approval and commercialization efforts related to our out-licensed product candidates could be delayed or terminated, and it could become necessary for us to assume the responsibility at our own expense for the clinical development of such product candidates. In that event, we would likely be required to limit the size and scope of efforts for the development and commercialization of such product candidate; we would likely be required to seek additional financing to fund further development or identify alternative strategic collaboration partners; our potential to generate future revenue from royalties and milestone payments from such product candidates would be significantly reduced or delayed; and it could have a material adverse effect on our business, financial position, results of operations and future growth prospects.

Collaborations involving our out-licensed product candidates pose a number of risks, including the following:

- collaboration partners have significant discretion in determining the efforts and resources that they will apply to these partnerships;
- collaboration partners may not perform their obligations as expected;
- collaboration partners may not pursue development and commercialization of our out-licensed product candidates or may elect not to continue or renew development or commercialization programs, based on clinical trial results, changes in the collaboration partners' strategic focus or available funding or external factors, such as an acquisition, that divert resources or create competing priorities;
- collaboration partners may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- collaboration partners may have or could independently develop, or develop with third parties, products that compete directly or indirectly with our out-licensed product candidates;
- disagreements with collaboration partners, including disagreements over proprietary rights, contract interpretation or the conduct of product research, development or commercialization programs, may cause delays or lead to termination of such programs, or require us to assume unplanned expenditures, responsibilities or liabilities with respect to product candidates we have out licensed, or may result in costly and time consuming litigation or arbitration;
- collaboration partners may infringe the intellectual property rights of third parties, which may result in costly and time consuming litigation or arbitration in which we may be involved, as a party or in support of our collaboration partners;

- collaboration partners with marketing and distribution rights to one or more products may not commit sufficient resources to the marketing and distribution of such product or products;

- collaboration partners with marketing and distribution rights may incur costs that have the effect of reducing the base on which royalties are calculated;

- collaboration partners may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability; and

- collaboration agreements may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable product candidates.

In addition, certain collaboration agreements provide our collaboration partners with rights to terminate such agreements and licenses granted under such agreements under various conditions, which, if exercised, would adversely affect our product development efforts, could make it difficult for us to attract new collaboration partners and may adversely affect our reputation. Our collaboration partners may have the right to terminate their respective collaboration agreements with us. For example, under our Sanofi License Agreement, pursuant to which Sanofi is responsible for all commercialization activities in respect of the licensed products thereunder and is required to pay royalties and milestone payments upon the occurrence of certain events, Sanofi has the right to terminate the Sanofi License Agreement in its sole discretion at any time upon 90 days' prior written notice. Any such termination of the Sanofi License Agreement or other agreements with our collaboration partners could have a material adverse effect on our business, financial position and results of operations.

The timing and amount of any milestone and royalty payments we may receive under our agreements with our collaboration partners will depend on, among other things, the efforts, allocation of resources, and successful development and commercialization of our product candidates. We cannot be certain that any of the development and regulatory milestones will be achieved or that we will receive any future milestone payments under these agreements. In addition, in certain circumstances we may believe that we have achieved a particular milestone and the applicable collaboration partner may disagree with our belief. In that case, receipt of that milestone payment may be delayed or may never be received, which may require us to adjust our operating plans.

We issued a bond in December 2014, which reduces our ability to use royalty payments received under the Sanofi License Agreement for other purposes.

On 12 December 2014, we raised USD 50 million through the issuance by our wholly owned subsidiary ZP SPV I K/S ("**ZP SPV**") of a non-dilutive, limited-recourse royalty bond (the "**ZP SPV Notes**") which is secured by 86.5% of the annual royalty payments received under the Sanofi License Agreement for Lixisenatide. The ZP SPV Notes bear interest at a fixed rate of 9.375% per annum. Pursuant to the terms of the ZP SPV Notes, repayment of amounts due will come from royalty payments received in respect of Adlyxin / Lyxumia with no recourse to future royalty revenue on other out-licensed product candidates, including Soliqua100/33 / Suliqua. The ZP SPV Notes include customary events of default, including failure to pay principal and interest on the ZP SPV Notes, a failure of ZP SPV or our wholly owned subsidiary, ZP Holding SPV K/S ("**ZP Holding**"), to pay material judgments or indebtedness, our, ZP Holding's or ZP SPV's failure to comply with covenants, a failure to maintain a first priority security interest in the collateral, a change of control with respect to ZP SPV or ZP Holding, and bankruptcy and insolvency events. The ZP SPV Notes initially required us to maintain a collateral reserve account securing our payment obligations thereunder, and that such collateral reserve account be funded by certain milestone payments related to both Adlyxin / Lyxumia and Soliqua100/33 / Suliqua. As of 30 June 2017, we had paid DKK 75.9 million (USD 10.9 million), or 86.5% from royalties received in 2016 and the first six months of 2017 in respect of Adlyxin / Lyxumia into a collection account for the purpose of paying interest and principal on the ZP SPV Notes. On 15 March 2017, we amended the ZP SPV Notes to provide for the redemption of USD 25 million of the ZP SPV Notes at premium of 103% of the notes being redeemed. The amendment to the ZP SPV Notes provides that, following such redemption, the remaining USD 25 million will be payable in full on 15 March 2021, subject to early redemption rights and conditions that ZP SPV holds as the issuer of the notes. Following our amendment of the ZP SPV Notes and the concurrent redemption, the remaining USD 26.2 million held as collateral for the ZP SPV Notes in the collateral reserve account was released to us. Additionally, on 15 March 2017, we issued a guarantee in favor of the trustee and the holders of the ZP SPV Notes, guaranteeing the payment and performance by ZP SPV of the secured obligations (as such term is defined in the indenture governing the ZP SPV Notes) thereunder. Until the full repayment of the ZP SPV Notes, we are obliged to pass on a high percentage of all royalty payments related to Lixisenatide received under the Sanofi License Agreement to bondholders, and other than for payment of obligations to Alkermes plc ("**Alkermes**") and one of the inventors of our SIP technology, will not be able to fully utilize royalty payments received from Sanofi. This, in turn, reduces the funds available to finance our internal product projects.

The pricing of our out-licensed products and our product candidates, if and when approved for marketing, will depend in part on pricing strategies adopted by our competitors.

The pricing of certain of our products and product candidates, if and when approved for marketing, will depend, in part, on the pricing strategies adopted by our competitors. At the end of 2016, Novo Nordisk announced its intention to limit list-price increases of its products, including its insulin pens and needles, to single digit percentages annually, and Eli Lilly stated that from 1 January 2017, Eli Lilly insulin would be provided at discounted prices via mobile and web platforms, reducing costs for people with no insurance or those in the deductible phase of their insurance plans. The impact of these announcements could have a negative impact on companies that are marketing diabetes products. Milestone payments that we received from Sanofi are based in part on sales of Lyxumia / Adlyxin and Soliqua100/33 / Suliqua and under the Sanofi License Agreement. Sanofi determines its own pricing policy in respect of these products. Adoption of a similar pricing policy by Sanofi with respect to its marketed diabetes products, including Lyxumia / Adlyxin and Soliqua100/33 / Suliqua, would limit our net revenue and results.

We may need to raise additional funding, which may not be available on acceptable terms, or at all, and failure to obtain this capital when needed may force us to delay, limit or terminate our product development efforts or other operations.

We are currently advancing our internal product candidates through clinical development and are conducting preclinical studies with respect to other programs. Developing product candidates is expensive, lengthy and risky, and we expect our R&D expenses to increase in connection with our ongoing activities, particularly as we seek to advance our internal product candidates toward commercialization.

As of 31 May 2017, our cash and cash equivalents were DKK 341.9 million and our restricted cash was DKK 6.3 million. We estimate that the net proceeds from the Offering will be approximately DKK 427,916,648, based on an offering price of USD 17.87 per ADS (DKK 112.58), corresponding to a subscription price of DKK 112.58 per underlying New Share (based on a USD/DKK exchange rate of 6.3). We expect that the net proceeds from the Offering, our existing cash and cash equivalents, revenue from milestones pursuant to collaborations and other committed sources of funds will be sufficient to engage us to fund our anticipated operating expenses, capital expenditure and debt service requirements for the next 12 months following the date of this Prospectus. However, our operating plans may change as a result of a variety of factors, and we may need to seek additional funds sooner than planned through public or private equity offerings, debt financings or corporate collaboration and licensing agreements.

Further, we may seek additional capital if market conditions are favourable or if we have specific strategic considerations.

Any additional fundraising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our product candidates. In addition, we cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. Moreover, the terms of any financing may adversely affect the holdings or the rights of our Shareholders and the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of the Shares to decline. The sale of additional equity or convertible securities could be dilutive to our Shareholders. The incurrence of indebtedness would result in increased fixed payment obligations and we may be required to agree to certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. If we are unable to obtain adequate financing, we may be required to delay, reduce or eliminate the number or scope of our projects and internal product candidates (including our preclinical studies and clinical trial programs). We could also be required to seek funds through arrangements with collaboration partners or at an earlier stage than otherwise would be desirable and we may be required to relinquish rights to some of our technologies or internal product candidates or otherwise agree to terms unfavorable to us. If we are unable to obtain funding on a timely basis, we may be required to significantly curtail, delay or discontinue one or more of our research or development programs or the commercialization of any internal product candidate or be unable to expand our operations or otherwise capitalize on our business opportunities, as desired, which could impair our prospects.

Due to our limited resources and access to capital, we must, as we have in the past, prioritize the development of certain product candidates. These decisions may prove to be wrong and may adversely affect our revenue.

Because we have limited resources and access to capital to fund our operations, we must decide which product candidates to pursue and the amount of resources to allocate to each such product candidate. As such, we are currently primarily focused on the development of Glepaglutide and Dasiglucagon. Our decisions concerning the allocation of research, collaboration, management and financial resources toward particular compounds, product candidates or therapeutic areas may not lead to the development of viable commercial products and may divert resources away from better opportunities. Similarly, our potential decisions to delay, terminate or collaborate with third parties in respect of certain product development programs may also prove not to be

optimal and could cause us to miss valuable opportunities. If we make incorrect determinations regarding the market potential of our product candidates or misread trends in the pharmaceutical industry, our business, financial position, results of operations and future growth prospects could be materially adversely affected.

We may not be successful in our efforts to use cash flows from our approved out-licensed products to expand our novel, internal target discovery platform to build a pipeline of product candidates.

A key element of our strategy is to use cash flows from our portfolio of approved, out-licensed drug products to build a pipeline of novel internal product candidates and progress these product candidates through clinical development for the treatment of a variety of diseases. Although our research and development, or R&D, efforts to date have resulted in the development of out-licensed product candidates directed at various diseases, we may not be able to develop additional product candidates in a sufficient timeframe, if at all, to provide for the further development of our pipeline of internal product candidates. Our current internal product candidates are in early stages of clinical development and will require substantial further clinical development and testing, and eventually regulatory approval, prior to commercialization. Even if we are successful in continuing to develop our out-licensed pipeline, the potential product candidates that we identify may not be suitable for clinical development, including as a result of being shown to have harmful side effects or other characteristics that indicate that they are unlikely to be products that will receive marketing approval and achieve market acceptance. If we do not continue to successfully develop our out-licensed product candidates and if these out-licensed product candidates are not successfully commercialized by our collaboration partners, we will face difficulty in funding our internal pipeline of product candidates and in generally obtaining product revenue in future periods, which could result in significant harm to our financial position and adversely affect the price of the Shares.

Risks Related to Our Products and Product Candidates

We are dependent on the successful commercialization by Sanofi of Adlyxin / Lyxumia and Soliqua100/33 / Suliqua, and the clinical success of our internal product candidates, including Glepaglutide and Dasiglucagon.

Our business and future success is highly dependent on Sanofi's ability to successfully commercialize Adlyxin / Lyxumia and Soliqua100/33 / Suliqua and to make payments to us under the Sanofi License Agreement. We are also dependent on our ability to develop successfully, obtain regulatory approval for, and then successfully commercialize our other product candidates, including Glepaglutide and Dasiglucagon. Our internal product candidates will require additional R&D clinical development, management of clinical and manufacturing activities, regulatory approval in multiple jurisdictions (if regulatory approval can be obtained at all), securing sources of commercial manufacturing supply, building of, or partnering with, a commercial organization, substantial investment and significant marketing efforts before any revenue can be generated from product sales. We are not permitted to market or promote any of our product candidates in any jurisdiction before we receive regulatory approval from the FDA, the EMA or any other comparable regulatory authority in that jurisdiction, and we may never receive such regulatory approval for any of our product candidates in any particular jurisdiction or at all. We cannot assure you that our clinical trials for Glepaglutide or Dasiglucagon will be completed in a timely manner, or at all, or that we will be able to obtain approval from the FDA, EMA or any other comparable regulatory authority for any of our product candidates. We cannot be certain that we will advance any other product candidates into clinical trials. If Sanofi is unable to successfully commercialize Adlyxin / Lyxumia and Soliqua100/33 / Suliqua, or if any of Glepaglutide, Dasiglucagon or any future product candidate is not approved and commercialized in any particular jurisdiction, we may not be able to generate any royalties or product revenue, as the case may be, for that product candidate at all or in such jurisdiction. Moreover, any delay or setback in the development of any product candidate could materially adversely affect our business and cause the price of the Shares to fall.

Our product candidates will need to undergo clinical trials that are time consuming and expensive, the outcomes of which are unpredictable, and for which there is a high risk of failure. If clinical trials of our product candidates fail to satisfactorily demonstrate safety and efficacy to the EMA, the FDA and any other comparable regulatory authority, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development of these product candidates.

The EMA in Europe, the FDA in the United States, and any other comparable regulatory authorities in other jurisdictions must approve new product candidates before they can be marketed, promoted or sold in those territories. We must provide these regulatory authorities with data from preclinical studies and clinical trials that demonstrate that our product candidates are safe and effective for a specific indication before they can be approved for commercial distribution. Lyxumia /Adlyxin and Soliqua100/33 / Suliqua are our only approved products. We cannot be certain that our clinical trials for our product candidates will be successful or that any of our other internal or out-licensed product candidates will receive approval from the FDA, the EMA or any other comparable regulatory authority.

Preclinical studies and clinical trials are long, expensive and unpredictable processes that can be subject to extensive delays. We cannot guarantee that any clinical trials will be conducted as planned or completed on schedule, if at all. It may take several years and require significant expenditures to complete the preclinical studies and clinical trials necessary to commercialize a product candidate, and delays or failure are inherently unpredictable and can occur at any stage. Interim results of clinical trials do not necessarily predict final results, and success in preclinical studies and early clinical trials does not ensure that later clinical trials will be successful. A number of companies in the pharmaceutical, biopharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials even after promising results in earlier trials, and we cannot be certain that we will not face similar setbacks. The design of a clinical trial can determine whether its results will support approval of a product, and flaws in the design of a clinical trial may not become apparent until the clinical trial is well advanced or completed. Changing the design of a clinical trial can be expensive and time consuming. An unfavorable outcome in one or more trials would be a major setback for our product candidates and for us. An unfavorable outcome in one or more trials may require us to delay, reduce the scope of or eliminate one or more product development programs, which could have a material adverse effect on our business, financial position, results of operations and future growth prospects.

In connection with clinical trials of our product candidates, we face a number of risks, including risks that:

- a product candidate is ineffective, inferior to existing approved products for the same indications, unacceptably toxic or has unacceptable side effects;
- patients may die or suffer other adverse effects for reasons that may or may not be related to the product candidate being tested;
- extension studies on long-term tolerance could invalidate the use of our product;
- the results may not confirm the positive results of earlier trials;
- the results may not meet the level of statistical significance required by the FDA, the EMA or other relevant regulatory agencies to establish the safety and efficacy of our product candidates for continued trial or marketing approval; and
- our collaboration partners or contract research organizations ("**CROs**") are unable or unwilling to perform under their contracts.

The results of preclinical studies do not necessarily predict clinical success, and larger and later-stage clinical trials may not produce the same results as earlier-stage clinical trials. Our and our collaboration partners' clinical trials of our product candidates conducted to date have generated favorable safety and efficacy data. However, we may have different enrollment criteria in our future clinical trials. As a result, we may not observe a similarly favorable safety or efficacy profile as in our prior clinical trials. In addition, we cannot assure that during the course of potential widespread use of any of our product candidates in future, we will not suffer setbacks in maintaining production quality or stability. In addition, clinical trials of potential products often reveal that it is not possible or practical to continue development efforts for these product candidates. If we do not successfully complete preclinical and clinical development, we will be unable to market and sell our product candidates and generate additional revenue. Even if we successfully complete clinical trials, those results are not necessarily predictive of results of additional trials that may be needed before marketing applications may be submitted to the FDA, the EMA or other regulatory authority, as applicable.

Furthermore, we sometimes estimate for planning purposes the timing of the accomplishment of various scientific, clinical, regulatory and other product development objectives. These milestones may include our expectations regarding the commencement or completion of scientific studies, clinical trials and the submission of regulatory filings or commercialization objectives. From time to time, we may publicly announce the expected timing of some of these milestones, such as the completion of an ongoing clinical trial, the initiation of other clinical programs, receipt of marketing approval or a commercial launch of a product. The achievement of many of these milestones may be outside of our control. All of these milestones are based on a variety of assumptions, which may cause the timing of achievement of the milestones to vary considerably from our estimates. If we fail to achieve announced milestones in the timeframes we expect, the commercialization of our product candidates may be delayed, we may not be entitled to receive certain contractual payments, which could have a material adverse effect on our business, financial position, results of operations and future growth prospects.

The speed at which we complete our preclinical studies and clinical trials depend on many factors, including, but not limited to, patient enrollment.

Patient enrollment, a significant factor in the timing of clinical trials, is affected by many factors, including the size and nature of the patient population, the proximity of patients to clinical sites, the eligibility criteria for the trial, the design of the clinical trial, competing clinical trials and clinicians' and

patients' perceptions as to the potential advantages of the drug being studied in relation to other available therapies, including any new drugs that may be approved for the indications we are investigating. With respect to our clinical development of Glepaglutide in short bowel syndrome ("**SBS**"), the recent availability of Gattex, which is a drug originally developed by NPS Pharmaceuticals, Inc. (and now owned by Shire plc following its acquisition of NPS Pharmaceuticals) for patients with SBS may cause patients to be less willing to participate in our clinical trial. Because there is a relatively limited number of patients worldwide, patient enrollment may be challenging. Any of these occurrences may harm our clinical trials and by extension, our business, financial position, and future growth prospects.

Adlyxin / Lyxumia, Soliqua100/33 / Suliqua or any of our product candidates for which marketing approval is obtained could be subject to post-marketing restrictions or withdrawal from the market, and we may be subject to substantial penalties if we or our collaboration partners fail to comply with regulatory requirements or experience unanticipated problems with our products following approval.

Adlyxin / Lyxumia, Soliqua100/33 / Suliqua or any of our product candidates for which marketing approval is obtained in the future either by us or by our collaboration partners, as well as, among other things, the manufacturing processes, post-approval studies and measures, labeling, advertising and promotional activities for such products, will be subject to the continual requirements of, and review by, the FDA, the EMA and other regulatory authorities. These requirements include submissions of safety and other post-marketing information and reports, registration and listing requirements, requirements relating to post-approval studies and measures, labeling, advertising and promotional activities for such products, manufacturing, quality control, quality assurance and corresponding maintenance of records and documents, imposition by the FDA of a Risk Evaluation and Mitigation Strategy ("**REMS**") and requirements regarding the distribution of samples to physicians and recordkeeping. Even if marketing approval of a product candidate is granted, as it has been by the FDA for Adlyxin and Soliqua100/33 and the EMA for Lyxumia and Suliqua, the approval may be subject to limitations on the indicated uses for which the product may be marketed or to the conditions of approval, including the FDA requirement to implement a Risk Evaluation and Mitigation Strategy, if applicable, to ensure that the benefits of a drug or biological product outweigh its risks.

The FDA, the EMA and other regulatory authorities may also impose requirements for costly post-marketing studies or clinical trials and surveillance to monitor the safety or efficacy of a product, such as long term observational studies on natural exposure. In respect of our internal product candidates, such costs would be our responsibility. The FDA and other agencies, including the U.S. Department of Justice, closely regulate and monitor the post-approval marketing and promotion of products to ensure that they are marketed and distributed only for the approved indications and in accordance with the provisions of the approved labeling. The FDA, the EMA and other regulatory authorities impose stringent restrictions on manufacturers' communications regarding off-label use, and, if we or our collaboration partners do not market any of our product candidates for which we receive marketing approval for only their approved indications, we and they may be subject to warnings or enforcement action for off-label marketing. Violation of the U.S. Federal Food, Drug and Cosmetic Act or other statutes, including the U.S. False Claims Act, relating to the promotion and advertising of prescription drugs may lead to investigations or allegations of violations of federal and state health care fraud and abuse laws and state consumer protection laws.

We selectively rely on third parties to conduct our clinical trials and perform data collection and analysis, which may result in costs and delays that prevent us from successfully commercializing our product candidates.

We currently, and expect to continue to, selectively rely on public and private research institutions, medical institutions, clinical investigators, CROs, contract laboratories and collaboration partners to conduct some of our early-stage product development activities, perform data collection and analysis and carry out our clinical trials. Our development activities or clinical trials conducted in reliance on third parties may be delayed, suspended or terminated if:

- the third parties do not devote a sufficient amount of time or effort to our activities or otherwise fail to successfully carry out their contractual duties or to meet regulatory obligations or expected deadlines;
- we replace a third party; or
- the quality or accuracy of the data obtained by third parties is compromised due to their failure to adhere to clinical protocols, regulatory requirements or for other reasons.

We do not have the ability to control the performance of third parties in their conduct of development activities. Third party performance failures may increase our development costs, delay our ability to obtain regulatory approval and delay or prevent the commercialization of our product candidates.

While we believe that there are alternative sources to provide these services, in the event that we seek such alternative sources, we may not be able to enter into replacement arrangements without incurring delays or additional costs.

We rely on third parties to manufacture our preclinical and clinical drug supplies and we intend to rely on third parties to produce commercial supplies of any approved product candidate.

If, for any reason, we were to experience an unexpected loss of supply of our product candidates or placebo or comparator drug used in certain of our clinical trials, whether as a result of manufacturing, supply or storage issues or otherwise, we could experience delays, disruptions, suspensions or terminations of, or be required to restart or repeat, any pending or ongoing clinical trials. We do not currently have, nor do we plan to acquire, the infrastructure or capability internally to manufacture our preclinical and clinical drug supplies and we lack the resources and the capability to manufacture any of our product candidates on a clinical or commercial scale. The facilities used by our contract manufacturers or other third party manufacturers to manufacture our product candidates are subject to the FDA's, the EMA's and other comparable regulatory authorities' preapproval inspections that will be conducted after we submit our NDA to the FDA or the required approval documents to any other relevant regulatory authority. We do not control the implementation of the manufacturing process of, and are completely dependent on, our contract manufacturers or other third party manufacturers for compliance with the regulatory requirements, known as current good manufacturing practices ("**cGMPs**"), for manufacture of both active drug substances and finished drug products. If our contract manufacturers or other third party manufacturers cannot successfully manufacture material that conforms to applicable specifications and the strict regulatory requirements of the FDA, the EMA or other comparable regulatory authority, we will not be able to secure and/or maintain regulatory approvals for our products manufactured at these facilities. In addition, we have no control over the ability of our contract manufacturers or other third party manufacturers to maintain adequate quality control and quality assurance procedures and qualified personnel. If the FDA, the EMA or another comparable regulatory authority finds deficiencies at these facilities for the manufacture of our product candidates or if it withdraws any approval because of deficiencies at these facilities in the future, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for or market our product candidates, if approved.

We rely on our manufacturers to purchase from third party suppliers the materials necessary to produce our product candidates for our clinical trials. There are a limited number of suppliers for raw materials that we use to manufacture our drugs and there may be a need to assess alternate suppliers to prevent a possible disruption of the manufacture of the materials necessary to produce our product candidates for our clinical trials, and if approved, for commercial sale. We do not have any control over the process or timing of the acquisition of these raw materials by our manufacturers. Moreover, we currently do not have any agreements in place for the commercial production of these raw materials. Although we generally do not begin a clinical trial unless we believe we have access to a sufficient supply of a product candidate to complete the clinical trial, any significant delay in the supply of a product candidate, or the raw material components thereof, for an ongoing clinical trial due to the need to replace a contract manufacturer or other third party manufacturer could considerably delay completion of our clinical trials, product testing and potential regulatory approval of our product candidates. If our manufacturers or we are unable to purchase these raw materials after regulatory approval has been obtained for our product candidates, the commercial launch of our product candidates would be delayed or there would be a shortage in supply, which would impair our ability to generate revenue from the sale of our product candidates. Additionally, if we receive regulatory approval for our product candidates, we may experience unforeseen difficulties or challenges in the manufacture of our product candidates on a commercial scale compared to the manufacture for clinical purposes.

We face substantial competition from companies with considerably more resources and experience than we have, which may result in others discovering, developing, receiving approval for or commercializing products before or more successfully than us.

The pharmaceutical and biotechnology industries are characterized by intense competition and significant and rapid technological change as researchers learn more about diseases and develop new technologies and treatments. Any product candidates that we successfully develop and commercialize will compete with existing drugs and new drugs that may become available in the future. We have competitors in each of the disease fields in which we compete, many of which have substantially greater name recognition, commercial infrastructure and financial, technical and personnel resources than we have. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with larger and established companies. Significant competitive factors in our industry include product efficacy and safety, quality and breadth of an organization's technology, skill of an organization's employees and its ability to recruit and retain key employees, timing and scope of regulatory approvals, government reimbursement rates for, and the average selling price of, products, the availability of raw materials and qualified manufacturing capacity, manufacturing costs, intellectual property and patent rights and their protection and sales and marketing capabilities. While we believe that our product and product candidate platform, development expertise and scientific knowledge provide us with competitive advantages, we face potential competition from many different sources, including major pharmaceutical, specialty pharmaceutical and biotechnology companies, academic institutions and governmental

agencies and public and private research institutions. In particular, we compete with all companies that have drugs on the market or are developing product candidates for diabetes. Our competitors in the type 2 diabetes field are primarily large pharmaceutical companies, including Merck & Co., Inc., AstraZeneca, GlaxoSmithKline, Eli Lilly, Sanofi, Novo Nordisk, Johnson & Johnson and BI. This competition includes a number of alternative therapies to combat type 2 diabetes that are being researched and are in various stages of development. Should these therapies prove effective, it could reduce the potential size of the market for our drugs. Adlyxin / Lyxumia faces direct competition from other drugs including: Victoza, developed by Novo Nordisk, and Trulicity, developed by Eli Lilly while Soliqua100/33 / Suliqua faces direct competition from Novo Nordisk's Xultophy. There can be no assurance that our competitors will not deploy their superior resources to damage our and our drug candidates' prospects. Given the intense competition in our industry, we cannot assure you that any of the products that we successfully develop will be clinically superior or scientifically preferable to products developed or introduced by our competitors.

In addition, significant delays in the development of our product candidates could allow our competitors to succeed in obtaining the FDA, the EMA or other regulatory approvals for their product candidates more rapidly than us, which could place us at a significant competitive disadvantage or deny us marketing exclusivity rights.

Competitors may develop novel products or other technologies that could make our product candidates obsolete or uneconomical. Any of our product candidates that competes with an approved product may need to demonstrate compelling advantages, such as increased efficacy, convenience, pricing, tolerability and/or safety in order to be commercially successful. Any of our product candidates that are approved could also face other competitive factors in the future, including biosimilar competition, which could force us to lower prices or could result in reduced sales. Any failure to compete effectively against our current and future competitors could have a material adverse effect on our business, financial position, results of operations and future growth prospects.

In addition, many of our competitors have significantly greater financial resources and expertise in R&D, manufacturing, conducting preclinical studies and clinical trials, obtaining regulatory approvals and marketing drugs. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of competitors, particularly through partnership arrangements with large established companies. These companies also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

Adverse safety events involving Adlyxin / Lyxumia, Soliqua100/33 / Suliqua or our product candidates can negatively affect our business and Share price.

Adverse safety events involving Adlyxin / Lyxumia, Soliqua100/33 / Suliqua or any of our product candidates which may receive marketing approval in the future may have a negative impact on our commercialization efforts. Later discovery of safety issues with Adlyxin / Lyxumia, Soliqua100/33 / Suliqua or our other product candidates that were not known at the time of their approval by the FDA or comparable regulatory agencies in other countries could cause product liability litigation exposure, additional regulatory scrutiny and requirements for additional labeling, limitations upon patient, prescriber and/or physician access, imposition of a risk evaluation and mitigation strategy by the FDA, withdrawal of products from the market and the imposition of fines or criminal penalties. Any of these actions could result in material impairments of fixed assets, material restructuring charges and other adverse impacts on our results of operations. In addition, the reporting of adverse safety events involving our products and public rumors about such events could cause our stock price to decline or experience periods of volatility.

If the FDA, the EMA or other comparable foreign regulatory authority approves generic versions of Adlyxin / Lyxumia, Soliqua100/33 / Suliqua or any of our product candidates that receive marketing approval, or such authorities do not grant our or our collaboration partners' product candidates appropriate periods of data exclusivity before approving generic versions of our or our collaboration partners' products, the sales of such products could be adversely affected.

Once an NDA is approved, the product covered thereby becomes a "reference listed drug" in the FDA's publication, "Approved Drug Products with Therapeutic Equivalence Evaluations." Manufacturers may seek approval of generic versions of reference listed drugs through submission of abbreviated new drug applications ("**ANDAs**"), in the United States. In support of an ANDA, a generic manufacturer need not conduct clinical studies. Rather, the applicant generally must show that its product has the same active ingredient(s), dosage form, strength, route of administration and conditions of use or labeling as the reference listed drug and that the generic version is bioequivalent to the reference listed drug, meaning it is absorbed in the body at the same rate and to the same extent. Generic products may be significantly less costly to bring to market than the reference listed drug and companies that

produce generic products are generally able to offer them at lower prices. Thus, following the introduction of a generic drug, a significant percentage of the sales of any branded product or reference listed drug may be typically lost to the generic product.

The FDA may not approve an ANDA for a generic product until any applicable period of non-patent exclusivity for the reference listed drug has expired. The U.S. Federal Food, Drug, and Cosmetic Act provides a period of five years of non-patent exclusivity for a new drug containing a new chemical entity ("**NCE**"). Specifically, in cases where such exclusivity has been granted, an ANDA may not be filed with the FDA until the expiration of five years unless the submission is accompanied by a Paragraph IV certification that a patent covering the reference listed drug is either invalid or will not be infringed by the generic product, in which case the applicant may submit its application four years following approval of the reference listed drug. It is unclear whether the FDA will treat the active ingredients in our or our collaboration partners' product candidates as NCEs and, therefore, afford them five years of NCE data exclusivity if they are approved. If any product we or our collaboration partners on our behalf develop does not receive five years of NCE exclusivity, it may nonetheless be eligible for three years of exclusivity, which means that the FDA may approve generic versions of such product three years after its date of approval. Manufacturers may seek to launch these generic products following the expiration of the applicable marketing exclusivity period, even if we still have patent protection for our product.

Competition that Adlyxin / Lyxumia, Soliqua100/33 / Suliqua or any future product candidates that may be approved for marketing may face from generic versions of our or our partnered products could materially and adversely impact our future revenue, profitability and cash flows and substantially limit our ability to obtain a return on the investments we have made in any such product candidate.

Certain of our peptide product candidates are expected to be delivered parenterally by medical devices that may be regulated as combination products that are required to obtain separate FDA clearance or pre-market approval and/or approval by other regulatory authorities.

Certain of our peptide product candidates are intended to be used in combination with a delivery device, such as an injector or other delivery system. Medical products containing a combination of new drugs, biological products or medical devices may be regulated as "combination products" in Europe and the United States. A combination product generally is defined as a product comprised of components from two or more regulatory categories (*e.g.*, drug/device, device/biologic, drug/biologic). Each component of a combination product is subject to the requirements established by the FDA for that type of component, whether a new drug, biologic or device. In order to facilitate pre-market review of combination products, the FDA designates one of its centers to have primary jurisdiction for the pre-market review and regulation of the overall product based upon a determination by the FDA of the primary mode of action of the combination product. The determination whether a product is a combination product or two separate products is made by the FDA on a case-by-case basis. Our product candidates intended for use with such devices, or expanded indications that we may seek for our products used with such devices, may not be approved or may be substantially delayed in receiving approval if the devices do not gain and/or maintain their own regulatory approvals or clearances. Where approval of the drug or biologic product and device is sought under a single application, the increased complexity of the review process may delay approval. The FDA review process and criteria is not a well-established area, which could also lead to delays in the approval process. The EMA has a parallel review process in place for combination products, the potential effects of which in terms of approval and timing could independently affect our ability to market our combination products in Europe. In addition, because these delivery devices are provided by unaffiliated third party companies, we are dependent on the sustained cooperation and effort of those third party companies both to obtain regulatory approval and to maintain their own regulatory compliance. Failure of third party companies to assist in the approval process or to maintain their own regulatory compliance could delay or prevent approval of our product candidates, or limit our ability to sell a product once approved.

Our product candidates are complex to manufacture, and we or our collaboration partners may encounter difficulties in production that could have a material adverse effect on our business and financial results.

Our products must be made consistently and in compliance with a clearly defined manufacturing process. In addition, due to their complex structure, efficient large-scale production of peptide product candidates is challenging. As a result of such complexity, the production of peptide product candidates typically requires more chemical steps than the production of traditional small molecule products.

Accordingly, it is essential to be able to validate and control the manufacturing process to ensure that it is reproducible. Slight deviations anywhere in the manufacturing process, including obtaining materials, filling, labeling, packaging, storage and shipping and quality control and testing, some of which all pharmaceutical companies, including our collaboration partners and us, experience from time to time, may result in batch failures, delay in the release of batches, product recalls or spoilage. If microbial, viral or other contaminations are discovered in our product candidates or in the manufacturing facilities in which our product candidates are made, such manufacturing facilities may need to be closed for an extended period of time to investigate and remove the contamination. Further, as product candidates are developed through preclinical studies to late-stage clinical trials towards approval and

commercialization, it is common that various aspects of the development program, such as manufacturing methods, are altered along the way in an effort to optimize processes and results. Such changes carry the risk that they will not achieve these intended objectives, and any of these changes could cause our product candidates to perform differently and affect the results of ongoing clinical trials or other future clinical trials. Any failure to manufacture products up to regulatory standards could lead to increased costs due to duplicative or replacement manufacturing, product recalls or a loss of revenue and reputation.

At present, all manufacturing of our marketed product is undertaken by Sanofi under the Sanofi License Agreement. Any inability of Sanofi to adequately address the risks associated with the manufacturing process or to use cost-effective manufacturing methods, or otherwise not comply with cGMPs and other requirements, may significantly limit the commercial competitiveness of our product candidates marketed by Sanofi. This inability could also result in regulatory enforcement, legal action and other adverse consequences. This could reduce sales of such products and, in turn, the royalty payments due to us under the Sanofi License Agreement, which could have a material adverse effect on our business, financial position, results of operations and future growth prospects.

We currently have no sales function. If we are unable to establish a sales function or enter into sales, marketing and distribution arrangements with third parties, we may not be successful in commercializing our internal product candidates if and when they are approved.

We do not have a sales or marketing infrastructure and have no experience in the sale, marketing or distribution of pharmaceutical products. To achieve commercial success for any internal product candidate for which we obtain marketing approval, we will need to establish a sales and marketing function or make arrangements with third parties to perform sales and marketing functions on our behalf, and we may not be successful in doing so.

If we enter into arrangements with third parties to perform sales, marketing and distribution services on our behalf, our product revenue or the profitability of our drug revenue may be lower, perhaps substantially lower, than if we were to directly market and sell our drugs. Furthermore, we may be unsuccessful in entering into the necessary arrangements with third parties or may be unable to do so on terms that are favorable to us.

Even if we are able to enter into acceptable partnerships, we may have little or no control over such third parties, and our future collaboration partners may fail to devote the necessary resources and attention to sell and market our drugs effectively. Budgeting restrictions or strategy changes of our future collaboration partners could delay or prevent successful clinical development or marketing efforts. Similarly, our future collaboration partners could decide to give priority to the clinical development or marketing of product candidates or develop or seek to develop product candidates in competition with our product candidates.

Our failure to establish and maintain successful partnerships could have a material adverse effect on our business, financial position, results of operations and future growth prospects.

Risks Related to Our Operations

There is a risk that our products may have major side effects that may give rise to substantial liability claims.

As a biopharmaceutical company, we operate in a market that is subject to risk of liability. To our knowledge, we are not currently subject to any product liability suits. However, we may be subject to future liability claims alleging adverse effects from clinical trials or the use of our products. Any liability claims could have a material adverse effect on our business, financial position, results of operations and future growth prospects.

There is a risk that we may not be able to maintain insurance coverage, and that existing or any future insurance policies or our own resources will not sufficiently cover claims for damages that we may receive in the future.

Our business exposes us to potential product liability and other liability risks that are inherent in clinical development, manufacturing, marketing and use of human therapeutic products. It is generally necessary for us to secure certain levels of insurance as a condition for the conduct of clinical trials and any sale or use of our products. We have taken out product liability insurance with respect to all clinical trials and ongoing trials performed to date for which we were responsible (*i.e.,* in respect of our internal product pipeline).

We may seek to expand our insurance coverage if we obtain marketing approval for any of our internal product candidates or if other risks related to our business increase. We may not be able to obtain or maintain adequate protection against potential liabilities at a cost that is acceptable to us. If we are

unable to obtain insurance or other protection against potential product liability claims, we could be exposed to significant liabilities, which may materially and adversely affect our business and financial position. These liabilities could prevent or interfere with our product development and commercialization efforts. If we are sued for any injury caused by our products or processes, our liability could exceed our product liability insurance coverage and our own financial resources and, consequently, could have a material adverse effect on our business, financial position, results of operations and future growth prospects.

Our future success depends on our ability to retain our management team and key employees.

We are highly dependent on the management, development, clinical, financial and business development expertise of our management team and key employees. Recruiting and retaining qualified scientific and clinical personnel will also be critical to our future success. The loss of the services of any of the members of our management team or key employees could impede the achievement of our development and commercialization objectives and seriously harm our ability to successfully implement our business strategy. Furthermore, replacing any of the members of our management team or key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval for and commercialize drugs. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate the members of our management team or key employees on acceptable terms given the competition among numerous pharmaceutical, biopharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. If we are unable to continue to attract and retain high quality management and employees, our ability to pursue our growth strategy will be limited.

Our R&D activities could be affected or delayed as a result of possible restrictions on animal testing.

Certain laws and regulations require us to test our product candidates on animals before initiating clinical trials involving humans. Animal testing activities have been the subject of controversy and adverse publicity. Animal rights groups and other organizations and individuals have attempted to stop animal testing activities by pressing for legislation and regulation in these areas and by disrupting these activities through protests and other means. To the extent the activities of these groups are successful, our R&D activities may be interrupted, delayed or become more expensive.

If we fail to manage our growth effectively, our ability to develop and commercialize products could suffer.

We expect that if our drug discovery efforts continue to generate product candidates, our clinical product candidates continue to progress in development, and we continue to build our development and commercial organizations, we will require significant additional investment in personnel, management and resources. Our ability to achieve our research, development and commercialization objectives depends on our ability to respond effectively to these demands and expand our internal organization, systems, controls and facilities to accommodate additional anticipated growth. If we are unable to manage our growth effectively, our business could be harmed and our ability to execute our business strategy could suffer.

We may acquire businesses or products, or form strategic alliances, in the future, and we may not realize the benefits of such acquisitions.

Should attractive opportunities arise, we may acquire companies or technologies facilitating our access to new medicines, new research projects or new geographical areas, or enabling us to achieve synergies with our existing operations. However, we may not be able to identify appropriate targets or make acquisitions under satisfactory conditions, in particular, satisfactory price conditions. In addition, we may be unable to obtain the financing for these acquisitions under favourable conditions and could be led to finance these acquisitions using cash that could be allocated to other purposes in the context of existing operations or equity issuances, which could be dilutive to our Shareholders. If we acquire businesses with promising markets or technologies, we may not be able to realize the benefit of acquiring such businesses if we are unable to successfully integrate them with our existing operations and company culture. We may encounter numerous difficulties in developing, manufacturing and marketing any new products resulting from a strategic alliance or acquisition that delay or prevent us from realizing their expected benefits or enhancing our business. We cannot assure you that, following any such acquisition, we will achieve the expected synergies to justify the transaction, which could have a material adverse effect on our business, financial position, results of operations and future growth prospects.

Our internal computer systems, or those of our collaboration partners or other contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of our product development programs.

Our internal computer systems and those of our current and any future collaboration partners and other contractors or consultants are vulnerable to damage from cyber security breaches, computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. While we do not believe that we have experienced any such material system failure, accident or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our development programs and our business operations, whether due to a loss of our trade secrets or other proprietary information or other similar disruptions. For example, the loss of clinical trial data for our product candidates from completed or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications or other data or applications relating to our technology or product candidates, or inappropriate disclosure of confidential or proprietary information, we could incur liabilities, our competitive position could be harmed and the further development and commercialization of our product candidates could be delayed.

We will become subject to the U.S. Foreign Corrupt Practices Act which imposes significant penalties for payments in violation of such Act

As a result of the listing of the ADSs on NASDAQ, we will become subject to the U.S. Foreign Corrupt Practices Act (the "**FCPA**") which generally prohibits companies and their intermediaries from making or offering improper payments to non-U.S. officials for the purpose of obtaining or retaining business. The FCPA generally also requires companies listed on a U.S. stock exchange to maintain a system of adequate internal accounting controls and to make and keep books, records and accounts that accurately and fairly reflect transactions and dispositions of assets. Because of the predominance of government-sponsored health care systems around the world, many of our commercial relationships outside of the United States are with governmental entities, and personnel of such entities may be considered non-U.S. officials for purposes of the FCPA. Violations of the FCPA and other applicable anti-bribery laws are punishable by criminal fines and imprisonment, civil penalties, disgorgement of profits, injunctions, debarment from government contracts as well as other remedial measures. We have adopted a written code of business conduct and other policies and procedures to assist us and our personnel in complying with the FCPA and other applicable anti-bribery laws prior to completion of the Offering**.** However, our personnel and others acting on our behalf could take actions that violate these requirements, which could adversely affect our reputation, business, financial condition and results of operations.

Risks Related to Our Intellectual Property

Our ability to compete may decline if we or our collaboration partners are unable to or do not adequately protect intellectual property rights or if our intellectual property rights are inadequate for our product candidates or future product candidates

Our commercial success and viability depends on our and our collaboration partners' ability to obtain and maintain patent protection in Europe and the United States and other countries with respect to our existing product candidates owned by us and to successfully defend these rights against third party challenges, as well as our ability to maintain adequate intellectual property protection for any future products. If we or our collaboration partners do not adequately protect our intellectual property, competitors may be able to use our technologies and erode or negate any competitive advantage we may have, which could materially harm our business, negatively affect our position in the marketplace, limit our ability to commercialize our product candidates and delay or render impossible our achievement of profitability.

Our strategy and future prospects are based, in particular, on our patent portfolio. We and our collaboration partners or licensees will best be able to protect our product candidates and their uses from unauthorized use by third parties to the extent that valid and enforceable patents, effectively protected trade secrets, or other regulatory exclusivities, cover them. Also, intellectual property rights have limitations and do not necessarily address all potential threats to our competitive advantage. Our ability to obtain patent protection for our product candidates is uncertain and the degree of future protection afforded by our intellectual property rights is uncertain due to a number of factors:

- we or our collaboration partners may not have been the first to make the inventions covered by pending patent applications or issued patents;

- we or our collaboration partners may not have been the first to file patent applications for our product candidates or the compositions we developed or for their uses;

- others may independently develop identical, similar or alternative products or compositions and uses thereof;
- our or our collaboration partners' disclosures in patent applications may not be sufficient to meet the statutory requirements for patentability;
- any or all of our or our collaboration partners' pending patent applications may not result in issued patents;
- we or our collaboration partners may not seek or obtain patent protection in countries that may eventually provide us with a significant business opportunity;
- any patents issued to us or our collaboration partners may not provide a basis for commercially viable products, may not provide any competitive advantages, or may be successfully challenged by third parties;
- our or our collaboration partners' compositions and methods may not be patentable;
- others may design around our or our collaboration partners' patent claims to produce competitive products or uses which fall outside of the scope of our patents;
- others may identify prior art or other bases which could invalidate our or our collaboration partners' patents;
- our competitors might conduct R&D activities in the United States and other countries that provide a safe harbor from patent infringement claims for certain R&D activities, as well as in countries where we or our collaboration partners do not have patent rights, and then use the information learned from such activities to develop competitive products for sale in our major commercial markets; or
- we may not develop additional proprietary technologies that are patentable.

Issued patents covering our product candidates could be found invalid or unenforceable if challenged in court.

Even if our patents do successfully issue and even if such patents cover our product candidates and methods of use, third parties may initiate third party oppositions in the European Patent Office ("**EPO**"), may initiate interference, re-examination, post-grant review, inter partes review, or derivation actions in the U.S. Patent and Trademark Office ("**USPTO**") or similar actions challenging the validity, enforceability or scope of such patents in other patent administrative proceedings worldwide, which may result in our patent claims being narrowed or invalidated. Such proceedings could result in revocation or amendment of our patents in such a way that they no longer cover our product candidates or competitive products. Further, if we initiate legal proceedings against a third party to enforce a patent covering our product candidate or technology, the defendant could counterclaim that the patent covering our product candidate or technology is invalid or unenforceable. In patent litigation in certain European countries, in the United States, and other countries worldwide, it is commonplace for defendants to make counterclaims alleging invalidity and unenforceability in the same proceeding, or to commence parallel defensive proceedings such as patent nullity actions to challenge validity and enforceability of asserted patent claims.

In administrative and court actions, grounds for a patent validity challenge may include alleged failures to meet any of several statutory requirements, including lack of novelty, obviousness (lack of inventive step) and in some cases, lack of sufficiently teaching, or non-enablement of, the claimed invention. Grounds for unenforceability assertions include allegations that someone connected with prosecution of the patent withheld relevant information from the Examiner during prosecution in the USPTO, or made a misleading statement during prosecution in the USPTO, the EPO or elsewhere. Third parties may also raise similar claims before administrative bodies in the USPTO or the EPO, even outside the context of litigation. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to validity, for example, we cannot be certain that there is no invalidating prior art, of which we or the patent examiner were unaware during prosecution. Further, we cannot be certain that all of the potentially relevant art relating to our patents and patent applications has been cited in every patent office. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our product candidates.

We may become involved in lawsuits to protect or enforce our patents or other intellectual property, which could be expensive, time consuming and unsuccessful and have a material adverse effect on the success of our business.

Competitors may infringe our patents, trademarks, copyrights or other intellectual property. To counter infringement or unauthorized use, we may be required to file infringement claims on a country-by-country basis, which can be expensive and time consuming and divert the time and attention of our management and scientific personnel. Any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringe their patents, in addition to counterclaims asserting that our patents are invalid or unenforceable, or both. In any patent infringement proceeding, there is a risk that a court will decide that a patent of ours is invalid or unenforceable, in whole or in part, and that we do not have the right to stop the other party from using the invention at issue. There is also a risk that, even if the validity of such patents is upheld, the court will construe the patent's claims narrowly or decide that we do not have the right to stop the other party from using the invention at issue on the grounds that our patent claims do not cover the invention. An adverse outcome in a litigation or proceeding involving one or more of our patents could limit our ability to assert those patents against those parties or other competitors, and may curtail or preclude our ability to exclude third parties from making and selling similar or competitive products. Similarly, if we assert trademark infringement claims, a court may determine that the marks we have asserted are invalid or unenforceable, or that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In this case, we could ultimately be forced to cease use of such trademarks.

Even if we establish infringement, the court may decide not to grant an injunction against further infringing activity and instead award only monetary damages, which may or may not be an adequate remedy. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during litigation. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could adversely affect the market price of the Shares. Moreover, there can be no assurance that we will have sufficient financial or other resources to file and pursue such infringement claims, which typically last for years before they are concluded. Even if we ultimately prevail in such claims, the monetary cost of such litigation and the diversion of the attention of our management and scientific personnel could outweigh any benefit we receive as a result of the proceedings.

Claims that our product candidates or their uses infringe the intellectual property rights of third parties could result in costly litigation, and unfavorable outcomes could require us to pay damages or royalties and could limit our R&D activities or our ability to commercialize certain products.

Even if we have or obtain patents covering our product candidates, compositions or uses, we may still be barred from making, using, importing or selling our product candidates or technologies because of the patent rights of others. Others have filed, and in the future may file, patent applications covering compositions or products and uses that are similar or identical to ours. There are many issued European, U.S. and other worldwide patents relating to therapeutic drugs, and some of these relate to compounds we intend to commercialize. Numerous worldwide patents and pending patent applications owned by others exist in the metabolic disease, gastrointestinal disease and cardiovascular disease field and cover, among others, GLP-2 product candidates which we are developing. We cannot guarantee that our products, compositions and their uses do not or will not infringe third party patent or other intellectual property rights. Because patent applications can take 18 months to publish and many years to issue, there may be currently pending applications with patent claims unknown to us or which will change over time and may later result in issued patents that purportedly cover our product candidates or compositions and uses. These patent applications may have been filed earlier than or have priority over patent applications filed by us. We may be required to develop or obtain alternative technologies, review product design or, in the case of claims concerning registered trademarks, rename our product candidates.

Claims that our or our collaboration partners' products, compositions or their uses infringe or interfere with the patent rights of third parties, or that we or our collaboration partners have misappropriated third party trade secrets, could result in costly litigation and could require substantial time and money to resolve, even if litigation were avoided. The basis of such litigation could be existing patents or patents that are granted in the future. If we or our collaboration partners were to face infringement claims or challenges by third parties, an adverse outcome could subject us or our collaboration partners to significant liabilities to such third parties. Litigation or threatened litigation could result in significant demands on the time and attention of our management team. A negative outcome could expose us or our collaboration partners to payment of costs, damages and other financial remedies, including in some jurisdictions, increased damages, such as treble damages and attorneys' fees, if found to have willfully infringed a patent. Litigation with third parties concerning alleged infringement of their intellectual property rights could require us and our collaboration partners to bear substantial costs and impose burdens on our and their management and personnel, even if we or our collaboration partners were to ultimately succeed in such proceedings. Costs of patent litigation and awards of damages in patent infringement cases can be significant, and equitable remedies such as temporary restraining

orders and injunctions can negatively impact or prevent product development and commercialization. In light of these risks, settlements are often a preferred alternative, to avoid litigation uncertainties and costs, even when there are strong defenses to claims that are made. A negative outcome, potential or actual, could cause us or our collaboration partners to pursue contractual and other remedies against each other; in particular, our license agreements generally allow our collaboration partners to reduce amounts we are owed as royalties and/or milestones by amounts paid to third parties as a result of or in settlement of certain infringement claims, subject to contractual conditions and limitations. We or our collaboration partners could also face equitable remedies, such as being forced, including by court order, to cease developing, manufacturing, importing or commercializing an infringing product candidate or product in one or more jurisdictions. A negative outcome could also lead us or our collaboration partners to delay, curtail or cease the development and commercialization of some or all of our candidate drugs, or could cause us or our collaboration partners to seek legal or administrative actions against third parties. We or our collaboration partners may need to obtain licenses from third parties and such licenses may not be available on commercially reasonable terms, or at all. Even if we or our collaboration partners are able to obtain a license, it could be non-exclusive, thereby giving our competitors access to the same rights licensed to us. In addition, even if we or our collaboration partners were ultimately to succeed in asserting one or more patent defenses in an infringement suit, or to settle at an early stage to avoid litigation uncertainties and costs despite having strong patent defenses, such litigation could burden us and our collaboration partners with substantial unanticipated costs and damages. A negative outcome could cause us or our collaboration partners to pursue contractual remedies against each other, including, for example, over settlement or license related payments or royalty reductions.

Biopharmaceutical patents and patent applications involve highly complex legal and factual questions, which, if determined adversely to us, could negatively impact our patent position.

The patent positions of biopharmaceutical companies can be highly uncertain and involve complex legal and factual questions. The interpretation and breadth of claims allowed in some patents covering biopharmaceutical compositions may be uncertain and difficult to determine, and are often affected materially by the facts and circumstances that pertain to the patented compounds, compositions and related patent claims. The standards of the USPTO, the EPO and other international patent offices are evolving and could change in the future. Consequently, we cannot predict the issuance and scope of patents with certainty. Patents, if issued, may be challenged, invalidated or circumvented. European patents and patents in certain other jurisdictions are subject to third party opposition proceedings. U.S. patents and patent applications may also be subject to interference proceedings, and U.S. patents may be subject to re-examination proceedings, post-grant review and/or inter partes review in the USPTO. The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability and our patents or pending patent applications may be challenged in the courts or patent offices in Europe, the United States and elsewhere worldwide. There is no assurance that all of the potentially relevant prior art relating to our patents and patent applications has been found. For example, publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot know with certainty whether we were the first to make the inventions claimed in our owned and licensed patents or pending patent applications, or that we were the first to file for patent protection of such inventions. If such prior art exists, it may be used to invalidate a patent, or may prevent a patent from issuing from a pending patent application. For example, such patent filings may be subject to a third party pre-issuance submission of prior art to the USPTO, EPO or to other patent offices around the world. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights may be uncertain. Our pending and future patent applications may not result in patents being issued that protect our technology or products, in whole or in part, or may not effectively prevent others from commercializing competitive technologies and products. For example, such patent filings may be subject to a third party pre-issuance submission of prior art to the USPTO, the EPO or to other patent offices around the world. Alternately or additionally, we may become involved in post-grant review procedures, oppositions, derivations, proceedings, re-examinations, inter partes review or interference proceedings, in the United States or elsewhere, challenging patents or patent applications in which we have rights, including patents on which we rely to protect our business. An adverse determination in any such challenges may result in loss of exclusivity or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and products. European patents or patents in other jurisdictions may be subject also to administrative opposition or comparable proceedings in corresponding worldwide patent offices, which could result in either loss of the patent or denial of the patent application or loss or reduction in the scope of one or more of the claims of the patent or patent application. In addition, such interference, re-examination, post-grant review, inter partes review and opposition proceedings may be time consuming and costly. Also, given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates may expire before or shortly after such candidates are commercialized. Accordingly, rights under any issued patents may not provide us with sufficient protection against competitive products or processes.

In addition, changes in or different interpretations of patent laws in Europe, the United States and other countries worldwide may diminish the value of our patents or narrow the scope of our patent protection, while patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents. For example, changes in or different interpretations of patent laws in Europe, the United States and other countries worldwide may permit others to use our or our collaboration partners' discoveries or to develop and commercialize our technology and products without providing any compensation to us, or may limit the number of patents or claims we can obtain. The laws of some countries may not protect intellectual property rights to the same extent as the laws of Europe or the United States and those countries may lack adequate rules and procedures for defending our intellectual property rights, or vice versa.

If we fail to obtain and maintain patent protection and trade secret protection for our product candidates, we could lose our competitive advantage and competition we face would increase, reducing any potential revenue and adversely affecting our ability to attain or maintain profitability.

If we are unable to protect the confidentiality of our trade secrets and know-how, our business and competitive position would be harmed.

In addition to seeking patent protection for our product candidates, we also rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position. We seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, collaboration partners, consultants, advisors, university and/or institutional researchers and other third parties. We also have entered or seek to enter into confidentiality and invention or patent assignment agreements with our employees, advisors and consultants. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Our trade secrets may also be obtained by third parties by other means, such as breaches of our physical or computer security systems. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. Moreover, if any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them, or those to whom they communicate it, from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to, or independently developed by, a competitor, our competitive position would be harmed.

Developments in patent law in the United States and other jurisdictions could have a negative impact on our business.

As is the case with other biopharmaceutical companies, our success is heavily dependent on our intellectual property, particularly our patents. Obtaining and enforcing patents in the biopharmaceutical industry involves both technological and legal complexity and is therefore costly, time consuming and inherently uncertain.

From time to time, the U.S. Supreme Court, other U.S. federal courts, U.S. Congress, the USPTO, the EPO or similar foreign authorities may change the standards of patentability and any such changes could have a negative impact on our business. In addition, the U.S. Leahy-Smith America Invents Act (the "**America Invents Act**") which was signed into law on 16 September 2011, includes a number of significant changes to U.S. patent law. These changes include a transition from a "first-to-invent" system to a "first-to-file" system, changes to the way issued patents are challenged, and changes to the way patent applications are disputed during the examination process. These changes may favor larger and more established companies that have greater resources to devote to patent application filing and prosecution. The USPTO has developed new regulations and procedures to govern the full implementation of the America Invents Act, and many of the substantive changes to patent law associated with the America Invents Act, and, in particular, the first-to-file provisions, became effective on 16 March 2013. Substantive changes to patent law associated with the America Invents Act, or any subsequent U.S. legislation regarding patents, may affect our ability to obtain patents, and if obtained, to enforce or defend them. Accordingly, it is not clear what, if any, impact the America Invents Act will have on the cost of prosecuting our U.S. patent applications, our ability to obtain U.S. patents based on our discoveries and our ability to enforce or defend any patents that may issue from our patent applications, all of which could have a material adverse effect on our business, financial position, results of operations and future growth prospects.

We will not seek to protect our intellectual property rights in all jurisdictions throughout the world, and we may not be able to adequately enforce our intellectual property rights even in the jurisdictions where we seek protection.

Obtaining and maintaining a patent portfolio entails significant expense and resources. Part of the expense includes periodic maintenance fees, renewal fees, annuity fees, various other governmental fees on patents or applications due in several stages over the lifetime of patents or applications, as well as the cost associated with complying with numerous procedural provisions during the patent application process. Filing, prosecuting and defending patents

on our product candidates in all countries and jurisdictions throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside Europe and the United States and could be less extensive than those in Europe and in the United States, assuming that rights are obtained in Europe or in the United States. We may choose not to pursue or maintain protection for particular inventions. In addition, there are situations in which failure to make certain payments or noncompliance with certain requirements in the patent process can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. If we choose to forego patent protection or allow a patent application or patent to lapse purposefully or inadvertently, our competitive position could suffer. Competitors may use our technologies in jurisdictions where we do not pursue and obtain patent protection to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as that in the United States or in Europe. These products may compete with our product candidates and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. Even if we pursue and obtain issued patents in particular jurisdictions, our patent claims or other intellectual property rights may not be effective or sufficient to prevent third parties from so competing.

In addition, the laws of some countries do not protect intellectual property rights to the same extent as the federal and state laws in Europe and the United States. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. The legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property protection, especially those relating to biopharmaceuticals or biotechnologies. This could make it difficult for us to stop the infringement of our patents, if obtained, or the misappropriation of our other intellectual property rights. For example, many foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, many countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. Patent protection must ultimately be sought on a country-by-country basis, which is an expensive and time consuming process with uncertain outcomes. Accordingly, we may choose not to seek patent protection in certain countries, and we will not have the benefit of patent protection in such countries. Proceedings and legal actions to enforce our patent rights in Europe or in the United States and in foreign jurisdictions can be expensive, could result in substantial costs, and could divert management time and our efforts and attention from other aspects of our business. In addition, such proceedings or legal actions could put our patents at risk of being invalidated, found unenforceable or interpreted narrowly, could put our patent applications at risk of not being issued and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. We may or may not choose to pursue litigation or other actions against those that have infringed our patents, or used them without authorization, due to the associated expense and time commitment of monitoring these activities. If we fail to protect or to enforce our intellectual property rights successfully, our competitive position could suffer, which could harm our results of operations.

In addition, changes in the law and legal decisions by courts in Europe, the United States and foreign countries may affect our ability to obtain adequate protection for our technology and the enforcement of intellectual property. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

Patent terms and regulatory exclusivities may be inadequate to protect our competitive position on our product candidates for an adequate amount of time.

Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. We expect to seek extensions of patent terms in the United States and, if available, in other countries where we have patents.

Depending upon the timing and duration of the U.S. regulatory review process and patent life considerations, certain of our U.S. patents may be eligible for patent term extension under the U.S. Drug Price Competition and Patent Term Restoration Act of 1984, or the U.S. Hatch-Waxman Amendments. The U.S. Hatch-Waxman Amendments provide up to five years of patent term extension ("**PTE**") on a patent that covers an approved product or method of use as compensation for patent term lost during the FDA regulatory review process. Patent term restoration cannot extend the term of a patent beyond a total of 14 years from the product's approval date. Only one patent with a claim covering an approved drug or method is eligible for the extension, and the extension must be applied for prior to the patent expiration date (which due date may be extended by submission of one or more applications for interim extensions for periods of up to one year each and cannot be extended longer than the maximum period of patent term extension). The USPTO, in consultation with the FDA, reviews and approves a request for patent term extension or restoration and calculates the PTE period that will be awarded. PTE only extends patent coverage on the approved product or method of use.

In certain Member States of the EU, patent term extensions may be obtained through a supplementary protection certificate ("**SPC**") to recover some of the time lost between the patent application filing date and the date of first regulatory approval, up to a maximum term of five years. Up to five years of patent term extension are also available in Japan for patent term recovery related to the pharmaceutical regulatory review and approval process.

Applicable authorities, including the FDA/USPTO in the United States, and comparable regulatory authorities and intellectual property offices in other EU countries and worldwide, may not agree with our assessment of whether such extensions are available, and may refuse to grant extensions to our patents, or may grant more limited extensions than we request. If this occurs, our competitors may be able to take advantage of our investment in development and clinical trials by referencing our clinical and preclinical data and launch their product earlier than might otherwise be the case.

Third parties may challenge the inventorship of our patent filings and other intellectual property or may assert ownership or commercial rights to inventions we develop.

Third parties may in the future make claims challenging the inventorship or ownership of our intellectual property. We have written agreements with collaboration partners that provide for the ownership of intellectual property arising from our collaborations. These agreements provide that we or our licensees must negotiate certain commercial rights with collaboration partners with respect to joint inventions or inventions made by our collaboration partners that arise from the results of the collaboration. In some instances, there may not be adequate written provisions to address clearly the resolution of intellectual property rights that may arise from collaboration. If we or our licensees cannot successfully negotiate sufficient ownership and commercial rights to the inventions that result from our use of a third party collaboration partner's materials where required, or if disputes otherwise arise with respect to the intellectual property developed with the use of a collaboration partner's samples, we may be limited in our ability to capitalize on the market potential of these inventions. In addition, we may face claims by third parties that our agreements with employees, contractors or consultants obligating them to assign intellectual property to us are ineffective, or in conflict with prior or competing contractual obligations of assignment, which could result in ownership disputes regarding intellectual property we have developed or will develop and interfere with our ability to capture the commercial value of such inventions. Litigation may be necessary to resolve an ownership dispute, and if we are not successful, we may be precluded from using certain intellectual property, or may lose our exclusive rights in that intellectual property. Either outcome could have an adverse impact on our business, financial position, results of operations and future growth prospects.

Third parties may assert that our employees or consultants or we have wrongfully used or disclosed confidential information or misappropriated trade secrets, or claim ownership of what we regard as our own intellectual property.

We employ individuals who were previously employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although we try to ensure that our employees and consultants do not use the proprietary information or know-how of others in their work for us, and no such claims against us are currently pending, we may be subject to claims that we or our employees, consultants or independent contractors have used or disclosed intellectual property, including trade secrets or other proprietary information, of a former employer or other third parties. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

Our registered or unregistered trademarks and trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among potential collaboration partners or customers in our markets of interest. At times, competitors may adopt trademarks and trade names similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks. Over the long term, if we are unable to establish name recognition based on our trademarks, then we may not be able to compete effectively and our business may be adversely affected.

Obtaining and maintaining patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and applications are required to be paid to the USPTO and various governmental patent agencies outside the United States in several stages over the lifetime of the patents and applications. The USPTO and various non-U.S. governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process and after a patent has issued. There are situations in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction.

Risks Related to Government Regulation

Government restrictions on pricing and reimbursement, as well as other healthcare payor cost-containment initiatives, may negatively impact our ability to generate revenue.

Sales of certain of our out-licensed products and our product candidates, if and when approved for marketing, has and will depend, in part, on the extent to which our products will be covered by third party payors, such as government health care programs like Medicare and Medicaid, commercial insurance and managed healthcare organizations. These third party payors play an important role in determining the extent to which new drugs, biologics and medical devices will be covered. The Medicare and Medicaid programs increasingly are used as models for how private payors and other governmental payors develop their coverage and reimbursement policies for drugs, biologics and medical devices. It is difficult to predict at this time what third party payors will decide with respect to the coverage and reimbursement for our product candidates. The primary trend in the U.S. healthcare industry and elsewhere has been cost containment, including price controls, restrictions on coverage and reimbursement and requirements for substitution of generic products and/or biosimilars. Adoption of price controls, cost containment measures and adoption of more restrictive policies in jurisdictions with existing controls and measures, could limit our net revenue and results.

Government authorities and third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for medical products, drugs and services. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for drugs. We cannot be sure that coverage will be available for any product candidate that we commercialize and, if coverage is available, the level of reimbursement. Because coverage and reimbursement determinations are made on a payor-by-payor basis, obtaining coverage and adequate reimbursement from a third party payor does not guarantee that we will obtain similar coverage or reimbursement from another third party payor. Reimbursement may impact the demand for, or the price of, any product candidate for which we obtain marketing approval. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any product candidate for which we obtain marketing approval. Decreases in third party reimbursement for our product candidates or a decision by a third party payor not to cover our product candidates or provide only limited reimbursement for our product candidates could reduce physician usage of our products once approved and have a material adverse effect on our sales, results of operations and financial condition. Further, the adoption and implementation of any future governmental cost containment or other health reform initiative may result in additional downward pressure on the price that we may receive for any approved product.

Outside the United States, international operations are generally subject to extensive governmental price controls and other market regulations, and we believe the increasing emphasis on cost-containment initiatives in Europe, Canada, and other countries has and will continue to put pressure on the pricing and usage of our product candidates. In many countries, the prices of medical products are subject to varying price control mechanisms as part of national health systems. Other countries allow companies to fix their own prices for medical products, but monitor and control company profits. Additional foreign price controls or other changes in pricing regulation could restrict the amount that we are able to charge for our product candidates. Accordingly, in markets outside the United States, the reimbursement for our products may be reduced compared with the United States and may be insufficient to generate commercially reasonable revenue and profits.

Moreover, increasing efforts by governmental and third party payors in the United States and abroad to cap or reduce healthcare costs may cause such organizations to limit both coverage and the level of reimbursement for new products approved and, as a result, they may not cover or provide adequate payment for our product candidates. We expect to experience pricing pressures in connection with the sale of any of our product candidates due to the trend toward managed healthcare, the increasing influence of health maintenance organizations, and additional legislative changes. The downward

pressure on healthcare costs in general, particularly prescription drugs, medical devices and surgical procedures and other treatments, has become very intense. As a result, increasingly high barriers are being erected to the successful commercialization of new products.

We may face difficulties from changes to current regulations and future legislation in the United States.

Existing regulatory policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability.

The United States is an important market for us. U.S. President Trump has taken actions and made statements that suggest he plans to seek repeal of all or portions of the U.S. Affordable Care Act (the "**ACA**"). It is uncertain whether any such repeal will occur and, if it does, what law, if any, will replace the ACA, the outcome of, which could have an impact on coverage and reimbursement for healthcare items and services covered by plans that were authorized by the ACA. However, we cannot predict the ultimate content, timing or effect of any such legislation or executive action or the impact of potential legislation or executive action on us.

In addition, other U.S. legislative changes have been proposed and adopted since the ACA was enacted. These changes included aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, effective April 1, 2013, which, due to subsequent legislative amendments, will stay in effect through 2025 unless additional U.S. Congressional action is taken. In January 2013, former U.S. President Obama signed into law the American Taxpayer Relief Act of 2012, which, among other things, reduced Medicare payments to several providers and increased the statute of limitations period for the U.S. government to recover overpayments to providers from three to five years. These new laws may result in additional reductions in Medicare and other healthcare funding, which could have a material adverse effect on customers for our out-licensed products and product candidates (if and when approved) and accordingly, our financial results.

Likewise, the annual U.S. Medicare Physician Fee Schedule update, which, until recently, was based on a target-setting formula system called the Sustainable Growth Rate ("**SGR**") was adjusted to reflect the comparison of actual expenditures to target expenditures. Because one of the factors for calculating the SGR was linked to the growth in the U.S. gross domestic product ("**GDP**"), the SGR formula often resulted in a negative payment update when growth in Medicare beneficiaries' use of services exceeded GDP growth. U.S. Congress repeatedly intervened to delay the implementation of negative SGR payment updates. For example, on 1 April 2014, with the enactment of the U.S. Protecting Access to Medicare Act of 2014, U.S. Congress prevented the 24% cut that was to occur by continuing the previously implemented 0.5% payment increase through 31 December 2014 and maintaining a 0% payment update from 1 January 2015 through 31 March 2015. However, on 14 April 2015, U.S. Congress passed the U.S. Medicare Access and CHIP Reauthorization Act of 2015, which was signed into law by former President Obama on 16 April 2015. This law repeals the SGR methodology from the physician payment formula, institutes a 0% update to the U.S. Medicare Physician Fee Schedule for the 1 January to 1 July 2015 period, a 0.5% payment update for July 2015 through the end of 2019, and a 0% payment update for 2020 through 2025, along with a merit-based incentive payment system beginning 1 January 2019, that will replace current incentive programs. For 2026 and subsequent years, the payment update will be either 0.75% or 0.25%, depending on which Alternate Payment Model the physician participates.

We expect more rigorous coverage criteria in the future in the U.S. healthcare market and an additional downward pressure on the prices that we receive for approved products. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our out-licensed products and product candidates.

In addition, it is not currently possible to predict how, if at all, the FDA's approved process or regulation will change as a result of the Trump Administration or what impact any such changes will have on us.

Our operations involve hazardous materials and we and third parties with whom we contract must comply with environmental laws and regulations, which can be expensive and restrict how we do business.

As a pharmaceutical company, we are subject to environmental and safety laws and regulations, including those governing the use of hazardous materials. The cost of compliance with health and safety regulations is substantial. Our business activities involve the controlled use of hazardous materials. Our

R&D activities involve the controlled storage, use and disposal of hazardous materials, including the components of our product candidates and other hazardous compounds. We and manufacturers and suppliers with whom we may contract are subject to laws and regulations governing the use, manufacture, storage, handling and disposal of these hazardous materials. In some cases, these hazardous materials and various wastes resulting from their use are stored at our and our manufacturers' facilities pending their use and disposal. We cannot eliminate the risk of accidental contamination or injury from these materials, which could cause an interruption of our commercialization efforts, R&D efforts and business operations, environmental damage resulting in costly clean-up and liabilities under applicable laws and regulations governing the use, storage, handling and disposal of these materials and specified waste products. We cannot guarantee that that the safety procedures utilized by third party manufacturers and suppliers with whom we may contract will comply with the standards prescribed by laws and regulations or will eliminate the risk of accidental contamination or injury from these materials. In such an event, we may be held liable for any resulting damages and such liability could exceed our resources and European, U.S. federal and state or other applicable authorities may curtail our use of certain materials and/or interrupt our business operations. Furthermore, environmental laws and regulations are complex, change frequently and have tended to become more stringent. We cannot predict the impact of such changes and cannot be certain of our future compliance. We do not currently carry biological or hazardous waste insurance coverage. In the event of an accident or environmental discharge, we may be held liable for any consequential damage and any resulting claims for damages, which may exceed our financial resources and may materially adversely affect our business, results of operations and prospects, and the value of our Shares.

We are subject to healthcare laws and regulations, which may require substantial compliance efforts and could expose us to criminal sanctions, civil penalties, exclusion from government healthcare programs, contractual damages, reputational harm and diminished profits and future earnings, among other penalties.

If we market products ourselves, healthcare providers, such as physicians and other health care entities and organizations, will play a primary role in the recommendation and prescription of our products, if approved. Our arrangements with such persons, entities and third party payors and our general business operations will expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we research, market, sell and distribute our products. Restrictions under applicable U.S. federal, state, local and non-U.S. healthcare laws and regulations include the following:

- the U.S. federal Anti-Kickback Statute, which prohibits, among other things, persons or entities from knowingly and willfully soliciting, offering, receiving or providing remuneration, including any kickback, bribe or rebate, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase or lease, order or recommendation of, any item, good, facility or service, for which payment may be made under federal healthcare programs such as Medicare and Medicaid;

- the U.S. federal Beneficiary Inducement Statute, which prohibits giving anything of value to a government insurance beneficiary that could influence the choice of provider or reimbursable covered product;

- federal civil and criminal false claims laws and civil monetary penalties laws, including the U.S. civil False Claims Act, which impose criminal and civil penalties, including those from civil whistleblower or qui tam actions, against individuals or entities for, among other things, knowingly presenting, or causing to be presented, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government;

- the U.S. federal Health Insurance Portability and Accountability Act of 1996 ("**HIPAA**") which created additional federal criminal statutes that impose criminal and civil liability for, among other things, executing or attempting to execute a scheme to defraud any healthcare benefit program or knowingly and willingly falsifying, concealing or covering up a material fact or making false statements relating to healthcare matters;

- HIPAA, as amended by the U.S. Health Information Technology for Economic and Clinical Health Act and its implementing regulations, which impose certain requirements on covered entities and their business associates, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;

- the federal transparency requirements under the U.S. Physician Payments Sunshine Act, enacted as part of the U.S. Patient Protection and ACA that require applicable manufacturers of covered drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid, or the Children's Health Insurance Program, with specific exceptions, to track and annually report to the

Centers for Medicare & Medicaid Services ("**CMMS**") payments and other transfers of value provided to physicians and teaching hospitals, and certain ownership and investment interests held by physicians or their immediate family members;

- analogous state, local and non-U.S. laws and regulations, such as state anti-kickback and false claims laws, which may apply to items or services reimbursed by any third party payor, including commercial insurers; state, local and non-U.S. marketing and/or transparency laws applicable to manufacturers that may be broader in scope than the federal requirements; state laws that require biopharmaceutical companies to comply with the biopharmaceutical industry's voluntary compliance guidelines, relevant compliance guidance promulgated by the federal government, implementation of compliance programs, and compliance with the state's code of conduct; state and local laws that require a pharmaceutical company's sales representatives to be registered or licensed by the state or local governmental entity; and state and non-U.S. laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may be more stringent than HIPAA, thus complicating compliance efforts; and

- rules/legislation covering more or less the same subject matter are found in numerous other countries, including in Denmark, which sometimes result in lower or higher exposures in those countries than in the United States.

Ensuring that our business arrangements with third parties comply with applicable healthcare laws and regulations will likely be costly. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations were found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, disgorgement, individual imprisonment, possible exclusion from government funded healthcare programs, such as Medicare and Medicaid, integrity obligations, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could substantially disrupt our operations. If the physicians or other providers or entities with whom we expect to do business are found not to be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusion from government funded healthcare programs.

Our employees and collaboration partners may engage in misconduct or other improper activities, including violating applicable regulatory standards and requirements or engaging in insider trading, which could significantly harm our business.

We are exposed to the risk of employee fraud or other misconduct and the fraud and misconduct of our collaboration partners. Misconduct by our employees or our collaboration partners could include intentional failures to:

- comply with legal requirements or the requirements of the FDA, the EMA, the CMMS and other comparable regulatory authorities;

- provide accurate information to applicable government authorities;

- comply with fraud and abuse and other healthcare laws and regulations in Denmark, or similar laws in the United States and elsewhere;

- comply with the FCPA and other applicable anti-bribery laws;

- report financial information or data accurately; or

- disclose unauthorized activities to us.

In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing, bribery and other abusive practices. These laws and regulations restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee or collaboration partner misconduct could also involve the improper use of, including trading on, information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. We have adopted a code of conduct, but it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may be ineffective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we or such collaboration partner are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant fines or other sanctions. Further, if any actions are instituted against any

of our collaboration partners and such partner fails to defend itself or assert its rights and as a result, is subjected to criminal, civil or administrative sanctions, including exclusion from government funded healthcare program, such actions and outcomes could have a significant impact on our business.

Changes in Danish, U.S. or other foreign tax laws or compliance requirements, or the practical interpretation and administration thereof, could have a material adverse effect on our business, financial condition and results of operations.

We are affected by various Danish, U.S. and foreign taxes, including direct and indirect taxes imposed on our global activities, such as corporate income, withholding, customs, excise/energy, value added, sales, environmental and other taxes. Significant judgment is required in determining our provisions for taxes and there are many transactions and calculations where the ultimate tax determination is uncertain.

Changes in Danish or foreign direct or indirect tax laws or compliance requirements, including the practical interpretation and administration thereof, including in respect to market practices, or otherwise, could have a material adverse effect on our business, financial position, results of operations and future growth prospects.

The impact on us of the recent vote by the United Kingdom to leave the EU cannot be predicted.

The United Kingdom is a major market for pharmaceutical products, in general, and for products that treat diabetes, in particular. On 23 June 2016, the United Kingdom voted to leave the EU in an advisory referendum, which is generally referred to as Brexit. On 29 March 2017, the United Kingdom delivered notice under Article 50 of the Lisbon Treaty of its intent to leave the EU, beginning a two year negotiation period for the United Kingdom and the 27 remaining members of the EU to reach agreement on the terms of the exit. The United Kingdom remains a member of the EU and there will not be an immediate change in either EU or British law as a consequence of Brexit. The ultimate impact of the "leave" vote will depend on terms that are negotiated in relation to the United Kingdom's future relationship with the EU. The precise timetable for Brexit is not clear at this stage.

Brexit may lead to legal uncertainty and potentially divergent laws and regulations between the United Kingdom and the EU, as the United Kingdom determines which EU laws to replicate or replace. We cannot predict whether or not the United Kingdom will significantly alter its current laws and regulations in respect of the pharmaceutical industry and, if so, what impact any such alteration would have on us or our business. Moreover, we cannot predict the impact that Brexit will have on (i) the marketing of pharmaceutical products or (ii) the process to obtain regulatory approval in the United Kingdom for product candidates.

Brexit may also result in a reduction of funding to the EMA if the United Kingdom no longer makes financial contributions to European institutions, such as the EMA. If United Kingdom funding is so reduced, it could create delays in the EMA issuing regulatory approvals for our product candidates and, accordingly, have a material adverse effect on our business, financial position, results of operations and future growth prospects.

Risks Related to the Shares

The trading price of our Shares may be volatile due to factors beyond our control, and purchasers of the Shares could incur substantial losses.

The market prices of the Shares may be volatile. The stock market in general and the market for biotechnology companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, investors may not be able to sell their Shares at or above the price originally paid for the security. The market price for the Shares may be influenced by:

- actual or anticipated fluctuations in our financial condition and operating results;
- the release of new data from the clinical trials of our product candidates;
- actual or anticipated changes in our growth rate relative to our competitors;
- competition from existing products or new products that may emerge;
- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures, collaborations or capital commitments;

- failure to meet or exceed financial estimates and projections of the investment community or that we provide to the public;
- issuance of new or updated research or reports by securities analysts;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- currency fluctuations;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our ADSs and Shares;
- additions or departures of key management or scientific personnel;
- disputes or other developments related to proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our technologies;
- changes to coverage policies or reimbursement levels by commercial third party payors and government payors and any announcements relating to coverage policies or reimbursement levels;
- announcement or expectation of additional debt or equity financing efforts;
- issuances or sales of our Shares by us, our insiders or our other Shareholders; and
- general economic and market conditions.

These may cause the market price and demand for the Shares to fluctuate substantially, regardless of our actual operating performance, which may limit or prevent investors from readily selling their Shares and may otherwise negatively affect the liquidity of the trading market for the Shares.

We have broad discretion over the use of the net proceeds from the Offering and may use them in ways with which you do not agree and in ways that may not enhance our operating results or the price of our Shares.

Our Board of Directors and management will have broad discretion over the application of the net proceeds that we receive from the Offering. We may spend or invest these proceeds in ways with which our Shareholders disagree or that do not yield a favorable return, if at all. We intend to use the net proceeds from the Offering, together with our existing cash resources as described in Part II, section 3.4 "*Reasons for the Offering and Use of Proceeds*." However, our use of these proceeds may differ substantially from our current plans. Failure by our management to apply these funds effectively could harm our business and financial condition. Pending their use, we may invest the net proceeds from the Offering in a manner that does not produce income or that loses value.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, the price of the Shares and their trading volume could decline.

The trading market for the Shares depends in part on the research and reports that securities or industry analysts publish about us or our business. If no or only limited securities or industry analysts cover the Company, the trading price for the Shares would be negatively impacted. If one or more of the analysts who covers us downgrades our equity securities or publishes inaccurate or unfavorable research about our business, the price of Shares would likely decline. If one or more of these analysts ceases coverage of the Company or fails to publish reports on us regularly, or downgrades our securities, demand for Shares could decrease, which could cause the price of the Shares or their trading volume to decline.

We intend to retain all available funds and any future earnings and, consequently, the Shareholders' ability to achieve a return on their investment will depend on appreciation in the price of the Shares.

We have never declared or paid any cash dividends on our shares, and we intend to retain all available funds and any future earnings to fund the development and expansion of our business. Therefore, the Shareholders are not likely to receive any dividends on their Shares for the foreseeable future

and the success of an investment in Shares will depend upon any future appreciation in its value. Consequently, investors may need to sell all or part of their holdings of Shares after price appreciation, which may never occur, as the only way to realize any future gains on their investment. There is no guarantee that the Shares will appreciate in value or even maintain the price at which our investors have purchased them. Investors seeking cash dividends should not purchase the Shares.

The Shares will be denominated in DKK, and any dividends will be paid in DKK. As a result, shareholders outside of Denmark may experience material adverse effects on the value of their dividends when converted into other currencies, if the DKK depreciates against the relevant currency.

Future sales, or the perception of future sales, of a substantial number of our Shares could adversely affect the price of the Shares, and actual sales of our equity will dilute our Shareholders.

Future sales of a substantial number of our Shares or ADSs, or the perception that such sales will occur, could cause a decline in the market price of the Shares. Following the completion of the Offering, we will have 30,562,402 Shares outstanding assuming no exercise of the Over-allotment Option and 30,718,652 Shares outstanding if the Over-allotment Option is exercised in full. The Shares underlying the ADSs may be resold in the public market immediately without restriction, unless purchased by our affiliates. A significant portion of the Shares we have outstanding will be subject to the lock-up agreements described in section 11.7 "*Lock-up*". If, after the period during which such lock-up agreements restrict sales of the Shares, these Shareholders sell substantial amounts of Shares in the public market, or the market perceives that such sales may occur, the market price of the Shares and our ability to raise capital through an issue of equity securities in the future could be adversely affected.

If we issue Shares in future financings, Shareholders may experience dilution and, as a result, our Share price may decline.

We may from time to time issue additional Shares at a discount from the trading price of our Shares. As a result, our Shareholders would experience immediate dilution upon the issuance of any of our Shares at such discount. In addition, as opportunities present themselves, we may enter into financing or similar arrangements in the future, including the issuance of debt securities or Shares. If we issue Shares or securities convertible into shares of our share capital, our Shareholders would experience additional dilution and, as a result, our share price may decline.

U.S. holders and other non-Danish holders of Shares may not be able to exercise pre-emptive rights or participate in any future rights offerings.

Holders of Shares will have certain pre-emptive rights in respect of certain issues of Shares, unless those rights are dis-applied by a resolution of the Shareholders at a general meeting or the Shares are issued on the basis of an authorization to the Board of Directors under which the Board of Directors may dis-apply the pre-emptive rights. Our Shareholders have on an extraordinary general meeting held on 31 July 2017 authorized our Board of Directors to issue New Shares (and any Over-allotment Shares) without pre-emptive rights for the Existing Shareholders, and our Board of Directors has on 9 August 2017 exercised such authorization. The securities laws of certain jurisdictions may restrict the ability for Shareholders in such jurisdictions to participate in any future issue of Shares carried out on a pre-emptive basis. Shareholders in the United States as well as certain other countries may not be able to exercise their pre-emptive rights or participate in future rights offerings, including in connection with offerings at below market value, unless the Company decides to comply with local requirements, and in the case of the United States, unless a registration statement is effective, or an exemption from the registration requirements is available, under the U.S. Securities Act with respect to such rights. In such cases, shareholders resident in jurisdictions other than Denmark may experience a dilution of their shareholding, possibly without such dilution being offset by any compensation received in exchange for subscription rights. There can be no assurance that local requirements will be complied with or that any registration statement would be filed in the United States or other relevant jurisdiction or that any exemption from such registration would be available so as to enable the exercise of such holders' pre-emptive rights or participation in any rights offering.

It may be difficult or impossible for investors outside Denmark to enforce judgments from their home jurisdictions against us.

We are incorporated, and a majority of our assets and operations are held and conducted in Denmark. As such, it may be difficult or impossible for investors outside of Denmark to enforce judgments obtained in courts of such investor's home jurisdictions against us.

The majority of our board members and employees reside outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or to enforce against them or us in U.S. courts, including judgments predicated upon the civil liability provisions of the U.S. securities laws.

The United States and Denmark currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Consequently, a final judgment for payment given by a U.S. court, whether or not predicated solely upon U.S. securities laws, would not be enforceable in Denmark.

In order to obtain a judgment that is enforceable in Denmark, the party in whose favor a final and conclusive judgment of the U.S. court has been rendered will be required to file its claim again with a court of competent jurisdiction in Denmark. The Danish court will not be bound by the judgment by the U.S. court, but the judgment may be submitted as evidence. It is up to the Danish court to assess the judgment by the U.S. court and decide if and to what extent the judgment should be followed. Danish courts are likely to deny claims for punitive damages and may grant a reduced amount of damages compared to U.S. courts.

Based on the lack of a treaty as described above, U.S. investors may not be able to enforce against us or members of our Board of Directors or our Executive Management, or certain experts named herein who are residents of Denmark or countries other than the United States any judgments obtained in U.S. courts in civil and commercial matters, including judgments under the U.S. federal securities laws.

In the future, we may lose our foreign private issuer status in the U.S, which could result in significant additional costs and expenses.

As a foreign private issuer in the U.S., we are not required to comply with all the periodic disclosure and current reporting requirements of the U.S. Securities Exchange Act of 1934 (the "**Exchange Act**") and related rules and regulations. Following the consummation of the Offering, the determination of foreign private issuer status in the U.S. will be made annually on the last business day of our most recently completed second fiscal quarter. Accordingly, we will next make a determination with respect to our foreign private issuer status on 30 June 2018. There is a risk that in the future, we will lose our foreign private issuer status in the U.S.

We would lose our U.S. foreign private issuer status if, for example, more than 50% of our assets are located in the United States and we continue to fail to meet additional requirements necessary to maintain our foreign private issuer status. As of 31 December 2016, an immaterial amount of our assets were located in the United States, although this may change if we expand our operations in the United States. The regulatory and compliance costs to us under U.S. securities laws as a U.S. domestic issuer may be significantly greater than the costs we incur as a foreign private issuer. If we are not a foreign private issuer in the U.S., we will be required to file periodic reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive in certain respects than the forms available to a foreign private issuer. We would be required under current SEC rules to prepare our financial statements in accordance with U.S. GAAP and modify certain of our policies to comply with corporate governance practices associated with U.S. domestic issuers. Such conversion and modifications would involve additional costs. In addition, we may lose our ability to rely upon exemptions from certain corporate governance requirements on U.S. stock exchanges that are available to foreign private issuers, which could also increase our costs.

As a result of becoming a public company in the U.S., we will become subject to additional regulatory compliance requirements, including Section 404 of the Sarbanes-Oxley Act, and such compliance may be time consuming, costly and increase demand on our systems and resources.

As a U.S. public company listed on NASDAQ, we will incur legal, accounting, and other expenses that we did not previously incur. We will be subject to the reporting requirements of the Exchange Act, the U.S. Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**") the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, the NASDAQ listing requirements and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time consuming or costly and increase demand on our systems and resources, particularly after we are no longer an “emerging growth company” and/or a foreign private issuer. The U.S. Exchange Act would require that, as a public company, we file annual, semi-annual and current reports with respect to our business, financial condition and result of operations. However, as a foreign private issuer, we are not required to file quarterly and current reports with respect to our business and results of operations. We currently make annual, semi-annual and quarterly reporting with respect to our listing on Nasdaq Copenhagen. Following the Offering, we intend to submit, on a quarterly basis, interim financial data to the SEC, under cover of the SEC’s Form 6-K.

Pursuant to Section 404 of the Sarbanes-Oxley Act, our management will be required to assess and attest to the effectiveness of our internal control over financial reporting in connection with issuing our consolidated financial statements as of and for the year ending 31 December 2018. Section 404 of the Sarbanes-Oxley Act also requires an attestation report on the effectiveness of internal control over financial reporting be provided by our independent registered public accounting firm beginning with our annual report following the date on which we are no longer an “emerging growth company”, which may be up to five fiscal years following the date of the Offering.

The cost of complying with Section 404 of the Sarbanes-Oxley Act will significantly increase and management's attention may be diverted from other business concerns, which could adversely affect our results of operations. We may need to hire more employees in the future or engage outside consultants to comply with these requirements, which will further increase expenses. If we fail to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in the required timeframe, we may be subject to sanctions or investigations by regulatory authorities, including the SEC and NASDAQ. Furthermore, if we are unable to attest to the effectiveness of our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, and the market price of our Shares could decline. Failure to implement or maintain effective internal control over financial reporting could also restrict our future access to the capital markets and subject each of us, our directors and our officers to both significant monetary and criminal liability. In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expense and a diversion of management's time and attention from revenue generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business, financial position, results of operations and future growth prospects may be adversely affected.

We have identified material weaknesses in our internal control over financial reporting. If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results in a timely manner or prevent fraud, which may adversely affect our business, investor confidence in our company and the market price of our Shares.

In connection with our financial statements preparation process for the financial years ended 31 December 2016 and 2015, respectively, we have identified material weaknesses in the design and operating effectiveness of our internal controls over financial reporting, including lack of sufficient competencies related to IFRS and SEC reporting knowledge for the purposes of timely and reliable financial reporting. Under the standards established by the U.S. Public Company Accounting Oversight Board, a material weakness is a deficiency, or a combination of deficiencies, that creates a reasonable possibility that a material misstatement of a company's annual financial statements will not be prevented or detected on a timely basis. The material weaknesses identified by us relate to our existing processes to assess risk and to design and implement effective control activities over financial reporting. In particular, we do not have formalized risk assessment, oversight and compliance processes or formalized control descriptions for all of our key controls. Where control descriptions do exist, they do not necessarily include all relevant information to enable the operating effectiveness of such controls. It is not clear whether adequate controls are performed in all areas. Where control activities are dependent on certain information, which is referred to as our information used in a control, we currently do not perform or document controls to assess the completeness and accuracy of such information. We do not currently monitor control activities and identified control deficiencies; thus, we are unable to evaluate whether other deficiencies, individually or in combination, result in a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. Further, restatements resulting from the correction of certain misstatements in our annual financial statements included in this Prospectus have been identified. These restatements occurred due to the lack of sufficient overall review of the financial statements and lack of oversight of the application and implementation of accounting policies and accounting standards by the Company.

We have initiated steps to remediate the material weaknesses and hired a chief accountant to further develop and implement formal policies, processes, internal controls and documentation relating to our financial reporting. We expect this project to be completed by the end of 2017, although the project may take longer than we currently expect and we may also discover future deficiencies.

We may also discover future deficiencies or material weaknesses in our internal controls over financial reporting, including those identified through testing conducted by us pursuant to Section 404(a) of the Sarbanes-Oxley Act or subsequent testing by our independent registered public accounting firm when required pursuant to the Sarbanes-Oxley Act. Such deficiencies may be deemed to be significant deficiencies or material weaknesses and may require changes to our consolidated financial statements or identify other areas for further attention or improvement. Even if we are able to report our financial statements accurately and in a timely manner, if we do not make all necessary improvements to address any outstanding material weaknesses, continued disclosure of such significant deficiencies and material weaknesses may be required in future filings with the SEC, which may adversely affect our business, investor confidence in our company and the market price of our Shares.

FORWARD LOOKING STATEMENTS

This Prospectus contains forward-looking statements concerning our business, operations and financial performance and condition, as well as our plans, objectives and expectations for our business operations and financial performance and condition. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “aim,” “anticipate,” “assume,” “believe,” “contemplate,” “continue,” “could,” “due,” “estimate,” “expect,” “goal,” “intend,” “may,” “objective,” “plan,” “predict,” “potential,” “positioned,” “seek,” “should,” “target,” “will,” “would,” and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology. These forward-looking statements include, but are not limited to, statements about: (i) our expectations regarding the sales of Adlyxin and Soliqua100/33 in the United States, Lyxumia outside of the United States and Suliqua in the EU; (ii) our receipt of future milestone payments from our collaboration partners, and the expected timing of such payments; (iii) our expectations regarding the potential market size and the size of the patient populations for our product candidates, if approved for commercial use; (iv) our expectations regarding the potential advantages of our product candidates over existing therapies; (v) our potential to enter into new collaborations; (vi) our expectations with regard to our ability to develop additional product candidates using peptides and file INDs, for such product candidates; (vii) our expectations with regard to the willingness and ability of our current and future collaboration partners to pursue the development of our product candidates; (viii) our development plans with respect to our product candidates; (ix) our ability to develop, acquire and advance product candidates into, and successfully complete, clinical trials; (x) the initiation, timing, progress and results of our preclinical studies and clinical trials, and our research and development programs; (xi) the timing or likelihood of regulatory filings and approvals for our product candidates; (xii) the commercialization and market acceptance of our product candidates; (xiii) our marketing and manufacturing capabilities; (xiv) the pricing of and reimbursement for our approved product candidates; (xv) the implementation of our business model and strategic plans for our business, product candidates and technology; (xvi) our and our collaboration partners’ ability to operate our businesses without infringing the intellectual property rights and proprietary technology of third parties; (xvii) the scope of protection we are able to establish and maintain for intellectual property rights covering our product candidates; (xviii) our analysis of our actual or potential patent infringement claims and the rights of our collaboration partners with respect to such claims; (xix) estimates of our expenses, future revenue, capital requirements, our needs for additional financing and our ability to obtain additional capital; (xx) regulatory development in Europe, the United States, and other jurisdictions; (xxi) our exposure to additional scrutiny as a U.S. public company; (xxii) our ability to effectively manage our anticipated growth; (xxiii) our ability to attract and retain qualified employees and key personnel; (xxiv) our expectations regarding the time during which we will be an emerging growth company under the U.S. Jumpstart Our Business Startups Act of 2012, ("**JOBS Act**"); (xxv) our use of proceeds from the Offering; (xxvi) our financial performance; and (xxvii) developments and projections relating to our competitors and our industry, including competing therapies.

These forward-looking statements are based on our current expectations, estimates, forecasts and projections about our business and the industry in which we operate and management’s beliefs and assumptions, and are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. As a result, any or all of our forward-looking statements in this Prospectus may turn out to be inaccurate. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed in “*Risk Factors*” and elsewhere in this Prospectus. Potential investors are urged to consider these factors carefully in evaluating the forward-looking statements. These forward-looking statements speak only as of the date of this Prospectus. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

In this Prospectus, disclosures of aggregate milestone payments remaining to be paid with respect to out-licensed products are limited to those arising from programs that have been initiated.

DESCRIPTION OF THE OFFERING AND AMERICAN DEPOSITARY SHARES

The Offering

The Offering was an initial public offering in the United States of 4,375,000 American Depositary Shares (ADSs) at a price of USD 17.87 per ADS. Each ADS represents 1 New Share. The New Shares are underlying the ADSs.

The Offering was based on a U.S. prospectus which was approved by the SEC on 1 August 2017 and published in the United States on 1 August 2017. The final U.S. Prospectus including subscription price for the ADSs was published in the United States on 9 August 2017. Pricing of the Offering took place on 9 August 2017 (CET) after market close in the United Stated on 8 August 2017, and the price per ADS was fixed at USD 17.87**,** corresponding to DKK 112.58 (using a USD/DKK exchange rate of 6.3). The price for the ADSs corresponds to a subscription price of DKK 112.58 per New Share. Completion of the Offering is expected to take place on 14 August 2017.

The ADSs were listed and began trading on 9 August 2017 on the NASDAQ Global Select Market in the United States (NASDAQ) under the symbol "ZEAL".

The Bank of New York Mellon has been appointed as depositary for the ADSs and will issue and register the ADSs to the holders thereof and be the holder of the New Shares upon issue.

No offer of New Shares or ADSs has been or will be made in the EU/EEA and no offer of any securities has been or will be made under this Prospectus in the United States or to U.S. Persons (as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended). Investors in ADSs may not rely on this Prospectus for any purpose.

The Underwriters, have, subject to the terms and conditions of an underwriting agreement dated 8 August 2017 (due to the time difference between Denmark and the United States) between the Company and Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the Underwriters, (the "**Underwriting Agreement**"), severally agreed to purchase 4,375,000 New Shares to be delivered in the form of ADSs in total in the Offering. Further, the Company has granted Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the Underwriters, an option to purchase up to an additional 656,250 Shares to be delivered in the form of ADSs solely for the purpose of covering any over-allotments of ADSs (the Over-allotment Option). The Over-allotment Option is exercisable for 30 days from the date of the Underwriting Agreement on 8 August 2017 and will expire on 7 September 2017. The Over-allotment Option may be exercised in full or in part. To the extent the Over-allotment Option is exercised by Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the Underwriters, the Company must deliver a number of Shares to the Underwriters corresponding to the number of additional ADSs in the ratio one ADS equals 1 Share. The Company must deliver up to 656,250 additional Shares if the Over-allotment Option is exercised. The Company will deliver up to 500,000 of such Shares in the form of Existing Shares held by the Company as treasury shares, or, if such 500,000 Existing Shares held by the Company as treasury shares are not sufficient to cover the Shares to be delivered, in the form of newly issued shares (Over-allotment Shares). Hence, up to 156,250 additional Shares may be issued as Over-allotment Shares. Any Over-allotment Shares issued by the Company will be admitted to trading and official listing on Nasdaq Copenhagen in reliance on the exemption in section 15(1) of the Danish Executive Order on Prospectuses and not on the basis of this Prospectus. When the board of directors of the Company resolved to issue the New Shares on 9 August 2017, the board of directors also resolved to issue up to 156,250 Over-allotment Shares.

The Underwriting Agreement provides that the obligations of the Underwriters to pay for and accept delivery of the ADSs offered in the Offering are subject to the approval of certain legal matters by their counsel and to certain other conditions. The Underwriters are obligated to take and pay for all of the ADSs offered in the Offering if any such ADSs are taken. However, the Underwriters are not required to take or pay for the ADSs covered by the Over-allotment Option, unless they decide to exercise the Over-allotment Option.

The Underwriters have not been involved in the preparation of this Prospectus.

Stabilization

No stabilization activities will be made with respect to the New Shares.

In order to facilitate the Offering of the ADSs, the Underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the ADSs. Specifically, the Underwriters may sell more ADSs than they are obligated to purchase under the Underwriting Agreement, creating a short position. A short sale is covered if the short position is no greater than the number of ADSs available for purchase by the Underwriters under the Over-allotment Option. The Underwriters can close out a covered short sale by exercising the Over-allotment Option or purchasing ADSs in the open market or by purchasing Shares in the open market and delivering them to the Depositary in exchange for ADSs. In determining the source of ADSs to close out a covered short sale, the Underwriters will consider, among other things, the open market price of ADSs and Shares compared to the price available under

the Over-allotment Option. The Underwriters may also sell ADSs in excess of the Over-allotment Option, creating a naked short position. The Underwriters must close out any naked short position by purchasing ADSs or Shares in the open market. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the ADSs in the open market after pricing that could adversely affect investors who purchase in the Offering. As an additional means of facilitating the Offering, the Underwriters may bid for, and purchase, ADSs in the open market to stabilize the price of the ADSs. These activities may raise or maintain the market price of the ADSs above independent market levels or prevent or retard a decline in the market price of the ADSs. The Underwriters are not required to engage in these activities and may end any of these activities at any time. The stabilization activities relating to the ADSs may be carried out for a period of 30 days from the date of the Underwriting Agreement on 8 August 2017. The stabilization activities will be carried out under and in accordance with U.S. regulation, but in compliance with the disclosure obligations set out in the Market Abuse Regulation.

ADS (American depositary shares)

General

An ADS represents an equity share of a foreign issuer available for purchase on a stock exchange in the United States. The ADSs are issued by a depositary bank in the United States under an agreement with a foreign issuer.

An ADS may be held either (a) directly (i) through an American Depositary Receipt ("**ADR**") which is a certificate evidencing a specific number of ADSs, registered in the name of the holder, or (ii) by having uncertificated ADSs registered in the holder's name, or (b) indirectly by holding a security entitlement in ADSs through a broker or other financial institution that is a direct or indirect participant in a depository trust company. If a person holds ADSs directly, such a person is registered as an ADS holder ("**ADS Holder**"). The below description relates to ADS Holders. If a person holds the ADSs indirectly, such person must rely on the procedures of its broker or other financial institution to assert the rights of ADS holders described below.

ADSs in terms of the Offering

In the Offering, each ADS represents 1 Share. The Bank of New York Mellon acts as depositary and will register and deliver the ADSs. The Depositary will hold the New Shares which are deposited with the Copenhagen office of Danske Bank A/S, whose business address is Holmens Kanal 2, 1092 Copenhagen, Denmark, as custodian for the Depositary in the United States. The ADSs can be held either directly or indirectly through a broker or other financial institution.

An ADS Holder will not be treated as a Shareholder and will not have shareholder rights. Danish law governs shareholder rights. The Depositary will be the holder of the New Shares underlying the ADSs and a registered holder of ADSs will have ADS holder rights. A deposit agreement among the Company, the depositary, ADS holders and all other persons indirectly or beneficially holding ADSs (the "**Deposit Agreement**") sets out ADS holder rights as well as the rights and obligations of the Depositary. New York law governs the Deposit Agreement and the ADSs.

Deposit Agreement

Below is an extract of some of the material terms of the Deposit Agreement:

Dividend and Other Distributions

The Depositary has agreed to pay or distribute to ADS holders the cash dividends or other distributions it or the custodian receives on the New Shares or other deposited securities. Distributions to the ADS Holders will be in proportion to the number of shares the ADSs represent. The Depositary may distribute additional ADSs representing any Shares we distribute as a dividend or free distribution.

New Shares

If we offer holders of our Shares any rights to subscribe for additional Shares or any other rights, the Depositary may (i) exercise those rights on behalf of ADS Holders, (ii) distribute those rights to ADS Holders or (iii) sell those rights and distribute the net proceeds to ADS Holders.

Withdrawal

The ADS Holder may with few limitations choose to surrender its ADSs for the purpose of withdrawal at the Depositary's office. Upon payment of its fees and expenses, the Depositary will deliver the Shares and any other deposited securities underlying the ADSs to the ADS holder or a person the ADS holder designates at the office of the custodian or at its office, if feasible.

Voting Rights

ADS Holders may instruct the Depositary how to vote the number of deposited Shares their ADSs represent. The Company can choose to request the Depositary to solicit the ADS Holder's voting instructions. The Depositary will notify of a general meeting and send or make voting materials available to the ADS Holders. Those materials will describe the matters to be voted on and explain how ADS holders may instruct the depositary how to vote.

The Depositary will try, as far as practical, subject to the laws of Denmark and the provisions of the Articles of Association, to vote or to have its agents vote the Shares as instructed by ADS holders. The Articles of Association allow for differentiated voting. If the Company does not request the Depositary to solicit the ADS Holder's voting instructions, the ADS Holder can still send voting instructions, and, in that case, the Depositary may try to vote as instructed, but it is not required to do so.

Tender and Exchange Offers; Redemption, Replacement or Cancellation of Deposited Securities

The Depositary will not tender deposited Shares or other securities in any voluntary tender or exchange offer unless instructed to do by an ADS Holder surrendering ADSs and subject to any conditions or procedures the Depositary may establish. If deposited Shares or other securities are redeemed for cash in a transaction that is mandatory for the Depositary as a holder of deposited securities, the Depositary will call for surrender of a corresponding number of ADSs and distribute the net redemption money to the holders of called ADSs upon surrender of those ADSs. If there is any change in the deposited Shares or other securities such as a sub-division, combination or other reclassification, or any merger, consolidation, recapitalization or reorganization affecting the Company of deposited Shares or other securities in which the Depositary receives new Shares or other securities in exchange for or in lieu of the old deposited Shares or other securities, the Depositary will hold those replacement Shares or other securities as deposited Shares or other securities under the Deposit Agreement.

If there are no deposited Shares or other securities underlying ADSs, including if the deposited Shares or other securities are cancelled, or if the deposited Shares or other securities underlying ADSs have become apparently worthless, the Depositary may call for the surrender of those ADSs or cancel those ADSs upon notice to the ADS holders.

Amendment and Termination

The Company may agree with the Depositary to amend the Deposit Agreement without the ADS Holders' consent for any reason. Such amendments will apply to ADS Holders. The Deposit Agreement can be terminated by the instruction of the Company and under certain circumstances, the Depositary can terminate the agreement.

EXPECTED TIMETABLE OF THE OFFERING AND THE ADMISSION AND EXPECTED FINANCIAL CALENDER

Event	Date
Date of launch of the Offering in the United States and publication of the preliminary U.S. prospectus for the Offering in the United States	1 August 2017
Pricing of the Offering	9 August 2017 (CET)
Date of publication in the Unites States of the final U.S. Prospectus	9 August 2017
The ADSs started trading on NASDAQ	9 August 2017
Publication of this Prospectus	10 August 2017
Completion of the Offering in the United States (expected)	14 August 2017
Registration of the New Shares with the Danish Business Authority (expected)	14 August 2017
First day of trading of the New Shares on Nasdaq Copenhagen in the existing ISIN code for the Existing Shares (expected)	15 August 2017

Financial calendar

The Company's financial year runs from 1 January through 31 December. The Company will publish financial reports on a quarterly basis. It is currently expected that the Company will publish its financial reports according to the following schedule:

Event	Date
Interim consolidated financial statements for the six months ended 30 June 2017	24 August 2017
Interim consolidated financial statements for the nine months ended 30 September 2017	8 November 2017

Presentation of Financial Information and Exchange Rate Information

We maintain our books and records in DKK and have prepared our audited consolidated financial statements for the financial years ended 31 December 2016 and 2015, respectively, in accordance with IFRS as approved by EU. The unaudited consolidated interim financial statements for the three months ended 31 March 2017, with comparative figures for the three months ended 31 March 2016, presented therein, have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU.

The following table presents information on the exchange rates between the DKK and the USD for the periods indicated, as published by the Danish Central Bank. The rates set forth below are provided solely for your convenience and may differ from the actual rates used in the preparation of our consolidated financial statements and other financial data included in this Prospectus.

(DKK per USD)	Period-end	Average for Period	Low	High
Year Ended 31 December,				
2015	6.8300	6.7269	6.1807	7.0806
2016	7.0528	6.7327	6.4331	7.1732
Month Ended:				
31 January 2017	6.9152	7.0057	6.9152	7.1585
28 February 2017	7.0144	6.9862	6.8818	7.0705
31 March 2017	6.9572	6.9598	6.8330	7.0702
30 April 2017	6.8054	6.9335	6.8054	7.0300
31 May	6.6302	6.7329	6.6203	6.8509
30 June	6.5165	6.6240	6.5160	6.6747

The following table presents information on the exchange rates between the DKK and the EUR for the periods indicated, as published by Danmarks Nationalbank. The rates set forth below are provided solely for your convenience and may differ from the actual rates used in the preparation of our consolidated financial statements and other financial data included in this Prospectus. The exchange rate of DKK per EUR is regulated by the exchange rate mechanism, a system originally established in 1979 for controlling exchange rates within the monetary system of the EU. Under this system, Denmark sets its central exchange rate to 7.46 kroner per EUR and allows fluctuations of the exchange rate within a 2.25% band. This means that the exchange rate can fluctuate from a high of DKK 7.63 per EUR 1.00 to a low of DKK 7.29 per EUR 1.00. If the market-determined floating exchange rate rises above or falls below the band, the Danish Central Bank must intervene.

(DKK per EUR)	Period-end	Average for Period	Low	High
Year Ended 31 December,				
2015	7.4625	7.4586	7.4345	7.4717
2016	7.4344	7.4452	7.4338	7.4645
Month Ended:				
31 January 2017	7.4373	7.4355	7.4338	7.4375
28 February 2017	7.4332	7.4348	7.4331	7.4378
31 March 2017	7.4379	7.4356	7.4331	7.4412
30 April 2017	7.4383	7.4376	7.4350	7.4396
31 May	7.4398	7.4398	7.4365	7.4440
30 June	7.4366	7.4375	7.4357	7.4403

PART I. DESCRIPTION OF THE COMPANY

This Part I has been prepared in conformity with Annex XXV of the Prospectus Regulation.

1. NAME AND ADDRESS OF OUR INDEPENDENT AUDITORS

Our independent auditor is:

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 Copenhagen S
Denmark

Our audited consolidated financial statements for the financial years ended 31 December 2016 and 2015, respectively, included by reference in this Prospectus, have been audited by Deloitte Statsautoriseret Revisionspartnerselskab as stated in their report appearing therein. Deloitte Statsautoriseret Revisionspartnerselskab is a member of FSR-Danish Auditors. No other information included in this Prospectus including by reference has been audited.

Deloitte Statsautoriseret Revisionspartnerselskab is represented by Martin Norin Faarborg and Sumit Sudan, both State Authorized Public Accountants and members of FSR – Danish Auditors.

The independent auditors' report included in our audited consolidated financial statements for the financial year ended 31 December 2016 was signed by Martin Norin Faarborg and Sumit Sudan and for the financial year ended 31 December 2015 by Martin Norin Faarborg and Flemming Larsen. The reason for the change of auditor from Flemming Larsen to Sumit Sudan was Sumit Sudan's special competences which are relevant for the Company.

2. SELECTED FINANCIAL INFORMATION

The selected consolidated financial data for the three months ended 31 March 2017 and 2016 set forth below are derived from the Company's unaudited consolidated interim financial statements for the three months ended 31 March 2017, with comparative figures for the three months ended 31 March 2016, presented therein (the consolidated financial data for the three month ended 31 March 2016 have been restated for the correction of certain misstatements. See Note 1 of the unaudited consolidated interim financial statements for the three months ended 31 March 2017 which includes a description of the nature and effects of the misstatements related to the three month ended 31 March 2016). The selected consolidated financial data for the financial years ended 31 December 2016 and 2015, respectively, have been derived from our audited consolidated financial statements for the financial years ended 31 December 2016 and 2015, respectively (the consolidated financial data for the financial year ended 31 December 2015 have been restated for the correction of certain misstatements. See Note 1 of the audited consolidated financial statements for the financial year ended 31 December 2016 which includes a description of the nature and effects of the misstatements related to the financial year ended 31 December 2015).

We maintain our books and records in DKK, and prepare our consolidated financial statements in accordance with IFRS as adopted by the EU and additional requirements under the Danish Financial Statements Act and our unaudited consolidated interim financial statements in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and the additional Danish requirements for submission of interim reports for companies listed on Nasdaq Copenhagen. You should read this data together with our consolidated financial statements and related notes as incorporated by reference, see section 17 "*Financial Information concerning our Assets and Liabilities, Financial Position and Profits and Losses; Dividends.*" Our historical results are not necessarily indicative of our future results.

Consolidated Income Statements Data

	Three months ended 31 March		Year Ended 31 December	
(in millions DKK)	**2017**	**2016[2]**	**2016**	**2015[1]**
Revenue	77.6	6.7	234.8	187.7
Royalty expenses	(10.5)	(0.9)	(31.5)	(22.3)
Research and development expenses	(60.7)	(63.7)	(268.2)	(217.7)
Administrative expenses	(9.9)	(7.5)	(52.5)	(41.8)
Other operating income	0.1	0.9	1.7	12.8
Operating loss	(3.3)	(64.5)	(115.7)	(81.3)
Financial income	0.8	0.8	0.6	3.9
Financial expenses	(25.2)	(15.2)	(44.4)	(42.4)
Loss before tax	(27.7)	(78.9)	(159.4)	(119.8)
Income tax benefit	1.4	1.1	5.5	5.9
Net loss for the period	(26.3)	(77.8)	(153.9)	(114.0)
Loss per Share (DKK)				
Basic loss per Share	(1.03)	(3.27)	(6.33)	(4.94)
Diluted loss per Share	(1.03)	(3.27)	(6.33)	(4.94)

(1) The consolidated financial data for the financial year ended 31 December 2015 have been restated for the correction of certain misstatements. See Note 1 of the audited consolidated financial statements for the financial year ended 31 December 2016 which includes a description of the nature and effects of the misstatements related to the financial year ended 31 December 2015.

(2) The consolidated financial data for the three months ended 31 March 2016 have been restated for the correction of certain misstatements. See Note 1 of the unaudited consolidated interim financial statements for the three months ended 31 March 2017 which includes a description of the nature and effects of the misstatements related to the three months ended 31 March 2016.

Consolidated Statement of Financial Position Data

	Three months ended 31 March 2017	Year ended 31 December	
		2016	2015[1]
(in millions DKK)			
Cash and cash equivalents	410.3	323.3	418.8
Restricted cash	6.7	318.7	21.4
Total assets	474.2	694.6	636.2
Retained losses	(1,215.5)	(1,189.2)	(1,035.3)
Total equity	252.7	278.2	252.2
Non-current liabilities	126.5	328.9	313.0
Current liabilities	95.0	87.6	71.0
Total equity and liabilities	474.2	694.6	636.2

(1) The consolidated financial data for the financial year ended 31 December 2015 have been restated for the correction of certain misstatements. See Note 1 of the audited consolidated financial statements for the financial year ended 31 December 2016 which includes a description of the nature and effects of the misstatements related to the financial year ended 31 December 2015.

Consolidated Statement of Cash Flow

	Year Ended 31 December	
(in millions DKK)	**2016**	**2015[1]**
Cash inflow (outflow) from operating activities	40.9	(224.8)
Cash (outflow) from investing activities	(300)	(1.6)
Cash inflow from financing activities	157.1	96.4
Increase (decrease) in cash and cash equivalents	**(101.9)**	**(129.9)**

(1) The consolidated financial data for the financial year ended 31 December 2015 have been restated for the correction of certain misstatements. See Note 1 of the audited consolidated financial statements for the financial year ended 31 December 2016 which includes a description of the nature and effects of the misstatements related to the financial year ended 31 December 2015.

	Three months ended 31 March	
(in millions DKK)	**2017**	**2016[1]**
Cash inflow (outflow) from operating activities	(51.9)	41.3
Cash inflow (outflow) from investing activities	310.3	(90.3)
Cash inflow (outflow) from financing activities	(174.1)	3.9
Increase (decrease) in cash and cash equivalents	84.3	(45.1)

(1) The consolidated financial data for the three months ended 31 March 2016 have been restated for the correction of certain misstatements. See Note 1 of the unaudited consolidated interim financial statements for the three months ended 31 March 2017 which includes a description of the nature and effects of the misstatements related to the three months ended 31 March 2016.

INFORMATION ABOUT THE COMPANY

2.1 Name and Registered Office

Name, headquarters and registered office where all our activities (including R&D) are currently conducted:

Zealand Pharma A/S
Smedeland 36
2600 Glostrup
Denmark

Telephone number: +4588 77 36 00.
Website: www.zealandpharma.com (the information on, or that can be accessed through, our website is not part of and should not be incorporated by reference into this Prospectus, unless otherwise specifically set our herein).

We also carry out business under the secondary name of Zealand Pharmaceuticals A/S.

We are registered with the Danish Business Authority under company registration number (CVR) no. 20045078 under Danish Law as a limited liability company.

2.2 History

We were incorporated on 1 April 1997, commenced operations in 1998 and have developed into a biopharmaceutical company dedicated to the discovery and development of innovative peptide drugs. We target therapeutic diseases where we believe existing treatments fail to adequately serve the medical needs of patients and the market potential for improved treatments through the use of peptide drugs is high. We focus on three therapeutic areas: metabolic (diabetes and obesity), gastrointestinal and cardiovascular diseases.

Our Existing Shares have been admitted to trading and official listing on Nasdaq Copenhagen since November 2010.

Below is an overview of recent years' key event:

2003

- Licence agreement on Lixisenatide with Aventis Deutschland (now Sanofi-Aventis).

2008

- Sanofi-Aventis initiated Phase 3 clinical programs for Lixisenatide; and
- Zealand Pharma and Helsinn Healthcare announced the signing of a partnership agreement for Elsiglutide.

2009

- Sanofi-Aventis initiated Phase 1 clinical development for a combination of its drug Lantus® (insulin glargine) and Zealand Pharma's Lixisenatide; and
- Phase 1a clinical trials for Glepaglutide were successfully completed and Phase 1b trial was initiated (2009).

2010

- Revision of the Lixisenatide global licensing agreement with Sanofi-Aventis for Type 2 diabetes ;
- Sanofi-Aventis completed Phase 1 clinical development with a combination of Lixisenatide and Lantus® and announced the initial results of Phase 3 clinical trials of Lixisenatide administered on top of Lantus®;
- initiation of Phase 1b clinical trials by Helsinn Healthcare for Elsiglutide;
- completion of Phase 1b study for Glepaglutide to treat inflammatory bowel disease; and
- Listing on Nasdaq Copenhagen.

2011

- Collaboration agreement with Boehringer Ingelheim to advance novel glucagon/GLP-1 dual agonist for treatment of type 2 diabetes and obesity;
- All rights to danegaptide including full Phase 1 data package retained from Pfizer; and
- Market authorisation application (MAA) filed for Lixisenatide (Lyxumia®) in Europe.

2012

- Global Phase 3 Get Goal program for Lixisenatide completed by Sanofi;
- Elsiglutide Phase 2 study started by Helsinn; and
- Partnership with AbbVie on ZP 1480 (acute kidney injury).

2013

- Lyxumia® (Lixisenatide) approved in Europe;
- Lixisenatide NDA filing in the US;
- First commercial sales of Lyxumia® in Europe;
- Sanofi withdrew the NDA for Lixisenatide in the US in order to resubmit after completion of the ELIXA outcome study; and
- Initiation of Phase 2 proof of concept study with Danegaptide for ischemic reperfusion injury.

2014

- Initiation of LixiLan Phase 3 program in type 2 diabetes;
- Start of Phase 1 study on ZP 4207, Stable Glucagon (now Dasiglucagon);
- Second collaboration agreement with Boehringer Ingelheim signed on Zealand preclinical project; and
- DKK 299 (USD 50) million raised in non-recourse Lyxumia® royalty bond financing.

2015

- Expansion of clinical competencies, including in-house regulatory, quality and medical expertise.
- New Board members with broad international competencies
- New CEO and senior management team
- Lixisenatide - type 2 diabetes (out-licensed):
  - Cardiovascular safety established (ELIXA trial)
  - Filed for US approval
- Fixed-ratio combination of Lixisenatide and insulin Glargine - type 2 diabetes (out-licensed)
  - Successfully completed Phase 3
  - Filed for US approval with priority review
- Elsiglutide - chemotherapy induced diarrhea (out-licensed)
  - Started in Phase 2b
  - Completed patient enrollment
- Boehringer Ingelheim (out-licensed)
  - A new lead drug candidate advanced into preclinical development under each of two collaborations

2016

- First dosing of patients in Phase 2 with Glepaglutide;
- First dosing of patients in Phase 2 with glucagon analogue, Dasiglucagon;
- Phase 2 proof-of- concept trial with danegaptide failed to meet primary endpoint;
- FDA acceptance of Sanofi's NDA for iGlarLixi (Lixisenatide and insulin glargine);
- Phase 2b trial with Elsiglutide failed to meet primary endpoint;
- FDA Advisory Committee vote to recommend approval of iGlarLixi (Lixisenatide and insulin glargine) in the United States;

- Collaboration between Zealand Pharma and Betabionics on a first-in-class dual-hormone bionic pancreas system;
- FDA approval of Adlyxin in the United States, triggering USD 5 million milestone payment;
- Positive Phase 2 results for Dasiglucagon in a ready-to-use hypopen;
- Three-month delay in the FDA decision on Lixisenatide and insulin glargine;
- Zealand Pharma raises USD 22 million from private placement of Shares;
- FDA approval of Soliqua 100/33, triggering USD 25 million milestone payment;
- CMPH recommends approval of Suliqua in the EU;
- Start of Phase 2a microdose clinical trial with Dasiglucagon; and
- Start of Phase 2a clinical trial with Dasiglucagon in a dual-hormone bionic pancreas system.

2017

- Suliqua approved in the EU for treatment of adults with type 2 diabetes;
- Soliqua100/33 launched in the United States by Sanofi;
- Terms of the ZP SPV Notes were renegotiated and DKK 175 million was repaid and restricted cash of DKK 175 million released as cash and cash equivalents; and
- A positive opinion on orphan medicinal product designation, issued by the committee of orphan medicinal products for treatment of congenital hyperinsulinism in the EU was obtained for Dasiglucagon.
- Glepaglutide meets primary endpoint in Phase 2 trial in patients with SBS
- Phase 2a trial results support development of Dasiglucagon in the iLet pump system for type 1 diabetes
- Zealand Pharma initiates first Phase 3 trial with Dasiglucagon for the treatment of severe hypoglycemia in diabetes
- Zealand Pharma files registration statement for the proposed Offering

See section 3 "*Business*" for a detailed description of our business and development.

2.3 Investments

2.3.1 Historic investments

The following table sets forth our investments for the three months ended 31 March 2017 and for the financial years ended 31 December 2016 and 2015 and the period ended 31 March 2017, respectively:

	Period ended 31 March 2017	Year ended 31 December	
	2017	2016	2015
(in millions DKK)			
Investments in property, plants and equipment	(1,807)	(2,600)	(4,040)
Investments in intangible assets, etc.	0	0	0
Total investments	(1,807)	(2,600)	(4,040)

In each period, these investments in property, plants, equipment and intangible assets, etc. consisted primarily of investments in fixed assets such as laboratory equipment.

2.3.2 Significant current investments

As of the date of this Prospectus, we do not have any significant investments in property, plants, equipment and intangible assets in progress.

2.3.3 Significant future investments

As of the date of this Prospectus, we are not committed to material future investments in property, plants and equipment and intangible assets capital expenditures, however, there can be no assurance that the level of investments will not increase in the future,

We anticipate the level of investments to be higher than in 2016 and to be mainly related to investments in laboratory equipment, software and production equipment at external contract manufacturing organisations.

3. BUSINESS

3.1 Our Company

We are a biotechnology company focused on the discovery, design and development of innovative peptide-based medicines. Our portfolio includes two approved products for the treatment of type 2 diabetes: (i) Lixisenatide, which has been approved by the FDA and is marketed in the United States, under the brand name Adlyxin and which has been approved by the EMA and by other regulatory authorities outside the United States where it is marketed under the brand name Lyxumia; and (ii) a combination of Lixisenatide with Lantus, the brand name of insulin glargine developed by Sanofi which has been approved by the FDA and is marketed in the United States under the brand name Soliqua100/33, and has been approved by the EMA and launched in the Netherlands under the brand name Suliqua. Suliqua is expected to be launched in certain other European countries beginning in the second half of 2017. Both Adlyxin / Lyxumia and Soliqua 100 / 33 / Suliqua are marketed by Sanofi pursuant to a license agreement granting Sanofi commercialization rights for these products. See section 19.1 "*Sanofi License Agreement for Lixisenatide* ".

Lyxumia had global sales of EUR 32.7 million in 2016. For the six month ended 30 June 2017, Adlyxin / Lyxumia had combined global sales of EUR 13.9 and Soliqua 100/33 / Suliqua had combined global sales of EUR 9.1 million.

In addition to our currently approved and marketed products, we also have a pipeline of other product candidates in various stages of pre-clinical and clinical development targeting gastrointestinal, metabolic and other specialty disease areas with significant unmet medical needs. In-house inventions are the basis of our portfolio, demonstrating our ability to discover and develop innovative peptide-based product candidates with favorable therapeutic profiles.

3.2 Our Focus on Peptide-Based Medicines

We currently focus on gastrointestinal, metabolic and other specialty diseases where we believe that the present standard of care is inadequate and where we believe that we have the resources to advance our peptide-based product candidates into the later stages of clinical development, including registration and, potentially, commercialization, while opportunistically considering partnership relationships that may arise. In addition, we are looking to focus our efforts on drug candidates that may qualify for orphan/rare disease status. Our R&D organization is structured to enable dynamic collaboration across various functions and project teams at each stage of discovery and development, allowing us to advance promising opportunities quickly and take advantage of our extensive knowledge of peptide design and product development.

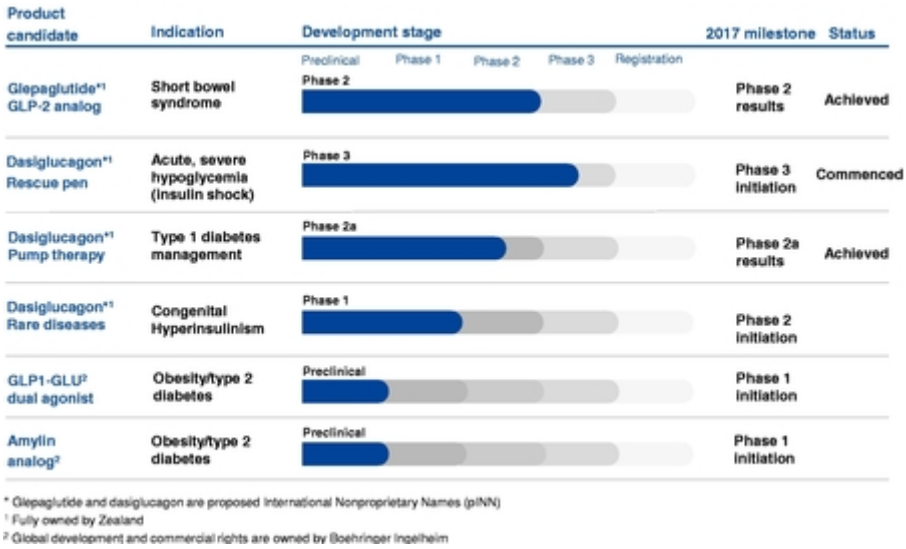
We have a track record of successfully inventing and developing novel peptide-based product candidates. This success is based on our deep understanding of peptide chemistry and extensive experience in improving the therapeutic characteristics of naturally-occurring peptides by modifying and optimizing their structures. The modifications we make are designed to improve upon naturally occurring peptides so that their therapeutic benefit, duration of action, stability and convenience of use favorably compare to other treatment options.

Peptides generally have a number of advantages as drug candidates that can provide specific therapeutic benefits including: high selectivity with effects only on the intended target thereby providing specific therapeutic benefits; lower risks of toxicity with limited, or no, off-target effects; high potency with strong effects even at low concentrations; favorable safety profiles (including fewer side effects) with minimal drug-to-drug interactions, tailored half-lives and binding affinity; and high regulatory approval rates, with approval rates of 20%, as compared to 10% for small molecule medications. Peptides are also smaller than proteins on a molecular level, which can offer potential advantages in terms of therapeutic administration.

Our peptide chemistry and pharmaceutical development expertise is complemented by strong downstream development competencies, including a clinical development team with experience in quality assurance and in regulatory matters. We believe that we have the requisite in-house capabilities to advance product candidates in our selected disease areas from preclinical Investigational New Drug ("I**ND**") enabling studies to late-stage clinical development, including registration.

3.3 Our Product Pipeline

The chart below summarizes the development stage and status of our portfolio of product candidates:



3.4 Approved Products

3.4.1 Adlyxin / Lyxumia and Soliqua100/33 / Suliqua

Our portfolio of approved medicines includes Lixisenatide, which we have licensed to Sanofi. Lixisenatide is our first out-licensed product approved by both the FDA and the EMA. It is marketed by Sanofi for the treatment of adults with type 2 diabetes in 45 countries outside the United States under the brand name Lyxumia, and in the United States under the brand name Adlyxin. Type 2 diabetes is a disorder that is characterized by high blood glucose, or sugar, and caused by the insufficient production of insulin and/or an inability of the body to adequately respond to insulin. Adlyxin / Lyxumia is a once-daily glucagon-like peptide-1 ("**GLP-1**") analog that we invented. It is a synthetic form of the naturally occurring GLP-1 found in the intestines that acts as a signaling hormone, stimulating the pancreas to produce more insulin. Adlyxin / Lyxumia has been observed in clinical trials to lower levels of hemoglobin A1c ("**HbA1c**") (a measure of the three-month average blood glucose level), with a particular effect on meal-related, or prandial, glucose. Lyxumia, was first approved in Europe in 2013 to improve glycemic, or glucose level, control in adult type 2 diabetes patients and has now been approved in 61 countries. Adlyxin received FDA approval on 27 July 2016 and Sanofi is currently marketing Adlyxin in the United States. Lyxumia is approved outside the United States for use in combination with oral glucose-lowering diabetes medicines or basal, or long-acting, insulin when these treatments, together with diet and exercise, do not provide adequate glycemic control. Adlyxin is approved in the United States as an adjunct to diet and exercise to improve glycemic control in adults with type 2 diabetes mellitus.

Sanofi has also developed a combination of Lixisenatide and Lantus which received approval from the FDA on 21 November 2016 and from the EMA on 17 January 2017. One of these combinations is currently marketed in the United States by Sanofi under the brand name Soliqua100/33 and the other has been launched in the Netherlands under the brand name Suliqua. Suliqua is expected to be launched in certain other individual European countries beginning in the second half of 2017. Soliqua100/33 is marketed in a single pre-filled SoloSTAR pen for once-daily dosing covering 15 to 60 units of insulin glargine 100 units/mL and 5 to 20 mcg of Lixisenatide. Suliqua is marketed in two pre-filled SoloSTAR pens providing different dosing options: a 10-40 SoloSTAR pre-filled pen will deliver 10 to 40 units of insulin glargine 100 units/mL in combination with 5 to 20 mcg of Lixisenatide, whereas a 30-60 SoloSTAR pre-filled pen will deliver 30 to 60 units of insulin glargine 100 units/mL in combination with 10 to 20 micrograms of Lixisenatide. SoloSTAR is the most frequently used disposable insulin injection pen platform in the world.

Soliqua100/33 / Suliqua is one of the first combinations of a GLP-1 analog and basal insulin to treat type 2 diabetes to be approved for marketing and launched for sale in the United States and is one of only two products (the other being Novo Nordisk's Xultophy, which is a combination of its GLP-1 analog Victoza and basal insulin Tresiba) in this new product class. Soliqua100/33 is approved in the United States as an adjunct to diet and exercise to improve glycemic control in adults with type 2 diabetes mellitus inadequately controlled on basal insulin (less than 60 units daily) or Lixisenatide alone. Suliqua is authorized in Europe for use in combination with metformin to improve glycemic control when this has not been provided by metformin alone or metformin combined with another oral glucose lowering medicinal product or with basal insulin.

Soliqua100/33 / Suliqua has been observed in clinical trials to result in benefits, as compared to treatments with either basal insulin or a GLP-1 analog alone, pointing towards what we believe to be a potentially significant commercial opportunity.

3.4.2 Other Out-Licensed Product Candidates

We have also out licensed product candidates to Boehringer Ingelheim International GmbH ("**BI**"). We have out licensed two peptide programs to BI that have been advanced into preclinical development: a once-weekly novel dual glucagon/GLP-1 receptor agonist product candidate for the treatment of diabetes and/or obesity and a novel long-acting Amylin analog for the treatment of obesity and diabetes. The lead product candidates for each collaboration were selected in February 2016 and October 2015, respectively. In the second half of 2016, BI confirmed its intention to bring both product candidates into Phase 1 clinical testing in the third quarter of 2017.

Statistical significance is used to express the fact that observed results of a clinical trial are unlikely to have occurred due to sampling errors or variation alone. In order for a result to be statistically significant, an observed p-value, which expresses this "unlikeliness," has to be below a pre-specified significance level. A p-value is the probability of finding the same observed (or more extreme) results when it is clear there is no relationship between the two groups or phenomena being measured. For example, a p-value of 0.1 indicates that there is a 10% chance of finding the same observed result due to random chance. The p-value is chosen prior to the commencement of data collection and often set at 5% (or p=0.05). The FDA generally requires that the results of clinical trials reach a "p-value" of 0.05 or less, meaning that there is a 5% (5 in 100) or less chance that the trial results were due to chance or random events.

Through 31 March 2017, we received an aggregate of DKK 1.5 billion in license, cost reimbursement, milestone and royalty payments from our partners over the life of our collaborations. We intend to invest substantially all of the future milestone and royalty payments that we expect to receive from our current collaborations, other than those paid to third parties, used to service our ZP SPV Notes, see section 19.5 "*ZP SPV Notes (Royalty Bond)*", or for general corporate purposes, into further growing and advancing our internal pipeline of novel investigational product candidates.

3.5 Our Internal Product Candidates

Our internal pipeline includes three product candidates in clinical development: Glepaglutide, which is being developed to treat SBS; Dasiglucagon, formulated for use in a single-dose, ready-to-use disposable injection pen, which is being developed as a rescue treatment for severe hypoglycemia or "insulin shock"; and Dasiglucagon, formulated for use in multiple-dose administrations, which is being developed for use in new treatment concepts for insulin-dependent diabetes patients, such as a dual-hormone artificial pancreas system for improved hypoglycemia control and better diabetes management and a single hormone pump for the treatment of congenital hyperinsulinism ("**CHI**").

3.5.1 Glepaglutide

In September 2015, we advanced Glepaglutide, a novel long-acting GLP-2 analog into Phase 2 clinical development. Like GLP-1, GLP-2 is a signaling hormone secreted upon nutrient intake that stimulates intestinal growth. In preclinical trials, Glepaglutide has shown a longer half-life and a differentiated stability in a liquid formulation , as compared to native GLP-2, which we believe can be used in the development of a product candidate that better meets patient needs, including by providing an easy-to-use option for the treatment of SBS. Current treatment options for SBS are limited to: eating small but highly frequent, meals to put less stress on the shortened bowel; parenteral, or intravenous, support, nutrition through a central catheter for up to 16 hours per day; and teduglutide (marketed by Shire plc as Gattex), a GLP-2 analog available only as a lyophilized powder, requiring a multi-step reconstitution process before injection, which can make it difficult for patients to administer.

In February 2016, we began dosing Glepaglutide to patients with SBS in a Phase 2 proof-of-concept clinical trial. The last subject was dosed in January 2017. In June 2017, top-line results of this Phase 2 trial were released. In the Phase 2 trial, Glepaglutide met the primary endpoint of reducing fecal wet weight output in patients with SBS. For the mid-dose and high-dose formulations of Glepaglutide tested, the reductions in fecal wet weight output were 23% and 30%, respectively. Increases in fluid and energy absorption were also observed.

We have submitted an IND to the FDA in July 2017 in connection with a proposed pharmacokinetic trial, or a trial that studies characteristic interactions of a drug and the body, to evaluate the potential for reducing the Glepaglutide dosing from once daily to once weekly.

We are obligated to pay 0.5% of all future milestone and royalty payments relating to Glepaglutide to one of our employees who was involved in inventing Glepaglutide.

3.5.2 Dasiglucagon

We are also developing Dasiglucagon, a novel analog of human glucagon, a hormone that increases the level of blood glucose in the body. In pre-clinical trials, Dasiglucagon has shown a favorable stability and solubility profile in a liquid formulation, as compared to native glucagon and is being investigated for use as a rescue treatment for severe hypoglycaemia, and in a dual-hormone artificial pancreas system for insulin-dependent diabetes patients, and in a single-hormone insulin pump for subcutaneous infusion as a treatment of CHI. We are currently exploring two different formulations for these opportunities in parallel:

- A single-dose rescue treatment for acute, severe hypoglycemia or "insulin shock" to be made available in a single-dose, ready-to-use disposable injection pen, which would provide diabetes patients, relatives and caregivers with a treatment option that is more convenient and faster to use than existing treatment alternatives. Further results from the Phase 2 trial were presented during a poster session at the 77th Congress of the American Diabetes Association in June 2017 and the full results are expected to be published in 2017. In the Phase 2 trial, it was observed that all subjects treated with one of the three highest doses of Dasiglucagon or with the approved glucagon product achieved a blood glucose concentration of >70 mg/dL within 30 minutes of dosing. In the same dose groups, time to plasma glucose increases of >20mg/dL was observed to be similar for Dasiglucagon and an approved glucagon, with a median time of 9-10 minutes. Patient enrolment for Phase 3 clinical trial evaluating the immunogenicity of repeated single doses of Dasiglucagon was initiated in late June 2017 and initiation of an additional Phase 3 clinical trial is planned before the end of 2017. We believe the market potential for this treatment to be attractive as, at present, glucagon is only available as a lyophilized powder in a vial requiring reconstitution before injection, making it difficult for patients and caretakers to administer.

- A multiple-dose version intended for use in a dual-hormone artificial pancreas system for insulin-dependent diabetes patients and use in a single-hormone pump for subcutaneous infusion for the treatment of CHI.

Third party clinical studies have demonstrated that adding a glucagon component to an artificial pancreas system (insulin pump) significantly limits the risk of hypoglycemia, while ensuring better glucose management for patients with type 1 diabetes. We initiated a collaboration with Beta Bionics, Inc. ("**Beta Bionics**") a medical device company, to investigate the use of our multiple-dose version of Dasiglucagon with Beta Bionics' iLet investigational bionic pancreas platform technology in June 2016, and formalized our collaboration with Beta Bionics in a February 2017 co-development agreement. iLet is a dual-hormone pocket-sized wearable medical device that Beta Bionics believes will be able to autonomously manage blood sugar levels in diabetes patients. We have submitted an IND for this use of Dasiglucagon to the FDA. We retain all proprietary rights to Dasiglucagon under this collaboration arrangement.

In December 2016, we initiated a Phase 2a clinical trial in adult patients with type 1 diabetes to test the safety, tolerability and efficacy in improving glycemic control of Dasiglucagon as compared to a recombinant glucagon marketed by Eli Lilly when administered by a test version the iLet bionic pancreas or a test version in which an iPhone is used to control dosing using an algorithm developed by Beta Bionics for use in the iLet bionic pancreas. The test conditions were chosen to optimize the opportunity to evaluate the ability of Dasiglucagon (and comparator) to maintain blood glucose in the desired target glycemic range. Results from this single-center, open-label, randomized cross-over trial were reported in June 2017. The trial provided evidence that Dasiglucagon was able to maintain blood glucose in the target glycemic range in a manner comparable to human recombinant glucagon when administered automatically via the iLet controlled pump system. We also initiated in December 2016 a Phase 2a clinical trial in adult type 1 diabetes patients treated with continuous subcutaneous insulin infusion, or insulin pumps, to assess pharmacokinetic responses after micro-doses of Dasiglucagon under euglycemic and hypoglycemic conditions and compared to a recombinant glucagon marketed by Eli Lilly. Results from this trial, in which Dasiglucagon was to provide clinically relevant increases in blood glucose under both euglycemic and hypoglycemic settings, were released in May 2017. Observed adverse events were, in the judgement of our medical staff and consultants, of a nature and number expected in this patient population and product class. None were catagorized as serious adverse events.

In June 2017, we obtained orphan medicinal product designation from the European Commission for the use of our multiple-dose formulation of Dasiglucagon for the treatment of CHI. In July 2017, we also submitted rare pediatric disease and orphan drug designation applications to the FDA for the treatment of CHI. We expect a decision to be made on these applications in the second half of 2017. Newborns with CHI have persistent episodes of hypoglycemia and are at risk of developing brain damage and many will have to undergo major pancreatic surgery to prevent the hypoglycemic episodes. Third party studies have demonstrated the potential of preventing persistent hypoglycemia in CHI by treatment with lyophilized glucagon reconstituted daily. Dasiglucagon could offer an attractive alternative to current standard of care with its potential to be infused subcutaneously via a pump. We believe that the clinical trials conducted for our dual-hormone artificial pancreas program provide support for initiating clinical trials in new borns with CHI.

The table below sets forth, for each of the relevant product candidates discussed above, the indication/subject covered by an IND and/or Clinical Trial Authorization ("**CTA**") the name of the trial sponsor and the date of the filing of the IND/CTA.

IND/CTA status for each of our internal drug candidates

Candidate	IND/CTA	Indication/Subject of the IND/CTA	Sponsor	Filing Date
Glepaglutide	CTA: 2015-002826-38	A proof-of-concept, dose-finding, controlled, single-center, randomized, cross-over, double-blind, fixed dose Phase 2 trial with Glepaglutide in patients with SBS.	Zealand Pharma	17 December 2015
Dasiglucagon—rescue indication	CTA: 2014-002648-41	A randomized, double blind trial of single ascending doses of Dasiglucagon administered via subcutaneous or intramuscular injection to healthy volunteers and a single dose of Dasiglucagon administered subcutaneously to hypoglycemic type 1 diabetic subjects to evaluate the safety, tolerability, pharmacokinetics and pharmacodynamics of Dasiglucagon as compared to an active comparator.	Zealand Pharma	27 October 2014
	CTA: 2015-005287-41	A randomized, double-blind trial of single doses of Dasiglucagon administered subcutaneously to hypoglycemic type 1 diabetic patients to describe the pharmacokinetics and pharmacodynamics of Dasiglucagon as compared to a marketed glucagon.	Zealand Pharma	20 January 2016
Dasiglucagon—artificial pancreas	CTA: 2015-000363-14	A randomized, placebo-controlled, double blind trial of multiple ascending doses of Dasiglucagon administered to healthy volunteers to evaluate the safety, tolerability, pharmacokinetics and pharmacodynamics of Dasiglucagon.	Zealand Pharma	10 March 2015
	IND:	Phase 2 feasibility trial testing Dasiglucagon in a bionic pancreas compared to a marketed glucagon	Zealand Pharma	24 June 2016
Dasiglucagon—artificial pancreas and CHI	CTA: 2016-002617-21	Phase 2 trial testing microdoses of Dasiglucagon administered to T1D patients to assess the pharmacokinetics and pharmacodynamics compared to a marketed glucagon	Zealand Pharma	13 June 2016
Dasiglucagon—single-dose	IND:	Phase 3, randomized, double-blind, parallel group safety trial to evaluate the immunogenicity of Dasiglucagon, as compared to GlucaGen, administered subcutaneously in patients with Type 1 diabetes mellitus	Zealand Pharma	January 20, 2017

3.6 Our Intellectual Property

Our intellectual property ("**IP**") portfolio primarily includes patents and patent applications, trademarks and trade secrets. As our business and technology has matured, our internal organization, with the support of experienced external professionals, has sought to manage our IP in line with our overall strategy, and has built a significant patent portfolio directed at the various products we have invented and technologies we employ. Since our incorporation, we have filed patent applications in numerous patent families to cover proprietary technologies, potential products of interest and related methods, such as methods of use. We describe in more detail below the patent families covering our key product candidates.

As of the date of this Prospectus, we own two patent families covering Lixisenatide, including 66 non-U.S. patents in 34 non-U.S. jurisdictions, all licensed exclusively to Sanofi. We own two patent families covering two related proprietary GLP-2 analogs, Glepaglutide and Elsiglutide. These two patent families include 74 non-U.S. patents in 51 non-U.S. jurisdictions and 17 pending patent applications in 9 jurisdictions. Although the disclosures of one of these two patent families encompass both Elsiglutide and Glepaglutide, it has been possible to claim the subject matter relating to Elsiglutide and Glepaglutide in separate patents in the United States. For our internal compound Dasiglucagon, a glucagon analog that has a favorable stability profile, we own one patent family including 25 pending non-U.S. patent applications in 24 non-U.S. jurisdictions. See section 3.16 "*Intellectual Property.*"

3.7 Our Competitive Strengths

- ***Expected near-term royalty and milestone payments from our out-licensed portfolio of treatments and peptide-based product candidates.*** Under our license agreements we are entitled to receive milestone payments and royalties on global sales while retaining no financial obligations in respect of the development, production and commercialization of our portfolio of out-licensed peptide-based medicines and product candidates. In particular:

    - Under the Sanofi License Agreement, we are entitled to receive tiered royalty payments ranging from 10% the mid teens, with the exact level of royalties to be paid depending on various factors, in respect of global net sales of Adlyxin / Lyxumia, and a 10% royalty payment in respect of global net sales of Soliqua100/33 / Suliqua and any other combination product that includes Lixisenatide. We are also entitled to milestone payments (up to a total amount of USD 275 million, of which up to USD 100 million is outstanding for products now commercialized) upon the achievement of specified regulatory and sales milestones.

    - Under the 2011 BI License Agreement and the 2014 BI License Agreement, we are entitled to receive aggregate payments of up to EUR 681 million, of which up to EUR 652 million is outstanding, comprising: (i) amounts paid in connection with the signature of the 2011 agreement and development milestones for products now under development (up to a total of EUR 386 million, of which up to EUR 365 million is outstanding) and tiered royalties ranging from high single digits to low teens digit percentages on BI's global sales of all products stemming from the 2011 collaboration; and (ii) amounts paid in connection with the signature of the 2014 agreement and development milestones for products now under development (up to a total of EUR 295 million, of which up to EUR 287 million is outstanding) for the first compound to be developed and marketed under the 2014 collaboration, additional milestones in respect of other compounds advanced under this collaboration, plus tiered royalties ranging from the low single digits to low teens percentages on global sales of products stemming from the collaboration.

For a further description of the Sanofi License Agreement and the BI License Agreements, see section 19.1 and 19.2 "*Sanofi License Agreement for Lixisenatide* " and "*Licensing Agreements with BI for Glucagon/GLP-1 dual agonists*", respectively.

- ***The opportunity to advance and broaden our internal pipeline of novel investigational treatments funded by our expected future milestone and royalty payments.*** We are currently implementing a business strategy that emphasizes deploying royalty and milestone payments from our out-licensed products to support the development of our internal drug candidate pipeline. We are focusing on our three most promising internal clinical programs, which we plan to take through full development and registration, Glepaglutide, Dasiglucagon (single-dose) and Dasiglucagon (multiple-dose). See section 3.5 "*Our Internal Product Candidates*".

- ***Expertise in the invention and development of peptide-based product candidates, coupled with a track record of pharmaceutical development and clinical achievement, for peptide-based medicines.*** We have a significant track record of success in the invention and development of novel peptide-based medicines and product candidates, resulting from our deep understanding of peptide chemistry and

extensive experience in improving naturally occurring peptides by modifying and optimizing them for therapeutic use. According to statistics published by Technavio Insights, the peptide therapeutics market is worth approximately USD 20 billion and is expected to grow by 9% per year between 2015 and 2018. Peptide therapeutics cover a range of indications, including Victoza (liraglutide, which is marketed by Novo Nordisk for type 2 diabetes), Byetta (exenatide-4, which is marketed by AstraZeneca for type 2 diabetes), Copaxone (glatiramer acetate, which is marketed by Teva/Sanofi for multiple sclerosis) and Forteo (teriparatide, which is marketed by Eli Lilly for osteoporosis). We have a 19 year track record of inventing peptides with improved profiles in terms of clinical therapeutic benefit, duration of action, stability and convenience of use.

- ***An experienced management team and board of directors with global and broad-based scientific, medical and commercial expertise, as well as an agile and efficient organizational structure.*** Our senior management team and international board of directors have valuable global and diversified expertise in medicinal discovery, pharmaceutical development, clinical design and product advancement, as well as commercialization. Members of our management team have experience advancing medicinal products from discovery stage through to market, and have an average of 14 years of experience in the life sciences industry. In terms of our corporate organization, we are structured to enable dynamic collaboration across various functions and project teams at each stage of discovery and development, allowing us to advance promising opportunities quickly and take advantage of our extensive knowledge of peptide design and product development. We have fully-integrated in-house R&D capabilities, which included 118 fulltime equivalent employees as of 30 June 2017.

3.8 Our Growth Strategies

- ***Focus on orphan and specialty diseases, including gastrointestinal and metabolic therapeutic areas, which offer the opportunity to progress through clinical development and registration.*** We focus on orphan and specialty disease areas, including gastrointestinal and metabolic therapeutic areas, which offer the opportunity to progress through clinical development and registration. We intend to continue to initiate new projects and identify unmet medical needs and specialty disease areas with well-defined patient populations where we believe that the present standard of care can be impaired and we believe that we have the resources to advance our peptide-based product candidates into the later stages of clinical development, including registration. Our selection process for peptide-based product candidates also includes emphasizing targeted clinical development paths to registration and an opportunity to fast-track promising product candidates toward marketing approval or commercialization, either in-house or with collaboration partners, adopting a different approach depending on geography.

- ***Maintain our expertise in advancing products through clinical development and registration while developing our commercialization skills.*** We have an established and validated leading-edge expertise in the design and development of peptide-based therapeutics and have fully-integrated in-house R&D capabilities. Over the past few years, we have focused on expanding and strengthening our development capabilities. As a result, we have the in-house capacity and senior expertise to advance investigational medicines from initial concept to preclinical studies and through the clinical development phases, including registration. Our strategy is to maintain our expertise in advancing products through clinical development and registration while developing our commercialization skills.

- ***Accelerate growth through strategic collaborations, in-licensing opportunities and acquisition opportunities in specialty and orphan / rare disease areas where we can apply our in-house peptide expertise and development capabilities.*** Our partnering activities (including in-licensing, out-licensing, acquisitions and R&D collaborations) are an essential component in the development of our portfolio. We are actively exploring in-licensing opportunities where our distinct peptide expertise could be employed. In addition, with respect to our internal product candidates, we are seeking collaboration partners to provide required expertise in areas such as the marketing of approved drugs, at least in countries other than the United States and certain large European countries and providing devices to facilitate convenient administration of our medicines, such as an artificial pancreas or ready-to-use injectable pens.

3.9 Our Focus on Peptide-Based Medicines

We focus on the discovery, design and development of innovative peptide-based medicines. Peptides are biological molecules that, like proteins, are made up of chains of amino acids. While proteins consist of chains of more than 50 amino acids, peptides are comprised of chains of two to 50 amino acids. Like proteins, peptides are one of the basic biological building blocks and occur naturally in all forms of life. In the human body, there are an

estimated 7,000 native, or naturally occurring, peptides, which perform a wide variety of important physiological functions, including hormonal regulation and defense against infection.

Native peptides are generally broken down quickly in the body and act for a short period of time (often for only a few minutes), which has made them generally unsuitable for use as medicines. However, native peptides can be modified for use as drugs through a number of enhancement techniques and technologies, allowing the synthesis of novel analog forms of peptides that have a longer half-life and can maintain and improve the favorable properties of native peptides, while in many cases reducing or eliminating less favorable attributes.

As a result of the key functions peptides perform, therapeutic peptides have become an important drug class, and the peptide therapeutics market was worth approximately USD 20 billion in 2015 and was expected to grow by 9% per year between 2015 and 2018. Peptide drugs are increasingly accepted by both patients and physicians, even though most are administered by injection. Examples of commercialized peptide drugs with significant revenue include: Victoza (liraglutide, which is marketed by Novo Nordisk for type 2 diabetes), Byetta (exenatide-4, which is marketed by AstraZeneca for type 2 diabetes), Copaxone (glatiramer acetate, which is marketed by Teva/Sanofi for multiple sclerosis) and Forteo (teriparatide, which is marketed by Eli Lilly for osteoporosis).

Peptides generally have a number of advantages as drug candidates that can provide specific therapeutic benefits, including: high selectivity with effects only on the intended target; lower risks of toxicity with limited or no off-target effects; high potency with strong effects even at low concentrations; favorable safety profiles (including fewer side effects) with minimal drug-to-drug interactions, tailored half-lives and binding affinity; and higher regulatory approval rates, with approval rates of 20%, as compared to 10% for small molecule medications. Peptides are also smaller than proteins, which can offer potential advantages in terms of therapeutic administration.

We specialize in developing peptide product candidates that are analogs of native peptides, which interact with receptors to achieve their biological effects. Most common drug classes, such as small molecule antibiotics and pain medications, block, or antagonize, receptors or biological pathways. Peptide medications can be receptor agonists, which activate receptors, or antagonists, which deactivate receptors, and can be more specific, selective and potent than small molecule drugs, often resulting in medicines that have a more beneficial therapeutic effect and improved safety profile.

In addition, we sometimes employ certain proprietary technologies when designing novel peptide product candidates. One such internal peptide enhancing technology is our Structure Induced Probe ("**SIP**") technology. The SIP technology adds a number of specific amino acids to the peptide, thereby strengthening or tightening its molecular structure to make it less susceptible to biological degradation. This ensures a longer life span in the blood and thereby permits less frequent dosing. The SIP technology is employed in both Lixisenatide and Elsiglutide.

Other proprietary technologies we use have involved the addition of a fatty acid to the amino acid chain of a given peptide as another technique to increase its half-life in the blood stream, as well as working with dual acting peptides where one compound is able to simultaneously activate two different peptide receptors.

The fundamental basis for our leading position in peptide R&D during our 19-year history is our broad and deep understanding of peptides and their therapeutic potential and uses. We employ a systematic and integrated approach to peptide product candidate development. After identifying natural peptides likely to play a role in key therapeutic areas that we have selected, our R&D team designs, formulates and tests innovative peptide analogs. We then seek to progress investigational peptide medicines quickly and efficiently through preclinical development, including the establishment of proof-of-mechanism in cell based disease assays (*in vitro*) and in animal disease models (*in vivo*). Our R&D organization is structured to enable dynamic collaboration across various functions and project teams at each stage of discovery and development, allowing us to advance promising opportunities quickly and take advantage of our extensive knowledge of peptide design and product development.

Molecular modeling and screening, as well as peptide modification and formulation techniques, are used, as appropriate, to enhance the therapeutic characteristics and stability of peptide product candidates with the aim of developing medicines that can be successfully commercialized.

Our peptide chemistry and pharmaceutical development expertise is complemented by strong downstream development competencies, including a clinical development team with experience in quality assurance and in regulatory matters. We believe that we have the requisite in-house capabilities to advance product candidates in our selected disease areas from preclinical IND enabling studies to late-stage clinical development, including registration. We hope to soon expand and extend our capabilities to include late-stage commercialization skills.

Our R&D processes and techniques have enabled us to generate novel peptide product candidates with enhanced biological activity, increased potency, a longer duration of action and an extended shelf life, as compared to native peptides.

3.10 Our Out-Licensed Products and Product Candidates

We have out licensed a number of our peptide-based medicines and product candidates to third parties, including Lixisenatide, a product currently marketed as a stand-alone medicine by Sanofi for the treatment of type 2 diabetes, and a combination treatment that combines Lixisenatide with Sanofi's basal insulin Lantus also to treat type 2 diabetes, that was recently approved for marketing by the FDA and EMA under the brand names Soliqua100/33 and Suliqua in the United States and EU, respectively, two preclinical product candidates based on our internally invented peptide programs licensed to BI for the treatment of diabetes and obesity.

The development and commercialization of Adlyxin / Lyxumia and Soliqua100/33 / Suliqua or of any other combination product that includes Lixisenatide is governed by our Sanofi License Agreement originally entered into in 2003 and subsequently amended. See section 19.1 "*Sanofi License Agreement for Lixisenatide.*"

The research, development and commercialization of our peptide-based product candidates that we have licensed to BI are governed by our two license agreements with BI. See section 19.2 "*Licensing Agreements with BI for Glucagon/GLP-1 dual agonists*".

3.10.1 Approved Products

Adlyxin / Lyxumia

Lixisenatide is a once-daily GLP-1 agonist that was invented by us for the treatment of type 2 diabetes. It is our first out-licensed product approved by both the FDA and EMA and it is now marketed as Adlyxin / Lyxumia by our collaboration partner Sanofi under the Sanofi License Agreement. Lyxumia had global sales of EUR 32.7 million in 2016 and global sales of EUR 6.9 million for the three months ended 31 March 2017.

Adlyxin / Lyxumia is administered as a once-daily injection, with doses of 10 mcg per day for the first two weeks of treatment and 20 mcg per day thereafter. Sanofi has obtained regulatory approvals to market Adlyxin / Lyxumia in 61 countries and currently does so in 45 countries outside the United States.

Soliqua100/33 / Suliqua

Soliqua100/33 / Suliqua is a combination of Lixisenatide with Lantus, the brand name of insulin glargine developed by Sanofi , which has been approved by the FDA and is marketed by Sanofi pursuant to the Sanofi License Agreement in the United States under the brand name Soliqua100/33, and which has been approved by the EMA and launched in the Netherlands by Sanofi under the brand name Suliqua. For the six months ended 30 June 2017, Soliqua 100/33 / Suliqua had combined global sales of EUR 9.1 million.

Soliqua100/33 is marketed in a single pre-filled SoloSTAR pen for once-daily dosing covering 15 to 60 units of insulin glargine 100 units/ mL and 5 to 20 mcg of Lixisenatide. Suliqua is marketed in two pre-filled SoloSTAR pens providing different dosing options: a 10-40 SoloSTAR pre-filled pen will deliver 10 to 40 units of insulin glargine 100 units/mL in combination with 5 to 20 mcg of Lixisenatide, whereas a 30-60 SoloSTAR pre-filled pen will deliver 30 to 60 units of insulin glargine 100 units/mL in combination with 10 to 20 micrograms of Lixisenatide. SoloSTAR is the most frequently used disposable insulin injection pen platform in the world.

Overview of Diabetes

Diabetes is a group of diseases characterized by high blood glucose levels that result from deficiencies in the body's ability to produce, use or respond to insulin. Glucose is the type of sugar that the cells of the body use for energy. Insulin is a hormone produced in the beta cells of the pancreas that plays a central role in transporting glucose from the blood stream into cells.

There are two forms of diabetes, type 1 and type 2:

- Type 1 diabetes results from a loss of the ability to produce insulin. Type 1 diabetes is treated generally with injections of insulin or modified forms of insulin (insulin analogs); and

- Type 2 diabetes is a chronic disease, which begins when the body cannot produce adequate levels of insulin or loses the ability to respond to insulin (insulin resistance). The key to effective management of type 2 diabetes is to control high blood glucose levels (hyperglycemia).

Both type 1 and type 2 diabetes are complex, chronic and progressive disorders that, left untreated, can lead to long-term health complications and shortened life expectancy. High blood glucose levels increase the risk of cardiovascular diseases such as high blood pressure, heart disease and stroke. Prolonged and widely varying blood glucose levels can lead to microvascular complications, resulting in permanent damage to the kidneys, the eyes, the sensory, motor and autonomous nerves, as well as the extremities. Both high blood glucose levels (hyperglycemia) and low blood glucose levels (hypoglycemia) are undesirable and present serious health hazards.

Of the various risk factors involved in contracting type 2 diabetes, including lifestyle and age, one of the most important is obesity. Obesity plays a central role in insulin resistance and the progression of type 2 diabetes. Body weight loss is associated with substantial reductions in diabetes-related mortality in overweight individuals while also improving other health parameters, such as blood pressure and cholesterol levels.

Global Diabetes Market

According to the International Diabetes Federation ("**IDF**") in 2015 an estimated 415 million people between the ages of 20 and 79 were affected by diabetes globally, with up to 91% of adults with the disease in high-income countries having type 2 diabetes. The IDF also estimated that as of 2015, 29.3 million individuals in the United States, or 9.2% of the population, had diabetes. The IDF estimates that globally 642 million adults will be affected by diabetes by 2040.

According to the IDF, diabetes-related expenditures in 2015 totaled USD 521 billion in Europe, North America and the Caribbean. Further, according to the IDF, aggregate diabetes-related expenditures in the United States, China and Germany, the three countries that spend the most on healthcare, amounted to 60% of the total global expenditures on diabetes, even though these countries only accounted for 35.1% of the global diabetes population. In addition, the IDF estimates the aggregate diabetes-related expenditures in the three highest spending regions of Western Pacific, Middle East and North Africa and South and Central America amounted to USD 157.7 billion in 2015 and expects these expenditures to increase by 39% by 2040 as a result of aging populations, people leading increasingly unhealthy lifestyles and an expected increase in life expectancy.

Treatments for type 2 diabetes are intended to re-establish glucose homeostasis, or a condition of balance or equilibrium of glucose levels since widely varying glucose levels can lead to long term health complications for patients.

HbA1c is the generally accepted measure of glycemic (glucose level) control, and the most validated measure of how well a patient has been able to control its type 2 diabetes. It is a blood test that checks the amount of glucose bound to hemoglobin, a protein found inside red blood cells responsible for carrying oxygen coming from the lungs to the different parts of the body. When hemoglobin bonds with glucose, a coat of sugar forms on the hemoglobin, and that coat gets thicker when there is more glucose in the blood. HbA1c tests measure how thick that coat has been over the past approximate three months, which is how long a typical red blood cell lives. People who have type 2 diabetes have higher HbA1c levels than normal. As a result, an HbA1c test can be used to diagnose and monitor the progression of type 2 diabetes.

A consensus statement adopted by the European Association for the Study of Diabetes ("**EASD**") and the American Diabetes Association ("**ADA**") in 2012 and updated in 2015, in light of the results of controlled clinical trials, provided that in order to reduce the risk of the most common complications of diabetes, an HbA1c level equal to or greater than 7.0% should trigger initiation of therapy (or a change in prior therapy) with the goal of achieving an HbA1c level of less than 7.0%.

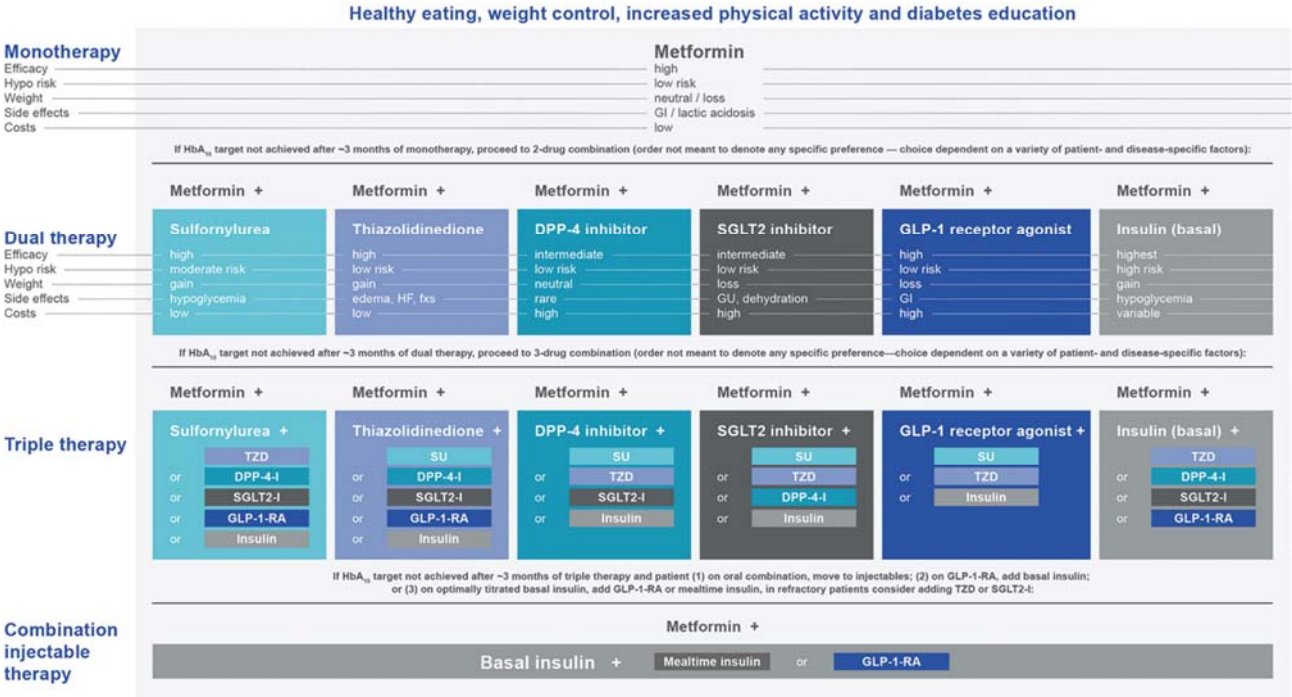
Current Therapies and their Limitations

The principles of therapy for type 2 diabetes stem from the view that lowering and maintaining balanced HbA1c levels can reduce the risk of complications from diabetes, many of which are the result of damage to the body's microvascular systems that occur due to the combination of both high glucose levels and wide variations in glucose levels over time. Initially, patients with increased HbA1c levels are placed on an exercise regime and diet that limits the intake of carbohydrates and fatty foods, which are associated with increased glucose levels. However, exercise and dietary changes alone are often

insufficient to control patients' glycemic levels, so newly diagnosed type 2 diabetes patients are typically prescribed metformin, an orally-administered small molecule generic drug, that limits glucose production in the liver, decreases intestinal absorption of glucose and improves insulin sensitivity by increasing peripheral glucose uptake and utilization. Often the combination of exercise, diet and metformin as a stand-alone therapy are insufficient to achieve glucose homeostasis, so doctors prescribe additional medications to the treatment regimen, including:

- oral sulfonylureas, which trigger pancreatic beta cells to release more insulin;
- thiazolidinediones, a class of drugs that cause the body to produce new fat cells which, because such cells are generally more sensitive to insulin, lowers insulin resistance overall;
- dipeptidyl peptidase-4 ("**DPP4**") inhibitors, which slow the breakdown of GLP-1 (a signaling hormone that triggers the release of insulin after intake of food or beverage);
- sodium-glucose co-transporter 2 ("**SGLT2**") inhibitors, which are molecules that block glucose reabsorption in the kidney and increase glucose excretion, thereby lowering blood glucose levels; and
- GLP-1 analogs, or synthetic forms of the naturally occurring GLP-1 found in the intestines, which act as a signaling hormone in the body to stimulate the pancreas to produce more insulin.

The chart below summarizes general recommendations for therapies available to treat type 2 diabetes:



Source: Diabetes Care 2015 Jan; 38(1): 140 - 149

As the disease progresses, type 2 diabetes patients whose blood glucose levels continue to rise are likely to require insulin treatment. Although effective, insulin therapy has shortcomings, in particular, weight gain and the risk of hypoglycemia.

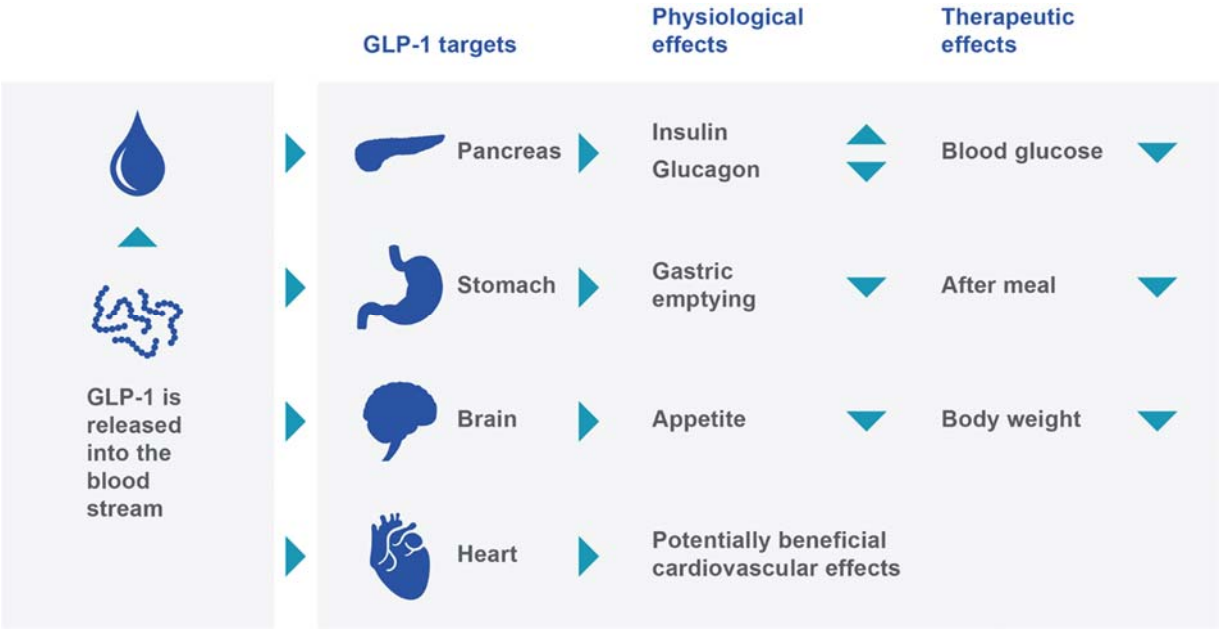
GLP-1

As noted above, GLP-1 analogs, which are synthetically modified versions of native GLP-1, are a class of medicines sometimes used as part of a treatment regimen for type 2 diabetes. GLP-1 is a peptide hormone produced in the body in response to the consumption of food. GLP-1 binds to specific receptors

expressed in various tissues in the body, including pancreatic beta cells where insulin is produced, and the hypothalamus which is the portion of the brain that controls hunger. It exerts its main effect by stimulating glucose-dependent insulin release from the pancreatic beta cells. GLP-1 has also been shown to slow gastric emptying, inhibit inappropriate post-meal glucagon release and reduce food intake. The specific mechanisms of action by which GLP-1 stimulates the body in these ways is not fully understood.

Given that the main actions of GLP-1 are to stimulate insulin secretion and regulate appetite and food intake, GLP-1 analogs are used as drugs to treat type 2 diabetes through mimicking the action of native GLP-1 and stimulating the release of insulin upon food ingestion. In clinical practice, GLP-1 therapy is associated with HbA1c reduction, weight loss and a low risk of hypoglycemia or "insulin shock."

The chart below sets forth the generally understood therapeutic effects of GLP-1 therapy:



According to IMS Health, for the twelve months ended 31 March 2017 the U.S. market represented approximately 82% of the total market for GLP-1 medicines and the European market represented approximately 11% of the total market. IMS Health estimates that the annual total sales for GLP-1 drugs in this period was USD 7.3 billion, a USD 2.0 billion increase, as compared to the twelve months ended 31 March 2016.

It is important to note that the recommendations on how best to treat type 2 diabetes vary somewhat, in part, because the basis for many of the recommendations is derived from expert consensus. Existing guidelines from professional societies like the ADA and EASD suggest that combination therapies should be considered when HbA1c levels are relatively high to more expeditiously achieve target HbA1c levels.

The clinical implications of the rapidity in achievement of the target HbA1c level remains an area of uncertainty in diabetes management, and although the clinical benefit of sequential versus combination therapy is unclear, we believe the success of current GLP-1 stand-alone therapy treatments and the approval of Adlyxin / Lyxumia and Soliqua100/33 / Suliqua, suggests that experts on type 2 diabetes care and management will continue to see benefits in recommending GLP-1 stand-alone and combination therapies to manage HbA1c levels.

Our marketed GLP-1—Adlyxin / Lyxumia

Adlyxin / Lyxumia has been observed in clinical trials to lower levels of HbA1c (a measure of the three-month average blood glucose level), with a particular effect on meal-related, or prandial, glucose. Lyxumia was first approved in Europe in 2013 to improve glycemic, or glucose level, control in adult type 2 diabetes patients and has now been approved in 61 countries. Adlyxin received FDA approval on 27 July 2016 and Sanofi is currently marketing Adlyxin in the United States. Lyxumia is approved outside the United States for use in combination with oral glucose-lowering diabetes medicines or basal, or long-acting, insulin when these treatments, together with diet and exercise, do not provide adequate glycemic control. Adlyxin is approved in the United States as an adjunct to diet and exercise to improve glycemic control in adults with type 2 diabetes mellitus.

Soliqua100/33 / Suliqua

Soliqua100/33 is one of the first combinations of a GLP-1 analog and basal insulin to treat type 2 diabetes to be approved for marketing and launched for sale in the United States and is one of only two products (the other being Novo Nordisk's Xultophy, which is a combination of its GLP-1 analog Victoza and basal insulin Tresiba) in this new product class. Soliqua100/33 is approved in the United States as an adjunct to diet and exercise to improve glycemic control in adults with type 2 diabetes mellitus inadequately controlled on basal insulin (less than 60 units daily) or Lixisenatide alone. Suliqua is authorized in Europe for use in combination with metformin to improve glycemic control when this has not been provided by metformin alone or metformin combined with another oral glucose lowering medicinal product or with basal insulin.

As of April 2017, in the United States Sanofi has indicated that it has access to sell Soliqua 100/33 into 34% of the commercially insured market and 31% of the Medicare Part D patient market. Sanofi has initiated a co-pay program to accelerate patient and payor uptake and has indicated that it expects payor access to increase gradually as a result.

3.10.2 Novel Treatments for Diabetes and Obesity

We have out licensed other peptide product candidates we developed to BI, including novel lead candidates in preclinical development: a once-weekly novel dual glucagon/GLP-1 receptor agonist product candidate for the treatment of diabetes and/or obesity, and a novel long-acting Amylin analog for the treatment of obesity and diabetes.

Glucagon/GLP-1 Dual Agonist for the Treatment of Diabetes and/or Obesity

In June 2011, we began our first collaboration with BI to advance a novel dual glucagon/GLP-1 agonist for the treatment of patients with type 2 diabetes and/or obesity. The research part of the collaboration was successfully completed in June 2013 with a portfolio of preclinical product candidates provided to BI. BI is responsible for conducting preclinical studies and clinical development, as well as for the commercialization of products stemming from the agreement, and for funding all activities under the collaboration.

Amylin Analogs for the Treatment of Obesity and Obesity-Related Comorbidities

In July 2014, we began our second collaboration with BI, which provided for a research program of up to four and half years with the aim of developing novel drugs that interact with a receptor believed to be relevant for treating patients suffering from obesity and diabetes. The biological target of this collaboration is the Amylin receptor. Amylin is a peptide that is co-secreted with insulin from the pancreatic beta cells, which may be deficient among diabetes patients. BI is responsible for conducting preclinical studies and clinical development, as well as for the commercialization of products stemming from the agreement, and for funding all activities under the collaboration.

Clinical Development Summary for BI-Licensed Compounds

The clinical development of the current lead compound, selected by BI in February 2016 under our first collaboration, is expected to begin in 2017. BI will focus on a once weekly instead of once daily treatment for type 2 diabetes and obesity.

In October 2015, BI selected our novel peptide therapeutic, a novel long-acting Amylin analog, under our second collaboration and advanced it into preclinical development. Clinical trials on this candidate are expected to be initiated in the third quarter of 2017.

3.11 Our Internal Pipeline of Product Candidates

Our internal pipeline includes, in particular, three product candidates in clinical development: Glepaglutide, which is being developed to treat SBS; Dasiglucagon, formulated for use in a single-dose, ready-to-use disposable injection pen, which is being developed as a rescue treatment for severe hypoglycemia or "insulin shock"; and Dasiglucagon, formulated for use in multiple-dose administrations, which is being developed for use in new treatment concepts for insulin-dependent diabetes patients, such as a dual-hormone artificial pancreas system for improved hypoglycemia control and better diabetes management and for the treatment of CHI.

3.11.1 Glepaglutide for SBS

Glepaglutide is a novel long-acting GLP-2 analog that we developed, which is intended to have a longer half-life and a better stability and solubility profile in a liquid formulation, as compared to native GLP-2. GLP-2 is a native signaling hormone, like GLP-1, secreted upon nutrient intake, which stimulates intestinal growth. We believe that Glepaglutide could become an effective treatment for SBS with the potential to be superior to existing treatments because Glepaglutide may allow administration in a repeat-dose, ready-to-use disposable injection pen that would serve as an easy-to-use treatment option for SBS patients.

Overview of SBS

SBS is a complex chronic disease characterized by severe or complete loss of bowel function. SBS can result from either surgical removal of portions of the small intestine and colon or from loss of function as a result of bowel damage. The primary underlying causes of SBS are Crohn's disease, ischemia, radiation and colon cancer.

Patients with SBS have reduced intestinal absorption and ability to maintain protein-energy, fluid, electrolyte, or micronutrient balances when on a conventionally accepted, normal diet. Current treatment options for SBS are limited to: (i) eating small but highly frequent meals to put less stress on the shortened bowel; (ii) parenteral (or intravenous) support nutrition through a central catheter for up to 16 hours per day; and (iii) teduglutide (marketed by Shire plc as Gattex), a GLP-2 analog available only as a lyophilized powder, requiring a multi-step reconstitution process before injection, which can make it difficult for patients to administer.

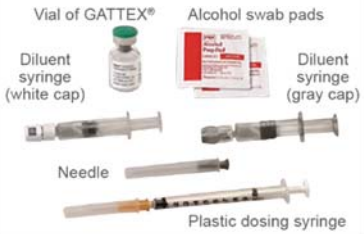
There are complications associated with current SBS treatment regimens. For example, patients dependent on regular parenteral nutrition can experience a number of serious and life-threatening complications associated with SBS and treatment for SBS, including a high risk of sepsis, blood clots or liver damage, and reduced quality-of-life due to the time required for, and consequences of, frequent access to an intravenous pump.

SBS qualifies for orphan status in both Europe and the United States. In the United States, the true prevalence of SBS is unknown because no reliable patient database exists. Best estimates are based on statistical studies, indicating that there are between 15,000 and 20,000 adult SBS patients. In Europe, there are an estimated 10,000 and 20,000 patients with SBS. Moreover, as awareness of SBS increases, cases of SBS are becoming more prevalent and increasingly diagnosed and reported by physicians. Accordingly, we believe that this is a growing disease area of high unmet medical need.

Clinical Development Summary for Glepaglutide

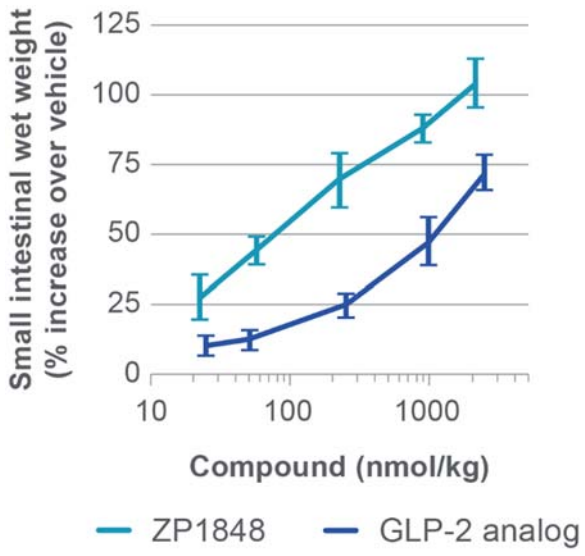
We are developing Glepaglutide, a novel long-acting GLP-2 analog that is intended to have a longer half-life and a better stability and solubility profile in a liquid formulation as compared to native GLP-2, to treat SBS. In September 2015, we advanced Glepaglutide, a novel long-acting GLP-2 analog, into Phase 2 clinical development

The table below shows the therapeutic advantages of Glepaglutide (ZP1848) in comparison to the competitor product Teduglutide:

Parameter	ZP1848[1]	Teduglutide[2]
Structure	39-aa	33-aa
Half-life (humans)	14 – 17 hours	1.3 – 2 hours
Formulation	Liquid, potential for ready-to-use product  For illustration only	Lyophilized, for re-constitution before use[3] 
Does frequency/ delivery convenience	Once daily, injection by pen device	Once daily, by syringe

(1) *Source: Zealand Investigator Brochure, edition 3*
(2) *Gattex prescribing information, NPS Pharmaceuticals, Bedminster, New Jersey 2015*
(3) *Teduglutide required supplies: vial of lyophilized teduglutide, diluent syringe, needle, dosing syringe, 7-step preparation instructions*
Preclinical Studies and Phase 1 Trials

We conducted preclinical studies in which Glepaglutide was observed to increase small intestinal mass in animals to a larger extent than a comparator GLP-2 analog, as summarized in the chart below:



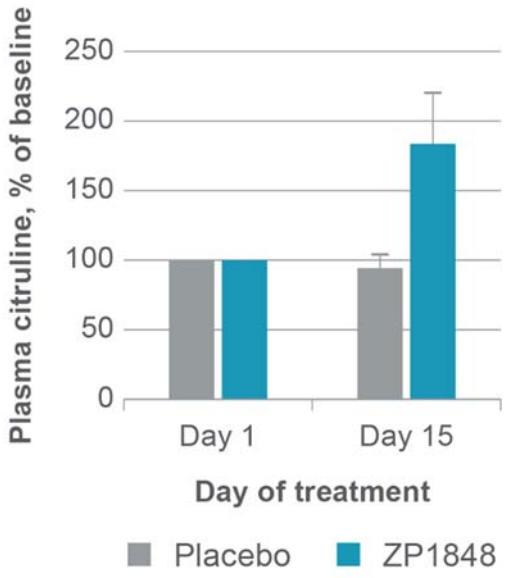
A Phase 1a clinical trial of Glepaglutide was conducted in 60 healthy volunteers. In this trial, Glepaglutide was observed to have a favorable safety and tolerability profile in doses of up to 96 mg. The design of the Phase 1a clinical trial of Glepaglutide is summarized in the chart below:

Dose Cohorts	**1**	**2**	**3**	**4**	**5**	**6**	**7**
Number of Subjects (Active/Placebo)	6/2	6/2	6/2	6/2	6/2	6/2	6/2
Dose (mg)	1.6	3.0	6.0	12.0	24.0	48.0	96.0

The key results were as follows:

- common adverse events: mild/transient local reactions at highest Glepaglutide dose;
- no serious adverse events;
- no overall difference in systemic adverse events between Glepaglutide, as compared to placebo; and
- Glepaglutide is rapidly absorbed: median Tmax (or the amount of time that Glepaglutide was present at the maximum concentration in the blood) 30 minutes to 1 hour.

A Phase 1b clinical trial was conducted in 10 Crohn's disease patients in remission, studying the biomarker citrulline, which is an indicator of the regeneration of mucosal cells in, and well-being of, the digestive system. Each patient was dosed with up to 20 mg of Glepaglutide through once-daily injections over the course of two weeks. In the Phase 1b clinical trial, we observed a mean 86% increase of the citrulline levels in the patients treated with Glepaglutide, as compared to patients treated with a placebo, as summarized in the chart below. No serious adverse events were reported. The most common adverse events reported were constipation and injection site pain. We made a decision in 2016 to cease development efforts of this product candidate for the treatment of Crohn's disease.



Phase 2 Trial

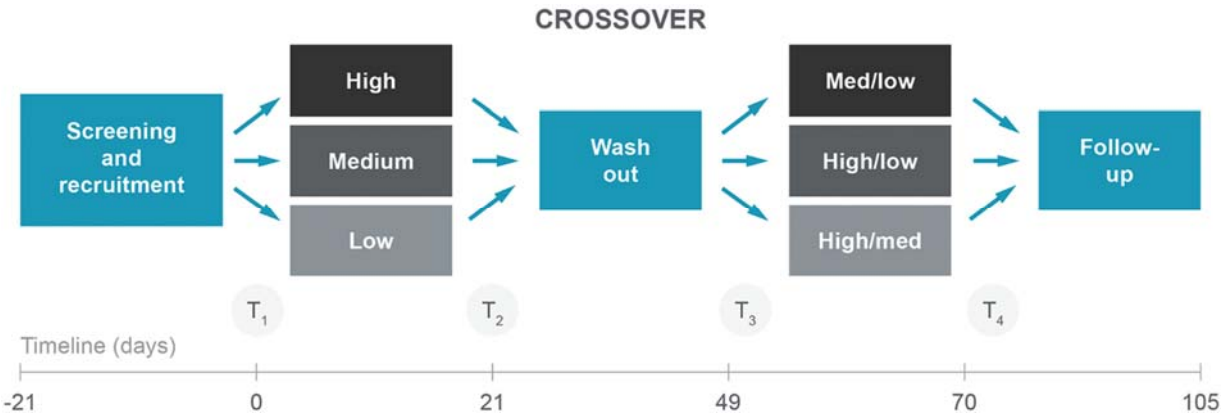
In February 2016, we initiated a double-blind, proof-of-concept, dose-finding trial for Glepaglutide, in which 18 patients were enrolled. The primary endpoint of this trial was based on the change from baseline of wet weight of ostomy output or diarrhea. The trial was conducted in Denmark. The last subject was first dosed in February 2017 and top-line results from this trial were released in June 2017.

At the outset, patient candidates for trial participation were assessed for eligibility. Once confirmed, patients were hospitalized for a week for the first (T1) of four balance study periods during which input (*i.e.*, copies of the candidates' meals and drinks) is collected and output (*i.e.*, feces and urine) is measured for three consecutive days. On the last day of the hospital stay, the first treatment period is commenced. Patients are randomized into groups which are allocated one of three doses of Glepaglutide (high-dose, mid-dose or low-dose; 0.1mg, 1mg or 10mg, respectively) to be administered subcutaneously by the patient once daily for three weeks.

During the last week of the first treatment period, patients are hospitalized again and the second balance study (T2) is conducted.

Thereafter, a 4-week treatment-free, wash-out period follows. After the wash out, the patients are re-hospitalized for another treatment period with balance studies conducted before (T3) and at the end (T4) of the second treatment period. For the second treatment period, patients are randomized to one of the other two doses of Glepaglutide.

The design of this clinical trial is summarized in the chart below. The primary endpoint of this trial was the absolute change from baseline of wet weight of ostomy output or diarrhea. Top-line results of the trial were released in June 2017. Sixteen patients completed the study and Glepaglutide met the primary study endpoint of reducing fecal wet weight output (ostomy output or diarrhea), with a reduction of 833 grams/day (p=0.0002) and a reduction of 593 grams/day (p=0.0021) in the 10 mg and 1 mg dose groups, respectively, corresponding to a relative decrease of 30% and 23%, respectively. In addition, Glepaglutide was observed to increase energy absorption (p<0.05) for the combined 10 mg and 1 mg dose group. Pharmacokinetic data from the trial appeared to confirm the long half-life of Glepaglutide when dosed daily. In the trial, the most frequently reported adverse events were nausea, abdominal pain, abdominal distension, vomiting, stoma complications, dizziness, polyuria, decreased appetite, peripheral edema, cough and injection site reactions. Most adverse events were observed to be mild to moderate. Of those that were categorized as serious adverse events, half were in patients when exposed to the low-dose, half were in patients when exposed to the high-dese, and none were in patients when exposed to the mid-dose. In the judgement of our medical staff, the observed adverse events and serious adverse events were of a nature and number expected in this patient population and product class.



Further Trial

We have submitted an IND to the FDA in July 2017 in connection with a proposed pharmacokinetic trial, or a trial that studies characteristic interactions of a drug and the body, to evaluate the potential for reducing the Glepaglutide dosing from once daily to once weekly.

Commercial Potential of Glepaglutide

If future clinical trials support regulatory approval, we believe that there is substantial market potential for Glepaglutide due to the relative attractiveness of Glepaglutide compared to the treatments that are currently prescribed for SBS and the size of the market for such treatments. SBS is a serious condition for which there is a significant opportunity to improve disease management and patient outcome. While the marketed GLP-2 analog teduglutide (marketed by Shire plc as Gattex) has a half-life of 1.3 to 2 hours and is provided in the form of a lyophilized powder, which requires reconstitution with sterile water in a multi-step process before use, we intend to develop Glepaglutide in a repeat-dose, ready-to-use disposable injection pen, with Glepaglutide expected to have a half-life of 14 to 17 hours. We believe that this will provide significant benefits to patients requiring the long-acting profile of our GLP-2 analog. The 2006 annual reimbursement for Home Parenteral Nutrition-related health services across clinical settings for SBS has been estimated at approximately

USD 2.3 billion and the related cost per patient can exceed USD 100,000 annually per patient according to the Short Bowel Foundation. Teduglutide was first launched by NPS Pharmaceuticals Inc. in the United States in 2013 for treatment of adult patients with SBS who are dependent on parenteral support. Shire acquired NPS Pharmaceuticals in 2015 and reported global teduglutide sales of USD 219 million in 2016 (an increase of 55% compared to 2015). In 2016, the average wholesale price in the United States for teduglutide was USD 395,000 per patient per year. Consolidated sales of teduglutide in 2022 are estimated to be USD 636 million, according to Evaluate Pharma 2017.

3.11.2 Dasiglucagon for Hypoglycemia

We are developing Dasiglucagon, a novel analog of human glucagon. Glucagon is a hormone that increases the level of blood glucose in the body. Unlike native glucagon, we have observed Dasiglucagon to be highly soluble and to have a favorable physical and chemical stability profile in liquid solution, while having a comparable effect to native glucagon with respect to releasing glucose stored in the liver into the blood stream. Dasiglucagon is a chemically synthesized peptide with seven amino acid substitutions compared to native glucagon. Dasiglucagon is intended to have a better stability and solubility profile in a liquid formulation as compared to native glucagon that may allow use as a rescue treatment for severe hypoglycemia and in a dual-hormone artificial pancreas system for insulin-dependent diabetes patients. We are currently exploring in parallel two formulations (a single-dose version and a multiple-dose version) and three separate opportunities for Dasiglucagon.

Glucagon

Glucagon is a peptide hormone, produced by alpha cells of the pancreas and secreted to prevent blood glucose levels from dropping too low, thus playing an essential role for a well-functioning metabolic system. Native glucagon has not been widely used in therapeutic treatment as its use has proven challenging due to its low solubility and poor stability in liquid form.

Overview of Hypoglycemia

Hypoglycemia is a condition in which blood glucose drops to unsafe levels. It is most frequently associated with diabetes and primarily arises in diabetes patients on insulin therapy only. Symptoms of a hypoglycemic episode include anxiety, sweating, tremors, palpitations, nausea and pallor. In severe cases, hypoglycemia can lead to loss of consciousness, seizures, coma and death.

Severe hypoglycemia or “insulin shock” occurs when blood glucose levels become so low that the assistance of another person is required to treat the condition by administration of intravenous glucose or glucagon injection. Severe hypoglycemia is classed as a diabetic emergency and primarily an issue for diabetes patients treated with insulin.

Data published in June 2015 in Diabetes Care and generated from a cohort of more than 16,000 people with type 1 diabetes as part of the T1D Exchange Patient Registry, indicates that severe hypoglycemia occurs frequently. The fear of another episode often leads to reduced glucose control (*i.e.*, allowing blood glucose to remain higher than desired), which, in turn, increases risk of micro- and macrovascular complications.

According to the 2014 National Diabetes Statistics Report, approximately 29% of all adult patients diagnosed with diabetes in the United States are treated with insulin. Type 1 diabetes patients are the most likely to experience episodes of hypoglycemia because they often inject themselves with insulin up to six times per day or use an insulin pump.

According to IMS Health, the U.S. glucagon market was valued at approximately USD 372 million for the twelve months ended 31 March 2017, and we believe that this market is significantly underpenetrated owing to the complexity of the hypoglycemia treatments, such as glucagon rescue kits, currently available on the market.

Single-Dose Dasiglucagon

We are developing Dasiglucagon as a single-dose rescue treatment for acute, severe hypoglycemia or “insulin shock,” to be made available in a single-dose ready-to-use disposable injection pen, which would provide diabetes patients, relatives and caregivers with a treatment option that is more convenient and faster to use than existing treatment alternatives.

We believe the market potential for this treatment to be highly attractive as, at present, current glucagon treatments are solely available in the form of a lyophilized powder, which requires reconstitution with sterile water in a multi-step process before use. In the case of an acute, severe hypoglycemia event, this can lead to handling errors, delayed administration of glucagon and sub-optimal treatment. Accordingly, we believe that Dasiglucagon will have an advantage in comparison to other drugs on the market due to relative ease of administration.

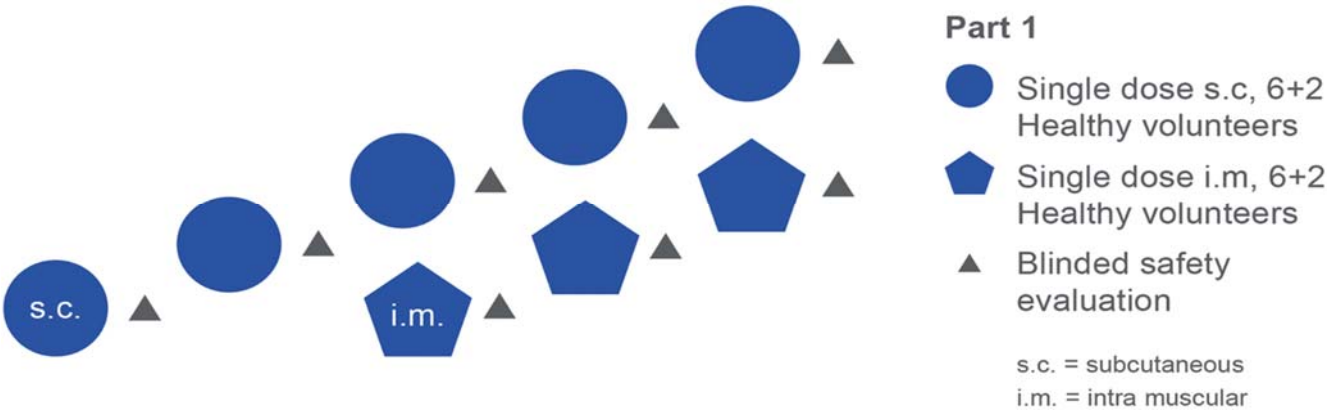
Clinical Development Summary for Single-Dose Dasiglucagon

Phase 1a Trials for Dasiglucagon

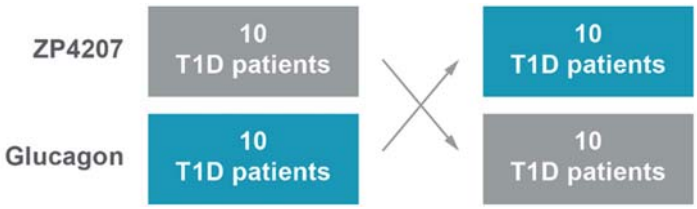
A Phase 1a trial was conducted for Dasiglucagon as a two-part randomized, double-blind and placebo-controlled trial at a clinical diabetes center in Germany to evaluate the safety and tolerability of Dasiglucagon and to assess various pharmacokinetic and pharmacodynamics measurements of Dasiglucagon, as compared to native glucagon. 64 healthy volunteers were enrolled in the first part of the trial, each of whom received single-ascending doses of Dasiglucagon of 0.01 mg to 2.0 mg. In the second part of the trial, the same endpoints were evaluated in 20 patients with type 1 diabetes, who were made hypoglycemic before treatment in order to evaluate the efficacy of Dasiglucagon to release glucose stores and increase blood sugar levels in a cross-over design with native glucagon as an active comparator.

The first phase of the trial design consisted of single-ascending doses of Dasiglucagon that were administered subcutaneously in six cohorts and intramuscular in three cohorts, compared to fixed doses of a marketed glucagon product (GlucaGen). The trial was double-blinded in 64 healthy volunteers, randomized to either one single dose of Dasiglucagon (six subjects per cohort) or marketed glucagon (two subjects per cohort).

The design of the Dasiglucagon Phase 1a clinical trial is summarized in the charts below:



The second phase of the trial design consisted of a fixed, single dose of Dasiglucagon administered subcutaneously, compared to fixed dose of marketed glucagon (GlucaGen). The trial was double-blinded in 20 patients with type 1 diabetes, randomized to either Dasiglucagon or the marketed glucagon product (GlucaGen) after an insulin-induced hypoglycemic event in a two sequence group cross-over design, as shown in the chart below:



Results showed that subjects generally tolerated Dasiglucagon with no serious adverse events reported across all doses evaluated (0.1 mg to 2 mg per subject). Furthermore, blood glucose levels increased across a broad dose range.

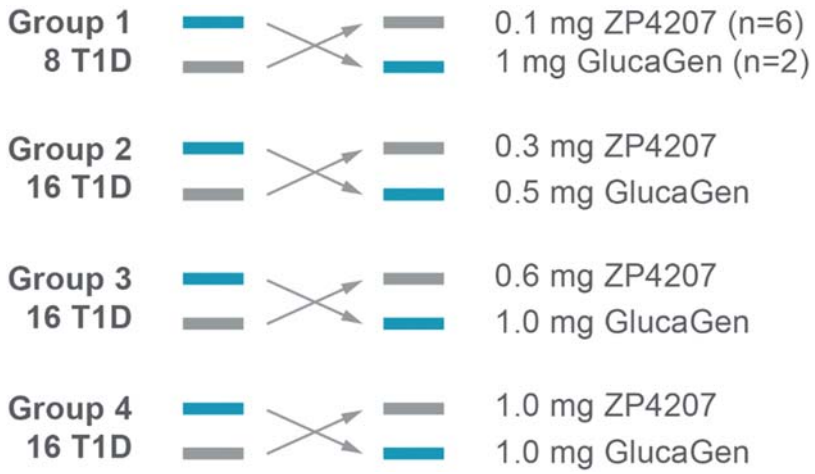
Phase 2 Clinical Trial

In February 2016, we initiated a Phase 2 single-center, randomized, double-blind PK/PD dose-finding trial. 81 adults with type 1 diabetes were enrolled in the trial. The primary trial objective was to evaluate the pharmacokinetics and pharmacodynamics of Dasiglucagon to be able to fully compare its effect to that of a marketed glucagon product (GlucaGen).

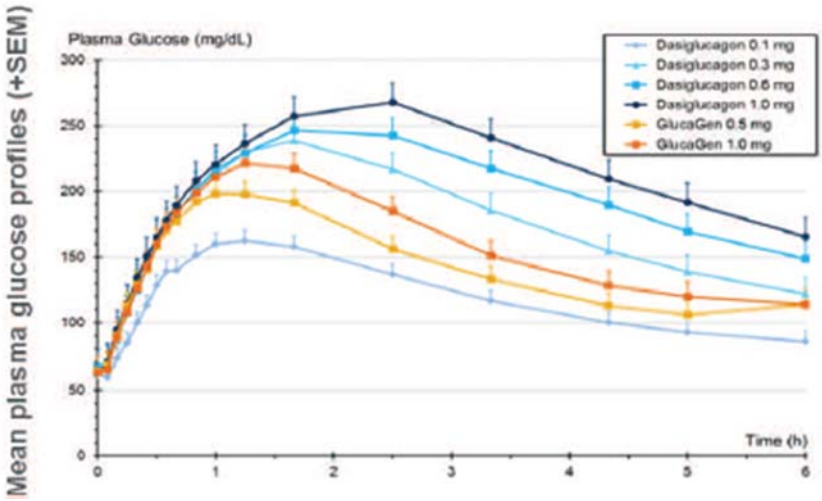
Subjects were randomized to one of four groups who received four different single doses of Dasiglucagon administered subcutaneously after an insulin-induced hypoglycemia event. In the lowest dose group, a parallel design was applied, and in the second to fourth dosing groups, patients were dosed with both Dasiglucagon and a marketed glucagon product (GlucaGen) in a crossover design.

The primary objective of this Phase 2 trial was to characterize the pharmacological profile of an optimized formulation of Dasiglucagon and compare it to glucagon rescue product marketed by Eli Lilly. In August 2016, top line results were reported from the trial. Results from the trial showed that all subjects treated with one of the three highest doses of Dasiglucagon or with the marketed glucagon product achieved a blood glucose concentration of >70 mg/dL within 30 minutes of dosing. In the same dose groups, time to plasma glucose increases of >20 mg/dL was shown to be similar for Dasiglucagon and approved glucagon with a median time of 9-10 minutes. Further results from the Phase 2 trial were presented during a poster session at the 77th Congress of the American Diabetes Association in June 2017 and the full results are expected to be published in 2017.

The design of the Dasiglucagon Phase 2 clinical trial is summarized in the chart below:



The chart below shows the plasma glucose profiles following dosing with different doses of dasiglucagon or Glucagen.



Phase 3 Clinical Trial

In June 2017, we initiated a Phase 3 clinical trial to evaluate the immunogenicity of repeated single doses of Dasiglucagon (0.6 mg) following subcutaneous administration to patients with type 1 diabetes, as well as its efficacy, safety and tolerability. In the trial Dasiglucagon will be compared with GlucaGen, a glucagon analog marketed in powder form for reconstitution. The trial will be conducted over 15 weeks,during which 90 patients will be exposed to either dasiglucagon or GlucaGen in a parallel randomized double-blind design. Initiation of an additional Phase 3 clinical trial is planned prior to the end of 2017.

Commercial Potential for Single-Dose Dasiglucagon

Glucagon is currently marketed in the United States by Novo Nordisk, Fresenius Kabi, Bedford Laboratories and Eli Lilly as a lyophilized powder in a vial for reconstitution with sterile water before injection. According to data from IMS Health, 2016 revenue from these products was over USD 316 million in the United States. We believe, however, that a larger market opportunity exists because, despite a recommendation from the ADA that all diabetes patients with increased risk of severe hypoglycemia should be prescribed and carry with them a glucagon rescue kit, we estimate that a maximum of up to 25% of type 1 diabetes patients possess one. In addition, the proportion of type 2 diabetes patients carrying a glucagon rescue kit is believed to be even lower, potentially due to the complexity of the current rescue kits.

We believe there will be at least two main competitors seeking to offer glucagon in an easy to administer form for rescue treatment:

- Eli Lilly: Through its October 2015 acquisition of Locemia Solutions ULC, Eli Lilly intends to advance the Locemia intranasal glucagon, a device for intranasal administration of glucagon powder, which is in Phase 3 clinical development. Human factor data presented at the EASD in 2015 reported better ease-of-use compared to a marketed glucagon rescue kit; and

- Xeris Pharmaceuticals, Inc.: Xeris is developing the G-Pen, a ready-to-use auto injector for glucagon rescue treatment, which is in Phase 3 clinical development. Xeris has developed a soluble, liquid ready-to-inject formulation of glucagon, with human factor data presented at a conference for Advanced Technologies and Treatments for Diabetes in 2016, reporting better ease-of-use compared to a marketed glucagon rescue kit.

Our own market research indicates that an auto-injector pen is the preferred method of administration for a glucagon rescue treatment for severe hypoglycemia or “insulin shock” among patients, caregivers, and health care professionals, and is preferred over the current marketed products, nasal powder, a patch or a vial administration.

As a result of the foregoing, we believe that a ready-to-use version of glucagon in a pen device has the potential to both make significant inroads in market share in the existing market and to increase the penetration of the market.

3.11.3 Multiple-Dose Dasiglucagon for Possible Use in an Artificial Pancreas for the treatment of Type 1 Diabetes

We are also developing a multiple-dose version of Dasiglucagon for possible use in a dual-hormone artificial pancreas system for insulin-dependent diabetes patients. We believe that the market potential for this version is significant because, if successful, it will permit the further development of artificial pancreas systems, which in turn will help improve the way in which type 1 diabetes is managed.

Currently, the majority of patients with type 1 diabetes manually measures levels of glucose in their blood by either using the traditional method of pricking one's finger, or by using a continuous glucose monitor. Based on these measurements, they must adjust glucose levels by taking multiple injections of insulin daily or by continually infusing insulin with a pump via needles placed under the skin. This requires diligence and a manual effort by the user. By automating the detection of blood sugar levels and delivery of insulin or glucagon in response to changes, HbA1c levels can be managed more closely, and artificial pancreas systems as they evolve and are improved are likely to transform the lives of people with type 1 diabetes.

As a peptide analog of human glucagon that has a favorable stability profile, Dasiglucagon is suited for the management of type 1 diabetes when used continually as part of a dual-hormone artificial pancreas system. Dasiglucagon, comprises 29 amino acids, with seven substitutions compared to native glucagon, to improve physical and chemical stability in aqueous media, making it suitable for liquid formulation. We believe Dasiglucagon can create a new treatment paradigm for type 1 diabetes management as part of a dual-hormone artificial pancreas system, offering a holistic, fully-automated approach to glycemic control rather than providing a component that addresses only one aspect of glycemic control (*e.g.*, insulin infusion, glucose sensing, therapeutic dosing decisions). We expect that Dasiglucagon, as part of dual-hormone artificial pancreas system, will:

- reduce mean glycemia in nearly all type 1 diabetes subjects to levels that meet or exceed the ADA's goal for therapy;
- reduce long-term microvascular and neurological complications when the product/device combination is implemented at the time of diagnosis;
- reduce mild hypoglycemia and significantly lessen the risk of severe hypoglycemia or "insulin shock"; and
- automate glycemic management, thereby lessening the day-to-day burden on patients and improving compliance with therapy.

We believe that the combination of Dasiglucagon and dual-hormone artificial pancreas systems will create a significant improvement in the way diabetes is managed. In addition, this product/device combination is expected to provide increased effectiveness in delivering therapy, thereby addressing the unmet medical needs of type 1 diabetes patients already recognized by the FDA.

Clinical Development Summary for Multiple-Dose Dasiglucagon for the treatment of Type 1 Diabetes

Phase 1b Clinical Trial

In May 2015, we received a USD 1.8 million grant from the Helmsley Charitable Trust to fund initial preclinical and clinical activities for our multiple-dose Dasiglucagon.

In 2015, we also initiated and completed a Phase 1b randomized, double-blind and placebo controlled clinical trial of the multiple-dose Dasiglucagon involving 24 healthy volunteers. Patients were randomized to multiple-ascending doses of Dasiglucagon (six subjects per cohort) or placebo (two subjects per cohort), administered subcutaneously over five consecutive days. The results of the trial observed that subjects generally tolerated Dasiglucagon in multiple-dose use with no serious adverse events reported. A blood glucose response was observed. Increases of 20 mg/dL of glucose were achieved by all subjects following multiple doses over five days, independent of the Dasiglucagon dose, with only four subjects in the 0.1 mg cohort failing to reach this increase after the first dosing. The primary endpoints of this clinical trial were to evaluate the safety and tolerability of the Dasiglucagon compound after multiple dosing. The secondary endpoints of this clinical trial measured the pharmacokinetics and pharmacodynamics (blood sugar levels) of Dasiglucagon after multiple dosing. The trial was conducted at a clinical diabetes center in Germany. Participants in the clinical trial received three different cohorts of daily doses of Dasiglucagon, each over five days.

Phase 2a Clinical Trial

In December 2016, we dosed the first adult type 1 diabetes patients with the multiple-dose Dasiglucagon in a Phase 2a clinical trial. The trial has enrolled 17 adult type 1 diabetes patients. The Phase 2a trial was a single-centre, randomised, sequential, cross-over trial assessing pharmacokinetic and pharmacodynamic responses after micro-doses (0.03 mg, 0.08 mg, 0.2 mg and 0.6 mg) of Dasiglucagon administered subcutaneously to patients with type 1 diabetes under euglycemic and hypoglycemic conditions and compared to a glucagon marketed by Eli Lilly administered at doses of 0.03 mg, 0.08 mg and 0.2 mg at euglycemic conditions. Results from this Phase 2a trial, in which Dasiglucagon was observed to provide clinically relevant increases in blood glucose under both euglycemic and hypoglycemic settings, were released in May 2017. Observed adverse events were, in the judgement of our medical staff of a nature and number expected in this patient population and product class. None were categorized as serious adverse events.

During the trial, 17 adult type 1 diabetes patients treated with continuous subcutaneous insulin infusion, or insulin pumps, received two doses of Dasiglucagon, at doses of 0.03 mg, 0.08 mg and 0.2 mg, (the first at euglycemic and the second at hypoglycemic conditions) and one dose of Eli Lilly's marketed glucagon at euglycemic conditions, in a randomized order. The third dose of Dasiglucagon (during hypoglycemia) was administered the morning after a standardized carbohydrate-rich meal. Each dosing visit was separated by between three and seven days. For all patients the 0.6 mg dose of Dasiglucagon was administered on the fifth dosing visit. Each patient enrolled in the trial provided a total of 11 pharmacokinetic and pharmacodynamic profiles covering four different dose levels (eight profiles from Dasiglucagon and three profiles from the marketed glucagon).

Collaboration with Beta Bionics

We initiated a collaboration with Beta Bionics, a medical device company, to investigate the use of our multiple-dose version of Dasiglucagon with Beta Bionics' iLet investigational bionic pancreas platform technology in June 2016, and formalized our collaboration with Beta Bionics in a February 2017 co-development agreement. iLet is a dual-hormone pocket-sized wearable medical device that Beta Bionics believes will be able to autonomously manage blood sugar levels in diabetes patients. We have submitted an IND for this use of Dasiglucagon to the FDA. We retain all proprietary rights to Dasiglucagon under this collaboration arrangement.

In December 2016, we initiated a Phase 2a clinical trial in adult patients with type 1 diabetes to test the safety, tolerability and efficacy in improving glycemic control of Dasiglucagon as compared to a recombinant glucagon marketed by Eli Lilly, when administered with the iLet test version in which an iPhone is used to control dosing using an algorithm developed by Beta Bionics for use in the iLet bionic pancreas. The test conditions were chosen to optimize the opportunity to evaluate the ability of Dasiglucagon (and comparator) to maintain blood glucose in the desired target glycemic range. Top-line results from this single-center, open-label,randomized cross-over trial were reported in June 2017. The trial provided evidence that Dasiglucagon was able to maintain blood glucose in the target glycemic range in a manner comparable to human recombinant glucagon when administered automatically via the iLet controlled pump system.

Overview of artificial pancreas market

The pancreas is the organ in the body that secretes the hormones insulin and glucagon. In a healthy pancreas, insulin and glucagon are secreted in a manner that maintains blood glucose levels within an acceptable range. An artificial pancreas is intended to achieve control of blood glucose levels if a diseased natural organ cannot.

At present, most of the marketed artificial pancreas systems serve simply as insulin pumps, automatically injecting insulin when needed. In these single-hormone systems, glucagon, if also required, must be administered manually by the patient or a third party. According to the American Association of Diabetes Educators, in 2016 insulin pumps were used by 400,000 patients, or approximately 35% of type 1 diabetes patients in the United States. Informa Pharma Intelligence's Meddevicetracker database reports that the U.S. market for insulin pumps (consisting of both the pumps and the accompanying consumable products (e.g., infusion sets, or the plastic tubing that delivers insulin from the pump into the body) but excluding insulin itself) was valued at USD 1.7 billion in 2015 and is expected to reach USD 2.5 billion by 2020, representing a growth rate of over 40%, as a result of the introduction of superior and less invasive pumps and integrated systems being adopted for use by a broader group of patients in a growing diabetes population. With technological innovation likely driving this trend, assuming the same growth rate reported by Meddevicetracker moving forward, the market for insulin pumps will be double in 2025 what it was in 2015.

The market for glucagon in a dual-hormone artificial pancreas will depend, in our view, on how many of the existing insulin-only pump users will switch to using a dual-hormone (insulin and glucagon) device and the average daily price for the glucagon administered via such systems.

Our collaboration partner Beta Bionics is seeking to advance its iLet dual-hormone artificial pancreas system, which automatically administers both insulin and glucagon as needed. We believe that the iLet is the only dual-hormone artificial pancreas currently in clinical development. As part of our partnership with Beta Bionics, our glucagon analog, Dasiglucagon, has been used in the clinical development of this pioneering dual-hormone device. As a result, we believe we may be well-positioned as a supplier of a glucagon analog for use with the iLet if it reaches the market.

Multiple-Dose Dasiglucagon used in the treatment of CHI

CHI represents a heterogeneous group of rare, complicated, and challenging disorders in which genetic mutations cause beta cells in the pancreas to secrete insulin without regard to blood glucose levels, resulting in hypoglycemia. It is one of the most prevalent causes of severe and persistent hypoglycemia in newborns and young children. The NIH estimates that CHI affects approximately 1 in 50,000 newborns in the United States. Hypoglycemia resulting from CHI is of particular concern because it is frequently characterized by seizures that may ultimately lead to irreversible brain damage in newborns, infants, and children. Some CHI cases respond well to surgical removal of a portion of the pancreas. In other cases, a complete or partial pancreatectomy is required. Pancreatectomies have a high morbidity rate, including the risk of developing diabetes. In a retrospective study of ten patients (all of whom had undergone at least a 95% pancreatectomy), all of the subjects developed post-operative diabetes either immediately following surgery or within a period of 11 years thereof.

We are investigating the potential for multiple-dose Dasiglucagon as a treatment for CHI. We have begun discussions with key CHI experts at leading research institutions to advance planning for a clinical development program that we believe will require relatively small patient cohorts. Discussions with regulatory authorities concerning the proposed clinical development program are expected to be held in the second half of 2017.

With its physio-chemical stability in liquid formulation, we believe Dasiglucagon may be a potentially viable treatment option for patients suffering from hypoglycemia caused by CHI.

Clinical Development Summary for Multiple-Dose Dasiglucagon for the treatment of CHI

Orphan designation for Dasiglucagon for the treatment of CHI

In June 2017, we obtained orphan medicinal product designation was also received in May 2017 from the European Commission for the use of our multiple-dose formulation of Dasiglucagon for the treatment of CHI., on the basis that we had established the following:

- the intention to treat the condition was considered justified based on clinical data demonstrating its hyperglycemic effect;
- CHI is life-threatening due to severe hypoglycemia and it is chronically debilitating due to symptoms of hypoglycemia such as pallor, sweat, heart palpitations and neurological effects of chronic hypoglycemia;
- CHI was estimated to affect approximately 0.2 in 10,000 people in the European Union, at the time the application was made.

In July 2017, we also submitted rare pediatric disease and orphan drug designation applications to the FDA for the treatment of CHI. We expect a decision to be made on these applications in the second half of 2017. We also believe we may be permitted to submit an application for a Priority Review Voucher under the FDA Rare Pediatric Disease program.

Planned Phase 2 trial

We currently plan to initiate a Phase 2 trial with Dasiglucagon in CHI by the end of 2017.

Commercial Potential for Multiple-Dose Dasiglucagon for the treatment of CHI

We believe that multiple-dose Dasiglucagon administered, for example, via an infusion pump may be a preferable treatment than current, manual forms of administration and treatment. In the United States and Europe, the treatment of CHI is concentrated in a small number of medical centers. Approximately 70 new patients are treated per year in the United States, and approximately 100 new patients are treated per year in Europe.

Elsiglutide for the Treatment of Chemotherapy Induced Diarrhea

In June 2017, our collaboration with Helsinn was terminated. Under that collaboration, Helsinn had been responsible for the clinical development of Elsiglutide, a novel long-acting GLP-2 analog that we invented for the treatment of CID. We have not yet decided whether to further advance the clinical development of Elsiglutide in CID or other indications now that, following the termination of our collaboration with Helsinn, we have the right to do so. Should we elect in the future to advance Elsiglutide on our own, depending on the nature of the data we use to support such development, we may be obligated to repay Helsinn certain of the costs incurred by it when it was responsible for the program. Termination of our collaboration allows us to explore the possible use of Elsiglutide or other GLP-2 product candidates we have developed in cancer supportive care as, under our collaboration with Helsinn, it previously had a right of first refusal to license from us any compound (other than Elsiglutide) in this field. See section 19.3 "*License Agreement with Helsinn for Elsiglutide*".

3.12 Preclinical Internal Projects

Our internal pipeline comprises several other therapeutic peptides in preclinical development. Of these, the most advanced target diabetes and/or obesity:

- ***GIP receptor agonist (ZP-I-98)***. ZP-I-98 is a novel GIP receptor agonist that has been observed in preclinical studies to have an enhanced effect on the treatment of type 2 diabetes when combined with a GLP-1 receptor agonist by inducing both robust glycemic control, as well as a greater loss of body weight than has been observed with standalone treatments. ZP-1-98 has a long-acting profile, which we believe indicates that it could be suitable for convenient weekly dosing.

- ***GLP-1-GIP receptor dual agonist (ZP-DI-70)***. ZP-DI-70, a potent and selective GLP-I-GIP receptor dual agonist, is a promising candidate for the treatment of type 2 diabetes with superior body weight lowering effects compared to existing therapies. We believe that the *in vivo* profile of the compound further suggests that ZP-DI-70 could be used as a convenient once-weekly treatment and pharmacokinetic and pharmacodynamics preclinical results suggest the possibility of prolonging the activity of GLP1-GIP dual agonists (building on existing evidence from animal studies which suggest that the anti-obesity efficacy of GLP-1 can be enhanced by co-administration with GIP).

- ***GLP-1-gastrin dual agonist (ZP3022)***. ZP3022 is in preclinical studies and has been observed to increase beta cell mass and improve glycemic control in rodent models, db/db (genetically modified and obese) mice and Zucker Diabetic Fatty rats. ZP3022 produces a unique gene expression response, as compared to exendin-4 administered alone or in combination with gastrin17, and we believe that it may have the potential to delay or prevent beta cell dysfunction.

- ***GLP-1/GLP-2 dual agonist (ZP-GG-72).*** ZP-GG-72, during preclinical studies, has been evaluated for potency on GLP-1 and GLP-2 receptors with pharmacological effects investigated in diet induced obese mice versus teduglutide (a GLP-2 analog) and exendin-4 (a GLP-1 analog). ZP-GG-72 has been observed to cause an increase in intestinal weight and improved glycemic control.

3.13 Sales and Distribution

Sanofi carries out the sales and distribution of Adlyxin / Lyxumia and pays a royalty to us on such sales under the terms of the Sanofi License Agreement. See section 19.1 "*Sanofi License Agreement for Lixisenatide*". Lyxumia had global sales of EUR 32.7 million in 2016 and of EUR 6.9 million for the three months ended 31 March 2017. With the recent FDA and EMA approval of Soliqua100/33 / Suliqua, Sanofi is and will also be responsible for all sales and distribution of that product. Similarly, BI will be responsible for the sales and distribution of any of our product candidates that might be marketed and distributed under our collaborations with BI. With respect to our own internal product candidate pipeline, we are not yet in a position to sell or distribute any product candidate should it be approved, on our own. It is our intention, however, to continue to build up our own internal capabilities and skills such that we may be able to do so in the future for selected product candidates and geographies.

3.14 Suppliers

A number of raw materials are used to produce our internal product candidates. The bulk of the raw materials are items that are also used by other pharmaceutical producers, so are generally not difficult for us to obtain. We are dependent only on suppliers of raw materials solely for use in the preclinical and clinical development stages of our product candidates.

3.15 Competition

The pharmaceutical and biotechnology industries are characterized by intense competition and significant and rapid technological change as researchers learn more about diseases and develop new technologies and treatments. Significant competitive factors in our industry include: (i) product safety and efficacy; (ii) quality and breach of an organization's technology; (iii) skill of an organization's employees and its ability to recruit and retain key employees; (iv) timing and scope of regulatory approvals; (v) government reimbursement rates for, and the average settling price of, products; (vi) the availability of raw materials and qualified manufacturing capacity; (vii) manufacturing costs; (viii) intellectual property and patent rights and their protection; and (ix) sales and marketing capabilities. While we believe that our product and product candidate platform, development expertise and scientific knowledge provide us with competitive advantages, we face potential competition from many different sources, including major pharmaceutical, specialty pharmaceutical and biotechnology companies, academic institutions and governmental agencies and public and private research institutions.

Any product candidates that we successfully develop and commercialize will compete with existing drugs and new drugs that may become available in the future. In particular, we compete with all companies that have drugs on the market or are developing product candidates for diabetes. Our competitors in the type 2 diabetes field are primarily large pharmaceutical companies, including Merck & Co, AstraZeneca, GlaxoSmithKline, Eli Lilly, Sanofi, Novo Nordisk, Johnson & Johnson and BI.

We also compete with companies that are producing drugs for, among other disease indications, SBS, such as Shire plc which currently markets and distributes Gattex, and hypoglycemia, such as Novo Nordisk and Eli Lilly which each market and distribute glucagon rescue kits.

Our competitors may also succeed in obtaining FDA, EMA or other regulatory approvals more rapidly than us, which could place us at a significant competitive disadvantage or deny us marketing exclusivity rights. Market acceptance of our product candidates will depend on a number of factors, including:

- potential advantages over existing or alternative therapies or tests;
- the actual or perceived safety of similar classes of products;
- the effectiveness of our sales, marketing and distribution capabilities; and
- the scope of any approval provided by the FDA, the EMA or other comparable regulatory authorities.

Although we believe our drugs and product candidates possess attractive attributes, we cannot ensure that our product candidates will achieve regulatory or market acceptance, or that we will be able to compete effectively in the market.

If our product candidates fail to gain regulatory approvals and acceptance in their intended markets, we may not generate meaningful revenue or achieve profitability.

In addition, many of our competitors have significantly greater financial resources and expertise in R&D, manufacturing, preclinical studies, conducting clinical trials, obtaining regulatory approvals and marketing drugs. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of competitors, particularly through partnership arrangements with large established companies. These companies also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

3.16 Intellectual Property

Our IP primarily includes patents and patent applications, trademarks and trade secrets. It is our continuous objective to manage our IP in line with our overall strategy, which has resulted in the accumulation of a significant patent portfolio directed at the various products we have developed and technologies we employ. As our business and technology has matured, our internal organization, with the support of experienced external professionals, has strived to focus the patent portfolio so that it reflects our commercial endeavors.

3.16.1 Patents

Patent Strategy

Our strategy for filing patent applications is to file early in the drug discovery process, typically before a lead compound has been selected. Before filing an initial patent application, we conduct searches of patents and publications based on keywords, patent classification codes and/or sequences to verify patentability of the compounds identified to date. A more focused, structure-based search is conducted once a lead compound is selected.

Patent applications are generally prepared by our in-house patent professionals in collaboration with outside patent counsel. Patent applications drafted before a lead compound is chosen typically disclose a large number of structurally related compounds. Our patent applications cover compositions of matter and methods of use, and may additionally cover dosing regimens and methods of making the compounds. Later-filed patent applications typically cover next-generation compounds having for example, structural differences that might confer improved properties. Initially, we file one or more patent applications that establish priority to be claimed in later-filed applications. For most patent families, we file a patent application under the International Patent System ("**PCT**") which can be entered for examination into the patent office in any of the countries that are signatories to the PCT. In some cases, we file national applications directly in the major jurisdictions, which include Europe, the United States and Japan. For certain patent families, we file in parallel an application under the PCT and national applications in certain jurisdictions, such as the United States. Our patent strategy includes an evaluation of the expiration dates of third party patents that may be infringed by our drug candidate products and development programs, and we prepare our development and commercialization plans to avoid claims of infringement.

We or our outside patent counsel handle the prosecution of our patent applications. If we enter into a licensing arrangement with a collaboration partner, we typically retain ultimate control of patent prosecution of patent applications for our inventions. For new inventions arising from collaboration under the license agreement, the collaboration partner may, depending on the identity of the inventors, file patent applications that are owned either by the collaboration partner alone or jointly with us.

Patent and Patent Application Portfolio

We own two patent families covering Lixisenatide, including 66 non-U.S. patents in 34 non-U.S. jurisdictions, all licensed exclusively to Sanofi. We own two patent families two related proprietary GLP-2 analogs, Glepaglutide and Elsiglutide. These two patent families include 74 non-U.S. patents in 51 non-U.S. jurisdictions and 17 pending patent applications in 9 jurisdictions. Although the disclosures of one of these two patent families encompass both Elsiglutide and Glepaglutide, it has been possible to claim the subject matter relating to Elsiglutide and Glepaglutide in separate patents in the United States. For our internal compound Dasiglucagon, a glucagon analog that has a favorable stability profile, we own one patent family including 25 pending non-U.S. patent applications and in 24 non-U.S. jurisdictions.

We also possess IP with respect to certain technologies we employ when designing novel peptide drug candidates. An example of one of our internal peptide enhancing technologies is the SIP technology. The SIP technology adds a number of specific amino acids to a peptide thereby strengthening or tightening the molecular structure to make the peptide less susceptible to biological degradation. This may help maintain the peptide in the blood for a longer period of time before the peptide is degraded and may permit less frequent dosing of the peptide. The SIP technology has been employed for the development of Lixisenatide and Elsiglutide.

Other proprietary technologies we use involve the addition of a fatty acid to the amino acid chain of a given peptide as another technique to increase the half-life of the peptide in the blood stream.

Although specific reference is made to the status of patents granted or pending in the EPO, USPTO, and Japan, in many cases the patent families also include patents or applications in a number of additional jurisdictions, including Australia, Canada, China, and India. Nominal expiration dates mentioned below are based on the statutory patent terms. Upon marketing approval, patent term extensions or supplementary protection certificates may be obtainable in various jurisdictions, including certain European jurisdictions, the United States, and Japan, with respect to certain patents claiming compositions of matter, methods of use or methods of manufacturing the products, with a maximum of five years of extension potentially available. U.S. patents may also be entitled to adjustments to their statutory patent term depending on the length of the delay to the issuance of the patents caused by the USPTO.

We (or our wholly owned subsidiary ZP Holding in the case of Lixisenatide) own all patents and applications described below, as relating to Lixisenatide, Elsiglutide, Glepaglutide and Dasiglucagon.

Lixisenatide

Our wholly owned subsidiary, ZP Holding, owns two patent families covering Lixisenatide compound and compositions, methods of using Lixisenatide and dosing regimens for administering Lixisenatide. The first patent family includes granted patents in Europe (one European patent validated in 24 countries and a second European patent validated in 18 countries), the United States, Australia (two), Canada, China, Hong Kong (two), India, Israel (three), Japan (three), New Zealand and South Africa. The patents include composition of matter claims covering both the peptide and composition of Lixisenatide, originally known as ZP10. The granted U.S. patent originally claimed Lixisenatide and closely related analogs of Lixisenatide, but was reissued with claims covering Lixisenatide only. The closely related analogs may be pursued in one or more continuing applications. The granted European patents include claims drawn to the composition of matter of a genus of compounds that encompasses Lixisenatide and of Lixisenatide, compositions comprising Lixisenatide, and uses of Lixisenatide to treat various diseases, including type 2 diabetes, type 1 diabetes and obesity. The patents in this patent family have a nominal expiration date in July 2020 and may be eligible for up to 5 years of regulatory patent term extension in several jurisdictions, including certain European jurisdictions, Japan, Israel and the United States.

Our subsidiary, ZP Holding, owns a second Lixisenatide patent family, which includes patents and pending applications directed to dosing regimens for Lixisenatide and other GLP-1 receptor agonists which comprises discontinuing administration of Lixisenatide or other GLP-1 receptor agonists after the initial dosing ("drug holiday" dosing regimens). The dosing regimens do not show a significant reduction in efficacy as compared to daily dosing regimens. Although the dosing regimens are not currently the standard of care for GLP-1 receptor agonists and are not now proposed to be used with Lixisenatide, we believe that it is a clinically and commercially attractive alternative to daily dosing regimens. This family also discloses methods of preserving pancreatic islet cell function using Lixisenatide and other GLP-1 receptor agonists with drug holiday dosing regimens. The patent family includes granted patents in Australia (three), Hong Kong, Israel, Japan (two) and Mexico (two). The claims in the pending U.S. application are directed to a method of preventing or treating diabetes by administering certain GLP-1 receptor agonists other than Lixisenatide with a drug holiday dosing regimen. The patents in this patent family have a nominal expiration date in July 2023 and may be eligible for up to 5 years of regulatory patent term extension in several jurisdictions.

There was a European patent granted in this second patent family which was opposed in the EPO by two of our competitors. The original claims as amended were maintained in amended form by the Opposition Division of the EPO but that decision was recently reversed in an appeal hearing held in January 2017 and the European patent was fully revoked. As the claims of this patent, although broad, did not cover the current dosing plan for Lixisenatide, we believe that the revocation of the European patent will not affect the planned commercialization of Lixisenatide in Europe.

Elsiglutide and Glepaglutide

We own two patent families, which include 74 non-U.S. patents and 15 pending non-U.S. applications in a total of 54 non-U.S. jurisdictions. The first patent family discloses both the Elsiglutide compound and the Glepaglutide compound, which are structurally-related GLP-2 receptor agonists developed using our SIP technology.

The first patent family includes six granted U.S. patents and one granted European patent (validated in 30 countries). The first patent family also includes granted patents in Australia, Canada, China (two), Eurasia (designated in 9 countries), Hong Kong, Israel (three), India, Japan (two), South Korea (three), Mexico, New Zealand (three), Ukraine and South Africa. The granted U.S. patents include composition of matter claims covering both the peptide and composition of Elsiglutide and Glepaglutide, and claims drawn to a method of treating CID by administering Elsiglutide and a method of treating inflammatory bowel disease by administering Glepaglutide. The granted European patent includes claims drawn to the composition of matter of a genus of compounds that encompasses Elsiglutide and Glepaglutide and of Elsiglutide and Glepaglutide, as well as analogs thereof and methods of using Elsiglutide and Glepaglutide for the preparation of a medicament to treat or prevent side effects of chemotherapy, including diarrhea. 12 applications are pending in this family in the U.S. and non-U.S. jurisdictions, including Brazil, Europe, Hong Kong, India, Japan, Norway and South Africa. The patents in this patent family have a nominal expiration date in May 2026, with the exception of one of the granted U.S. patents, which has an adjusted expiration date in June 2026.

The granted European patent in this first patent family was opposed in the EPO by a competitor. The Opposition Division of the EPO maintained all original claims at a hearing in June 2014. The decision to maintain the patent is currently under appeal by the competitor and an oral hearing before the Technical Board of Appeals of the EPO is expected in 2018.

A second patent family covers backup compounds for Elsiglutide. This family includes granted patents in Australia, China, Hong Kong, Israel, Japan, South Korea, Mexico, New Zealand (two), Ukraine and the United States. The second family also includes seven pending patent applications in Europe, the United States, Brazil, Canada, Eurasia, Norway and South Africa. The patents in this second family have a nominal expiration date in November 2027, with the exception of the granted U.S. patent, which has an adjusted expiration date in February 2030.

The patents in each of these patent families were licensed to Helsinn for Elsiglutide until June 2017. With the termination of the license agreement with Helsinn, we are now responsible for the maintenance of both patent families. See section 19.3 "*Licensing Agreement with Helsinn for Elsiglutide*".

Dasiglucagon

We own one patent family covering Dasiglucagon, including granted patents in 13 European countries and 26 patent applications outstanding in 25 jurisdictions. The pending claims in this patent family cover the Dasiglucagon compound and a group of structurally related compounds having glucagon agonist activity and increased solubility and/or stability relative to the native glucagon. The pending claims also cover pharmaceutical compositions comprising such compounds and related uses for treating a variety of diseases including hypoglycemia, type 1 and 2 diabetes and other metabolic conditions, and nucleic acid molecules for expression of the compounds in host cells. The patents in this family, when issued, will have a nominal expiration date in July 2033.

3.16.2 License Agreements

Our license agreements with our collaboration partners generally grant to them the first right to defend against claims that the use of the IP we have licensed to them infringes the patent rights of third parties. In the event that our collaboration partners enter into a license agreement with, or make royalty or settlement payments to, third parties as a result of such claims, our license agreements generally allow our collaboration partners to reduce amounts payable to us as royalties and/or milestone payments by amounts paid to third parties as a result of or in settlement of specified infringement claims, subject to contractual conditions and limitations.

3.16.3 Trademarks

We own the registered trademark “Zealand Pharma A/S” in Europe and Denmark. An application for registration of the trademark “Zealand Pharma A/S” is pending in the United States. We also own the registered trademark “SIP” in Europe and Denmark.

3.17 Government Regulation

The FDA and comparable regulatory authorities in state and local jurisdictions and in other countries impose substantial and burdensome requirements upon companies involved in the clinical development, manufacture, marketing and distribution of drugs, such as those we are developing. These agencies and other federal, state and local entities regulate, among other things, the R&D, testing, manufacture, quality control, safety, effectiveness, labeling, storage, record keeping, approval, advertising and promotion, distribution, post-approval monitoring and reporting, sampling and export and import of our product candidates.

3.17.1 U.S. Government Regulation

In the United States, the FDA regulates drugs under the U.S. Federal Food, Drug, and Cosmetic Act ("**FDCA**") and its implementing regulations. The process of obtaining regulatory approvals and the subsequent compliance with applicable federal, state, local and foreign statutes and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process or after approval, may subject an applicant to a variety of administrative or judicial sanctions, such as the FDA’s refusal to approve pending NDAs, withdrawal of an approval, imposition of a clinical hold, issuance of warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties.

The process required by the FDA before a drug may be marketed in the United States generally involves the following:

- completion of preclinical laboratory studies, animal studies and formulation studies in compliance with the FDA’s good laboratory practice, or GLP, regulations;

- submission to the FDA of an IND, which must become effective before human clinical trials may begin;
- approval by the institutional review board ("**IRB**") at each clinical site before each trial may be initiated;
- performance of adequate and well-controlled human clinical trials in accordance with applicable IND and other clinical trial-related regulations, sometimes referred to as good clinical practices ("**GCPs**") to establish the safety and efficacy of the proposed product candidate for its proposed indication;
- submission to the FDA of an NDA;
- satisfactory completion of an FDA pre-approval inspection of the production facility or facilities where the product is produced to assess compliance with the FDA's cGMP requirements to assure that the facilities, methods and controls are adequate to preserve the product's identity, strength, quality, purity and potency;
- potential FDA audit of the preclinical and/or clinical trial sites that generated the data in support of the NDA; and
- FDA review and approval of the NDA prior to any commercial marketing or sale of the product in the United States.

Preclinical Studies

Preclinical studies include laboratory evaluation of product chemistry, toxicity and formulation, as well as animal studies to assess potential safety and efficacy. An IND sponsor must submit the results of the preclinical studies, together with manufacturing information, analytical data and any available clinical data or literature, among other things, to the FDA as part of an IND. Some preclinical studies may continue even after the IND is submitted. An IND automatically becomes effective 30 days after receipt by the FDA, unless before that time the FDA raises concerns or questions related to one or more proposed clinical trials and places the clinical trial on a clinical hold. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. As a result, submission of an IND may not result in the FDA allowing clinical trials to commence.

Clinical Trials

Clinical trials involve the administration of the IND to human patients under the supervision of qualified investigators in accordance with GCP requirements, which include the requirement that all research patients provide their informed consent in writing for their participation in any clinical trial. Clinical trials are conducted under protocols detailing, among other things, the objectives of the trial, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. A protocol for each clinical trial and any subsequent protocol amendments must be submitted to the FDA as part of the IND. In addition, an IRB at each institution participating in the clinical trial must review and approve the plan for any clinical trial before it commences at that institution. Information about certain clinical trials must be submitted within specific timeframes to the National Institutes of Health ("**NIH**") for public dissemination on their www.clinicaltrials.gov website.

Human clinical trials are typically conducted in three sequential phases, which may overlap or be combined:

- Phase 1 clinical trial: the product candidate is initially introduced into healthy human patients or patients with the target disease or condition and tested for safety, dosage tolerability, absorption, metabolism, distribution, excretion and, if possible, to gain an early indication of its effectiveness;
- Phase 2 clinical trial: the product candidate is administered to a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases and to determine dosage tolerability and optimal dosage; and
- Phase 3 clinical trial: the product candidate is administered to an expanded patient population, generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to establish the overall risk-benefit profile of the product, and to provide adequate information for the labeling of the product.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA and more frequently if serious adverse events occur. Each of Phase 1, Phase 2 and Phase 3 clinical trials may not be completed successfully within any specified period, or at all. Furthermore, the FDA or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research patients are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB's requirements or if the drug has been associated with unexpected serious harm to patients.

Marketing Approval

Assuming successful completion of the required clinical testing, the results of the preclinical studies and clinical trials, together with detailed information relating to the product's chemistry, manufacture, controls and proposed labeling, among other things, are submitted to the FDA as part of an NDA requesting approval to market the product for one or more indications. In most cases, the submission of an NDA is subject to a substantial application user fee. Under the U.S. Prescription Drug User Fee Act ("**PDUFA**") guidelines that are currently in effect, the FDA has a goal of ten months from the date of "filing" of a standard NDA for a new molecular entity to review and act on the submission. This review typically takes twelve months from the date the NDA is submitted to the FDA because the FDA has approximately two months to make a "filing" decision.

In addition, under the U.S. Pediatric Research Equity Act of 2003 ("**PREA**") as amended and reauthorized, certain NDAs or supplements to an NDA must contain data that are adequate to assess the safety and effectiveness of the drug for the claimed indications in all relevant pediatric subpopulations, and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The FDA may, on its own initiative or at the request of the applicant, grant deferrals for submission of some or all pediatric data until after approval of the product for use in adults, or full or partial waivers from the pediatric data requirements.

The FDA also may require submission of a REMS plan to ensure that the benefits of the drug outweigh its risks. The REMS plan could include medication guides, physician communication plans, assessment plans, or elements to assure safe use, such as restricted distribution methods, patient registries, or other risk minimization tools.

The FDA conducts a preliminary review of all NDAs within the first 60 days after submission, before accepting them for filing, to determine whether they are sufficiently complete to permit substantive review. The FDA may request additional information rather than accept an NDA for filing. In this event, the application must be resubmitted with the additional information. The resubmitted application is also subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review. The FDA reviews an NDA to determine, among other things, whether the drug is safe and effective and whether the facility in which it is manufactured, processed, packaged or held meets standards designed to assure the product's continued safety, quality and purity.

The FDA may refer an application for a novel drug to an advisory committee. An advisory committee is a panel of independent experts, including clinicians and other scientific experts, that reviews, evaluates and provides a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

Before approving an NDA, the FDA typically will inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving an NDA, the FDA may inspect one or more clinical trial sites to assure compliance with GCP requirements.

After evaluating the NDA and all related information, including the advisory committee recommendation, if any, and inspection reports regarding the manufacturing facilities and clinical trial sites, the FDA may issue an approval letter, or, in some cases, a complete response letter. A complete response letter generally contains a statement of specific conditions that must be met in order to secure final approval of the NDA and may require additional clinical or preclinical testing in order for the FDA to reconsider the application. Even with submission of this additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval. If and when those conditions have been met to the FDA's satisfaction, the FDA will typically issue an approval letter. An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications.

Even if the FDA approves a product, it may limit the approved indications for use of the product, require that contraindications, warnings or precautions be included in the product labeling, require that post-approval studies, including Phase 4 clinical trials, be conducted to further assess a drug's safety after approval, require testing and surveillance programs to monitor the product after commercialization, or impose other conditions, including distribution and use restrictions or other risk management mechanisms under a REMS, which can materially affect the potential market and profitability of the product. The FDA may prevent or limit further marketing of a product based on the results of post-marketing studies or surveillance programs. After approval, some types of changes to the approved product, such as adding new indications, manufacturing changes, and additional labeling claims, are subject to further testing requirements and FDA review and approval.

Post-Approval Requirements

Drugs manufactured or distributed pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to recordkeeping, periodic reporting, product sampling and distribution, advertising and promotion and reporting of adverse experiences with the product. After approval, most changes to the approved product, such as adding new indications or other labeling claims are subject to prior FDA review and approval. There also are continuing, annual user fee requirements for any marketed products and the establishments at which such products are manufactured, as well as new application fees for supplemental applications with clinical data.

The FDA may impose a number of post-approval requirements as a condition of approval of an NDA. For example, the FDA may require post-marketing testing, including Phase 4 clinical trials, and surveillance to further assess and monitor the product's safety and effectiveness after commercialization.

In addition, drug manufacturers and other entities involved in the manufacture and distribution of approved drugs are required to register their establishments with the FDA and state agencies, and are subject to periodic unannounced inspections by the FDA and these state agencies for compliance with cGMP requirements. Changes to the manufacturing process are strictly regulated and often require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP requirements and impose reporting and documentation requirements upon the sponsor and any third party manufacturers that the sponsor may decide to use. Accordingly, manufacturers must continue to expend time, money, and effort in the area of production and quality control to maintain cGMP compliance.

Once an approval is granted, the FDA may withdraw the approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in mandatory revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical trials to assess new safety risks; or imposition of distribution or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or product recalls;
- fines, warning letters or holds on post-approval clinical trials;
- refusal of the FDA to approve pending NDAs or supplements to approved NDAs, or suspension or revocation of product approvals;
- product seizure or detention, or refusal to permit the import or export of products; or
- injunctions or the imposition of civil or criminal penalties.

The FDA strictly regulates marketing, labeling, advertising and promotion of products that are placed on the market. Drugs may be promoted only for the approved indications and in accordance with the provisions of the approved label. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability.

3.17.2 Orphan Drugs

United States

In the United States, orphan drug development is regulated under the U.S. Orphan Drug Act of 1983 (the "**Orphan Drug Act**"). The FDA Office of Orphan Product Development evaluates scientific and clinical data submissions from sponsors to identify and designate products as Orphan Drugs. Under the

Orphan Drug Act, the FDA may grant orphan drug designation to drugs intended to treat a rare disease or condition—generally a disease or condition that affects fewer than 200,000 individuals in the United States or one that affects more than 200,000 people but the cost of development and marketing is not reasonably expected to be recovered from sales in the United States of such drug. Orphan drug designation must be requested before submitting an NDA. After the FDA grants orphan drug designation, the generic, established name of the drug and its potential orphan use are disclosed publicly by the FDA. Orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process. The first NDA applicant to receive FDA approval for a particular active ingredient to treat a particular disease with FDA orphan drug designation is entitled to a seven-year exclusive marketing period in the United States for that product, for that indication. During the seven-year exclusivity period, the FDA may not approve any other applications to market the same drug for the same disease, except in limited circumstances, such as if the second applicant demonstrates the clinical superiority of its product to the product with orphan drug exclusivity through a demonstration of superior safety, superior efficacy, or a major contribution to patient care. In addition, if a company seeks orphan drug designation for a drug for which the active component has already been approved for the orphan indication at issue, the FDA will not designate the same drug as an orphan drug unless the company articulates a plausible hypothesis of the clinical superiority of its drug to the approved drug and demonstrates such clinical superiority prior to approval. Orphan drug exclusivity does not prevent the FDA from approving a different drug for the same disease or condition, or the same drug for a different disease or condition. Among the other benefits of orphan drug designation are tax credits for certain research (up to 50% of the clinical development cost), application for certain research grants in the United States of up to USD 14 million annually provided by the Orphan Products Grants Program and a waiver of the NDA application user fee.

EU

In the EU, Orphan Drug Legislation (2000) was introduced to stimulate the development of orphan drugs in the EU. In the EU, the Committee for Orphan Medicinal Products is responsible for the scientific examination of applications leading to the designation of an Orphan Medicinal Product. Such designation is reassessed at the time a marketing authorization is granted. In the EU a medicinal product may be designated as an orphan medicinal product if its sponsor can establish that it is intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition and that there exists no satisfactory method of diagnosis, prevention or treatment of the condition in question that has been authorized or, if such method exists, that the medicinal product will be of significant benefit to those affected by the condition. In the EU, if a product is granted Orphan Medical Product status, it is eligible for a 10-year exclusive marketing period in the EU. Further, in the EU, Orphan Medical Products get reduced or exempted authority fees. Companies in the EU can apply for research grants provided by member states, the European Commission and different transnational initiatives. Orphan Medicinal Products are eligible for certain member state specific tax credits and companies in the EU can seek scientific advice from regulators at a reduced cost (75%-100%) depending on the size of the sponsoring company.

3.17.3 Pharmaceutical Approval in the EU

Outside the United States, our ability to market a product is contingent upon obtaining marketing authorization from the appropriate regulatory authorities. The requirements governing marketing authorization, pricing and reimbursement vary widely from country to country.

In the EEA, medicinal products can only be commercialized after obtaining a marketing authorization. There are three types of marketing authorizations:

- The Community marketing authorization, which is issued by the European Commission through the Centralized Procedure, based on the opinion of the Committee for Medicinal Products for Human Use ("**CHMP**") of the EMA, and which is valid throughout the entire territory of the EEA. The Centralized Procedure is mandatory for certain types of products, such as biotechnology medicinal products, orphan medicinal products, and medicinal products containing a new active substance indicated for the treatment of AIDS, cancer, neurodegenerative disorders, diabetes, autoimmune and viral diseases. The Centralized Procedure is optional for products containing a new active substance not yet authorized in the EEA, or for products that constitute a significant therapeutic, scientific or technical innovation or which are in the interest of public health in the EU.

- Decentralized Procedure ("**DCP**"), marketing authorizations are available for products not falling within the mandatory scope of the Centralized Procedure. An identical dossier is submitted to the competent authorities of each of the member states in which the marketing authorization is sought, one of which is selected by the applicant as the RMS. The competent authority of the RMS prepares a draft assessment report, a draft summary of the product characteristics and a draft of the labelling and package leaflet, which are sent to the other member states (referred to as the Concerned member states ("**CMS**") for their approval. If the CMS raise no objections, based on a potential serious risk to public health, to the assessment, summary of the product characteristics, labelling, or packaging proposed by the RMS, the product is subsequently granted a national marketing authorization in all of the selected member states (*i.e.,* in

the RMS and the selected CMS). Where a product has already been authorized for marketing in a Member State of the EEA, this DCP approval can be recognized in other member states through the Mutual Recognition Procedure ("**MRP**").

- National Procedure marketing authorizations, which are issued by a single competent authority of the member states of the EEA and only covers their respective territory, are also available for products not falling within the mandatory scope of the Centralized Procedure. Once a product has been authorized for marketing in a Member State of the EEA through the National Procedure, this National Procedure marketing authorization can also be recognized in other member states through the MRP.

Under the procedures described above, before granting the marketing authorization, the EMA or the competent authorities of the member states of the EEA make an assessment of the risk-benefit balance of the product on the basis of scientific criteria concerning its quality, safety and efficacy.

The holder of a Community marketing authorization or National marketing authorization is subject to various obligations under applicable EEA regulations, such as pharmacovigilance obligations, requiring it to, among other things, report and maintain detailed records of adverse reactions, and to submit periodic safety update reports to the competent authorities. The holder must also ensure that the manufacturing and batch release of its product is in compliance with the applicable requirements. The marketing authorization holder is further obligated to ensure that the advertising and promotion of its products complies with applicable laws, which can differ from member state to member state of the EEA.

3.17.4 Other Healthcare Laws

We will also be subject to healthcare regulation and enforcement by the U.S. federal government and the states and foreign governments in which we will conduct our business once our product candidates are approved. Failure to comply with these laws, where applicable, can result in the imposition of significant civil penalties, criminal penalties, exclusion from participating in federal health care programs, and other sanctions. The laws that may affect our ability to operate in the United States include:

- the U.S. federal Anti-Kickback Statute, which prohibits, among other things, persons or entities from knowingly and wilfully soliciting, offering, receiving or providing remuneration, including any kickback, bribe or rebate, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase or lease, order or recommendation of, any item, good, facility or service, for which payment may be made under federal healthcare programs such as Medicare and Medicaid;

- the U.S. federal Beneficiary Inducement Statute, which prohibits giving anything of value to a government insurance beneficiary that could influence the choice of provider or reimbursable covered product;

- federal U.S. civil and criminal false claims laws and civil monetary penalties laws, including the U.S. civil False Claims Act, which impose criminal and civil penalties, including those from civil whistle-blower or qui tam actions, against individuals or entities for, among other things, knowingly presenting, or causing to be presented, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government;

- the U.S. federal **HIPAA** which created additional federal criminal statutes that impose criminal and civil liability for, among other things, executing or attempting to execute a scheme to defraud any healthcare benefit program or knowingly and willingly falsifying, concealing or covering up a material fact or making false statements relating to healthcare matters;

- HIPAA, as amended by the U.S. Health Information Technology for Economic and Clinical Health Act and its implementing regulations, which impose certain requirements on covered entities and their business associates, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;

- the federal transparency requirements under the U.S. Physician Payments Sunshine Act, enacted as part of the Patient Protection and Affordable Care Act that require applicable manufacturers of covered drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid, or the U.S. Children's Health Insurance Program, with specific exceptions, to track and annually report to the Centers for Medicare & Medicaid Services payments and other transfers of value provided to physicians and teaching hospitals, and certain ownership and investment interests held by physicians or their immediate family members; and

- analogous state laws and regulations, such as state anti-kickback and false claims laws, which may apply to items or services reimbursed by any third party payor, including commercial insurers, state marketing and/or transparency laws applicable to manufacturers that may be broader in scope than the federal requirements, state laws that require biopharmaceutical companies to comply with the biopharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government, and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect as HIPAA, thus complicating compliance efforts.

Health Reform

Current and future legislative proposals to further reform healthcare or reduce healthcare costs may result in lower reimbursement for our drugs, if and when approved. The cost containment measures that payors and providers are instituting and the effect of any healthcare reform initiative implemented in the future could significantly reduce our revenue from the sale of our drugs, if and when approved.

For example, in March 2010, in the United States the ACA was signed into law, which intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add transparency requirements for the healthcare and health insurance industries, impose taxes and fees on the health industry and impose additional health policy reforms. Implementation of the ACA has substantially changed healthcare financing and delivery by both governmental and private insurers, and significantly impacted the pharmaceutical industry. The ACA, among other things, established an annual, nondeductible fee on any entity that manufactures or imports certain specified branded prescription drugs and biologic agents, revised the methodology by which rebates owed by manufacturers to the state and federal government for covered outpatient drugs under the U.S. Medicaid Drug Rebate Program are calculated, increased the minimum Medicaid rebates owed by most manufacturers under the U.S. Medicaid Drug Rebate Program, extended the U.S. Medicaid Drug Rebate Program to utilization of prescriptions of individuals enrolled in Medicaid managed care organizations, and provided incentives to programs that increase the federal government's comparative effectiveness research. Since its enactment there have been judicial and Congressional challenges to certain aspects of the ACA, and we expect there will be additional challenges and amendments to the ACA in the future. There have been judicial and Congressional challenges to certain aspects of the ACA, and we expect there will be additional challenges and amendments in the future. In January 2017, Congress voted to adopt a budget resolution for fiscal year 2017 that authorizes the implementation of legislation that would repeal portions of the ACA. This budget resolution is not a law; however it is widely viewed as the first step toward the passage of repeal legislation. Further on 20 January 2017, President Trump signed an Executive Order directing federal agencies with authorities and responsibilities under the ACA to waive, defer, grant exemptions from or delay the implementation of any provision of the ACA that would impose a fiscal or regulatory burden on states, individuals, healthcare providers, health insurers or manufacturers or pharmaceuticals or medical devices. . It is uncertain whether any such repeal will occur and, if it does, what law, if any, will replace the ACA, the outcome of which could have an impact on coverage and reimbursement for healthcare items and services covered by plans that were authorized by the ACA. We cannot predict the ultimate content, timing or effect of any such legislation or executive action or the impact of any such potential legislation of action on us.

In addition, other legislative changes have been proposed and adopted since the ACA was enacted. In August 2011, former President Obama signed into law the Budget Control Act of 2011, which, among other things, created the Joint Select Committee on Deficit Reduction to recommend to Congress proposals in spending reductions. The Joint Select Committee did not achieve a targeted deficit reduction of at least USD 1.2 trillion for the years 2013 through 2021, triggering the legislation's automatic reduction to several government programs. This includes reductions to Medicare payments to providers of 2% per fiscal year, which went into effect in April 2013 and, due to subsequent legislative amendments, will remain in effect through 2025 unless additional Congressional action is taken. Additionally, in January 2013, former President Obama signed into law the American Taxpayer Relief Act of 2012, which, among other things, reduced Medicare payments to several providers and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. More recently, there has been heightened governmental scrutiny recently over the manner in which manufacturers set prices for their marketed products. For example, there have been several recent Congressional inquiries and proposed bills designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drug products.

We expect that additional U.S. federal and state, as well as foreign, healthcare reform measures will be adopted in the future, any of which could result in reduced demand for our drugs, if and when approved, or additional pricing pressure.

Coverage and Reimbursement

Sales of our product candidates, if approved, will depend, in part, on the extent to which such products will be covered by third party payors, such as government health care programs, commercial insurance and managed healthcare organizations. These third party payors are increasingly limiting coverage or reducing reimbursements for medical products and services. In the United States, no uniform policy of coverage and reimbursement for products exists among third party payors. Therefore, coverage and reimbursement for products can differ significantly from payor to payor. In addition, the U.S. government, state legislatures and foreign governments have continued implementing cost-containment programs, including price controls, restrictions on reimbursement and requirements for substitution of generic products. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit our net revenue and results. Decreases in third party reimbursement for our product candidates or a decision by a third party payor to not cover our product candidates could reduce physician usage of our product candidates, once approved, and have a material adverse effect on our sales, results of operations and financial condition.

3.18 Insurance

We maintain all insurance coverage required under applicable law, including in relation to our research, preclinical and clinical development. In the future, we may be required to obtain additional insurance to cover potential product liability and other risks that are inherent in the manufacturing, marketing and commercialization of drugs.

We believe that we currently maintain appropriate insurance coverage and that our current insurance coverage is in line with insurance coverage for comparable companies.

4. ORGANIZATION STRUCTURE

Zealand Pharma is the parent company in the Zealand Pharma Group.

A list of our subsidiaries, including name, country of incorporation and proportion of ownership interest, is included in our consolidated financial statements for the financial years ended 31 December 2016 and 2015, respectively.

5. PROPERTY, PLANT AND EQUIPMENT

As of the date of this Prospectus, there are in our view no pending environmental related issues of significance to our operations or that would affect our utilization of our tangible fixed assets.

6. OPERATING AND FINANCIAL REVIEW

Reference is made to our consolidated financial statements for the financial years ended 31 December 2016 and 2015, respectively, see section 17.3 "*Inclusion by Reference*". We also refer to our unaudited consolidated interim financial statements for the three months ended 31 March 2017, with comparative figures for the three months ended 31 March 2016, presented therein, see section 17.2 "*Access to Consolidated Financial Statements and Interim Financial Statements*".

7. CAPITAL RESOURCES

7.1 Cash flows

We have funded our cash requirements since our incorporation, including throughout until 31 March 2017, primarily with equity financing and milestone payments from our collaboration partners along with the proceeds of our ZP SPV Notes issued in 2014.

The following tables provides information regarding our cash flows for the financial years ended 31 December 2016 and 2015, respectively, and the three months ended 31 March 2017 and 2016, respectively.

	Year Ended 31 December	
(in millions DKK)	**2016**	**2015[1]**
Cash inflow (outflow) from operating activities	40.9	(224.8)
Cash (outflow) from investing activities	(300)	(1.6)
Cash inflow from financing activities	157.1	96.4
Increase (decrease) in cash and cash equivalents	**(101.9)**	**(129.9)**

(1) The consolidated financial data for the financial year ended 31 December 2015 have been restated for the correction of certain misstatements. See Note 1 of the audited consolidated financial statements for the financial year ended 31 December 2016 which includes a description of the nature and effects of the misstatements related to the financial year ended 31 December 2015

	Three months ended 31 March	
(in millions DKK)	**2017**	**2016[1]**
Cash inflow (outflow) from operating activities	(51.9)	41.3
Cash inflow (outflow) from investing activities	310.3	(90.3)
Cash inflow (outflow) from financing activities	(174.1)	3.9
Increase (decrease) in cash and cash equivalents	84.3	(45.1)

(1) The consolidated financial data for the three months ended 31 March 2016 have been restated for the correction of certain misstatements. See Note 1 of the unaudited consolidated interim financial statements for the three months ended 31 March 2017 which includes a description of the nature and effects of the misstatements related to the three months ended 31 March 2016.

Cash inflow from operating activities for the financial year ended 31 December 2016 was an inflow of DKK 40.9 million, as compared to an outflow of DKK 224.8 million for the financial year ended 31 December 2015. The cash inflow from operating activities for the financial year ended 31 December 2016 was primarily due to a decrease in receivables as a result of a DKK 136.6 million milestone payment in 2016.

Cash outflow from operating activities for three months ended 31 March 2017 was DKK 51.9 million, as compared to an inflow of DKK 41.3 million for the three months ended 31 March 2016. The cash outflow from operating activities for the three months ended 31 March 2017 was primarily due to a negative result for the period adjusted for non-cash items and changes in working capital.

Cash outflow from investing activities for the financial year ended 31 December 2016 was DKK 300.0 million as compared to DKK 1.6 million for the financial year ended 31 December 2015. The change in cash outflow in 2016, as compared to 2015, was primarily due to the transfer of milestone payments received from Sanofi during 2016 to restricted cash.

Cash inflow from investing activities for the three months ended 31 March 2017 was DKK 310.3 million as compared to a cash outflow of DKK 90.3 million for the three months ended 31 March 2016. The change in cash inflow for the three months ended 31 March 2017, as compared to the three months ended 31 March 2016, was primarily due to a transfer from restricted cash relating to the ZP SPV Notes.

Cash inflow from financing activities for the financial year ended 31 December 2016 was DKK 157.1 million, as compared to DKK 96.4 million for the financial year ended 31 December 2015. The increase in cash inflow from financing activities for the financial year ended 31 December 2016 was primarily

due to capital increases as a result of the exercise of warrants in the amount of DKK 21.9 million and net proceeds from the private placement of shares of DKK 135.2 million.

Cash outflow from financing activities for the three months ended 31 March 2017 was DKK 174.1 million, as compared to a cash inflow of DKK 3.9 million for the three months ended 31 March 2016. The cash outflow from financing activities for the three months ended 31 March 2017 was primarily due to repayment of 50% of the ZP SPV Notes.

The total cash outflow for the financial year ended 31 December 2016 was DKK 101.9 million as compared to an outflow of DKK 129.9 million for the financial year ended 31 December 2015. The total cash inflow for the three month ended 31 March 2017 was DKK 84.3 million as compared to an outflow of DKK 45.1 million for the three months ended 31 March 2016.

7.2 Restriction on the use of capital resources

Until the full repayment of the ZP SPV Notes, we are obliged to pass on 86.5% of the annual royalty payments related to Adlyxin / Lyxumia received under the Sanofi License Agreement to bondholders, and other than for payment of obligations to Alkermes and one of the inventors of our SIP technology, will not be able to fully utilize royalty payments received from Sanofi. This, in turn, reduces the funds available to finance our internal product projects and our cash flow. See section 19.5 "*ZP SPV Notes (Royalty Bond)".*

8. RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES

8.1 Research and development policies, patent and licenses

A description of our R&D, patent and licenses are included in section 3 "*Business*".

8.2 Research and Development Expenses

Our R&D expenses include internal costs relating to our R&D department as well as external costs relating to studies performed by external suppliers and collaboration partners. A major driver of the external costs are costs for clinical trials run by CROs. During 2015 and 2016, in respect of our internal pipeline, we conducted one Phase 2 clinical trial relating to Danegaptide (a former product candidate that we are no longer advancing), one Phase 2 and two Phase 1 clinical trials relating to Dasiglucagon and one Phase 2 clinical trial relating to Glepaglutide. We expect to incur increasing costs for clinical trials as our internal product candidates, Dasiglucagon and Glepaglutide, advance in clinical development.

As our R&D expenses to date do not qualify for capitalization under IAS 38, Intangible Assets, all of our R&D expenses are recognized in the period in which they are incurred.

Our R&D expenses consist primarily of:

- salaries for our R&D staff and related expenses, including expenses related to cash bonuses and warrant programs to such personnel;
- fees paid to contract manufacturers in conjunction with the production of clinical compounds, drug substances and drugs;
- fees and other costs paid to CROs in conjunction with additional preclinical studies and the performance of clinical trials;
- costs of related facilities, equipment and other overhead expenses that have been determined to be directly attributable to R&D;
- overhead expenses have been allocated to R&D or administrative expenses based on the number of employees in each respective department, determined based on the respective employees associated undertakings;
- costs associated with obtaining and maintaining patents for intellectual property; and
- depreciation of capital assets used to develop its drug candidates.

Our R&D expenses may vary substantially from period to period based on the timing of our R&D activities, including timing due to regulatory approvals and enrolment of patients in clinical trials.

R&D expenses for the financial year ended 31 December 2016 were DKK 268.2 million as compared to DKK 217.7 million for the financial year ended 31 December 2015 reflecting an increase of 23% (or DKK 50.5 million) in 2016, as compared to 2015. The increase in R&D expenses for the financial year ended 31 December 2016 was primarily related to accelerated development activities, including, in particular, development costs for the Phase 2 clinical trial of Dasiglucagon and toxicology studies in respect of Glepaglutide, as well as increased personnel costs. The R&D share of the personnel expenses for the financial year ended 31 December 2016 amounted to DKK 109.5 million, as compared to DKK 94.4 million for the financial year ended 31 December 2015, reflecting an increase of 16.0% (or DKK 15.1 million) in 2016, as compared to 2015. The increase in R&D share of the personnel expenses in the financial year ended 31 December 2016, as compared to the financial year ended 31 December 2015, was primarily due to an increase in the number of employees in the R&D function.

In 2016, there were R&D expenses of DKK 5.0 million in respect of ZP2929, as compared to development costs of DKK 3.3 million in 2015. A decision was made by BI in 2016 to allow the IND for ZP2929 to become inactive and to cease development efforts for this product candidate.

As of 31 December 2016 and 2015, respectively, we have not capitalized any development expenses, and, accordingly, all such costs have been recognized within the income statement.

Our R&D expenses for the financial years ended 31 December 2016 and 2015, respectively, are shown in the following table.

	Year Ended 31 December		Change	
(In millions, except where indicated)	**2016**	**2015[1]**	**2016 v 2015**	
	DKK	**DKK**	**DKK**	**%**
Danegaptide	8.5	9.5	(1.0)	(11)
Glepaglutide	26.8	14.2	12.6	85
ZP2929	5.0	3.3	1.7	51
Dasiglucagon	47.3	29.7	17.6	59
Preclinical projects	5.1	6.8	(1.7)	(25)
Total project costs	**92.7**	**63.5**	**29.2**	**46**
Staff costs	109.5	94.4	15.1	16
Other Research and development costs	23.6	19.7	3.9	20
Patent expenses	6.2	5.4	0.8	15
Building	8.1	8.2	(0.1)	(1)
IT & office expenses	8.1	7.5	0.6	8
Consultants	3.9	2.7	1.2	44
Insurance on clinical studies	0.1	0.1	0.0	—
Depreciation	5.3	6.0	(0.7)	(12)
Other costs	10.8	10.3	0.5	5
Unallocated internal research and development costs	**175.5**	**154.3**	**21.3**	**14**
Research and development costs incurred in the period	**268.2**	**217.7**	**50.5**	**23**

(1) The consolidated financial data for the financial year ended 31 December 2015 have been restated for the correction of certain misstatements. See Note 1 of the audited consolidated financial statements for the financial year ended 31 December 2016 which includes a description of the nature and effects of the misstatements related to the financial year ended 31 December 2015.

9. MARKET AND TREND INFORMATION

We currently have two drugs on the market through our partner Sanofi. However, none of our non-licensed drugs (product candidates) are yet marketed. Accordingly, any trends within the markets in which we operate are expected to have more direct impact on our business following commercialization of our pipeline product candidates.

Over the past few years, there has been a general pressure to reduce drug prices in the developed markets as a consequence of political initiatives and regulations aiming to curb continuous increase in healthcare spending. Any revenue we earn in the future may be affected by such political initiatives and regulations. We expect this trend to continue in the years ahead. However, spending in the healthcare industry is less linked to economic trends than in many other industries. Furthermore, while falling drug prices in the mature drug markets such as the United States and the EU are having a negative impact on general sales growth levels for the pharmaceutical industry as a whole in those markets, we expect sales growth to continue at higher levels in emerging markets. In addition to the above there has been specific price pressure in the insulin space due to increased competition and the launch of biosimilar insulins.

We also expect that demographic developments, increased treatment penetration, especially in newly established drug markets, and better diagnostic tools, will result in continuing growth in global drug sales. Further, pricing for orphan drugs or other speciality drugs is often insulated from the general pressure on drug prices. Our strategic focus is to develop and commercialize our drug candidates within orphan and specialty indications in the Metabolic and Gastro Intestinal space.

10. CONSOLIDATED PROSPECTIVE FINANCIAL INFORMATION

10.1 Statement by our Board of Directors and Executive Management

Our consolidated prospective financial information for 2017 has been prepared solely for the purpose of this Prospectus. In preparing the consolidated prospective financial information for 2017, we have applied the accounting policies as set out in the notes to our consolidated financial statements for the financial year ended 31 December 2016 incorporated into this Prospectus by reference, see section 17.3 "*Inclusion by Reference*". The consolidated prospective financial information for 2017 is based on a number of assumptions, many of which are outside of our control or influence. The principal assumptions upon which the consolidated prospective financial information is based are described under section 10.3 "*Methodology and Assumptions"*.

The consolidated prospective financial information for 2017 represents our best estimates as at the date of this Prospectus. Our actual results of operations for 2017 may differ from the consolidated prospective financial information for 2017, since anticipated events may not occur as expected. The variation may be material. Prospective investors should read the consolidated prospective financial information for 2017 in this section in conjunction with the sections "*Risk Factors*" and "*Forward looking statements*".

Glostrup, 10 August 2017

Board of Directors

Martin Nicklasson *Chairman*	Rosemary Crane *Vice Chairman*
Michael J. Owen	Alain Munoz
Catherine Moukheibir	Rasmus Just
Hanne Heidenheim Bak	Jens Peter Stenvang

Executive Management

Britt Meelby Jensen *President and CEO*	Mats Blom *Executive Vice President and CFO*

10.2 Independent Auditors' Report on Consolidated Prospective Financial Information

10.2.1 To the Shareholders

We have examined the consolidated prospective financial information of the Group for 2017 as contained in section 10.4 "*Consolidated Prospective Financial Information*".

The consolidated prospective financial information has been prepared based on the significant assumptions disclosed in section 10.3 "*Methodology and Assumptions*", and in accordance with the accounting policies as described in the audited consolidated financial statements of Zealand Pharma for the financial year ended 31 December 2016 with comparative figures for the period ended 31 December 2015.

We express reasonable assurance in our conclusion.

The purpose of the consolidated prospective financial information is to reflect the expected financial effect of the Group's action plans for 2017. Actual results are likely to be different from those forecasted since planned events or the results thereof often do not occur as assumed. Such variation may be material.

The consolidated prospective financial information and our accompanying report has been prepared solely for the use of the Prospectus that is prepared in accordance with the commission regulation (EF) no. 809/2004 with subsequent amendment (the Commission Regulation), and is not to be used for any other purposes.

Our report is provided in accordance with the Commission Regulation and is prepared in accordance with Danish practice for reports in accordance with the Commission Regulation and is solely for the use of shareholders in connection with the admission to trading and official listing on Nasdaq Copenhagen of New Shares of Zealand Pharma A/S.

10.2.2 Management's responsibility

The Board of Directors and the Executive Management are responsible for the preparation of the consolidated prospective financial information on the basis of the significant assumptions disclosed in section 10.3 "*Methodology and Assumptions*", and in accordance with the accounting policies as described in the audited consolidated financial statements for the financial year ended 31 December 2016. In addition, the Board of Directors and Executive Management are responsible for the assumptions underlying the consolidated prospective financial information.

10.2.3 Auditor's responsibility

Our responsibility is to express an opinion about whether the consolidated prospective financial information has been prepared, in all material respects, on the basis of the assumptions disclosed and consistently with the accounting policies of Zealand Pharma.

We conducted our examinations in accordance with ISAE 3000 DK Assurance Engagements other than Audits or Reviews of Historical Financial Information and additional requirements under Danish audit regulation to obtain limited assurance about our conclusion.

Deloitte Statsautoriseret Revisionspartnerselskab is subject to International Standard on Quality Control (ISQC) 1, and, accordingly, applies a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by FSR - Danish Auditors (Code of Ethics for Professional Account-ants), which are based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

As part of our examinations, we tested whether the consolidated prospective financial information was prepared on the basis of the assumptions disclosed and the accounting policies of Zealand Pharma, and this included checking the figures provided in the consolidated prospective financial information for consistency.

Our examinations did not include an assessment as to whether the assumptions applied are valid, or whether the consolidated prospective financial information is realizable, and, accordingly, we do not express an opinion in this respect.

10.2.4 Conclusion

In our opinion, the consolidated prospective financial information for the period 1 January 2017 – 31 December 2017 has been prepared, in all material respects, on the basis of the assumptions disclosed in section 10.3 "*Methodology and Assumptions*", of the Prospectus and in accordance with the accounting policies as described in the audited consolidated financial statements of Zealand Pharma for the financial year ended 31 December 2016.

Copenhagen, 10 August 2017

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration no. 33 96 35 56

Martin Norin Faarborg
State Authorised Public Accountant

Sumit Sudan
State Authorised Public Accountant

10.3 Methodology and Assumptions

Our consolidated prospective financial information for 2017 reflects estimates concerning our performance for the full financial year 2017 and has been prepared in accordance with our normal forecasting procedures, which are focused on the income statement and the expected development of the Company's cash flow.

Our estimates concerning research and development costs are based on the budgeted costs for the continued in-house research projects as well as external costs mainly associated with the development of Glepaglutide, Dasiglucagon single dose as a rescue treatment for severe hypoglycemia and Dasiglucagon multiple dose for use in a dual hormone artificial pancreas system.

Specifically, we have made the following assumptions

Milestone Payments (outside our control)

- Milestone payment of DKK 70 million due to approval of Suliqua in the EU; and
- Milestone payment of DKK 30 million due to start of Phase I on the Amylin project with BI

Operating expenses

- The following three proprietary clinical programs continue according to planned timelines and budgeted costs (within our control):
  - Glepaglutide finalizing Phase 2 and preparations for Phase 3;
  - Dasiglucagon single dose initiation of Phase 3; and
  - Dasiglucagon multiple dose finalization of two ongoing Phase 2a studies and initiation of Phase 2b.
- Significant activities in the research portfolio (within our control);
- Increase in number of employees from 111 full time employees to 135 full time employees, corresponding to an increase of employees of 21% by the end of 2017 (within our control);
- Increase in employees will mainly relate to development functions (within our control);
- Costs related to our employee warrant program of DKK 22 million (outside our control);
- Costs relating to the Offering and Admission that are to be recognized in the Income statement (except from those already realized by 31 March 2017) are not included in the guidance (partly within our control);
- No significant investments are planned (within our control); and
- There will be no material change in foreign currency exchange rates (especially with respect to USD and EUR against DKK) from those prevailing at 31 March 2017 (outside our control).

10.4 Consolidated Prospective Financial Information

For 2017, Zealand Pharma expects a continued increase in royalty payments from Sanofi. No specific guidance on the level of royalties can be provided, as Sanofi has not given any guidance on expected 2017 sales. Additional revenue of up to DKK 100 million is expected from event-driven partner-related milestones of which DKK 70 million was received in January 2017.

Net operating expenses in 2017 are expected to be within the range DKK 390-410 million. The increase in 2017 as compared to 2016 is a result of increased levels of clinical development costs associated with the advancements of Glepaglutide and Dasiglucagon.

The operating loss before royalty income/expenses is therefore expected to be within the range DKK 290-310 million, excluding royalty revenue.

(in millions DKK)	
Milestone revenue	100
Net operating expenses[1]	390-410
Operating loss before royalty income/expenses	290-310

[1] Net operating expenses consist of research, development and administrative expenses less operating income

11. BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND KEY EMPLOYEES

11.1 General

The business address of the members of the Board of Directors and the members of the Executive Management and Key Employees is Smedeland 36, DK-2600 Glostrup, Denmark.

11.2 Board of Directors

The following table sets forth the name, age, position, year of first appointment and expiration of term of each of our board members as of the date of this Prospectus. The terms of office of all the members of our Board of Directors elected by the general meeting expire at the next annual general meeting to be held in 2018. All members of the Board of Directors elected by the general meeting are eligible for re-election. Employee elected board members are elected for a period of four years.

Name	Age	Position	Independent	Year of first appointment	Expiration of term
Martin Nicklasson	62	Chairman	Independent	2015	2018
Rosemary Crane.....	57	Vice Chairman	Independent	2015	2018
Catherine Moukheibir.....	57	Board member	Independent	2015	2018
Alain Munoz.....	68	Board member	Independent	2005	2018
Michael J. Owen.....	66	Board member	Independent	2012	2018
Hanne Heidenheim Bak.....	63	Board member (employee elected)	Not independent	2016	2020
Rasmus Just.....	40	Board member (employee elected)	Not independent	2016	2020
Jens Peter Stenvang	62	Board member (employee elected)	Not independent	2014	2018

11.2.1 Biographies of the Board of Directors

Martin Nicklasson (born 1955, Swedish nationality) was elected to the board in April 2015 and has since acted as Chairman and as a member of the Audit Committee. Mr. Nicklasson has served as President of Nicklasson Life Science AB since 2011. Mr. Nicklasson has also held various Executive Vice President positions at AstraZeneca plc and has served as President and CEO of Biovitrum AB and Swedish Orphan Biovitrum AB (publ). Prior to this, he held a number of leadership positions at Astra and Kabi Pharmacia. Mr. Nicklasson is chairman of the board of Orexo AB and Kymab Group Ltd. He serves as a board member of Basilea Pharmaceutica Ltd. and BioCrine AB. He previously served as a board member of Scandinavian Life science invest AB, Denator AB, Pozen Inc., Oasmia AB, Farma Investment AS, PledPharma AB, BioInvent International AB, Premier Research Group Ltd. and EffRx Pharmaceuticals SA within the past five years. Mr. Nicklasson is a certified pharmacist and holds a PhD in Pharmaceutical Technology from Uppsala University (Sweden), where he was an Associate Professor in the Department of Pharmaceutical Science.

Rosemary Crane (born 1959, American nationality) was elected to the board in April 2015 and has since acted as vice chairman of the Board of Directors and a member of the Audit Committee. Ms. Crane served as CEO of MELA Sciences, Inc. from 2013 to 2014 and of Epoc-rates, Inc. from 2008 to 2011. She has also held a number of executive positions at Johnson & Johnson and Bristol-Myers Squibb Company. She also served as head of commercialization and a partner at Apple Tree Partners from 2011 to 2013. Ms. Crane is a member of the boards of Teva Pharmaceuticals Industries Ltd. and Cipher Pharmaceuticals Inc. and a member of the advisory boards of the State University of New York at Oswego School of Business and the foundation board of the State University of New York at Oswego. Ms. Crane holds a BA in communications from the State University of New York at Oswego and an MBA from Kent State University.

Catherine Moukheibir (born 1959, British, Lebanese and American nationality) was elected to the board in April 2015 and has since acted as chairman of the Audit Committee. Ms. Moukheibir has served as a member of the management board at Innate Pharma S.A. between 2011 and 2016. Before that, she held senior management positions at several European biotech companies such as Movetis after a career in strategy consulting and investment banking in Boston and London. Ms. Moukheibir is the chairman of the board of MedDay S.A. and a non-executive member of the board of Ablynx, Cerenis and GenKyoTex. Ms. Moukheibir holds an MA in economics and an MBA, both from Yale University.

Alain Munoz (born 1949, French nationality) has been member of the board since 2005 (he resigned in 2006 and was re-elected in 2007). Mr. Munoz is the owner and CEO of Science, Business and Management SARL, and has over 25 years of experience in the pharmaceutical industry at a senior management level. He has held a number of executive positions at Sanofi, including Senior Vice President for International Development (France), and in Fournier Laboratories, including Senior Vice President for the Pharmaceutical Division (France). He is the chairman of the board of Hybrigenics and a member of the board of directors of Valneva SA, and has served as a member of the board of directors of several pharmaceutical and biomedical companies such as Auris Medical AG, Erytech SA and Oxthera AB and was chairman of Novagali Pharma SA within the past five years. Moreover, Mr. Munoz served as an advisor to Kurma Biofund. Mr. Munoz holds an MD in Cardiology and Anaesthesiology from the Hospital Pitié-Salpêtrière, Paris, as well as financial and management trainings at CRC (France) and IMD (Switzerland), and served as head of clinical department of cardiology at the University Hospital of Montpellier (France). He has been a member of the scientific committee of the French Drug Agency.

Michael J. Owen (born 1951, British nationality) has been member of the board since April 2012. Mr. Owen is a co-founder and was CSO at Kymab Ltd. from 2010 to 2011. Before joining Kymab, he had several leading positions at GlaxoSmithKline Pharmaceuticals Ltd. most recently as Senior Vice President and head of biopharmaceuticals research. Prior to joining GlaxoSmithKline in 2001, he headed the Lymphocyte Molecular Biology group at the Imperial Cancer Research Fund. He is a member of the European Molecular Biology Organization and Fellowship of the Academy of Medical Sciences. Mr. Owen is a member of the boards of BliNK Biomedical SAS, Ossianix, Inc., Avacta Group plc, GammaDelta Therapeutics Limited, ReNeuron plc and Glythera Limited. Mr. Owen is also an advisor to CRT Pioneer Fund LP. Mr. Owen holds a BA in Biochemistry from Oxford University and a PhD in biochemistry from Cambridge University.

Hanne Heidenheim Bak (born 1953, Danish nationality) is an employee elected member who joined the board in early 2016 after previously serving on the board in this capacity from 2012 to 2014. Ms. Bak serves as Senior Project Director and R&D Operations Manager. Prior to joining us in 2006, Ms. Bak worked for eight years as Project Manager of late-phase development programs at Lundbeck A/S, followed by nine years as Executive Director at the H. Lundbeck Institute. Ms. Bak is an executive director of PHARMA GUIDANCE ApS. She holds a MS in Pharmacy from the Danish University of Pharmaceutical Sciences.

Rasmus Just (born 1976, Danish nationality) is an employee elected member who joined the board in early 2016. Dr. Just joined us in 2003 and has held positions as Principal Scientist, Head of Cardiometabolic Innovation, and as International Collaboration Project Leader for the Boehringer Ingelheim collaboration. In 2016, Dr. Just was promoted to Director of Business Development and Innovation Sourcing. Dr. Just is an executive director of Vjack Holding IVS and was previously executive director of Sea Longevity ApS and Vitaminpack IVS. Dr. Just holds an MS in Biology from the University of Copenhagen, an executive MBA from AVT Business School (Copenhagen) and a PhD in Molecular Pharmacology from University of Copenhagen.

Jens Peter Stenvang (born 1954, Danish nationality) has been an employee elected member of the board since 2014. Mr. Stenvang is employed by us as application specialist. Before joining us in October 2010, Mr. Stenvang worked for Dako A/S and Beckman Coulter Inc. as global flow cytometry support. Mr. Stenvang has served as a member of the board of the Danish Society for Flow Cytometry since the early 1990s, excluding the period from 2010 to 2012. He holds a Laboratory Technician degree in Biology and has worked with cancer and diabetes research at leading universities, including the University of California at Berkeley.

11.3 Executive Management

The following table sets forth information with respect to each of the members of our Executive Management as of the date of this Prospectus.

Name	Position	Year of first employment with the Company	Year of appointment to current position
Britt Meelby Jensen	President and Chief Executive Officer	2015	2015
Mats Blom.....	Executive Vice President and Chief Financial Officer	2010	2017

11.3.1 Biographies of the Executive Management

Britt Meelby Jensen (born 1973, Danish nationality) joined the Company as CEO in January 2015. Prior to joining us, she served as CEO and board member of Dako A/S, owned by Agilent Technologies, from 2013 to 2014. Ms. Jensen held various global leadership positions at Novo Nordisk A/S, including head of Diabetes Marketing Nordic, Global Diabetes Lifecycle Management, pre-launch commercial projects and most recently Corporate Vice President for Global Marketing, Market Access and Commercial Excellence. Previously, Ms. Jensen worked for McKinsey and Company and within certain EU institutions

in Brussels. Ms. Jensen is a board member of ORANA A/S. She holds a BA in International Business Administration from Arhus School of Business, an MS in Economics from Copenhagen Business School and an MBA from Solvay Business School (Belgium).

Mats Blom (born 1965, Swedish nationality) joined the Company as CFO in 2010 and assumed the Investor Relations function in 2016. Mr. Blom was promoted to Executive Vice President in May 2017. Prior to joining us, Mr. Blom served as CFO at Swedish Orphan International AB. Mr. Blom has held CFO positions at Active Biotech and Anoto Group AB, which are both publicly listed on Nasdaq Stockholm. Previously, Mr. Blom worked for several years as a management consultant at Gemini Consulting and at Ernst & Young's Transaction Services division. He is also the chairman of the board of Medical Need Europe AB. Mr. Blom holds a BA in Business Administration and Economics from the University of Lund (Sweden) and an MBA from IESE University of Navarra (Spain).

11.4 Key Employees

The following table sets forth information with respect to each of our Key Employees as of the date of this Prospectus.

Name	Position	Year of first employment with the Company	Year of appointment to current position
Adam Steensberg.....	Executive Vice President, Chief Medical and Development Officer	2010	2017
Andrew Parker	Executive Vice President, Chief Science Officer	2016	2017

11.4.1 Biographies Key Employees

Adam Steensberg (born 1974, Danish nationality) joined the Company in 2010. Since 2011 Mr. Steensberg has lead all development activities and he was promoted to Senior Vice President and Chief Medical and Development Officer in 2015 and to Executive Vice President in May 2017. Prior to joining us, Mr. Steensberg led several clinical research teams as Medical Director at Novo Nordisk A/S, and he has experience as a clinician in the University Hospital of Copenhagen. Mr. Steensberg has served as Medical and Scientific Advisor within endocrinology, cardiology, gastroenterology and rheumatology. Mr. Steensberg holds an MBA from IMD (Switzerland) and an MD and a DMS from the University of Copenhagen.

Andrew Parker (born 1965, British nationality) joined the Company in July 2016 as Senior Vice President and Chief Science Officer and was promoted to Executive Vice President in May 2017. Prior to joining us, Dr. Parker served as General Partner and Scientific Director at Eclosion SA from January 2014 to June 2016, and CEO and board member of Arisgen SA (an Eclosion portfolio company) during that same time period. As of July 2016, Dr. Parker serves as a member of Eclosion SAs board of directors. Previously, Dr. Parker worked as Vice President and Head of Exploratory Projects for Shire plc from January 2011 to December 2013. He was a board member of DenGen SA and GeNeuro SA within the past five years. Dr. Parker holds a B.Sc (Hons) from the University of Surrey, a Ph.D. from the National Institute for Medical Research and an MBA from Warwick University Business School.

11.5 Statement on past records

During the past five years, none of our members of the Board of Directors or the members of the Executive Management nor the Key Employees have been: (i) convicted of fraudulent offenses; (ii) directors or officers of companies that have entered into bankruptcy, receivership or liquidation; or (iii) subject to any public incrimination and/or sanctions by statutory regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of an issuer's board of directors, executive board or supervisory body or being in charge of an issuer's management or other affairs.

11.6 Statement on conflict of interest

There are no family ties among the members of the Board of Directors, the members of the Executive Management or the Key Employees.

None of the members of our members of our Board of Directors, our Executive Management or Key Employees have (i) positions in other companies that could result in a conflict of interest vis-a-vis such companies, either because a company within the Group has an equity interest in such company or because we and the company concerned have an ongoing business relationship other than as in section 17*"Related Party Transactions"* or (ii) any other private interest in the Offering other than set out in section 16 *"Related Party Transactions"*.

None of our members of our Board of Directors, our Executive Management or Key Employees are selected due to any arrangement or understanding with major shareholders, customers, suppliers or others.

11.7 Lock-up

In connection with the Offering, we, the members of our board of directors and executive management and certain employees have agreed with Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the Underwriters, subject to certain exceptions, not to dispose of or hedge any of their Shares or securities convertible into or exchangeable for Shares during the period ending 180 days after the date of the U.S. Prospectus, except with the prior written consent of Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the Underwriters. Following the start of this lock up period and assuming that Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the Underwriters, do not release us or any other parties from these undertakings, all of the Shares that are held by us and/or these parties as of the date of this Prospectus will not be eligible for sale in the public market until the 180-days lock-up period has expired.

12. REMUNERATION AND BENEFITS

12.1 Compensation of the Company's Board of Directors, Executive Management and Key Employees

Our Board of Directors has adopted a Remuneration Policy for our Board of Directors and Executive Management, including general guidelines for incentive remuneration.

12.1.1 Compensation of the Company's Board of Directors

In 2016, the aggregate remuneration paid to our Board of Directors was DKK 2,904,000 as compared to DKK 2,113,000 in 2015.

Members of the Board of Directors are not able to participate in our incentive programs in their capacity as board members.

No member of the Board of Directors is entitled to any kind of remuneration upon retirement from his or her position as a member of the Board of Directors. We have not allocated funds for any pension benefits, severance schemes or similar measures, or undertaken any other obligations to do so on behalf of the Board of Directors, and we have no obligation to do so. No member of the Board of Directors has received or will receive separate remuneration in connection with this Prospectus, the Offering or the Admission.

12.1.2 Compensation of and key terms with the Company's Executive Management and Key Employees

For the financial year ended 31 December 2016, the aggregate remuneration to the Executive Management was DKK 14,129,440 and the aggregate remuneration to our Key Employees was DKK 9,134,125, all of which was fully accrued at 31 December 2016. This amount includes executive bonuses, pension contributions, other benefits and warrant compensation. Andrew Parker, Executive Vice President, Chief Science Officer joined in July 2016 and did not receive any remuneration prior to July 2016.

Remuneration given to the Executive Management and Key Employees in accordance with their service agreements consists of a base salary, including standard benefits (such as a company car, personal and health insurance, company-paid telephone and computer), a cash bonus and warrants. The cash bonus is conditional upon the fulfilment of certain predefined bonus targets relating to both the Company's and the individual's performance. Pre-defined targets have been set for the Executive Management and Key Employees for 2017. Pursuant to the Company's guidelines for incentive remuneration, the cash bonus cannot exceed 60% of the Executive Management's and Key Employees' base salary. For 2017, warrants have or will be granted to the Executive Management under our warrant program, which is further described below

As part of Britt Meelby Jensen's service contract, she has in a right to receive an additional 200,000 warrants, to be granted in two tranches of 100,000 warrants. The first tranche was granted in April 2016. Of the 100,000 warrants granted in April 2016 14,566 have been cancelled as of 30 May 2017 as they were issued contrary to the Company's guidelines regarding incentive pay then in force. The second tranche was granted in April 2017 but the number of warrants was reduced to 93,392 in order for the warrant grant to be in compliance with the Company's guidelines regarding incentive pay then in force. The Company's guidelines regarding incentive pay were amended at the extraordinary general meeting held on 31 July 2017 and the guidelines now in force allow for the grant of further 21,174 warrants to Britt Meelby Jensen, but such warrants have not yet been granted. For further details on the terms and conditions of the warrants, see section 14.3 *"Warrant incentive program."*

The employment agreement with Adam Steensberg provides for the payment of an extraordinary severance payment equaling six months' salary if the Company during the period until 31 December 2018 undergoes a change of control and Adam Steensberg is dismissed in connection therewith.

Other than as set out above, the Executive Management and Key Employees are not entitled to any kind of remuneration upon termination of employment, other than salary during their notice period and possible compensation if unfairly dismissed (apart from Britt Meelby Jensen who is not entitled to such compensation if unfairly dismissed).

Except as stated above, no exceptional or extraordinary agreements, including agreements regarding bonus schemes, other than ordinary incentive schemes and remuneration of the Executive Management and Key Employees implying financial obligations for us, have been concluded with members of our Executive Management and Key Employees.

No member of our Executive Management or Key Employee has received or will receive separate remuneration in connection with this Prospectus, the Offering or the Admission.

12.2 Statement on loans etc.

The Group has not granted any loans, issued any guarantees or under-taken any other obligations to do so on behalf of any members of the Company's board of directors, the members of the Company's executive management or any Key Employees.

12.3 Pension Obligations

Under the employment contracts with its employees, the Company is obligated to contribute 10% of each employee's base salary to an individual pension scheme. In addition, the Company contributes to a health insurance plan for each employee. The Company does not have any other pension obligations towards its employees. Accordingly, no amount has been reserved to cover pension obligations, severance payments or similar benefits.

13. BOARD PRACTICES

13.1 General

We have a two-tier governance structure consisting of a board of directors and an executive management. The Board of Directors are responsible for the overall strategic management and financial and managerial supervision, as well as for conducting a regular evaluation of the work of the Executive Management. In addition, the Board of Directors ensures that our affairs are managed in accordance with the Articles of Association and applicable law.

Our Board of Directors performs its duties in accordance with the rules of procedure of the Board of Directors. The rules of procedure are reviewed and signed by all members of the Board of Directors. Our Board of Directors may consist of between four and seven general meeting elected members elected by the Shareholders at the annual general meeting for terms of one year, with possibility of re-election. The Board of Directors currently consists of five general meeting elected board members. In addition, the employees may, pursuant to statutory rules regarding the representation of employees on the Board of Directors, elect employee representatives to the Board of Directors. Currently the Board of Directors has three employee representatives, Hanne Heidenheim Bak, Rasmus Just and Jens Peter Stenvang. The Board of Directors elects a chairman among its members.

The terms of office of all the members of our Board of Directors elected by the general meeting expire at the next annual general meeting to be held in 2018. All members of the Board of Directors elected by the general meeting are eligible for re-election. All members of the Board of Directors elected by the general meeting were appointed in their current offices in 2015 (and re-elected at the annual general meetings in 2016 and 2017), except for Alain Munoz and Michael J. Owen, who were appointed in 2005 and 2012, respectively.

Employee elected board members are elected for a period of four years. Both Hanne Heidenheim Bak and Rasmus Just were appointed in 2016 with expiration of their terms in 2020. Jens Peter Stenvang was appointed in 2014 and his term expires in 2018.

The majority of the board members are considered to be independent under the Corporate Governance Recommendations and an overview hereof is together with information on expiry of term of office and serving period set out in section 11.2 *"Board of Directors".*

13.2 Service contracts with the members of the Board of Directors

No service contracts have been entered into or will be entered into between us and our members of our Board of Directors providing for benefits upon ceasement of term or appointment.

13.3 Service contracts with the members of the Executive Management

The Company has entered into employment or service agreements with each of the members of the Executive Management consisting of President and CEO, Britt Meelby Jensen, Executive Vice President and CFO, Mats Blom, and with the Key Employees, Executive Vice President, Chief Medical and Development Officer, Adam Steensberg, and Executive Vice President, Chief Science Officer, Andrew Parker. The members of the Executive Management and the Key Employees can terminate their employment by giving between three and six months' notice. The Company can terminate their employment by giving between seven and 12 months' notice.

Britt Meelby Jensen is subject to a non-competition clause and a non-solicitation of customers clause applicable during her employment and for a period of 12 months following expiry of her employment. Britt Meelby Jensen is not entitled to any separate compensation under her non-competition and non-solicitation clauses. Pursuant to mandatory Danish law, Britt Meelby Jensen's non-competition clause lapses if her employment is terminated by the Company for a reason that is not attributable to Britt Meelby Jensen. The Executive Management agreement with Britt Meelby Jensen provides for the payment of post-employment compensation to her dependents in the event of her death. Mats Blom and the Key Employees are entitled to similar post-employment compensation pursuant to mandatory Danish law.

President and CEO Britt Meelby Jensen joined the Company in 2015 and CFO Mats Blom joined in 2010. Adam Steensberg joined the Company in 2010 and was promoted to Senior Vice President and Chief Medical and Development Officer in 2015, whilst Andrew Parker joined the Company in 2016 as Senior Vice President and Chief Science Officer. Mats Blom, Adam Steensberg and Andrew Parker were promoted to Executive Vice Presidents in May 2017.

13.4 Board Practices and Committees

We have established an Audit Committee, a Remuneration and Compensation Committee and a Nomination Committee. We have adopted a charter for the Audit Committee and for the Remuneration and Compensation Committee, and rules of procedure for the Nomination Committee. Under Danish corporate law, it is not possible to delegate the decision-making authority of the entire Board of Directors to board committees.

13.4.1 Audit Committee

As of the date of this Prospectus, the Audit Committee consists of Catherine Moukheibir, Martin Nicklasson and Rosemary Crane, and is chaired by Catherine Moukheibir. The Audit Committee reviews and considers matters relating to accounting, audit and regulatory control with the auditors and Executive Management in accordance with the working terms of reference of the Audit Committee. The Audit Committee oversees the accounting and financial reporting processes and the audits of the consolidated financial statements. The Audit Committee has the following principal responsibilities:

- monitoring the financial reporting process and reviewing and challenging such process where necessary;
- monitoring compliance with applicable legislation, standards and other regulations for listed companies in respect of financial reporting and the publication of financial reporting;
- monitoring the effectiveness of the internal controls and risk management systems related to financial reporting and evaluating the need for an internal audit;
- establishing procedures for the receipt, retention and treatment of complaints received regarding accounting, internal controls, auditing and financial reporting matters (whistleblower function);
- nominate the statutory external auditor to be elected by the annual general meeting and preparing the recommendation to the annual general meeting regarding the election of the external auditor, as well as, if relevant, proposes to the annual general meeting that an external auditor is discharged;
- monitoring the strategy, plan, scope and approach of the external auditor's annual audit;
- monitoring and approving the terms and compensation of the external auditor;
- monitoring the external auditor's reports to the Executive Management and the Board of Directors, including management letters and long form reports, discussing any reports with the Executive Management and the external auditor and be mainly responsible for resolving any disagreements between the external auditor and the Executive Management;
- considering (at least on an annual basis) the performance and independence of the external auditor, and obtaining and reviewing of a report from the external auditor substantiating that the external auditor is independent;
- reviewing policy in relation to the provision of non-audit services by the external auditor. The Audit Committee approves non-audit services delivered by the external auditor when material;
- engaging independent counsel and other advisors as the Audit Committee determines necessary to carry out its duties;
- obtaining available appropriate funding as the Audit Committee determines necessary for the fulfillment of its tasks and duties; and
- evaluating on an annual basis: (i) the performance of the Audit Committee, including independence and financial expertise; and (ii) the adequacy of the Audit Committee's charter and recommendation of any proposed changes to the Board of Directors.

13.4.2 Remuneration and Compensation Committee

As of the date of this Prospectus, the Remuneration and Compensation Committee consists of Martin Nicklasson, Alain Munoz and Michael J. Owen, and is chaired by Martin Nicklasson.

The Remuneration and Compensation Committee assists the Board of Directors by proposing a remuneration policy and general guidelines for incentive remuneration for the Board of Directors and the Executive Management, as well as proposals on the targets for Company-operated performance related incentive programs. These policies and guidelines establish the guidelines for the different components of remuneration, including fixed and variable remuneration, such as pension schemes, benefits, retention bonuses, severance and incentive schemes, as well as the bonus and evaluation criteria in relation thereto. The proposed remuneration policy and general guidelines for incentive remuneration are subject to the approval of the Shareholders at the annual general meeting. The Remuneration and Compensation Committee has the following principal responsibilities:

- preparing and presenting proposals to the Board of Directors on the framework for remuneration packages for Executive Management, including, but not limited to salary, salary increases, pension rights and any compensation or terminations payments, ensuring that the contractual terms are fair to the individual and to us, that failure is not rewarded and that the duty to mitigate loss is fully recognized;

- preparing and presenting proposals to the Board of Directors on remuneration matters of material importance to us, including incentive programs and payments for the Executive Management. The proposals for the remuneration of Executive Management, including any incentive program shall be in accordance with and not exceed comparable market practice levels at any given time;

- preparing and presenting proposals to the Board of Directors on the targets (bonus levels and performance targets) for company-operated performance-related incentive programs for Executive Management, as well as monitoring and evaluating the fulfillment of such targets;

- overseeing the implementation of any pension, retirement, death or disability or life assurance scheme and any incentive schemes for Executive Management; and

- reviewing and considering the proposals from the Nomination Committee on remuneration for members of the Board of Directors and Executive Management.

13.4.3 Nomination Committee

As of the date of this Prospectus, the Nomination Committee consists of Martin Nicklasson (chairman of the board of directors and chairman of the Nomination Committee), Peter Benson (Partner of Sunstone, Life Science Ventures, shareholder representative for Sunstone), and Agnete Raaschou-Nielsen (full time non executive director of Zacco Denmark A/S, shareholder representative for LD Pension). The Nomination Committee assesses the composition of the Board of Directors and presents annual recommendations to the general meeting about the members of the Board of Directors to be elected by the general meeting. The Nomination Committee ensures that all members of our Board of Directors fulfil the expectations of the capital markets and that the Board of Directors' composition meets the recommendations on good corporate governance for listed companies. The recommendations of the Nomination Committee do not restrict the right of shareholders to propose other candidates to the general meeting for appointment as directors.

The Nomination Committee consists of up to five members and must include the chairman of the Board of Directors. One member of the Nomination Committee is elected by the general meeting from among the members of our Board of Directors, and up to three shareholder representatives are elected by the general meeting. Members of our Executive Management and our employees cannot be elected to the Nomination Committee. The members of the Nomination Committee elected by the general meeting are elected for a term of three years. Our Board of Directors has considered the structure for our Nomination Committee, and has resolved to propose to substitute the current Nomination Committee, which is appointed at our general meeting, with a board appointed Nomination Committee in accordance with the Danish Recommendations for Corporate Governance. The proposal will require approval by shareholders and will be considered at our next annual general meeting scheduled to take place in April 2018.

13.5 Corporate Governance

We comply with the Recommendations on Danish Corporate Governance with the exception of the two Recommendations highlighted below.

Recommendations section 3.4.8: It is recommended that the remuneration and compensation committee do not consult with the same external advisers as the executive board of the company.

The Remuneration and Compensation Committee are and will be using the same external advisors as the Executive Management. It is the Board of Directors' evaluation that the external advisors will provide professional and unbiased advice in both capacities as adviser to the Executive Management and to the Remuneration and Compensation Committee.

Recommendations section 4.1.4: It is recommended that if share-based remuneration is provided, such programs be established as roll-over programs, i.e. the options are granted periodically and should have a maturity of at least three years from the date of allocation.

Some of the warrants granted to Executive Management can be exercised in a period from one to five years after grant. The reason for the shorter maturity period is due to negotiations of the terms for granting warrants.

14. EMPLOYEES AND SHAREHOLDINGS

14.1 Employees

As at 30 June 2017, the Company had 118 full time (or full time equivalent) employees (compared to 112 as of 30 June 2016). As at 30 June 2017, the Company had 118 full time employees divided into 96 engineering related functions (R&D, technical support and quality management) and 22 in other operations and general and administrative functions, all of whom are based in Denmark.

No material change on the number of employees has occurred since 30 June 2017.

14.2 Shareholdings and options

The following table shows the number of shares and warrants owned by the Board of Directors, Executive Management and Key Employees as of date of this Prospectus:

Name	No. of Shares	No. of warrants
Board of Directors		
Martin Nicklasson	1,000	0
Rosemary Crane	0	0
Catherine Moukheibir	0	0
Alain Munoz	5,250	0
Michael J. Owen	0	0
Hanne Heidenheim Bak	21,221	26,000
Rasmus Just	1,600	11,500
Jens Peter Stenvang	3,500	5,500
Board of Directors in total	32,571	43,000
Executive Management		
Britt Meelby Jensen	15,000	278,826
Mats Blom	113,000	188,019
Executive Management in total	128,000	466,845
Key Employees		
Adam Steensberg	25,000	175,500
Andrew Parker	0	97,000
Key Employees in total	25,000	272,500
Board of Directors, Executive Management and Key Employees in total	185,571	782,345

14.3 Warrant incentive program

We have granted warrants to our Executive Management, Key Employees and selected employees in 2005, 2007 and in each of the years between 2009 and 2017. Since the annual general meeting in 2012, it has been part of the remuneration policy that members of our Board of Directors are not permitted to participate in the warrant incentive program in their capacity as board members. Those board members who hold warrants are the employee representatives on our Board of Directors who have been granted such warrants in their capacity as employees.

Warrants are, and have been, granted pursuant to shareholder authorizations provided to our Board of Directors under our Articles of Association. The terms of the warrants, including the exercise price and the size of the grants, and the guidelines for incentive pay in force at the time of grant are fixed in accordance with this authorization. Warrants are granted for employee services and will typically become exercisable between approximately one to five years after the date of grant and may be exercised to subscribe for shares in a number of pre-defined exercise windows against payment of the exercise price. Unexercised warrants will lapse.

Granted warrants are generally subject to provisions reflecting the principles of the Danish Stock Option Act, which allows for the forfeiture of unexercised warrants if the grantee separates from the company or one of the subsidiaries under circumstances in which the warrant holder is considered a "bad-leaver", understood as, for example, being dismissed for cause or resigning without us having materially breached the employment contract. Warrant holders may maintain all granted warrants if they separate from us under circumstances where they are considered as "good-leavers", such as dismissal with-out cause, leaving us pursuant to an agreed severance agreement or retirement, warrant holder's resignation due to the material breach of contract or the warrant holder's death. Warrants granted to Britt Meelby Jensen are, however, subject to leaver provisions, which deviate from the principles of the Danish Stock Option Act.

As of 30 June 2017, the material terms of our outstanding warrants and the holders of such warrants may be summarized as follows:

Time of grant/ warrant program	Program	Exercise price (DKK)	Exercise period(s)	Board of Directors (number)[1]	CEO (number)	CFO (number)	Other employees (number)	Former employees (number)	Total
November 2012 / Program of 2010	2012-2	113.3	Four weeks after the publication of respectively the annual report, Q1 report, Q2 report and Q3 report during the period from 19 November 2015 to 19 November 2017	—	—	31,019	—	183,864	214,883
February 2013 / Program of 2010	2013-1	87.45	Four weeks after the publication of respectively the annual report, Q1 report, Q2 report and Q3 report during the period from 10 February 2016 to 10 February 2018	16,000			102.463	97,637	216.100
April 2014 / Program of 2010	2014-1	75,9	Four weeks after the publication of respectively the annual report, Q1 report, Q2 report and Q3 report during the period from 1 April 2017 to 1 April 2019	—	—	—	—	100,000	100,000
March 2015 / Program of 2010	2015-1	127.05	Four weeks after the publication of respectively the annual report, Q1 report, Q2 report and Q3 report during the period from 25 March 2018 to 25 March 2020	—	—	—	—	100,000	100,000
May 2015 / Program of 2010	2015-4	101.2	Four weeks after the publication of respectively the annual report, Q1 report, Q2 report and Q3 report during the period from 5 May 2018 to 5 May 2020	—	—	—	—	46,359	46,359
May 2015 / Program of 2015	2015-2	101.2	Four weeks after the publication of respectively the annual report, Q1 report, Q2 report and Q3 report during the period from 5 May 2018 to 5 May 2020	11,500	—	75,000	194,250	73,500	354,250
May 2015 / Program of 2015	2015-3	101.2	Four weeks after the publication of respectively the annual report, Q1 report, Q2 report and Q3 report during the period from 5 May 2016 to 5 May 2020	—	100,000	—	—	—	100,000
April 2016 / Program of 2015[2]	2016-1	142.45	Four weeks after the publication of respectively the annual report, Q1 report, Q2 report and Q3 report during the period from 5 April 2019 to 5 April 2021	8,750	—	25,000	222,500	85,000	341,250

[1] Warrants granted to employee elected board members in their capacity as employees.

[2] 14,566 warrants were cancelled by the Board of Directors on May 30 2017 as the grant was an invalid issuance of warrants contrary to the Company's incentive guidelines.

April 2016 / Program of 2015	2016-2	142.45	Four weeks after the publication of respectively the annual report, Q1 report, Q2 report and Q3 report during the period from 5 April 2017 to 5 April 2021	—	85,434	—	—	—	85,434
July 2016 / Program of 2015	2016-3	128.6	Four weeks after the publication of respectively the annual report, Q1 report, Q2 report and Q3 report during the period from 15 July 2019 to 15 July 2021	—	—	—	40,000	—	40,000
April 2017/Program of 2015	2017-1	135.3	Four weeks after the publication of respectively the annual report, Q1 report, Q2 report and Q3 report during the period from 6 April 2020 to 6 April 2022	6,750	—	57,000	360,250	—	424,000
April 2017/Program of 2015	2017-2	135.3	Four weeks after the publication of respectively the annual report, Q1 report, Q2 report and Q3 report during the period from 6 April 2018 to 6 April 2022	—	93,392	—	—	—	93,392
Total				**43,000**	**278,826**	**188,019**	**919,463**	**686,360**	**2,115,668**

15. MAJOR SHAREHOLDERS

Other than as set out below, we are not aware of any person who, directly or indirectly, owns an interest in the Share capital or voting rights that is notifiable under Danish law:

- Sunstone Life Science Ventures Fund I K/S owns 8.04% of the Share capital and voting rights. Sunstone LSV Management A/S manages and exercises the voting rights of Sunstone Life Science Ventures Fund I K/S; and
- Legg Mason (Royce) Inc. owns 6.78% of the Share capital and voting rights

We do not have knowledge of any arrangements, the operations of which may result in a change of control in us.

We are not aware of any major shareholders having different voting rights

16. RELATED PARTY TRANSACTIONS

16.1 General

We refer to our consolidated financial statements for the financial years ended 31 December 2016 and 2015, respectively.

16.2 Related party transactions since 31 December 2016

16.2.1 Employment Agreement and Warrant Grants

Britt Meelby Jensen and members of our Board of Directors (employee representatives who have been granted warrants in their capacity as employees) have been granted warrants in April 2017, see section 14.3 - *"Warrant incentive program"*.

16.2.2 Indemnification of the members of our Board of Directors, Executive Management and employees

According to the Danish Companies Act, the general meeting is permitted to discharge the members of our Board of Directors and members of the Executive Management from liability for any particular financial year based on a resolution relating to the period covered by the financial statements for the previous financial year.

This discharge means that the general meeting will relieve members of our Board of Directors and members of the Executive Management from liability to the Company. However, the general meeting cannot discharge any claims by individual Shareholders or other third parties.

Additionally, at the extraordinary general meeting held on 31 July 2017, the general meeting resolved to let the Company indemnify the members of our Board of Directors in relation to certain claims in relation to the Offering and the admission to trading on NASDAQ of the ADSs and the Company's subsequent status as listed in the United States. At the extraordinary general meeting held on 31 July 2017, the general meeting also resolved to authorize our Board of Directors to resolve to let the Company indemnify the Executive Management and the Company's employees in relation to certain claims in relation to the Offering and the admission to trading on NASDAQ of the ADSs and the Company's subsequent status as listed in the United States which authorization was inserted as a new article 14.2 of our Articles of Association. At the board meeting held on 9 August 2017, our Board of Directors resolved to exercise this authorization to let the Company indemnify the Executive Management and the Company's employees in relation to certain claims in relation to the Offering and the admission to trading on NASDAQ of the ADSs and the Company's subsequent status as listed in the United States. The indemnification is limited to a maximum amount per claim per person equivalent to the gross proceeds obtained by the Company from the Offering. The indemnification shall remain in force for a period of five years after the resignation of the indemnified person from such person's position with the Company. The indemnification will not apply in case of an indemnified person's criminal offence, gross negligence or wilful acts or omissions.

There is a risk that such indemnification will be deemed void under Danish law, either because the indemnification is deemed contrary to the rules on discharge of liability in the Danish Companies Act (as set forth above, because the indemnification is deemed contrary to sections 19 and 23 of the Danish Liability and Compensation Act, which contain mandatory provisions on re-course claims between an employee (including members of the Executive Management) and the Company, or because the indemnification is deemed contrary to the general provisions of the Danish Contracts Act.

In addition, we provide the members of our Board of Directors and Executive Management with directors' and officers' liability insurance.

17. FINANCIAL INFORMATION CONCERNING OUR ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFIT AND LOSSES; DIVIDENDS

17.1 Introduction to Financial Information

Our published consolidated financial statements for the financial years ended 31 December 2016 and 2015, respectively, have been audited by Deloitte Statsautoriseret Revisionspartnerselskab and have been prepared in accordance with IFRS as adopted by the EU and additional requirements under the Danish Financial Statements Act. No qualifications have been included in the independent auditor's reports included in the consolidated financial statements for the financial years ended 2016 and 2015, respectively.

Other than set out above, none of the financial information included in this Prospectus has been reviewed or audited by the Company's external auditor.

The Company has prepared and published unaudited consolidated interim financial statements for the three months ended 31 March 2017 with comparative figures for the three months ended 31 March 2016, presented therein.

17.2 Access to Consolidated Financial Statements and Interim Financial Statements

Both the audited consolidated financial statements for the financial years ended 31 December 2016 and 2015, respectively, the unaudited consolidated interim financial statements for the three months ended 31 March 2017, with comparative figures for the three months ended 31 March 2016, presented therein is available for physical inspection during usual business hours at our office at Smedeland 36, 2600 Glostrup, Denmark, and on the website www.zealandpharma.com and made public through Nasdaq GlobeNewswire.

17.3 Inclusion by Reference

The Company's consolidated financial statements for the financial years ended 31 December 2016 and 2015, respectively, which in particular include the information as set out in the table below, are incorporated into this Prospectus by reference.

Audited consolidated financial statements for the financial years ended 31 December 2016:

Information	Page(s)
Income statement	43
Statement of comprehensive income	43
Statement of financial position	44
Statement of cash flow	45
Statement of change in equity	46
Notes to the consolidated financial statements	47-78
Statement of the board of directors and executive management	79
Independent auditor's Report	80-82

Audited consolidated financial statements for the financial years ended 31 December 2015:

Information	Page(s)
Income statement	51
Statement of comprehensive income	51
Statement of financial position	52
Statement of cash flow	53
Statement of change in equity	54
Notes to the consolidated financial statements	55-77
Statement of the board of directors and executive management	78
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Other than what is set out in the table above, no information is incorporated by reference in this Prospectus.

17.4 Dividend Policy

We have never declared or paid any cash dividends on our Shares and we do not anticipate paying any cash dividends on our Shares in the foreseeable future. We intend to retain all available funds and any future earnings to fund the development and expansion of our business. Any future determination related to our dividend policy and the declaration of any dividends will be made at the discretion of our Board of Directors and will depend on a number of factors, including our results of operations, financial condition, future prospects, contractual restrictions, restrictions imposed by applicable law and other factors our Board of Directors deems relevant.

17.4.1 Legal and Regulatory Requirements

In accordance with the Danish Companies Act, dividends, if any, are declared with respect to a financial year at the annual general meeting of shareholders in the following year, where the consolidated financial statements (which includes the audited financial statements) for that financial year is approved. Further, our Shareholders may resolve at a general meeting to distribute extraordinary dividends or to authorize our Board of Directors to resolve to distribute extraordinary dividends. Any resolution to distribute extraordinary dividends within six months of the date of the statement of financial position as set out in our latest adopted annual report must be accompanied by the statement of financial position from our latest annual report or an interim statement of financial position which must be reviewed by our auditor. If the decision to distribute extraordinary dividends is passed more than six months after the date of the statement of financial position as set out in our latest adopted annual report, an interim statement of financial position must be prepared and reviewed by our auditor. The statement of financial position or the interim statement of financial position, as applicable, must show that sufficient funds are available for distribution. Dividends and extraordinary dividends may not exceed the amount recommended by our Board of Directors for approval by the general meeting of shareholders. Moreover, dividends and extraordinary dividends may only be made out of distributable reserves and may not exceed what is considered sound and adequate with regard to our financial condition or be to the detriment of our creditors and such other factors as our Board of Directors may deem relevant.

In accordance with the Danish Companies Act, share buybacks, if any, may only be carried out by the Board of Directors using funds that could have been distributed as dividends at the latest annual general meeting of shareholders. Any share buyback must be conducted in accordance with an authorization to our Board of Directors to purchase our Shares granted at a general meeting of our shareholders. The authorization must be granted for a defined period of time not exceeding five years. In addition, the authorization must specify the maximum permitted value of treasury shares as well as the minimum and maximum amount that we may pay as consideration for such Shares. A decision by our Board of Directors to engage in share buybacks, if any, will be made in accordance with the factors applicable to dividend payments set forth above.

At our annual general meeting of shareholders held on 19 April 2016 our Board of Directors was authorized, until our next annual general meeting, to purchase up to 10% of our Shares at a price that deviates no more than 10% from the quoted price by Nasdaq Copenhagen. At our extraordinary general meeting held on 31 July 2017, this authorization to our Board of Directors was expanded to also cover the acquisition of ADSs, which can then be surrendered to The Bank of New York Mellon, as the Depositary, enabling us to take delivery of the underlying shares represented by such ADSs.

17.5 Legal and arbitration proceedings etc.

From time to time, we may be a party to legal, administrative or arbitration proceedings arising in the ordinary course of our business. As of the date of this Prospectus, we are not a party to any material legal, administrative (including governmental) or arbitration proceedings that, if determined adversely to us, would, individually or in the aggregate, have a material adverse effect on our business, financial condition, results of operations or cash flows. Regardless of the outcome, litigation can have an adverse impact on us because of defence and settlement costs, diversion of management resources and other factors.

17.6 Significant changes in the Zealand Pharma Group's financial or trading position

Except for the Offering, no significant changes have occurred in the Zealand Pharma Group's financial and trading position since 31 March 2017.

18. ADDITIONAL INFORMATION

18.1 Introduction

Set forth below is a summary of certain information concerning our share capital as well as a description of certain provisions of our Articles of Association and relevant provisions of the Danish Companies Act. The summary includes certain references to, and descriptions of, material provisions of our Articles of Association to be effective in connection with the consummation of the Admission and Danish law in force as of the date of this Prospectus. The summary below contains only material information concerning our share capital and corporate status and does not purport to be complete and is qualified in its entirety by reference to our Articles of Association and applicable Danish law. Our Articles of Association, excluding exhibits, are attached as Annex A.

18.2 Share Capital

18.2.1 Development of Share Capital

As of 2 November 2010, we have had one class of Shares (prior to this date we had multiple classes of shares). As of the date of this Prospectus our registered, issued and outstanding share capital is DKK 26,187,402 distributed into 26,187,402 shares of nominal value DKK 1 each. For a description of the terms of our outstanding warrants, see section 14.3 *"Warrant incentive program".*

The development of our share capital since 1 January 2015 and up to and including the date of this Prospectus is set forth in the table below. The table excludes up to 2,115,668 Shares that may be issued in connection with the exercise of outstanding warrants under the 2010 and 2015 warrant programs, see section 14.3 *"Warrant incentive program".* All Shares rank *pari passu* in respect of voting rights, pre-emption rights, redemption, conversion and restrictions or limitations according to the Articles of Association of eligibility to receive dividend or proceeds in the event of dissolution and liquidation. No Shares carry special rights. All Shares are issued and paid fully up. Each Share entitles its holder to one vote at the general meeting.

The share capital described below does not include the 4,375,000 New Shares which will be subscribed for in connection with completion of the Offering, expectedly on 14 August 2017.

	Capital Increase, No. of Shares	Gross Proceeds, DKKm	Share Capital, No. of Shares	Issued Share DKK Capital
Share capital at 1 January 2015			23,193,047	23,193,047
2015				
Capital increases, March 2015 at prices of DKK 50.27 and DKK 77 per share (cash)	120,833	6.9	23,313,880	23,313,880
Capital increases, April 2015 at prices of DKK 94.60 and DKK 77 per share (cash)	106,220	9.4	23,420,100	23,420,100
Capital increases, June 2015 at prices of DKK 94.60 and DKK 77 per share (cash)	51,487	4.6	23,471,587	23,471,587
Capital increases, June 2015 at prices of DKK 94.60 and DKK 77 per share (cash)	46,521	4.2	23,518,108	23,518,108
Capital increases, September 2015 at prices of DKK 94.60 and DKK 77 per share (cash)	383,190	34.9	23,901,298	23,901,298
Capital increases, September 2015 at prices of DKK 77, DKK 94.60 and DKK 50.27 per share (cash)	150,702	12.7	24,052,000	24,052,000
Capital increase, November 2015 at a price of DKK 94.60 per share (cash)	60,843	5.8	24,112,843	24,112,843
Capital increases, November 2015 at prices of DKK 77 and 50.27 per share (cash)	176,456	13.2	24,289,299	24,289,299
Capital increase, December 2015 at a price of DKK 77 per share (cash)	63,470	4.9	24,352,769	24,352,769

2016				
Capital increases, March 2016 at prices of DKK 77 and DKK 87.45 per share (cash)	46,613	3.9	24,399,382	24,399,382
Capital increase, April 2016 at a price of DKK 50.27, DKK 77 and DKK 87.45 per share (cash)	50,453	3.6	24,449,835	24,449,835
Capital increase, May 2016 at a price of DKK 50.27, DKK 77 and DKK 87.45 per share (cash)	43,071	2.6	24,492,906	24,492,906
Capital increase, June 2016 at a price of DKK 50.27, DKK 77 and DKK 87.45 per share (cash)	41,269	2.4	24,534,175	24,534,175
Capital increase, September 2016 at a price of DKK 77 per share (cash)	7,400	0.6	24,541,575	24,541,575
Capital increase, September 2016 at a price of DKK 50.27 and DKK 77 and DKK 87.45 (cash)	45,457	3.2	24,587,032	24,587,032
Capital increase, September 2016 at a price of DKK 96.90 per share (cash)	1,475,221	143	26,062,253	26,062,253
Capital increase, November 2017 at a price of DKK 77 per share (cash)	8,200	0.6	26,070,453	26,070,453
Capital increase, November 2016 at a price of DKK 50.27 and DKK 77 and DKK 87.45 per share (cash)	57,913	4.1	26,128,366	26,128,366
Capital increase, December 2016 at a price of DKK 77 per share (cash)	13,999	1.1	26,142,365	26,142,365
Capital increase, March 2017 at a price of DKK 87.45 per share (cash)	9,500	0.8	26,151,865	26,151,865
Capital increase, April 2017 at a price of DKK 87.45 per share (cash)	22,000	1.9	26,173,865	26,173,865
Capital increase, May 2017 at a price of DKK 87.45 per share (cash)	5,000	0.4	26,178,865	26,178,865
Capital increase, June 2017 at a price of DKK 87.45 per share (cash)	8,537	0.7	26,187,402	26,187,402

18.3 Memorandum and Articles of Association

18.3.1 Objectives

According to article 2.1 of our Articles of Association, our objectives are engaging in research, trade, manufacture and related activities, primarily within the pharmaceutical industry. According to clause 2 of our original memorandum of association, we were incorporated with different objectives which have subsequently been amended to the objectives in article 2.1 of our Articles of Association.

18.3.2 Summary of Provisions Concerning Members of the Board of Directors and the Executive Management

According to article 13.1 of our Articles of Association, we are managed by a Board of Directors of between four and seven members elected for a term of one year by our Shareholders at the (annual) general meeting. Retiring directors are eligible for re-election. Additional members are elected pursuant to the statutory rules regarding representation of employees. Pursuant to the Danish Companies Act, employees of Danish companies that have employed at least 35 employees for the preceding three years are entitled to elect board members corresponding to one half of the number of board members elected by the general meeting of shareholders. Board members elected by the employees in the Company serve a term of four years and they hold the same rights and obligations as any member of the Board of Directors elected by the Shareholders. The Shareholders at the general meeting approve the remuneration of the Board of Directors. Our Executive Management is elected by our Board of Directors.

The Board of Directors elects its own Chairman and grants individual or joint powers of procuration. The Board of Directors prepares its own rules of procedure governing the performance of its duties.

We are bound by the joint signatures of the Chairman of the Board of Directors with the CEO; the Chairman of the Board of Directors jointly with another member of the Board of Directors; or one registered member of the Executive Management jointly with two members of the Board of Directors; or the joint signatures of the CEO and another registered member of the Executive Management; or all members of the Board of Directors jointly.

18.3.3 Rights and Restrictions in Relation to Existing Shares

- No Existing Share carries any special rights.
- Each Existing Share with a nominal value of DKK 1 carries one vote at general meetings.
- The Existing Shares are negotiable instruments, and no restrictions apply to the transferability of the shares.
- No Shareholder shall be obliged to let his Existing Shares be redeemed in full or in part by us or by any other party, except as provided in the Danish Companies Act.
- All Existing Shares shall be registered in the names of the holders and shall be entered in our shareholders' register.

18.3.4 Amendments to Shareholder Rights

In general, amendments to the rights of Shareholders require a resolution of the general meeting. All resolutions made by the general meeting may be adopted by a simple majority of the votes, subject only to the mandatory provisions of the Danish Companies Act and the Articles of Association. Resolutions concerning all amendments to the Articles of Association must be passed by two-thirds of the votes cast as well as two-thirds of the share capital represented at the general meeting. Certain resolutions, which limit a Shareholder's ownership or voting rights, are subject to approval by a nine-tenth majority of the votes cast and the share capital represented at the general meeting. Decisions to impose any or increase any obligations of the Shareholders towards the Company require unanimity.

18.3.5 Shareholders' Register

We are obliged to maintain a shareholders' register (in Danish: *Ejerbog*). The shareholders' register is maintained by Computershare A/S, Lottenborgvej 26, DK-2800 Kgs. Lyngby, Denmark, our Danish share registrar and transfer agent. It is mandatory that the shareholders' register is maintained within the EU and that it is available to public authorities.

Pursuant to section 29 of the Danish Securities Trading Act, shareholders in a company incorporated in Denmark with its shares admitted to trading and official listing are required to immediately (meaning within the same trading day as the transaction) and simultaneously notify the company and the Danish FSA, when the shareholder's stake (i) represents 5% or more of the voting rights in the company or the nominal value of its share capital, and (ii) when a change in a holding already notified implies that the limits of 5%, 10%, 15%, 20%, 25%, 50% or 90% and the limits of one-third and two-thirds of the voting rights or the nominal value are reached or are no longer reached or the change implies that the limits stated in (i) are no longer reached.

The notification made in accordance with section 29 of the Danish Securities Trading Act must comply with the requirements for the contents thereof set out in sections 16 and 17 of the Danish executive order on major shareholders (*Storaktionærbekendtgørelsen*), including the identity of the shareholder and the date when a limit is reached or no longer reached. Failure to comply with the duties of disclosure is punishable by fine or suspension of voting rights in instances of gross or repeated non-compliance. The Danish FSA will in certain cases publish information concerning sanctions imposed, including, as a general rule, the name of the shareholder in question, as a consequence of non-compliance with the above rules. When the company receives a notification pursuant to section 29 of the Danish Securities Trading Act, it must publish its contents as soon as possible.

Section 55 of the Danish Companies Act provides that a shareholder has a duty to notify the company when the shareholder's stake reach or fall below the same thresholds as in section 29 of the Danish Securities Trading Act and if the limit of 100% of the voting rights or nominal value of the shares is reached or no longer reached pursuant to the Danish Companies Act. Notification to the company shall occur no later than two weeks after the relevant

threshold has been crossed. However, the shorter period of notice in section 29 of the Danish Securities Trading Act requires that notification be sent earlier than required by section 55 of the Danish Companies Act for listed companies. The information is registered in the shareholders' register as well as the Danish Public Register of Shareholders (in Danish: *Det Offentlige Ejerregister*).

These duties to notify also apply to holders of ADSs as anyone who directly or indirectly holds (a) financial instruments that afford the holder a right to purchase existing shares, *e.g.*, share options; and/or (b) financial instruments based on existing shares and with an economic effect equal to that of the financial instruments mentioned under (a), regardless of them not affording the right to purchase existing shares, *e.g.*, the ADSs or, under the circumstances, cash-settled derivatives linked to the value of our Shares or ADSs. Holding these kinds of financial instruments counts towards the thresholds mentioned above and may thus trigger a duty to notify by themselves or when accumulated with a holding of Shares or ADSs.

18.3.6 Decisions at the General Meeting

All resolutions put to the vote of Shareholders at general meetings are subject to adoption by a simple majority of votes, unless the Danish Companies Act or our Articles of Association prescribe other requirements. Our Articles of Association allow for differentiated voting.

Resolutions to amend the Articles of Association require that the resolution be adopted by at least two-thirds of the votes cast as well as the share capital represented at the general meeting, unless the Danish Companies Act does not require, e.g., a larger majority or unanimity.

Certain resolutions that limit a Shareholder's ownership or voting rights are subject to approval by a nine-tenth majority of the votes cast and the share capital represented at the general meeting. The conditions for changing a shareholder's rights are not more significant than required by law.

18.3.7 Notice Convening Annual and Extraordinary general meetings

General meetings shall be held in Greater Copenhagen (in Danish: *Storkøbenhavn*). General meetings shall be convened by the Board of Directors giving not less than three weeks' and not more than five weeks' notice. General meetings shall be announced by publication in the IT information system of the Danish Business Authority and on our website. Furthermore, all Shareholders registered in our shareholders' register who have so requested shall be notified by letter or e-mail. The notice shall set out the time and place for the general meeting and the issues to be considered at the general meeting. If the general meeting is to consider a proposal to amend our Articles of Association, then the notice shall specify the material content of the proposal.

A Shareholder's right to attend general meetings and to vote is determined on the basis of the Shares that the Shareholder owns on the record date which date is one week before the general meeting is held.

Any Shareholder shall be entitled to attend general meetings, provided he or she has requested an admission card from our offices not later than three days prior to the relevant meeting. The admission card will be issued to the Shareholders registered in our shareholders' register. The Shareholder may attend in person or be represented by proxy, and a Shareholder shall be entitled to attend together with an advisor. A Shareholder may vote by proxy or by mail, and a form for this use shall be made available on our website no later than three weeks prior to the general meeting. A vote by mail must be received by us not later than three days prior to the general meeting in order to be counted at the general meeting.

Extraordinary general meetings shall be held as directed by the Shareholders at the general meeting, our Board of Directors or an auditor, or upon a written request to the Board of Directors by Shareholders holding not less than 5% of the share capital for consideration of a specific issue. The general meeting shall be convened (at a three to five weeks-notice) within 14 days after the proper request has been received by our Board of Directors.

18.3.8 Takeover bids

The Articles of Association do not contain provisions that will be likely to have the effect of delaying, deferring or preventing a change in control of the Company. Consistent with the Corporate Governance Recommendations, the Board of Directors is expected upon completion of the Offering to adopt a set of guidelines for the handling of takeover bids.

18.3.9 Ownership Threshold

Our Articles of Association do not contain any provisions governing the ownership threshold.

18.3.10 Authorizations to Our Board of Directors

In accordance with articles 7.1, 7.2, 7A.1 and 8.4 of our Articles of Association, our Board of Directors is authorized to increase our share capital as follows:

- Until 29 April 2019, our Board of Directors is authorized to increase our share capital by issuing new Shares by up to nominally DKK 2,618,740 (equal to 2,618,740 new shares of a nominal amount of DKK 1 per share). The capital increase shall be effected at market price and must be implemented without pre-emptive rights for the existing Shareholders. Our Board of Directors may decide to implement a capital increase by way of a cash contribution, contribution in kind or debt conversion. Further, during this period, our Board of Directors is authorized to increase our share capital by issuing new Shares by up to a nominal amount of DKK 11,163,953 (equal to 11,163,953 new Shares of a nominal amount of DKK 1 per share). Such capital increase shall be implemented with pre-emptive rights for the existing Shareholders and the subscription price may be a favourable price fixed by our Board of Directors. Our Board of Directors may decide to implement the capital increase by way of a cash contribution, contribution in kind or debt conversion. Any capital increases pursuant to such authorizations cannot exceed an aggregate nominal amount of DKK 11,163,953.

- Until 21 April 2020, our Board of Directors is authorized to grant warrants with a right to subscribe for 2,750,000 shares. As of the date of this Prospectus, 1,456,326 warrants have been granted pursuant to this authorization, and 1,293,674 warrants may still be granted under this authorization. The Shareholders will not have pre-emptive subscription rights when our Board of Directors exercises this authorization and the specific terms and conditions in this respect are to be determined by our Board of Directors. Our Board of Directors shall determine, in its discretion, the exercise price, as well as other terms and conditions for the warrants, provided that the exercise price corresponds to a minimum of the market price at the time of issuance of the warrants, unless such warrants are issued to employees. Pursuant to relevant provisions of the Danish Companies Act in force from time to time, our Board of Directors may reapply or reissue any lapsed non-exercised warrants, provided that such reapplication or reissue is made under terms and conditions and with the time limits specified under the authority.

- Until 1 May 2018, our Board of Directors is authorized to increase our share capital by issuing new Shares by up to nominally DKK 7,000,000 (equal to 7,000,000 new shares of a nominal amount of DKK 1 per share). The capital increase shall be effected at market price as determined through a book-building process in consideration of the stock exchange quotation of the Shares and must be implemented without pre-emptive rights for the existing Shareholders and by way of a cash contribution. This authorization was exercised by the Company's board of directors on 9 August 2017 where it was resolved to issue the New Shares and up to 156,250 Over-allotment Shares.

New Shares issued according to the authorizations listed above will rank *pari passu* with our existing Shares in accordance with our Articles of Association.

Further, our Board of Directors is authorized on behalf of the Company to acquire its own shares for a total nominal value of up to 10% of our share capital for the time being. The price paid for such Shares may not deviate by more than 10% from the price quoted on Nasdaq Copenhagen at the time of acquisition.

This authorization to our Board of Directors also covers the acquisition of ADSs, which can then be surrendered to The Bank of New York Mellon, as our depositary, enabling us to take delivery of the underlying Shares represented by such ADSs.

As of the date of this Prospectus, we hold 564,223 treasury shares with a nominal value of DKK 564,223, corresponding to a market value of DKK 64,321,422 (based on a value per share of 114, corresponding to the share price as of close of market on Nasdaq Copenhagen on 9 August 2017). If Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the Underwriters, exercise the Over-allotment Option in full, we will sell 500,000 of our treasury Shares as part of the Offering, see *"Description of the Offering and American Depositary Shares - The Offering."* on page 67.

18.3.11 Pre-emptive Rights

If our Shareholders at a general meeting resolve to increase our share capital by a cash contribution, section 162 of the Danish Companies Act will apply. Under that section, Shareholders have a pre-emptive right to subscribe for new shares in proportion to their existing shareholdings. However, the pre-emptive right may be derogated from by a majority comprising at least two-thirds of the votes cast, as well as at least two-thirds of the share capital represented at the general meeting, provided the share capital increase takes place at market price or nine-tenths of the votes cast, as well as at least nine-tenths of the share capital represented at the general meeting if the share capital increase takes place below market price, unless (i) such capital increase is directed at certain but not all Shareholders (in which case all Shareholders must consent); or (ii) such capital increase is directed at our

employees whereby a majority comprising at least two-thirds of the votes cast, as well as at least two-thirds of the share capital represented at the general meeting is required. Further, the pre-emptive rights may be derogated from by an exercise of the Board of Directors of a valid authorization in our Articles of Association, provided that the share capital increase takes place at or above market price.

19. MATERIAL CONTRACTS

Except as disclosed below, there are no contracts, other than contracts entered into in the ordinary course of business, to which the Zealand Pharma Group is party that: (i) are, or may be, material to us and that have been entered into in the two years immediately preceding the date of this Prospectus; or (ii) contain any obligations or entitlements that are, or may be, material to the Zealand Pharma Group as of the date of this Prospectus.

19.1 Sanofi License Agreement for Lixisenatide

Pursuant to the Sanofi License Agreement, we have granted to Sanofi-Aventis Deutschland GmbH, a wholly-owned subsidiary of Sanofi an exclusive global license of our interests in the patents and know-how required to: (i) make, or have made, Lixisenatide, together with its salts, prodrugs, metabolites, fragments and other derivatives and (ii) make, or have made, develop, register, market, sell and distribute any pharmaceutical preparation or cell therapy product or other product containing or releasing Lixisenatide, in each case, for the prevention of and treatment of type 2 diabetes and any other indication in humans and other species. As part of the Sanofi License Agreement, we agreed not to conduct research or development of Lixisenatide, nor may we grant any license under the licensed patents and know-how to any party other than Sanofi.

Sanofi assumes responsibility for the further development, manufacturing and marketing of Lixisenatide.

Under the Sanofi License Agreement, we are eligible to receive remaining milestone payments relating to commercialized products of up to USD 100 million, contingent on the achievement of certain sales levels, as well as royalties on global sales of such products. Royalties correspond to tiered, low double-digit percentages of Sanofi's global sales of Adlyxin / Lyxumia plus a 10% royalty on global net sales of Soliqua100/33 / Suliqua and any other product combination that includes Lixisenatide. In 2015, Sanofi challenged the validity of certain patents owned by a competitor, AstraZeneca (and its affiliates), in both administrative and court proceedings in the United States and in certain other countries, and AstraZeneca brought counterclaims in the U.S. proceedings that products containing Lixisenatide infringe its patents. These claims were subsequently resolved. Our financial obligations related to this now-resolved intellectual property dispute could have the effect of reducing our net revenue from commercial milestone payments by Sanofi relating to Soliqua100/33 / Suliqua. The amount and timing of any such reductions are not now known, but they will not exceed in total USD 15 million.

Absent early termination, the Sanofi License Agreement continues on a country-by-country basis until the later of the expiration of all applicable licensed patents and ten years after product launch. Either we or Sanofi may terminate the Sanofi License Agreement if the other party breaches or declares bankruptcy, or if Sanofi acquires rights to certain other specific injectable and short acting GLP-1 products. Sanofi may terminate the Sanofi License Agreement at any time upon 90 days' notice.

19.2 Licensing Agreements with BI for Glucagon/GLP-1 dual agonists

In June 2011, we entered into an exclusive, worldwide license, R&D collaboration agreement with BI to advance novel glucagon/GLP-1 dual acting peptide receptor agonists ("**GGDAs**"), for the treatment, prevention and diagnosis of all human and animal diseases, with a primary research focus on patients with type 2 diabetes and obesity (the "**2011 BI License Agreement**"). Under the terms of the 2011 BI License Agreement, the parties collaborate in a research project related to new GGDA compounds, the term of which was extended by the parties in June 2014. We are responsible for conducting the research in accordance with a mutually agreed research plan, with BI covering research costs up to EUR 4 million. We also collaborate with BI to develop one or more GGDA compounds. We lead development through completion of Phase 1 clinical trials; afterward, BI is obligated to use reasonable commercial efforts to develop GGDA compounds at its sole expense through to approval for marketing, sale, and distribution. We also granted BI an exclusive, worldwide license (with the right to sublicense) to our intellectual property to make, use, register, sell, import, export, research, have develop and commercialize the GGDA compounds and products containing such compounds, including certain trademark rights.

Under the 2011 BI License Agreement, BI is solely responsible for obtaining and maintaining regulatory approvals from the applicable regulatory authorities.

We are eligible to receive amounts in connection with the signature of the 2011 BI License Agreement, *i.e.,* both license payments and milestone payments for products now under development of up to EUR 386 million (of which EUR 365 million is outstanding) related to the achievement of specified development, regulatory and commercial milestones for the first product to be developed and marketed under this collaboration. In 2011, we received a EUR 10 million license payment for the transfer of license rights that we granted to BI under the terms of the 2011 BI License Agreement. We are also eligible to receive additional milestones in respect of other compounds advanced under this collaboration, plus tiered royalties ranging from high single

digits to low teens percentages on BI's sales of all products developed under the 2011 BI License Agreement. In addition, we retain co-promotion rights in the Scandinavian countries.

Absent early termination, the 2011 BI Agreement continues in effect on a country-by-country and product-by-product basis until the expiration of BI's obligation to make royalty payments in such country with respect to such product. Royalty payments are due with respect to net sales on a country-by-country and product-by-product basis until the later of the expiration of all applicable patent claims and new chemical entity, orphan or pediatric exclusivities, or 10 years after first commercial sale of such product in such country. Upon expiration, BI has a perpetual non-exclusive right to develop and commercialize the product. Either party may terminate for the other's material breach, insolvency, or patent challenge of the other party's patents. BI may terminate at any time upon 180 days' notice.

Other Product Candidates with BI

In July 2014, we entered into a separate, exclusive worldwide license, R&D collaboration agreement with BI (the "**2014 BI License Agreement**") for the development of certain therapeutic peptides. The 2014 BI License Agreement also provides for a research term of up to four and a half years to research a specific therapeutic peptide project from our portfolio of preclinical programs, with the aim of developing one or more novel drugs for treatment, prevention and diagnosis of all human and animal diseases, with a primary research focus of cardio-metabolic diseases. We are responsible for conducting the research in accordance with a mutually agreed research plan, with BI covering research costs up to EUR 3 million. In October 2015, BI selected a novel peptide therapeutic, a long-acting Amylin analog, to be advanced into preclinical development under the 2014 BI License Agreement. Pursuant to the 2014 BI License Agreement, we have worked with BI to advance the therapeutic peptides arising from this research collaboration into preclinical development. BI terminated the research collaboration portion of the 2014 BI License Agreement in March 2016.

Under the 2014 BI License Agreement, we granted BI an exclusive, worldwide license (with the right to sublicense) to our intellectual property to make, use, register, sell, import, export, research, have develop and commercialize the specific therapeutic peptides and related products. BI has certain, limited diligence obligations in its discretion to use commercially reasonable efforts to conduct preclinical and clinical development, as well as to commercialize products developed under the 2014 BI License Agreement. BI funds all development and commercialization under this collaboration (except with respect to co-promotion countries). BI is solely responsible for obtaining and maintaining regulatory approvals from the applicable regulatory authorities.

We are eligible to receive amounts in connection with the signature of the 2014 BI License Agreement, *i.e.,* both license payments and milestone payments for products now under development of up to EUR 295 million (of which EUR 287 million is outstanding) for the first compound to be developed and marketed under this collaboration. In August 2014, we received a EUR 5 million license payment for the transfer of license rights that we granted to BI under the terms of the 2014 BI License Agreement. In October 2015, we received a EUR 3 million milestone payment triggered by the selection of a preclinical candidate. We are also eligible to receive additional milestones, reduced by 50%, in respect of the second and third products advanced under this collaboration, plus tiered royalties ranging from the low single digits to low teens percentages on global sales of products arising from this collaboration. We retain co-promotion rights in Scandinavia, and are not eligible for royalty payments in those countries if we exercise such rights.

Absent early termination, the 2014 BI License Agreement continues in effect on a country-by-country and product-by-product basis until the expiration of BI's obligation to make royalty payments in such country with respect to such product. Royalty payments are due with respect to net sales on a country-by-country and product-by-product basis until the later of the expiration of all applicable patent claims and biosimilar, new chemical entity, orphan or pediatric exclusivities or 10 years after first commercial sale of such product in such country. Upon expiration, BI has a perpetual non-exclusive right to develop and commercialize the product. Either party may terminate for the other's material breach, insolvency, or patent challenge of the other party's patents. BI may terminate at any time upon 180 days' notice.

19.3 Licensing Agreement with Helsinn for Elsiglutide

In 2008, we out-licensed our Elsiglutide product for certain fields to Helsinn pursuant to a license agreement (the "**Helsinn License Agreement**"). Pursuant to the Helsinn License Agreement, we granted Helsinn a worldwide, exclusive license to our patents and know-how required to research, develop, make, register, use, manufacture, distribute, and sell Elsiglutide in any supportive care indications in humans for the prevention or treatment of symptoms and diseases caused by cancer treatments. Helsinn assumed responsibility for all further development, regulatory approvals, manufacturing, marketing and sales of Elsiglutide in the cancer supportive care field, either on its own or through sub-licensees and we agreed to an exclusivity covenant for the Elsiglutide product and any combination products in the licensed field and may not investigate, develop, or commercialize the licensed compound in any field or the GLP-2 analog compounds in the licensed field (unless on Helsinn's behalf).

Under the Helsinn License Agreement, Helsinn also had a right of first refusal to license from us any compound (other than Elsiglutide) in the cancer supportive care field. Additionally, Helsinn also had a right to conduct diligence on, and extend its license under the Helsinn License Agreement to, a GLP-2 analog compound for use in the diagnosis, prevention and treatment of any indication in humans other than the licensed field, Crohn's disease, and Ulcerative Colitis. Helsinn was required to use commercially reasonable efforts to develop, seek approval for and commercialize Elsiglutide (or the back-up compound) in accordance with a then mutually agreed development plan. Helsinn had the right to develop, carry out, and license any improvements to Elsiglutide or any combination products in the licensed field. Under the terms of the Helsinn License Agreement, Helsinn owns any improvements made to the Elsiglutide or the combination products made by Helsinn, or by us when we acted as a contract research organization, in the licensed field. The parties jointly own any improvements made jointly by the parties during the term of the Helsinn License Agreement.

In June 2017, the Helsinn License Agreement was terminated. Under the Helsinn License Agreement, Helsinn had been responsible for the clinical development of Elsiglutide. We have not yet decided whether to further advance the clinical development of Elsiglutide in CID or other indications now that, following the termination of our collaboration with Helsinn, we have the right to do so. Should we elect in the future to advance Elsiglutide on our own, depending on the nature of the data we use to support such development, we may be obligated to repay Helsinn certain of the costs incurred by it when it was responsible for the program. Termination of our collaboration allows us to explore the possible use of Elsiglutide or other GLP-2 product candidates we have developed in cancer supportive care as, under our collaboration with Helsinn, it previously had a right of first refusal to license from us any compound (other than Elsiglutide) in this field.

19.4 Co-development Agreement with Beta Bionics

Our Beta Bionics Co-development Agreement (the "**Beta Bionics Co-development Agreement**") establishes general principles, roles, responsibilities and commitments for the conduct of clinical trials investigating the use of Dasiglucagon with Beta Bionics' iLet investigational bionic pancreas. Under the Beta Bionics Co-development Agreement, we have agreed with Beta Bionics on a cooperative program intended to advance towards regulatory approval of Dasiglucagon for use in a dual-hormone artificial pancreas device. This collaboration is non-exclusive, we have retained all intellectual property rights to Dasiglucagon and Beta Bionics has retained all intellectual property rights to the iLet bionic pancreas. The Beta Bionics Co-development Agreement includes provisions giving us ownership of intellectual property rights arising as a result of co-development activities and necessary or useful for research and development of Dasiglucagon, while Beta Bionics will own intellectual property rights arising as a result of co-development activities and necessary or useful for research and development of the iLet bionic pancreas. Terms and conditions of any future commercial supply of either Dasiglucagon or the iLet bionic pancreas are left to negotiations.

19.5 ZP SPV Notes (Royalty Bond)

On 12 December 2014, our indirect, wholly owned subsidiary ZP SPV, issued USD 50 million 9.375% Senior Secured Notes due 15 March 2026 (the ZP SPV Notes). On 15 March 2017, we amended the ZP SPV Notes to provide for the redemption of USD 25 million of the ZP SPV Notes at premium of 103% of the notes being redeemed. The amendment to the ZP SPV Notes provides that, following such redemption, the remaining USD 25 million will be payable in full on 15 March 2021, subject to early redemption rights and conditions that ZP SPV holds as the issuer of the notes.

The terms of the ZP SPV Notes provide that interest is payable semi-annually in cash on 15 March and 15 September of each year. On any payment date from and after 15 March 2016, ZP SPV may redeem all or a portion of the ZP SPV Notes, by paying a redemption price equal to a specified percentage of the principal amount of the ZP SPV Notes being redeemed, plus accrued and unpaid interest, if any, to the redemption date. The terms of the ZP SPV Notes provide that for any redemption occurring prior to 15 March 2018, the principal component of the redemption price will be 108% of the principal amount of the ZP SPV Notes redeemed; for any redemption occurring on or after 15 March 2018 but prior to 15 March 2019, the principal component of the redemption price will be 103% of the principal amount of the ZP SPV Notes redeemed; for any redemption occurring on or after 15 March 2019 but prior to 16 March 2020, the principal component of the redemption price will be 101% of the principal amount of the ZP SPV Notes being redeemed; and for any redemption occurring on or after 16 March 2020, the principal component of the redemption price will be 100% of the principal amount of the ZP SPV Notes redeemed.

In connection with the issuance of the ZP SPV Notes, we contributed certain assets, including the Sanofi License Agreement, all intellectual property licensed and to be licensed under the Sanofi License Agreement and our agreement with Elan (now Alkermes, as successor in interest to the Elan business) relating to the commercialization of Lixisenatide, to our wholly owned subsidiary ZP Holding pursuant to a master contribution agreement. Similarly, in connection with the issuance of the ZP SPV Notes, ZP Holding sold and transferred to ZP SPV 86.5% of the royalties under the Sanofi License Agreement with respect to sales of Adlyxin / Lyxumia after the date of transfer on a country-by-country basis and 86.5% of certain commercial milestone payments

under the Sanofi License Agreement relating to Lyxumia and the Group 2 Products (as described under the Sanofi License Agreement). The ZP SPV Notes are secured by a first priority security interest in the assets sold by ZP Holding to ZP SPV, which also provide the revenue to fund the payment of principal and interest on the ZP SPV Notes. Pursuant to a servicing agreement with ZP SPV, Zealand Pharma has agreed to service, monitor, manage and administer such assets and the collection of payments on such assets on behalf of ZP SPV.

Repayment of amounts due under the ZP SPV Notes is limited solely to stand-alone royalty revenue on Lixisenatide, with no recourse to future royalty revenue on other out-licensed product candidates, including Soliqua100/33 / Suliqua. The ZP SPV Notes initially required us to maintain a collateral reserve account securing our payment obligations thereunder, and that such collateral reserve account be funded by certain milestone payments related to both Lixisenatide and Soliqua100/33 / Suliqua. Following our amendment of the ZP SPV Notes and the concurrent redemption, the remaining USD 26.2 million held as collateral for the ZP SPV Notes in the collateral reserve account was released to Zealand Pharma. Additionally, on 15 March 2017, Zealand Pharma issued a guarantee in favor of the trustee and the holders of the ZP SPV Notes, guaranteeing the payment and performance by ZP SPV of the secured obligations (as such term is defined in the indenture governing the ZP SPV Notes) thereunder. Upon the full repayment of the ZP SPV Notes, ZP SPV will fully retain all further future Lixisenatide revenue, subject to payment obligations to Alkermes and one of the inventors of our SIP technology, described above.

We are obligated to pay Alkermes 13% of all future milestone payments relating to Adlyxin / Lyxumia and Soliqua100/33 / Suliqua. Alkermes is the successor in interest to a termination agreement among each of us, Elan, and certain of Elan's subsidiaries that were all party to a now-terminated joint venture agreement relating to Lixisenatide. In addition, we agreed to pay one of our employees who was involved in inventing Lixisenatide a royalty of 0.5% on all such milestone and royalty payments. With respect to the remaining 86.5% of royalty revenue on Adlyxin/Lyxumia, we have instructed the licensee to pay this revenue directly into a collection account for the purpose of paying interest and principal on the outstanding principal balance of the ZP SPV Notes. No royalty payments on revenue that we expect to receive from Soliqua100/33 / Suliqua will be required to repay the ZP SPV Notes. As of 30 June 2017, we had paid DKK 75.9 million (USD 10.9 million), or 86.5% from royalties received in 2015, 2016 and the first six months of 2017 in respect of Lyxumia into a collection account to service the payments of principal and interest on the ZP SPV Notes.

The indenture governing the ZP SPV Notes restricts ZP SPV's ability to, among other things:

- incur, create, assume or guarantee additional indebtedness other than certain subordinated notes;
- make certain payments, including dividends or other distributions or prepayments of subordinated debt;
- assign or pledge any of its right, title or interest in the collateral under the indenture;
- create certain liens;
- transfer, issue, deliver or sell, or consent to transfer, issue, deliver or sell, any equity ownership interests in ZP SPV; and
- consolidate, amalgamate, merge or transfer all or substantially all of ZP SPV's assets.

However, these limitations are subject to a variety of exceptions and qualifications.

The ZP SPV Notes include customary events of default, including failure to pay principal and interest on the ZP SPV Notes, a failure of ZP SPV or ZP Holding to pay material judgments or indebtedness, our failure to comply with covenants, ZP SPV or ZP Holding, a failure to maintain a first priority security interest in the collateral, a change of control with respect to ZP SPV or ZP Holding, and bankruptcy and insolvency events.

19.6 Deposit Agreement

See "*Description of the Offering and American Depositary Shares - Deposit Agreement*" on page 67.

19.7 Underwriting Agreement

Zealand Pharma has entered into an underwriting agreement (the Underwriting Agreement) with Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the Underwriters, in relation to the Offering of the New Shares to be delivered in the form of ADSs dated the date of the U.S. Prospectus. For more information, see "*Description of the Offering and American Depositary Shares - The Offering*" on page 67.

20. THIRD PARTY INFORMATION AND EXPERT STATEMENTS

Unless otherwise indicated, information contained in this Prospectus concerning our industry and the markets in which we operate, including our general expectations, market position, market opportunity and market share, is based on information from our own management estimates and research, as well as from industry and general publications, research, surveys and studies conducted by third parties. Management estimates are derived from publicly available information, our knowledge of our industry and assumptions based on such information and knowledge, which we believe to be reasonable. In addition, assumptions and estimates of our and our industry's future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in section *"Risk Factors"* on page 36.

Further, this Prospectus presents market and industry data and other information from, among others sources, IMS Health. IMS Health and the publishers of other sources used in this Prospectus have granted us permission to reference such data and information, and each expressly reserves all rights, including rights of copying, distribution and republication. Such data and information is based on the research, analysis and viewpoints of the publisher thereof and speaks as of its original publication dates and not as of the date of this prospectus. Such referred information has been accurately reproduced and as we are aware no facts have been omitted which would render the reproduced information inaccurate or misleading.

21. DOCUMENTS ON DISPLAY

The documents listed below have been published in connection with or prior to the publication of this Prospectus:

- Articles of Association, including all exhibits;
- Memorandum of association;
- Consolidated financial statements for the financial years 2016 and 2015, respectively;
- Financial statements for the financial years 2016 and 2015, respectively, of ZP General Partner 1, a wholly-owned subsidiary of the Company;
- Financial statements for the financial years 2016 and 2015, respectively, of ZP General Partner 2, a wholly-owned subsidiary of ZP Holding;
- Interim financial statements for the three months ended 31 March 2017, with comparative figures for the three months ended 31 March 2016, presented therein; and
- The Board of Directors' resolution to increase the share capital dated 9 August 2017.

ZP Holding and ZP SPV have not made financial statements for the financial years 2016 and 2015, respectively, as these companies as limited partnerships within the Zealand Pharma Group are exempt from making financial statements pursuant to Danish Financial Statements Act.

The documents will be available for physical inspection during usual business hours at our office at Smedeland 36, 2600 Glostrup, Denmark, and on the website www.Zealandpharma.com.

In addition, our Articles of Association, excluding exhibits, are attached as Appendix A.

22. INFORMATION ON HOLDINGS

As of the date of this Prospectus we have no ownership interests in companies other than as set out or referred to in section 4, *"Organization Structure".*

PART II. SHARE SECURITIES NOTE

This Part II has been prepared in conformity with Annex III of the Prospectus Regulation.

1. PERSONS RESPONSIBLE

See "*Responsibility Statement*" on page 8.

2. RISK FACTORS

For a description of risks related to the Shares, see "*Risk Factors*" on page 36.

3. ESSENTIAL INFORMATION

3.1 Working Capital Statement

We believe that the net proceeds from the Offering, together with our existing cash and cash equivalents, revenue from milestones pursuant to collaborations and other committed sources of funds, will be sufficient to enable us to fund our anticipated operating expenses, capital expenditure and debt service requirements for the next 12 months following the date of this Prospectus. We have based this estimate on assumptions that may prove to be wrong.

We expect to continue to fund a significant portion of our development costs for our internal product candidates with funds received from milestone and royalty payments. There are numerous risks and uncertainties associated with the development and commercialization of our product candidates. In addition, our ability to borrow additional amounts under loan agreements is subject to our satisfaction of specified conditions.

Our future capital requirements will depend on many factors, including, but not limited to:

- the level and timing of sales of our out-licensed products, including Adlyxin / Lyxumia and Soliqua100/33 / Suliqua;
- the timing and amount of milestone and royalty payments we receive;
- the scope, progress, results and costs of our preclinical and clinical development activities;
- the costs, timing and outcome of regulatory review of our product candidates;
- the number of, and development requirements for, product candidates that we may pursue;
- the costs of commercialization activities, including product marketing, sales and distribution of our internal product candidates;
- the costs involved in preparing, filing, prosecuting, maintaining and enforcing any future patent claims and other patent-related costs, including litigation costs and the results of such litigation;
- the extent to which we acquire or invest in businesses, products and technologies;
- our ability to establish and maintain collaborations, such as our collaborations with Sanofi, Helsinn and BI.

To the extent our capital resources are insufficient to meet our future capital requirements, we will need to finance our cash needs through public or private equity offerings, debt financings, or corporate collaboration and licensing arrangements.

Additional equity or debt financing, grants or corporate collaboration and licensing arrangements may not be available on acceptable terms, if at all. If adequate funds are not available, we may be required to delay, reduce the scope of or eliminate our R&D programs or reduce our planned commercialization efforts. If we raise additional funds by issuing equity securities, our Shareholders may experience dilution. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, declaring dividends or repurchasing our Shares or ADSs. Any debt financing or additional equity that we raise may contain terms, such as liquidation and other preferences that are not favorable to us or our Shareholders. If we raise additional funds through collaboration and licensing arrangements with third parties, it may be necessary to relinquish valuable rights to our technologies or product candidates, or grant licenses on terms that may not be favorable to us. See ‘‘*Risk Factors*” on page 36.

3.2 Capitalization and Indebtedness

The table below sets out the Zealand Pharma Group's capitalization as of 31 May 2017.

	As of 31 May 2017
(in millions)	
	DKK
Cash and cash equivalents	341.9
Restricted cash	6.3
Total Cash, Cash Equivalents and Restricted Cash	348.2
SPV Notes	153.9

Total Debt	206.9
Share capital	26.2
Retained losses	(1,118)
Total Equity	372
Total Capitalization	1.8

Other than the SPV Notes, the Zealand Pharma Group has no secured or guaranteed debt.

3.3 Interest of Natural or Legal Persons Involved in the Offering

The Underwriters and their respective affiliates have from time to time engaged in, and may in the future engage in, commercial banking, investment banking and financial advisory transactions and services in the ordinary course of their business with us or any of our related parties. With respect to certain of these transactions and services, the sharing of information is generally restricted for reasons of confidentiality, internal procedures or applicable rules and regulations. The Underwriters have received and will receive customary fees and commissions for these transactions and services and may come to have interests that may not be aligned or could potentially conflict with interests of the Existing and/or New Shareholders and our prospective future investors.

Additionally, certain members of the Executive Management and certain of the Key Employees participate in our warrant incentive program and may therefore have an economic interest in the Offering.

Except for this, we are not aware of any interests, including conflicting ones, which are material to the Admission.

3.4 Reasons for the Offering and use of Proceeds

We estimate that the net proceeds from the Offering will be approximately DKK 427,916,648, after deducting the underwriting commission and estimated offering expenses payable by us. If Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the Underwriters, exercise the Over-allotment Option in full, we estimate that the net proceeds to us from the Offering will be approximately DKK 496,626,239, after deducting the underwriting commission and estimated offering expenses payable by us.

Our reason for the Offering is to raise funds to support our business. We intend to use the net proceeds from the Offering together with our existing cash resources, for the following purposes:

- approximately USD 45 million to fund clinical trials and registration of Glepaglutide as a treatment for SBS;
- 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.

Our expected use of the net proceeds from the Offering represents our current intentions based upon our present plans and business conditions. As of the date of this Prospectus, we cannot predict with certainty all of the particulars of the net proceeds of the Offering or the amounts that we will actually spend on the uses set forth above. The amounts and timing of our actual use of net proceeds will vary based on numerous factors, including our ability to obtain additional financing, the relative success and cost of our research, preclinical and clinical development programs, and whether we enter into

collaborations with third parties in the future. As a result, management will have broad discretion in the application of the net proceeds, and investors will be relying on our judgment regarding the application of the net proceeds of the Offering. See *"Risk Factors"* on page 36.

4. INFORMATION ABOUT THE SECURITIES TO BE ADMITTED TO TRADING

4.1 Type and Class of the Shares

Zealand Pharma has only one class of Shares.

Application has been made for the New Shares to be admitted to trading and official listing on Nasdaq Copenhagen under the symbol "ZEAL" and in the ISIN code DK0060257814 for the Company's Existing Shares.

4.2 Governing Law and Jurisdiction

The Shares will be issued in accordance with Danish law. The Offering has, however, been made in accordance with U.S. law.

This Prospectus has been prepared in compliance with the standards and requirements of Danish law, including the rules issued by Nasdaq Copenhagen.

Any dispute that may arise as a result of the Admission is subject to the exclusive jurisdiction of the Danish courts.

The Company is organized under the laws of Denmark, almost all members of the Company's Board of Directors and all of the Executive Management reside in countries other than the United States, and a majority of the Zealand Pharma Group's assets are located outside of the United States.

As a result, it may not be possible for investors outside of Denmark to effect service of process upon the Company or such member of the Board of Directors or member of the Executive Management or to enforce against any of the aforementioned parties a judgement obtained in a United States court.

Original actions, or actions for the enforcement of judgements of United States courts, relating to the civil liability provisions of the federal or state securities laws of the United States are not directly enforceable in Denmark.

The United States and Denmark do not have a treaty providing for reciprocal recognition and enforcement of judgements, other than arbitration awards, in civil and commercial matters. Accordingly, a final judgement for the payment of money rendered by a United States court based on civil liability will not be directly enforceable in Denmark. However, if the party in whose favor such final judgement is rendered brings a new lawsuit in a competent court in Denmark, that party may submit to the Danish court the final judgement that has been rendered in the United States. A judgement by a federal or state court in the United States against the Company will neither be recognized nor enforced by a Danish court, but such judgement may serve as evidence in a similar action in a Danish court.

4.3 Registration

The New Shares will (as with the Existing Shares) be electronically registered in the holder's name in book-entry form with VP Securities, Weidekampsgade, 14, P.O. Box 4040, DK-2300 Copenhagen S, Denmark. All New Shares are registered in accounts with account holding banks in VP Securities. Investors that are not residents of Denmark may use a VP Securities member directly or their own bank's correspondent bank as their account holding bank or arrange for registration and settlement through Clearstream, 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg, or Euroclear, 1, Boulevard du Roi Albert II, B-1210 Brussels, Belgium.

The Company's shareholders' register is kept by Computershare A/S, company registration number (CVR-number) No. 27 08 88 99.

4.4 Currency

The New Shares will be denominated in DKK and paid for in United States. When calculating the subscription price for the New Shares in DKK, a USD/DKK exchange rate of 6.3 has been applied, which was the USD/DKK exchange rate as of 8 August 2017 as published by the Danish Central Bank.

4.5 Rights Attached to the New Shares

4.5.1 Dividend Rights

Each New Share entitles its holder to receive distributed dividends and will confer on the holder the right to receive dividends declared after the registration of the New Shares with the Danish Business Authority.

Our dividends, if declared, will be paid in DKK to the Shareholders' accounts set up through VP Securities. No restrictions on dividends or special procedures apply to holders of Shares who are not residents of Denmark. See section 4.10 "*Taxation*" below for a summary of certain tax consequences in relation to dividends or distributions to holders of Shares. Our expected dividend policy is described in Part I, section 17.4 *"Dividend Policy"*. Dividends not claimed by Shareholders will be forfeited in favor of the Company, normally after three years, under the general rules of Danish law or statute of limitations. The Articles of Association do not contain provisions on cumulative payments of dividend.

4.5.2 Voting Rights

A Shareholder is entitled to one vote for each nominal share amount of DKK 1 at our general meetings. As each New Share has a nominal value of DKK 1, each New Share confers one vote. Our Articles of Association allow for differentiated voting. A Shareholder's right to attend general meetings and vote on its Shares is determined on the basis of the Shares owned by the Shareholder on the record date. See section 4.5.4 *"Record Date"* below.

4.5.3 Pre-emptive Rights

If our Shareholders at a general meeting resolve to increase our share capital by a cash contribution, section 162 of the Danish Companies Act will apply. Under that section, Shareholders have a pre-emptive right to subscribe for new shares in proportion to their existing shareholdings. However, the pre-emptive right may be derogated from by a majority comprising at least two-thirds of the votes cast, as well as at least two-thirds of the share capital represented at the general meeting, provided the share capital increase takes place at market price or nine-tenths of the votes cast, as well as at least nine-tenths of the share capital represented at the general meeting if the share capital increase takes place below market price, unless (i) such capital increase is directed at certain but not all Shareholders (in which case all Shareholders must consent); or (ii) such capital increase is directed at our employees whereby a majority comprising at least two-thirds of the votes cast, as well as at least two-thirds of the share capital represented at the general meeting is required. Further, the pre-emptive rights may be derogated from by an exercise of the Board of Directors of a valid authorization in our Articles of Association, provided that the share capital increase takes place at or above market price.

The exercise of pre-emptive rights may be restricted for Shareholders resident in certain jurisdictions, including but not limited to Unites States, Canada, Japan and Australia, unless the Company decides to comply with applicable local requirements, and in case of U.S. holders unless a registration statement under U.S. Securities Act is effective with respect to these rights or an exemption from the registration requirements hereunder is available. In such case, Shareholders resident in such non-Danish jurisdictions may experience a dilution of their shareholding in us that may or may not be fully off-set by any compensation received in exchange of such subscription rights.

There can be no assurance that a registration statement will be made or that we will take any other steps necessary to enable Shareholders in Non-Danish jurisdictions to exercise their subscription rights.

We currently do not intend to register the Shares under the U.S. Securities Act and there can be no assurance that an exemption from such registration will be available to U.S. Shareholders in connection with future rights offerings, if any. Similar limitations may apply to Shareholders in other countries whose local law imposes similar restrictions. We expressly reserve the right not to take any steps in any jurisdictions outside of Denmark necessary in order to enable Shareholders outside of Denmark to take part in future offerings, if any.

4.5.4 Record Date

Shareholders' right to attend and vote at general meetings is determined on the basis of the Shares that the Shareholder owns on the record date. The record date is one week before a general meeting is held. The Shares which each Shareholder owns are calculated on the record date on the basis of the registration of ownership in the Company's shareholders' register as well as notifications concerning ownership which the Company has received with a view to update the ownership in the shareholders' register.

4.5.5 Rights on Solvent Liquidation

In the event of a solvent liquidation our Shareholders are entitled to participate in the distribution of assets in proportion to their nominal shareholdings after payment of our creditors.

4.5.6 Other Rights

None of the New Shares carry any redemption or conversion rights or any other special rights, but the New Shares may be subject to compulsory redemption pursuant to the Danish Companies Act, see section 4.9.2 *"Compulsory Redemption"* below.

4.6 Statement of Resolutions

The New Shares are issued by our Board of Directors pursuant to an authorization granted by our Shareholders at our general meeting on 31 July 2017 whereby our Board of Directors was authorized to issue new Shares with a nominal value of up to DKK 7,000,000 (7,000,000 new Shares) without pre-emptive rights for our existing Shareholders on one or more occasions until 1 May 2018. At a board meeting held on 9 August 2017, our Board of Directors decided to exercise this authorization in respect of the New Shares and in respect of up to 156,250 Over-allotment Shares, after which the remaining authorization following the Offering consists of 2,625,000 Shares (each of a nominal value DKK 1) (if the Over-allotment Option is not exercised by Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the Underwriters) and 2,468,750 Shares (each of a nominal value DKK 1) (if the Over-allotment Option is fully exercised). The New Shares issued pursuant to the Offering (and any Over-allotment Shares) will be issued against cash payment at a price that is at least equivalent to the market price of the Shares and without pre-emptive rights for our existing Shareholders.

4.7 Expected Date of Issue

The New Shares will be issued in the temporary ISIN code DK0060887321, expectedly on 14 August 2017, and will be admitted to trading and official listing on Nasdaq Copenhagen in the permanent ISIN code for the Company's Existing Shares, DK0060257814, and under the existing symbol "ZEAL", expectedly on 15 August 2017.

4.8 Limitations on Ownership

There are no restrictions on the sale of transferability of the New Shares under Danish law or under our Articles of Association.

4.9 Mandatory Takeover Bids and Compulsory Redemption

4.9.1 Mandatory Takeover Bids

The Danish Securities Trading Act and the Executive Order no. 562 of 2 June 2014 on takeovers include rules concerning public offers for the acquisition of shares admitted to trading on a regulated market.

If a shareholding is transferred, directly or indirectly, in a company with one or more share classes admitted to trading on a regulated market or an alternative market place, to an acquirer or to persons acting in concert with such acquirer, the acquirer must give all shareholders of the company the option to dispose of their shares on identical terms if the acquirer gains a controlling interest as a result of the transfer.

A controlling interest exists if the acquirer, directly or indirectly, holds more than one third of the voting rights in the company, unless it can be clearly proven in special cases that such ownership does not constitute a controlling interest. An acquirer who does not hold more than one third of the voting rights in a company nevertheless has a controlling interest when the acquirer has:

- the right to control more than one third of the voting rights in the company according to an agreement with other investors;
- the right to control the financial and operational affairs of the company according to the articles of association or agreement; or
- the right to appoint or dismiss a majority of the members of the supervisory body and this body has controlling influence over the company.

Warrants, call options and other potential voting rights, which may currently be exercised or converted, must be taken into account in the assessment of whether the acquirer holds a controlling interest. Voting rights attached to treasury shares must be included in the calculation of voting rights. Exemptions from the mandatory tender offer rules may be granted under special circumstances by the Danish FSA.

No public takeover bids by any third parties in respect of the Shares have occurred during the last financial year and the current financial year.

4.9.2 Compulsory Redemption

Where a shareholder holds more than 90% of the shares in a company and a corresponding proportion of the voting rights, such shareholder may, pursuant to the Danish Companies Act, section 70, decide that the other shareholders have their shares redeemed by that shareholder. In this case, the other shareholders must be requested, under the rules governing notices for general meeting, to transfer their shares to the shareholder within four weeks. If the redemption price cannot be agreed upon, the redemption price must be determined by an independent expert appointed by the court in the jurisdiction of the company's registered office in accordance with the provisions of the Danish Companies Act. Specific requirements apply to the contents of the notice to the other shareholders regarding the redemption. If not all minority shareholders have transferred their shares to the acquiring shareholder within the four-week deadline, the acquiring shareholder shall, as soon as possible, unconditionally deposit in favor of the relevant minority shareholders an amount corresponding to the redemption price for those shares not transferred in accordance with the Danish Act on the right for debtors to release themselves from obligations by way of deposit. Upon the deposit, such minority shareholders will have been redeemed.

Furthermore, where a shareholder holds more than 90% of the shares in a company and a corresponding proportion of the voting rights, the other shareholders may require such shareholder to acquire their shares pursuant to section 73 of the Danish Companies Act. If the redemption price cannot be agreed upon, the redemption price is determined by an independent expert appointed by the court in the jurisdiction of the company's registered office in accordance with the provisions of the Danish Companies Act. The redemption offer is, inter alia, required to be communicated through the Danish Business Authority's IT system at the time of notification of the four-week period. Redemption of the remaining shareholders will be carried out at the time of the expiry of the four-week period even if the redemption price remains subject to final determination by an expert, provided that funds representing the redemption price have been deposited by the majority shareholder.

4.10 Taxation

The following is a summary of certain Danish income tax considerations relating to the New Shares.

The summary is for general information only and does not purport to constitute exhaustive tax or legal advice. It is specifically noted that the summary does not address all possible tax consequences relating to the Shares. The summary is based solely upon the tax laws of Denmark in effect on the date of this Prospectus. Danish tax laws may be subject to change, possibly with retroactive effect.

The summary does not cover investors to whom special tax rules apply, and, therefore, may not be relevant, for example, to investors subject to the Danish Tax on Pension Yields Act (i.e. pension savings), professional investors, certain institutional investors, insurance companies, pension companies, banks, stockbrokers and investors with tax liability on return on pension investments. The summary does not cover taxation of individuals and companies who carry on a business of purchasing and selling shares. The summary only sets out the tax position of the direct owners of the Shares and further assumes that the direct investors are the beneficial owners of the Shares and any dividends thereon. Sales are assumed to be sales to a third party. For shareholders residing outside Denmark, this summary further assumes that the shareholder does not have a permanent establishment in Denmark.

Shareholders are advised to consult their tax advisors regarding the applicable tax consequences of the Issue, acquiring, holding and disposing of the Shares based on their particular circumstances. Shareholders who may be affected by the tax laws of other jurisdictions should consult their tax advisors with respect to the tax consequences applicable to their particular circumstances as such consequences may differ significantly from those described herein.

4.10.1 Tax Considerations Relating to the Shares

The following includes a summary of certain Danish tax considerations relating to the Shares. The summary is subject to the general reservations outlined above.

4.10.2 Taxation of Danish tax Resident Shareholders

Sale of Shares (Individuals)

In 2017, gains from the sale of shares are taxed as share income at a rate of 27% on the first DKK 51,700 (for cohabiting spouses, a total of DKK 103,400) and at a rate of 42% on share income exceeding DKK 51,700 (for cohabiting spouses over DKK 103,400). Such amounts are subject to annual adjustments and include all share income (i.e., all capital gains and dividends derived by the individual or cohabiting spouses, respectively).

Gains and losses on the sale of shares admitted to trading on a regulated market are calculated as the difference between the purchase price and the sales price. The purchase price is generally determined using the average method, which means that each share is considered acquired for a price equivalent to the average acquisition price of all the shareholder's shares in the issuing company.

Losses on the sale of shares admitted to trading on a regulated market can only be offset against other share income deriving from shares admitted to trading on a regulated market, (i.e., received dividends and capital gains on the sale of shares admitted to trading on a regulated market). Unused losses will automatically be offset against a cohabiting spouse's share income deriving from shares admitted to trading on a regulated market and additional losses can be carried forward indefinitely and offset against future share income deriving from shares admitted to trading on a regulated market.

Losses on shares admitted to trading on a regulated market may only be set off against gains and dividends on other shares admitted to trading on a regulated market as outlined above if the Danish tax authorities have received certain information relating to the shares before expiry of the tax return filing deadline for the income year in which the shares were acquired. This information is normally provided to the Danish tax authorities by the securities dealer.

Sale of Shares (Companies)

For the purpose of taxation of sales of shares made by shareholders, a distinction is made between Subsidiary Shares, Group Shares, Tax-Exempt Portfolio Shares and Taxable Portfolio Shares:

"**Subsidiary Shares**" are generally defined as shares owned by a corporate shareholder holding at least 10% of the nominal share capital of the issuing company.

"**Group Shares**" are generally defined as shares in a company in which the shareholder of the company and the issuing company are subject to Danish joint taxation or fulfil the requirements for international joint taxation under Danish law.

"**Tax-Exempt Portfolio Shares**" are generally defined as shares not admitted to trading on a regulated market owned by a corporate shareholder holding less than 10% of the nominal share capital of the issuing company. As our shares are listed, the rules on tax-exempt portfolio shares are not applicable to our shares.

"**Taxable Portfolio Shares**" are defined as shares that do not qualify as Subsidiary Shares, Group Shares or Tax-Exempt Portfolio Shares. As our Shares are listed, our shares would thus qualify as taxable portfolio shares if the shareholder holds less than 10% of the share capital.

Gains or losses on disposal of Subsidiary Shares, Group Shares and Tax-Exempt Portfolio Shares are not included in the taxable income of the shareholder.

Special rules apply with respect to Subsidiary Shares and Group Shares in order to prevent exemption through certain holding company structures just as other anti-avoidance rules may apply. These rules will not be described in further detail.

Capital gains from the sale of Taxable Portfolio Shares admitted to trading on a regulated market are taxable at a rate of 22% irrespective of ownership period. Losses on such shares are deductible.

Gains and losses on Taxable Portfolio Shares admitted to trading on a regulated market are taxable according to the mark-to-market principle. According to the mark-to-market principle, each year's taxable gain or loss is calculated as the difference between the market value of the shares at the beginning and end of the tax year. Thus, taxation will take place on an accrual basis even if no shares have been disposed of and no gains or losses have been realized. If the Taxable Portfolio Shares are sold or otherwise disposed of before the end of the income year, the taxable income of that income year equals the difference between the value of the Taxable Portfolio Shares at the beginning of the income year and the realization sum. If the Taxable Portfolio Shares are acquired and realized in the same income year, the taxable income equals the difference between the acquisition sum and the realization sum. If the Taxable Portfolio Shares are acquired in the income year and not realized in the same income year, the taxable income equals the difference between the acquisition sum and the value of the shares at the end of the income years.

A change of status from Subsidiary Shares/Group Shares/Tax-Exempt Portfolio Shares to Taxable Portfolio Shares (or vice versa) is for tax purposes deemed to be a disposal of the shares and a reacquisition of the shares at market value at the time of change of status.

Dividends (Individuals)
Dividends paid to individuals who are tax residents of Denmark are taxed as share income, as described above. All share income must be included when calculating whether the amounts mentioned above are exceeded.

Dividends paid to individuals are generally subject to 27% withholding tax.

Dividends (Companies)
Dividends paid on Taxable Portfolio Shares are subject to the standard corporation tax rate of 22% irrespective of ownership period.

The withholding tax rate is 22%. If the distributing company withholds a higher amount, the shareholder can claim a refund of the excess tax. A claim for repayment must be filed within two months. Otherwise, the excess tax will be credited in the corporate income tax for the year.

Dividends received on Subsidiary Shares and Group Shares are tax-exempt (and exempt from withholding tax) irrespective of ownership period subject to certain anti-avoidance rules that will not be described in further detail.

4.10.3 Taxation of Shareholders Residing Outside Denmark

Sale of Shares (Individuals and Companies)

Shareholders not resident in Denmark are normally not subject to Danish taxation on any gains realized on the sale of shares, irrespective of the ownership period, subject to certain anti-avoidance rules that will not be described in further detail.

Dividends (Individuals)

Under Danish law, dividends paid in respect of shares are generally subject to Danish withholding tax at a rate of 27%. If the withholding tax rate applied is higher than the applicable final tax rate for the shareholder, a request for a refund of Danish tax in excess hereof can be made by the shareholder in the following situations:

Double taxation treaty

In the event that the shareholder is a resident of a state with which Denmark has entered into a double taxation treaty and the shareholder is entitled to the benefits under such treaty, the shareholder may generally, through certain certification procedures, seek a refund from the Danish tax authorities of the tax withheld in excess of the applicable treaty rate, which is typically 15%. Denmark has a large network of tax treaties. A shareholder's entitlement to a reduced tax rate under an applicable tax treaty is subject to a Danish anti-avoidance rule that will not be described in further detail.

Credit under Danish tax law

If the shareholder holds less than 10% of the nominal share capital of the company and the shareholder is tax resident in a state which has a double tax treaty or an international agreement, convention or other administrative agreement on assistance in tax matters with Denmark according to which the competent authority in the state of the shareholder is obligated to exchange information with Denmark, dividends are subject to tax at a rate of 15%. If the shareholder is tax resident outside the EU, it is an additional requirement for eligibility for the 15% tax rate that the shareholder together with related shareholders holds less than 10% of the nominal share capital of the company. Note that the reduced tax rate does not affect the withholding rate, why the shareholder must also in this situation claim a refund as described above in order to benefit from the reduced rate.

A request for refund must be accompanied by certain documentation. Generally, a refund of tax withheld in excess of the applicable treaty rate shall be paid within six months following the Danish tax authorities' receipt of the refund claim. If the refund is paid later than six months after the receipt of the claim, interest will be calculated on the amount of refund. The six-month deadline can be suspended, if the Danish tax authorities are unable to determine

whether the taxpayer is entitled to a refund based on the taxpayer's affairs. If the deadline is suspended accordingly, computation of interest is also suspended.

Dividends (Companies)

Dividends received on Subsidiary Shares are exempt from Danish tax (including withholding tax) provided the taxation of the dividends is to be waived or reduced in accordance with the Parent-Subsidiary Directive (2011/96/EU) or in accordance with a tax treaty with the jurisdiction in which the company investor is resident. Further, dividends received on Group Shares – not being Subsidiary Shares – are exempt from Danish tax (including withholding tax) provided the company investor is a resident of the EU or the EEA and provided the taxation of dividends should have been waived or reduced in accordance with the Parent-Subsidiary Directive (2011/96/EU) or in accordance with a tax treaty with the country in which the company investor is resident had the shares been Subsidiary Shares. The aforesaid tax exemption for dividends on Subsidiary Shares and Group Shares is subject to a Danish anti-avoidance rule that will not be described in further detail.

Dividend payments on Taxable Portfolio Shares (and Subsidiary Shares and Group Shares, if not tax-exempt) will be subject to tax at the rate of 22%. However, the applicable withholding rate on such dividends is 27%, meaning that any foreign corporate shareholder can request a refund of at least 5%. Furthermore, the foreign corporate shareholder can make a request for a refund of Danish tax in the following situations:

Double taxation treaty

In the event that the shareholder is a resident of a state with which Denmark has entered into a double taxation treaty and the shareholder is entitled to the benefits under such treaty, the shareholder may generally, through certain certification procedures, seek a refund from the Danish tax authorities of the tax withheld in excess of the applicable treaty rate, which is typically 15%. Denmark has a large network of tax treaties. A shareholder's entitlement to a reduced tax rate under an applicable tax treaty is subject to a Danish anti-avoidance rule that will not be described in further detail.

Credit under Danish tax law

If the shareholder holds less than 10% of the nominal share capital in the company and the shareholder is resident in a jurisdiction which has a double taxation treaty or an international agreement, convention or other administrative agreement on assistance in tax according to which the competent authority in the state of the shareholder is obligated to exchange information with Denmark, dividends are generally subject to a tax rate of 15%. If the shareholder is tax resident outside the EU, it is an additional requirement for eligibility for the 15% tax rate that the shareholder together with related shareholders holds less than 10% of the nominal share capital of the company. Note that the reduced tax rate does not affect the withholding rate, why the shareholder must also in this situation claim a refund as described above in order to benefit from the reduced rate.

With respect to payment of refunds and documentation, reference is made to the above description "*Dividends (Individuals)*", which applies equally to corporate shareholders residing outside Denmark.

4.10.4 Share Transfer Tax and Stamp Duties

No Danish share transfer tax or stamp duties are payable on transfer of the Shares.

4.10.5 Withholding Tax Obligations

An issuer of shares is subject to Danish withholding tax obligations in accordance with applicable Danish laws.

4.10.6 Tax Treatment of ADSs Under Danish Tax Law

It is currently not clear under Danish tax legislation or case law how ADSs will be treated for Danish tax purposes.

5. TERMS AND CONDITONS

5.1 Conditions to Which the Admission is Subject

This Prospectus is a listing prospectus in which there is no public offering of New Shares in Denmark or the EEA. The New Shares will in their entirety be subscribed for by the Underwriters who have instructed us to deliver the New Shares to the Depositary, The Bank of New York Mellon whose business address is 101 Barclay Street, New York, New York 10286. We have entered into the Underwriting Agreement with Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the Underwriters in relation to the ADSs. For more information on the ADSs and the Underwriting Agreement. See "*Description of the Offering and the American Depositary Shares".*

The time table below is for the Offering and subsequent Admission:

Event	**Date**
Date of launch of the Offering in the United States and publication of the preliminary U.S. prospectus for the Offering in the United States	1 August 2017
Pricing of the Offering	9 August 2017 (CET)
Date of publication in the Unites States of the final U.S. Prospectus	9 August 2017
The ADSs started trading on NASDAQ	9 August 2017
Publication of this Prospectus	10 August 2017
Completion of the Offering in the United States (expected)	14 August 2017
Registration of the New Shares with the Danish Business Authority (expected)	14 August 2017
First day of trading of the New Shares on Nasdaq Copenhagen in the ISIN code for the Existing Shares (expected)	15 August 2017

The subscription price for the New Shares is DKK 112.58 (the "**Subscription Price**") corresponding to a price of DKK 112.58 per ADS (using a USD/DKK exchange rate of 6.3).

The New Shares are expected to be issued by us and the capital increase to be registered with the Danish Business Authority on 14 August 2017. The New Shares are expected to be delivered to the Depositary through the facilities of VP Securities. The New Shares will be registered and cleared through VP and have been accepted for clearing through Danske Bank A/S.

5.2 Total Amount

The Admission comprises a total of 4,375,000 New Shares, each with a nominal value of DKK 1. In addition, the Company may issue up to 156.250 Over-allotment Shares if the Over-allotment Option is fully exercised by Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the Underwriters. Any Over-allotment Shares issued by the Company will be admitted to trading and official listing on Nasdaq Copenhagen in reliance on the exemption in section 15(1) of the Danish Executive Order on Prospectuses and not on the basis of this Prospectus.

Gross proceeds from the Offering will be DKK 492,541,875 if the Over-allotment Option is not exercised, and net proceeds are expected to be DKK 427,916,648.

The Company has granted Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the Underwriters, an option to purchase up to an additional 656,250 Shares to be delivered in the form of ADSs solely for the purpose of covering any over-allotments of ADSs (the Over-allotment Option). The Over-allotment Option is exercisable for 30 days from the date of the Underwriting Agreement on 8 August 2017 and will expire on 7 September 2017. The Over-allotment Option may be exercised in full or in part. To the extent the Over-allotment Option is exercised by Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the Underwriters, the Company must deliver a number of Shares to the Underwriters corresponding to the number of additional ADSs in the ratio one ADS equals 1 Share. The Company must deliver up to 656,250 additional Shares if the Over-allotment Option is exercised. The Company will deliver up to 500,000 of such Shares in the form of Existing Shares held by the Company as treasury shares, or, if such 500,000 Existing Shares held by the Company as treasury shares are not sufficient to cover the Shares to be delivered, in the form of newly issued shares (the Over-allotment Shares). Hence, up to 156,250 additional Shares may be issued as Over-allotment Shares.

6. ADMISSION TO TRADING

6.1 General

The Existing Shares are admitted to trading and official listing on Nasdaq Copenhagen under the symbol “ZEAL” and in the ISIN code DK0060257814.

The Company is not aware of any other regulated markets or equivalent markets on which securities of the same class as the New Shares to be admitted to trading are already admitted to trading.

Application has been made for the New Shares to be admitted to trading and official listing on Nasdaq Copenhagen. It is expected that listing of the New Shares on Nasdaq Copenhagen under our existing symbol “ZEAL” and in the ISIN code for the Existing Shares, DK DK0060257814, will be effective on or about 15 August 2017 after registration of the capital increase relating to the New Shares with the Danish Business Authority, expected on 14 August 2017.

The New Shares are issued in connection with the Offering in the United States of 4,375,000 ADSs at a price of USD 17.87 per ADS. Each ADS represents 1 New Share. The New Shares are underlying the ADSs. The ADSs were listed and began trading on 9 August 2017 on NASDAQ under the symbol "ZEAL". The price of USD 17.87 per ADS corresponds to a subscription price of DKK 112.58 per New Share (using a USD/DKK exchange rate of 6.3).

The Bank of New York Mellon has been appointed as depositary for the ADSs and will be the holder of the New Shares upon issue.

Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, whose business addresses are 1585 Broadway New York, New York 10036, United States for Morgan Stanley & Co. LLC and 200 West Street New York, New York 10282, United States for Goldman Sachs & Co. LLC, were the joint global coordinators and bookrunners for the Offering and Guggenheim Securities, LLC and Needham & Company, LLC, whose business addresses are 330 Madison Ave, 15th Floor, New York, NY 10017, United States for Guggenheim Securities, LLC and 445 Park Avenue, New York, NY 10022, United States for Needham & Company, LLC, were co-lead managers for the Offering.

6.2 Market Maker

Zealand Pharma has not entered into any market maker agreements.

6.3 Stabilization

No stabilization activities will be made with respect to the New Shares.

In order to facilitate the Offering of the ADSs, the Underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the ADSs. Specifically, the Underwriters may sell more ADSs than they are obligated to purchase under the Underwriting Agreement, creating a short position. A short sale is covered if the short position is no greater than the number of ADSs available for purchase by the Underwriters under the Over-allotment Option. The Underwriters can close out a covered short sale by exercising the Over-allotment Option or purchasing ADSs in the open market. In determining the source of ADSs to close out a covered short sale, the Underwriters will consider, among other things, the open market price of ADSs compared to the price available under the Over-allotment Option. The Underwriters may also sell ADSs in excess of the Over-allotment Option, creating a naked short position. The Underwriters must close out any naked short position by purchasing ADSs in the open market or by purchasing shares in the open market and delivering them to the Depositary in exchange for ADSs. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the ADSs and Shares in the open market after pricing that could adversely affect investors who purchase in the Offering. As an additional means of facilitating the Offering, the Underwriters may bid for, and purchase, ADSs in the open market to stabilize the price of the ADSs and Shares. These activities may raise or maintain the market price of the ADSs above independent market levels or prevent or retard a decline in the market price of the ADSs. The Underwriters are not required to engage in these activities and may end any of these activities at any time. The stabilization activities relating to the ADSs may be carried out for a period of 30 days from the date of the Underwriting Agreement on 8 August 2017. The stabilization activities will be carried out under and in accordance with U.S. regulation, but in compliance with the disclosure obligations set out in the Market Abuse Regulation.

7. SELLING SECURITIES HOLDERS

7.1 Lock-up

In connection with the Offering, we, current members of our board of directors and our executive management and certain other holders of Shares have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the Underwriters, we and they will not, during the period ending 180 days (90 days for certain holders of Shares) after the date of the U.S. Prospectus (the "**Restricted Period**"):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Shares, ADSs or any securities convertible into or exercisable or exchangeable for Shares or ADSs; and
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares or ADSs

whether any such transaction described above is to be settled by delivery of Shares, ADSs or such other securities, in cash or otherwise. In addition, we and each such person have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the Underwriters, we and such person will not, during the Restricted Period, make any demand for, or exercise any right with respect to, the registration of any Shares, ADSs or any security convertible into or exercisable or exchangeable for Shares or ADSs.

There are certain customary exemptions to the lock-up undertaking.

8. EXPENSE OF THE ADMISSION

Gross proceeds from the Offering will be DKK 492,541.875 if the Over-allotment Option is not exercised, and net proceeds are expected to be DKK 427,916,648. If the Over-allotment Option is exercised in full, gross proceeds will be DKK 566,423,156, and net proceeds are expected to be DKK 496,626,239.

Most expenses in relation to the Offering are payable by us. These expenses are expected to be approximately DKK 64,625,227 if the Over-allotment Option is not exercised, and DKK 69,796,917 if the Over-allotment Option is exercised in full.

The Underwriters who are the sole subscribers for the New Shares have agreed to reimburse us for certain of the offering expenses. Hence, the Underwriters will reimburse an amount of DKK 1,231,354 if the Over-allotment Option is not exercised and DKK 1,416,057 if the Over-allotment Option is exercised in full. Apart from such reimbursed expenses, the Underwriters shall not bear expenses in relation to the Offering.

9. DILUTION

The Existing Shares at the date of this Prospectus will be diluted by the issue of 4,375,000 New Shares, corresponding to a nominal value of DKK 4,375,000**,** if the Over-allotment Option is not exercised, and 4,531,250 New Shares, corresponding to a nominal value of DKK 4,531,250**,** if the Over-allotment Option is exercised in full. Following the completion of the Offering, the Existing Shares will represent 14.31% of the Company's share capital if the Over-allotment Option is not exercised, and 14.75% if the Over-allotment Option is exercised in full.

10. ADDITIONAL INFORMATION

10.1 Advisors

- Legal advisor to Zealand: Plesner, Amerika Plads 37, DK-2100 Copenhagen OE, Denmark
- U.S. legal advisor to Zealand: Dechert LLP, 1095 Avenue of the Americas, New York, NY, 10036, USA.
- Auditor to Zealand: Deloitte Statsautoriseret Revisionspartnerselskab, Weidekampsgade 6, DK- 2300 Copenhagen S, Denmark
- Danish legal adviser to the Underwriters and verification lawyer: Kromann Reumert, Sundkrogsgade 5, DK-2100 Copenhagen OE, Denmark
- U.S. legal advisers to the Underwriters: Cooley LLP, 1114 Avenue of the Americas, New York, NY 10036, USA

10.2 Audited Information

This "*Part II - Share Securities Note*" does not contain any audited information.

10.3 Experts and Third Party Information

This "*Part II - Share Securities Note*" does not contain any expert statements or information from third parties.

PART III. Others

1. GLOSSARY

2011 BI License Agreement	2011 exclusive, worldwide license, R&D collaboration agreement with BI to advance novel GGDAs
2014 BI License Agreement	2014 exclusive worldwide license, R&D collaboration agreement with BI for the development of certain therapeutic peptides
ACA	United States Affordable Care Act
ADA	American Diabetes Association
Adlyxin	The brand name of Lixisenatide in the United States
Admission	The admission to trading and official listing on Nasdaq Copenhagen A/S of the New Shares
ADR	American Depositary Receipt
ADS Holder	A person registered as holding ADSs directly
ADSs	American Depositary Shares
AHCA	American Health Care Act
Alkermes	Alkermes plc.
America Invents Act	United States Leahy Smith America Invents Act
Amylin	A novel long-acting analog for the treatment of obesity and diabetes
ANDA(s)	Abbreviated Drug Application(s)
Articles of Association	The articles of association of the Company at any given date
Audit Committee	The audit committee of the Company
Beta Bionics	Beta Bionics, Inc.
Beta Bionics Co-development Agreement	Agreement on the conduct of clinical trials investigating the use of Dasiglucagon with Beta Bionics' iLet investigational bionic pancreas
BI	Boehringer Ingelheim International GmbH
BI License Agreements	The 2011 BI License Agreement and the 2014 BI License Agreement
Board of Directors	The board of directors of the Company at any given date
cGMPs	current Good Manufacturing Practices
Chairman	The chairman of the Board of Directors
CHI	Congenital hyperinsulinism, representing a heterogeneous group of rare, complicated, and challenging disorders in which genetic mutations cause beta cells in the pancreas to secrete insulin without regard to blood glucose levels, resulting in hypoglycemia
CHMP	Committee for Medicinal Products for Human Use of the EMA
CID	Chemotherapy induced diarrhea
Clearstream	Clearstream Banking, S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg
CMMS	Centers for Medicare & Medicaid Services
CMS	Concerned member states

Co-development Agreement	A co-development agreement with Beta Bionics
Company	Zealand Pharma A/S, a Danish limited liability company incorporated under Danish law and company registration number 20045078 having its registered address at Smedeland 36, DK-2600 Glostrup, Denmark
Corporate Governance Recommendations	The recommendations on Corporate Governance of the Danish Committee on Corporate Governance, issued on 6 May 2013, as updated in November 2014
CRO	Contract research organizations
CTA	Clinical trial authorization
Danish Business Authority	The Danish Business Authority (in Danish: "*Erhvervsstyrelsen*")
Danish Companies Act	Consolidated Act no. 1089 of 14 September 2015, as amended, on public and private limited liability companies
Danish Contracts Act	Consolidated Act no. 193 of 2 March 2016, as amended, on contracts
Danish Executive Order on Prospectuses	Executive order no. 1257 of 6 November 2015, as amended, on prospectuses admitted to trading on regulated market or public offer of securities of value above EUR 5 million
Danish Financial Statements Act	Consolidated Act no. 1580 of 10 December 2015, as amended, on financial statements
Danish FSA	The Danish Financial Supervisory Authority, (in Danish: "*Finanstilsynet*")
Danish Liability and Compensation Act	Consolidated Act no. 266 of 21 March 2014, as amended, on liability and compensation
Danish Securities Trading Act	Consolidated Act no. 251 of 21 March 2017 on securities trading
Danish Stock Option Act	Act no. 309 of 5 May 2004 on stock options and warrants under terms of employment, as amended
Dasiglucagon	Novel analog of human glucagon, a hormone that increases the level of blood glucose in the body
DCP	Decentralized procedure
Deposit Agreement	The deposit agreement among the Company, the Depositary, ADS holders and all other persons indirectly or beneficially holding ADSs.
Depositary	The Bank of New York Mellon
DKK	Danish Kroner
DPP4	Dipeptidyl peptidase 4 - a class of drugs used for the treatment of diabetes
EASD	European Association for the Study of Diabetes
EEA	European Economic Area
Elan	Company succeeded by Alkermes in respect of the commercialization of Lixisenatide
Elsiglutide	Novel long acting GLP-2 analog out licensed to Helsinn
EMA	European Medicines Agency
EPO	European Patent Office
EU	The European Union

EUR	The euro, the lawful currency of the participating member states in the Third Stage of the European and Monetary Union of the Treaty Establishing the European Community
Euroclear	Bank S.A./N.A., 1, Boulevard de Roi Albert II, B-1210 Brussels, Belgium
Exchange Act	The U.S. Securities Exchange Act of 1934
Executive Management	The executive management of the Company at any given time
Existing Shareholder	The shareholders of the Company prior to the issue of the New Shares
Existing Shares	The shares of the Company prior to the issue of the New Shares
FCPA	Unites States Foreign Corrupt Practices Act
FDA	Unites States Food and Drug Administration
FDCA	United States Federal Food, Drug, and Cosmetic Act
FSR-Danish Auditors	FSR - danske revisorer. Sectoral association for certified auditors in Denmark
FTE	Full-time equivalent
GCPs	Good clinical practices
GDP	Gross domestic product
GGDA	Glucagon/GLP-1 dual acting or actor. GLP-1
Glepaglutide	Novel long acting GLP-2 analog that is intended to have a better stability and solubility profile in a liquid formulation as compared to native GLP-2
GLP-1	Glucagon like peptide 1. GLP-1 analogs, which are synthetically modified versions of native GLP-1, are a class of medicines sometimes used as part of a treatment regime for type 2 diabetes
GLP-2	Glucagon like peptide 2. GLP-2 is native signaling hormone secreted upon nutrient intake which stimulates intestinal growth
HbA1c	Hemoglobin A1c (a measure of the three-month average blood glucose level)
Helsinn	Helsinn Healthcare S.A.
Helsinn License Agreement	A worldwide, exclusive license agreement with Helsinn entered into in 2008 and terminated in June 2017 related to patents and know-how required to research, develop, make, register, use, manufacture, distribute, and sell Elsiglutide in any supportive care indications in humans for the prevention or treatment of symptoms and diseases caused by cancer treatments
HIPAA	The United States federal Health Insurance Portability and Accountability Act of 1996
IDF	International Diabetes Federation
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board
IMS Health	IMS Health Information Service
IND	Investigational new drug
IP	Intellectual property
IRB	Institutional review board
ISIN	International Security Identification Number

JOBS Act	The United States Jumpstart Our Business Startups Act of 2012
Key Employees	Adam Steensberg and Andrew Parker
Lantus	Brand name of insulin glargine developed by Sanofi
Licensees	Sanofi, Helsinn, and BI, with whom we have existing collaboration agreements
Lixisenatide	Out licensed product for the treatment of adults with type 2 diabetes marketed by Sanofi under the brand name Lyxumia in the EU and various other jurisdictions and in the United States under the brand name Adlyxin
Lyxumia	The brand name for Lixisenatide in the EU and various other jurisdictions except the United States
Market Abuse Regulation	Commission Regulation (EU) no. 596/2014 of 16 April 2014
Medicaid	United States government insurance program for persons of all ages whose income and resources are insufficient to pay for health care
Medicare	United States federal health insurance program for persons aged 65 or older, certain younger persons with disabilities, and persons with end-stage renal disease (permanent kidney failure requiring dialysis or a transplant, sometimes called ESRD)
MRP	Mutual Recognition Procedure
NASDAQ	NASDAQ Global Select Market in the United States
Nasdaq Copenhagen	Nasdaq Copenhagen A/S
NCE	New chemical entity
NDA	New drug application
New Shareholders	Any person or entity subscribing for New Shares in the Company in the Offering
New Shares	4,375,000 new shares of the Company
NIH	National Institute of Health
Nomination Committee	The nomination committee of the Company
Offering	An initial public offering of 4,375,000 ADSs in the Unites States
Orphan Drug	Generic term for a drug used in the treatment of a rare and serious condition (threshold may vary in different jurisdictions)
Orphan Drug Act	United States Orphan Drug Act of 1983
Over-allotment Option	An over-allotment option granted by the Company to Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the Underwriters, as part of the Offering to purchase up to an additional 656,250 Shares to be delivered in the form of ADSs
Over-allotment Shares	Newly issued Shares to be delivered by the Company if Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the Underwriters, exercise the Over-allotment Option and the 500,000 treasury shares held by the Company are not sufficient to cover the Over-allotment Option. Any Over-allotment Shares issued by the Company will be admitted to trading and official listing on Nasdaq Copenhagen in reliance on the exemption in section 15(1) of the Danish Executive Order on Prospectuses and not on the basis of this Prospectus.
PCT	International Patent System (Patent Cooperation Treaty)
PDUFA	United States Prescription Drug User Fee Act

Phase 1	the initial phase of testing of an investigational drug on humans. Usually a Phase 1 clinical study is conducted in a small number of healthy volunteers or patients with a disease for which the drug may be useful. Generally, the study is designed to determine the side effects of the drug and its pharmacokinetics. Some information regarding drug efficacy may be collected if patients with a disease participate. A phase frequently encompasses more than one clinical trial. Phase 1 sometimes is sub-divided into Phases 1a and 1b, for example when the first set of Phase 1 (Phase 1a) is performed in healthy volunteers and a second set of Phase 1 trials (Phase 1b) is perfumed in patients with a disease
Phase 1a	in case Phase 1 is sub-divided, usually the initial phase of testing of an investigational drug on a small number of healthy humans to determine the side effects of the drug
Phase 1b	in case Phase 1 is sub-divided, usually the initial phase of testing of an investigational drug on patients with a disease for which the drug may be useful to collect information regarding drug efficacy
Phase 2	the intermediate phase of testing of an investigational drug in humans, usually conducted on patients with a disease for which the drug may be useful to evaluate dosing, obtain preliminary data on the effectiveness of the drug, and to acquire safety information. Phase 2 sometimes is sub-divided into Phases 2a and 2b. Phase 2a studies typically are smaller and shorter in duration and evaluate different drug doses to see how they affect certain tests that can indicate whether the drug is working as expected. Phase 2b studies typically enrol more patients, are of longer duration and evaluate whether the drug is offering clinical benefits to patients. Phase 2b studies sometimes are considered pivotal or registration-directed
Phase 2a	in case Phase 2 is sub-divided, typically smaller and shorter in duration and evaluation of different drug doses
Phase 2b	in case Phase 2 is sub-divided, typically enrolment of more patients, are of longer duration, evaluate whether the drug is offering clinical benefits to patients and sometimes considered pivotal or registration-directed
Phase 3	the final phase of testing an investigational drug on humans before regulatory approval and usually conducted in a large population of patients and generally designed to confirm the effectiveness of the drug, to evaluate the overall risk-benefit ratio, test the investigational drug in comparison with a standard treatment for the disease or a placebo
Phase 4	testing of a drug on humans after it has already been approved by regulatory authorities and can be used in medical practice, it may be conducted to compare the drug to a similar type of drug, to explore whether it may help patients with other diseases, to further study the long-term safety of the drug, or for other reasons
PREA	United States Pediatric Research Equity Act of 2003
Prospectus	This prospectus
Prospectus Directive	Directive 2003/71/EC (and amendments thereto)
Prospectus Regulation	Commission Regulation (EC) no. 809/2004 of 29 April, 2004 EC (and amendments thereto)
PTE	Patent Term Extension
R&D	Research and development
REMS	Risk Evaluation and Mitigation Strategy
Remuneration and Compensation Committee	The Company's remuneration and compensation committee

Restricted Period	The period ending 180 days after the date of the U.S. Prospectus
Sanofi	Sanofi S.A. and its subsidiaries (as the case may be)
Sanofi License Agreement	License agreement with Sanofi-Aventis Deutschland GmbH which grants Sanofi the exclusive worldwide rights to develop, manufacture, commercialize and market Lixisenatide, both as a standard-alone and combination therapy
Sarbanes-Oxley Act	United States Sarbanes-Oxley Act of 2002
SBS	Short bowel syndrome
SEC	United States Securities and Exchange Commission
SGLT2	sodium-glucose co-transporter 2 - another class of drugs used for the treatment of diabetes SGR Sustainable Growth Rate
Shares	Means shares in the Company at any given time, including the New Shares and the Existing Shares.
Shareholders	Shareholders of the Company at any given time
SIP	Structure induced probe
SKAT	The Danish tax authorities
Soliqua100/33	Brand name in the United States of a combination of Lixisenatide and Lantus developed by Sanofi and approved by the FDA
SoloSTAR	Pre filled pen for the dosing of medicines
SPC	Supplementary protection certificate
Subscription Price	DKK 112.58 per New Share
Suliqua	Brand name in Europe of a combination of Lixisenatide with Lantus developed by Sanofi and approved by the EMA
The Bank of New York Mellon	The Bank of New York Mellon, 225 Liberty Street, New York, New York 10286, Unites States
Underwriters	Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC as joint global coordinators and bookrunners, and Guggenheim Securities, LLC and Needham & Company, LLC as co-lead managers
Underwriting Agreement	The underwriting agreement dated 8 August 2017 (due to the time difference between Denmark and the Unites States) between the Company and Morgan Stanley & Co. LLC and Goldman Sachs & Co. LLC, as representatives of the Underwriters
U.S. or United States	United States of America
USD	United States Dollars
U.S. Prospectus	The final registration statements with the U.S. Securities and Exchange Commission on forms F-1 concerning the listing of the ADS on NASDAQ dated 9 August 2017
U.S. Securities Act	United States Securities Act of 1933
USPTO	United States Patent and Trademark Office
VP Securities	VP Securities A/S, a Danish limited liability company with company registration no. 21599336

Zealand Pharma	Zealand Pharma A/S, a Danish limited liability company incorporated under Danish law and company registration number 20045078 having its registered address at Smedeland 36, DK-2600 Glostrup, Denmark
Zealand Pharma Group	Zealand Pharma A/S including its subsidiaries
ZP General Partner 1	ZP General Partner 1 ApS
ZP General Partner 2	ZP General Partner 2 ApS
ZP Holding	ZP Holding SPV K/S
ZP SPV	ZP SPV1 K/S
ZP SPV Notes	USD 50 million 9.375% Senior Secured Notes issued by ZP SPV on 12 December 2014 by our indirect, wholly owned subsidiary, ZP SPV, with due date on 15 March 2021
ZP1848	Glepaglutide

APPENDIX A: ARTICLES OF ASSOCIATION

VEDTÆGTER		**ARTICLES OF ASSOCIATION**
ZEALAND PHARMA A/S (CVR-nr.: 20 04 50 78)		ZEALAND PHARMA A/S (CVR no.: 20 04 50 78)
1	**Navn**	**Name**
1.1	Selskabets navn er Zealand Pharma A/S.	The Company's name is Zealand Pharma A/S.
1.2	Selskabets binavn er Zealand Pharmaceuticals A/S.	The Company's secondary name is Zealand Pharmaceuticals A/S.
2	**Formål**	**Objects**
2.1	Selskabets formål er at drive forskning, produktion, handel og dermed beslægtet virksomhed, primært inden for medicinalbranchen.	The object of the Company is to engage in research, manufacture, trade and related activities, primarily within the pharmaceutical industry.
3	**Koncernsprog**	**Corporate language**
3.1	Selskabets koncernsprog er engelsk.	The corporate language of the Company is English.
4	**Aktiekapital**	**Share Capital**
4.1	Selskabets aktiekapital udgør DKK 26.187.402.	The share capital of the Company is DKK 26,187,402.
4.2	Aktiekapitalen er fuldt indbetalt.	The share capital has been paid up in full.
5	**Aktier**	**Shares**
5.1	Hver akties pålydende er DKK 1.	The nominal amount of each share is DKK 1.
5.2	Aktierne er udstedt gennem VP Securities A/S.	The shares are issued through VP Securities A/S.
5.3	Aktierne er omsætningspapirer.	The shares are negotiable instruments.
5.4	Ingen aktier har særlige rettigheder.	No shares carry any special rights.
5.5	Der gælder ingen indskrænkninger i aktiernes omsættelighed.	No restrictions shall apply as to the transferability of the shares.
5.6	Ingen aktionær skal være forpligtet til at lade sine aktier indløse helt eller delvist.	No shareholder shall be obliged to have the shares redeemed fully or partly.
5.7	Aktierne udstedes på navn og skal noteres i Selskabets ejerbog.	The shares shall be issued in the holder's name and shall be registered in the Company's Register of Shareholders.
5.8	Selskabets ejerbog føres af Computershare A/S, Kongevejen 418, 2840 Holte, der er valgt som ejerbogsfører på Selskabets vegne.	The Register of Shareholders is handled by Computershare A/S, Kongevejen 418, 2840 Holte, on behalf of the Company.
6	**Udbytte**	**Dividend**
6.1	Udbytte betales til aktionærerne ved overførsel gennem VP Securities A/S.	Dividend shall be paid out to shareholders by transfer through VP Securities A/S.

6.2 Udbytte, der ikke har været hævet inden tre år fra forfaldsdagen, tilfalder Selskabet.

Dividend that has not been claimed within three years of the due date shall accrue to the Company.

7 Bemyndigelse til kapitalforhøjelse

Authorization to increase the share capital

7.1 Bestyrelsen er i perioden indtil den 29. april 2019 bemyndiget til ad en eller flere gange at forhøje Selskabets aktiekapital ved udstedelse af nye aktier med indtil nominelt DKK 2.618.740. Forhøjelsen af aktiekapitalen skal ske til markedskurs og skal gennemføres uden fortegningsret for Selskabets eksisterende aktionærer. Bestyrelsen kan bestemme, at forhøjelsen skal ske ved kontant indbetaling, apportindskud eller ved konvertering af gæld.

During the period until 29 April 2019 the board of directors is authorized to increase at one or more times the Company's share capital by issuance of new shares of up to nominally DKK 2,618,740. The capital increase shall be effected at market price and shall be implemented without pre-emption rights for the Company's existing shareholders. The board of directors may decide to implement the capital increase by way of cash contribution, by contribution in kind or by debt conversion.

7.2 Bestyrelsen er i perioden indtil den 29. april 2019 bemyndiget til ad en eller flere gange at forhøje Selskabets aktiekapital ved udstedelse af nye aktier med indtil nominelt DKK 11.163.953. Forhøjelsen af aktiekapitalen skal gennemføres med fortegningsret for Selskabets eksisterende aktionærer, og den kan ske til en favørkurs fastsat af bestyrelsen. Bestyrelsen kan bestemme, at forhøjelsen skal ske ved kontant indbetaling, apportindskud eller ved konvertering af gæld.

During the period until 29 April 2019 the board of directors is authorized to increase at one or more times the Company's share capital by issuance of new shares by up to nominally DKK 11,163,953. The capital increase shall be implemented with pre-emption rights for the Company's existing shareholders and the subscription price may be a favourable price fixed by the board of directors of the Company. The board of directors may decide to implement the capital increase by way of cash contribution, by contribution in kind or by debt conversion.

7.3 De kapitalforhøjelser, som bestyrelsen er bemyndiget til at foretage i henhold til punkt 7.1 og 7.2, kan ikke overstige et samlet nominelt beløb på DKK 11.163.953.

The capital increases which the board of directors may decide upon pursuant to articles 7.1 and 7.2 cannot exceed a total aggregate nominal amount of DKK 11,163,953.

7.4 De nye aktier udstedt i henhold til punkt 7.1 og 7.2 skal være ligestillet med den bestående aktiekapital. De nye aktier skal være omsætningspapirer og navneaktier og skal noteres i Selskabets ejerbog. Ingen aktionær skal være forpligtet til at lade sine aktier indløse helt eller delvist. De nye aktier skal give ret til udbytte og andre rettigheder i Selskabet fra det tidspunkt, som fastsættes af bestyrelsen i forhøjelsesbeslutningen.

The new shares issued pursuant to articles 7.1 and 7.2 shall have the same rights as the existing shares of the Company. The new shares shall be negotiable instruments and issued in the holder's name and shall be registered in the Company's Register of Shareholders. No shareholder shall be obliged to have the shares redeemed fully or partly. The new shares shall give rights to dividends and other rights in the Company from the time which is determined by the board of directors in connection with the decision to increase the share capital.

7.5 Bestyrelsen er bemyndiget til at fastsætte de nærmere vilkår for kapitalforhøjelser i henhold til ovennævnte bemyndigelser. Bestyrelsen er endvidere bemyndiget til at foretage de ændringer i vedtægterne som måtte være nødvendige som følge af bestyrelsens udnyttelse af ovenstående bemyndigelser.

The board of directors is authorized to stipulate detailed terms and conditions governing capital increases under the authority given above. The board of directors is also authorized to amend these Articles of Association as required in connection with its use of such authority.

7A.1 Bestyrelsen er i perioden indtil den 1. maj 2018 bemyndiget til uden fortegningsret for Selskabets eksisterende aktionærer ad en eller flere gange at forhøje Selskabets aktiekapital ved

During the period until 1 May 2018 the board of directors is authorized to increase at one or more times the Company's share capital without pre-emption rights for the

udstedelse af nye aktier med indtil nominelt DKK 7.000.000. Forhøjelsen af aktiekapitalen skal ske til markedskurs som fastsat via en book-building proces med hensyntagen til børskursen for Selskabets aktier og skal ske ved kontant indbetaling.

Company's existing shareholders by issuance of new shares of up to nominally DKK 7,000,000. The capital increase shall be effected at market price as determined through a book-building process in consideration of the stock exchange quotation of the Company's shares and shall be effected by cash payment.

7A.2 De nye aktier udstedt i henhold til punkt 7A.1 skal være ligestillede med den bestående aktiekapital. De nye aktier skal være omsætningspapirer og navneaktier og skal noteres i Selskabets ejerbog. Ingen aktionær skal være forpligtet til at lade sine aktier indløse helt eller delvist. De nye aktier skal give ret til udbytte og andre rettigheder i Selskabet fra det tidspunkt, som fastsættes af bestyrelsen i forhøjelsesbeslutningen.

The new shares issued pursuant to article 7A.1 shall have the same rights as the existing shares of the Company. The new shares shall be negotiable instruments and issued in the holder's name and shall be registered in the Company's register of shareholders. No shareholder shall be obliged to have the shares redeemed fully or partly. The new shares shall give rights to dividends and other rights in the Company from such time as is determined by the board of directors in connection with the decision to increase the share capital.

7A.3 Bestyrelsen er bemyndiget til at fastsætte de nærmere vilkår for kapitalforhøjelser i henhold til ovennævnte bemyndigelse. Bestyrelsen er endvidere bemyndiget til at foretage de ændringer i vedtægterne som måtte være nødvendige som følge af bestyrelsens udnyttelse af ovenstående bemyndigelse.

The board of directors is authorized to stipulate detailed terms and conditions governing capital increases under the authority given above. The board of directors is also authorized to amend these articles of association as required in connection with its use of such authority.

8 Bemyndigelse til udstedelse af warrants

Authorization to issuance of warrants

8.1 På et bestyrelsesmøde i Selskabet afholdt den 19. november 2012 vedtog Selskabets bestyrelse at udstede warrants (2012-2 employee incentive program) i henhold til bemyndigelse, som udløb den 2. november 2015, svarende til nominelt DKK 214.883 aktier; og bestyrelsen vedtog samtidig at forhøje Selskabets aktiekapital i overensstemmelse dermed, i henhold til bemyndigelse, som udløb den 2. november 2015. De fuldstændige vilkår for warrants er vedlagt som bilag 8.1.d. Bilag 8.1.d udgør en integreret del af nærværende vedtægter.

At a meeting of the board of directors of the Company held on 19 November 2012, the board of directors of the Company resolved to issue warrants (2012-2 employee incentive program) pursuant to an authorization which expired on 2 November 2015, corresponding to a nominal amount of DKK 214,883 shares; and the board of directors at the same time resolved to increase the share capital of the Company in accordance therewith pursuant to an authorization which expired on 2 November 2015,. The complete terms of the warrants are attached as Schedule 8.1.d. Schedule 8.1.d constitutes an integrated part of these Articles of Association.

På et bestyrelsesmøde i Selskabet afholdt den 8. februar 2013 vedtog Selskabets bestyrelse at udstede warrants (2013-1 employee incentive program) i henhold til bemyndigelse, som udløb den 2. november 2015, svarende til nominelt DKK 389.762 aktier; og bestyrelsen vedtog samtidig at forhøje Selskabets aktiekapital i overensstemmelse dermed, i henhold til bemyndigelse, som udløb den 2. november 2015. Det konkrete antal warrants tildelt udgør 386.012. De fuldstændige vilkår for warrants er vedlagt som bilag 8.1.e. Bilag 8.1.e udgør en integreret del af nærværende vedtægter. 30.000 warrants

At a meeting of the board of directors of the Company held on 8 February 2013, the board of directors of the Company resolved to issue warrants (2013-1 employee incentive program) pursuant to an authorization which expired on 2 November 2015, corresponding to a nominal amount of DKK 389,762 shares; and the board of directors at the same time resolved to increase the share capital of the Company in accordance therewith pursuant to an authorization which expired on 2 November 2015. The final number of warrants granted is 386,012. The complete terms of the warrants are attached as Schedule 8.1.e.

er udnyttet den 30. marts 2016, 11.525 warrants er udnyttet den 14. april 2016, 5.850 warrants er udnyttet den 26. maj 2016, 5.000 warrants er udnyttet den 16. juni 2016, 6.250 warrants er udnyttet den 23. september 2016, 5.000 warrants er udnyttet den 25. november 2016, 9.500 warrants er udnyttet den 23. marts 2017, 22.000 warrants er udnyttet den 13. april 2017, 5.000 warrants er udnyttet den 30. maj 2017, 8.537 warrants er udnyttet den 15. juni 2017, og herefter udestår 277.350 warrants.

Schedule 8.1.e constitutes an integrated part of these Articles of Association. 30,000 warrants were exercised on 30 March 2016, 11,525 warrants were exercised on 14 April 2016, 5,850 warrants were exercised on 26 May 2016, 5,000 warrants were exercised on 16 June 2016, 6,250 warrants were exercised on 23 September 2016, 5,000 warrants were exercised on 25 November 2016, 9,500 warrants were exercised on 23 March 2017, 22,000 warrants were exercised on 13 April 2017, 5,000 warrants were exercised on 30 May 2017, 8,537 warrants were exercised on 15 June 2017, and thus 277,350 warrants are outstanding.

På et bestyrelsesmøde i Selskabet afholdt den 1. april 2014 vedtog Selskabets bestyrelse at udstede warrants (2014-1 employee incentive program) i henhold til bemyndigelse, som udløb den 2. november 2015, svarende til nominelt DKK 100.000 aktier; og bestyrelsen vedtog samtidig at forhøje Selskabets aktiekapital i overensstemmelse dermed, i henhold til bemyndigelse, som udløb den 2. november 2015. Det konkrete antal warrants tildelt udgør 100.000. De fuldstændige vilkår for warrants er vedlagt som 8.1.f. Bilag 8.1.f udgør en integreret del af nærværende vedtægter.

At a meeting of the board of directors of the Company held on 1 April 2014, the board of directors of the Company resolved to issue warrants (2014-1 employee incentive program) pursuant to an authorization which expired on 2 November 2015, corresponding to a nominal amount of DKK 100,000 shares; and the board of directors at the same time resolved to increase the share capital of the Company in accordance therewith pursuant to an authorization which expired on 2 November 2015. The final number of warrants granted is 100,000. The complete terms of the warrants are attached as Schedule 8.1.f. Schedule 8.1.f constitutes an integrated part of these Articles of Association.

På et bestyrelsesmøde i Selskabet afholdt den 25. marts 2015 vedtog Selskabets bestyrelse at udstede warrants (2015-1 employee incentive program) i henhold til bemyndigelse, som udløb den 2. november 2015, svarende til nominelt DKK 100.000 aktier; og bestyrelsen vedtog samtidig at forhøje Selskabets aktiekapital i overensstemmelse dermed i henhold til bemyndigelse, som udløb den 2. november 2015. Det konkrete antal warrants tildelt udgør 100.000. De fuldstændige vilkår for warrants er vedlagt som bilag 8.1.g. Bilag 8.1.g udgør en integreret del af nærværende vedtægter.

At a meeting of the board of directors of the Company held on 25 March 2015, the board of directors of the Company resolved to issue warrants (2015-1 employee incentive program) pursuant to an authorization which expired on 2 November 2015, corresponding to a nominal amount of DKK 100,000 shares; and the board of directors at the same time resolved to increase the share capital of the Company in accordance therewith pursuant to an authorization which expired on 2 November 2015. The final number of warrants granted is 100,000. The complete terms of the warrants are attached as Schedule 8.1.g. Schedule 8.1.g constitutes an integrated part of these Articles of Association.

På et bestyrelsesmøde i Selskabet afholdt den 5. maj 2015 vedtog Selskabets bestyrelse at udstede warrants (2015-4 employee incentive program) i henhold til bemyndigelse, som udløb den 2. november 2015, svarende til nominelt DKK 46.359 aktier; og bestyrelsen vedtog samtidig at forhøje Selskabets aktiekapital i overensstemmelse dermed i henhold til bemyndigelse, som udløb den 2. november 2015. Det konkrete antal warrants tildelt udgør 46.359. De fuldstændige vilkår for warrants er vedlagt som

At a meeting of the board of directors of the Company held on 5 May 2015, the board of directors of the Company resolved to issue warrants (2015-4 employee incentive program) pursuant to an authorization which expired on 2 November 2015, corresponding to a nominal amount of DKK 46,359 shares; and the board of directors at the same time resolved to increase the share capital of the Company in accordance therewith pursuant to an authorization which expired on 2 November 2015. The final number of

bilag 8.4. Bilag 8.4 udgør en integreret del af nærværende vedtægter.

warrants granted is 46,359. The complete terms of the warrants are attached as Schedule 8.4. Schedule 8.4 constitutes an integrated part of these Articles of Association.

8.2 Alle aktier, der ved udnyttelse af warrants udstedt i henhold til § 8.1 skal være omsætningspapirer og navneaktier og noteres i Selskabets ejerbog.

The shares subscribed for by exercise of the warrants issued pursuant to article 8.1 shall be negotiable instruments and issued in the holder's name and shall be registered in the Company's Register of Shareholders.

De nye aktier skal være ligestillet med den bestående aktiekapital. Ingen aktionær skal være forpligtet til at lade sine aktier indløse helt eller delvist. De nye aktier skal give ret til udbytte og andre rettigheder i Selskabet fra det tidspunkt, som fastsættes af bestyrelsen i forhøjelsesbeslutningen.

The new shares shall have the same rights as the existing shares of the Company. No shareholder shall be obliged to have the shares redeemed fully or partly. The new shares shall give rights to dividends and other rights in the Company from the time which is determined by the board of directors in connection with the decision to increase the share capital.

8.3 Bestyrelsen er bemyndiget til at ændre nærværende vedtægter i tilfælde af udnyttelse af de givne bemyndigelser eller warrants.

The board of directors is authorized to amend these Articles of Association as a consequence of applying the authorizations granted or the exercise of warrants.

8.4 Bestyrelsen er i perioden indtil den 21. april 2020 bemyndiget til ad en eller flere gange at udstede warrants med ret til at tegne op til nominelt DKK 2.750.000 aktier i Selskabet. Selskabets aktionærer skal ikke have fortegningsret ved bestyrelsens udnyttelse af denne bemyndigelse. De nærmere vilkår fastsættes af bestyrelsen. Bestyrelsen fastsætter selv udnyttelseskursen samt øvrige vilkår for warrants, dog således at udnyttelseskursen som minimum skal svare til markedskursen på tidspunktet for udstedelsen af warrants, medmindre disse udstedes til Selskabets medarbejdere.

During the period until 21 April 2020 the board of directors is authorized to issue at one or more times warrants with a right to subscribe for shares up to an aggregate amount of nominally DKK 2,750,000 shares in the Company. The shareholders of the Company will not have pre-emptive subscription rights when the Board of Directors exercises this authorization. The specific terms and conditions in this respect are to be determined by the Board of Directors. The Board of Directors determines, at its own discretion, the exercise price as well as other terms and conditions for the warrants, always provided that the exercise price as a minimum corresponds to the market price at the time of issuance of the warrants, unless these are issued to the Company's employees.

Bestyrelsen kan efter de til enhver tid gældende regler i selskabsloven genanvende eller genudstede eventuelle bortfaldne ikke udnyttede warrants, forudsat at genanvendelsen eller genudstedelsen finder sted inden for de vilkår og tidsmæssige begrænsninger, der fremgår af denne bemyndigelse. Ved genanvendelse forstås adgangen for bestyrelsen til at lade en anden aftalepart indtræde i en allerede bestående aftale om warrants. Ved genudstedelse forstås bestyrelsens mulighed for inden for samme bemyndigelse at genudstede nye warrants, hvis allerede udstedte warrants er bortfaldet.

Pursuant to the provisions of the Danish Companies Act in force from time to time, the Board of Directors may reapply or reissue any lapsed non-exercised warrants, provided that such reapplication or reissue is made under the terms and conditions and within the time limits specified under this authority. Reapplication means the right of the Board of Directors to let another contractual party become a party to an already existing agreement on warrants. Reissue means the possibility for the Board of Directors to reissue new warrants under the same authorization if those already issued have lapsed.

Bestyrelsen er i perioden indtil den 21. april 2020 endvidere bemyndiget til ad en eller flere gange at forhøje Selskabets aktiekapital med op til nominelt DKK 2.750.000 aktier ved kontant indbetaling i forbindelse med udnyttelse af warrants eller et sådant beløb som måtte følge af en eventuel regulering af antallet af warrants ved ændringer i Selskabets kapitalforhold. Selskabets aktionærer skal ikke have fortegningsret til aktier som udstedes ved udnyttelse af udstedte warrants.

During the period until 21 April 2020, the Board of Directors is also authorized to increase at one or more times the Company's share capital by up to nominally DKK 2,750,000 shares by cash payment in connection with the exercise of the warrants or such an amount caused by an adjustment (if any) in the number of warrants due to changes in the capital structure, without pre-emptive subscription rights for the shareholders of the Company to shares issued by exercise of the issued warrants.

På et bestyrelsesmøde i Selskabet afholdt den 5. maj 2015 vedtog Selskabets bestyrelse at udstede warrants (2015-2 employee incentive program) svarende til nominelt DKK 366.250 aktier; og bestyrelsen vedtog samtidig at forhøje Selskabets aktiekapital i overensstemmelse dermed. Det konkrete antal warrants tildelt udgør 366.250. De fuldstændige vilkår for warrants er vedlagt som bilag 8.4. Bilag 8.4 udgør en integreret del af nærværende vedtægter.

At a meeting of the board of directors of the Company held on 5 May 2015, the board of directors of the Company resolved to issue warrants (2015-2 employee incentive program) corresponding to a nominal amount of DKK 366,250 shares; and the board of directors at the same time resolved to increase the share capital of the Company in accordance therewith. The final number of warrants granted is 366,250. The complete terms of the warrants are attached as Schedule 8.4. Schedule 8.4 constitutes an integrated part of these Articles of Association.

På et bestyrelsesmøde i Selskabet afholdt den 5. maj 2015 vedtog Selskabets bestyrelse at udstede warrants (2015-3 employee incentive program) svarende til nominelt DKK 100.000 aktier; og bestyrelsen vedtog samtidig at forhøje Selskabets aktiekapital i overensstemmelse dermed. Det konkrete antal warrants tildelt udgør 100.000. De fuldstændige vilkår for warrants er vedlagt som bilag 8.4.a. Bilag 8.4.a udgør en integreret del af nærværende vedtægter.

At a meeting of the board of directors of the Company held on 5 May 2015, the board of directors of the Company resolved to issue warrants (2015-3 employee incentive program) corresponding to a nominal amount of DKK 85,434 shares; and the board of directors at the same time resolved to increase the share capital of the Company in accordance therewith. The final number of warrants granted is 85,434. The complete terms of the warrants are attached as Schedule 8.4.a. Schedule 8.4.a constitutes an integrated part of these Articles of Association.

På et bestyrelsesmøde i Selskabet afholdt den 5. april 2016 vedtog Selskabets bestyrelse at udstede warrants (2016-1 employee incentive program) svarende til nominelt DKK 347.250 aktier; og bestyrelsen vedtog samtidig at forhøje Selskabets aktiekapital i overensstemmelse dermed. Det konkrete antal warrants tildelt udgør 347.250. De fuldstændige vilkår for warrants er vedlagt som bilag 8.4.b. Bilag 8.4.b udgør en integreret del af nærværende vedtægter.

At a meeting of the board of directors of the Company held on 5 April 2016, the board of directors of the Company resolved to issue warrants (2016-1 employee incentive program) corresponding to a nominal amount of DKK 347,250 shares; and the board of directors at the same time resolved to increase the share capital of the Company in accordance therewith. The final number of warrants granted is 347,250. The complete terms of the warrants are attached as Schedule 8.4.b. Schedule 8.4.b constitutes an integrated part of these Articles of Association.

På et bestyrelsesmøde i Selskabet afholdt den 5. april 2016 vedtog Selskabets bestyrelse at udstede warrants (2016-2 employee incentive program) svarende til nominelt DKK 85.434 aktier; og bestyrelsen vedtog samtidig at forhøje Selskabets aktiekapital i overensstemmelse dermed. Det konkrete antal warrants tildelt udgør 85.434. De fuldstændige vilkår for warrants er

At a meeting of the board of directors of the Company held on 5 April 2016, the board of directors of the Company resolved to issue warrants (2016-2 employee incentive program) corresponding to a nominal amount of DKK 85,434 shares; and the board of directors at the same time resolved to increase the share capital of the Company in accordance therewith. The final number of warrants

vedlagt som bilag 8.4.c. Bilag 8.4.c udgør en integreret del af nærværende vedtægter.

granted is 85,434.The complete terms of the warrants are attached as Schedule 8.4.c. Schedule 8.4.c constitutes an integrated part of these Articles of Association.

På et bestyrelsesmøde i Selskabet afholdt den 15. juli 2016 vedtog Selskabets bestyrelse at udstede warrants (2016-3 employee incentive program) svarende til nominelt DKK 40.000 aktier; og bestyrelsen vedtog samtidig at forhøje Selskabets aktiekapital i overensstemmelse dermed. Det konkrete antal warrants tildelt udgør 40.000. De fuldstændige vilkår for warrants er vedlagt som bilag 8.4.d. Bilag 8.4.d udgør en integreret del af nærværende vedtægter.

At a meeting of the board of directors of the Company held on 15 July 2016, the board of directors of the Company resolved to issue warrants (2016-3 employee incentive program) corresponding to a nominal amount of DKK 40,000 shares; and the board of directors at the same time resolved to increase the share capital of the Company in accordance therewith. The final number of warrants granted is 40,000. The complete terms of the warrants are attached as Schedule 8.4.d. Schedule 8.4.d constitutes an integrated part of these Articles of Association.

På et bestyrelsesmøde i Selskabet afholdt den 6. april 2017 vedtog Selskabets bestyrelse at udstede warrants (2017-1 employee incentive program) svarende til nominelt DKK 424.000 aktier; og bestyrelsen vedtog samtidig at forhøje Selskabets aktiekapital i overensstemmelse dermed. Det konkrete antal warrants tildelt udgør 424.000. De fuldstændige vilkår for warrants er vedlagt som bilag 8.4.e. Bilag 8.4.e udgør en integreret del af nærværende vedtægter.

At a meeting of the board of directors of the Company held on 6 April 2017, the board of directors of the Company resolved to issue warrants (2017-1 employee incentive program) corresponding to a nominal amount of DKK 424,000 shares; and the board of directors at the same time resolved to increase the share capital of the Company in accordance therewith. The final number of warrants granted is 424,000. The complete terms of the warrants are attached as Schedule 8.4.e. Schedule 8.4.e constitutes an integrated part of these Articles of Association.

På et bestyrelsesmøde i Selskabet afholdt den 6. april 2017 vedtog Selskabets bestyrelse at udstede warrants (2017-2 employee incentive program) svarende til nominelt DKK 93.392 aktier; og bestyrelsen vedtog samtidig at forhøje Selskabets aktiekapital i overensstemmelse dermed. Det konkrete antal warrants tildelt udgør 93.392. De fuldstændige vilkår for warrants er vedlagt som bilag 8.4.f. Bilag 8.4.f udgør en integreret del af nærværende vedtægter.

At a meeting of the board of directors of the Company held on 6 April 2017, the board of directors of the Company resolved to issue warrants (2017-2 employee incentive program) corresponding to a nominal amount of DKK 93,392 shares; and the board of directors at the same time resolved to increase the share capital of the Company in accordance therewith. The final number of warrants granted is 93,392. The complete terms of the warrants are attached as Schedule 8.4.f. Schedule 8.4.f constitutes an integrated part of these Articles of Association.

Som følge af udstedelsen af warrants er det udestående antal warrants, der kan udstedes i henhold til bemyndigelsen i nærværende § 8.4, reduceret til 1.293.674 warrants.

As a result of the issuance of warrants, the number of warrants available for issuance under the authorization in this article 8.4 has been reduced to 1,293,674 warrants.

8.5 Alle aktier, der tegnes ved udnyttelse af warrants udstedt i henhold til § 8.4, skal være omsætningspapirer og navneaktier og noteres i Selskabets ejerbog.

The shares subscribed for by exercise of the warrants issued pursuant to article 8.4 shall be negotiable instruments and issued in the holder's name and shall be registered in the Company's Register of Shareholders.

De nye aktier skal være ligestillet med den bestående aktiekapital. Ingen aktionær skal være forpligtet til at lade sine aktier indløse helt eller delvist. De nye aktier skal give

The new shares shall have the same rights as the existing shares of the Company. No shareholder shall be obliged to have the shares redeemed fully or partly. The new shares

ret til udbytte og andre rettigheder i Selskabet fra det tidspunkt, som fastsættes af bestyrelsen i forhøjelsesbeslutningen.

shall give rights to dividends and other rights in the Company from the time which is determined by the Board of Directors in connection with the decision to increase the share capital.

8.6 Bestyrelsen er bemyndiget til at ændre nærværende vedtægter i tilfælde af udnyttelse af de givne bemyndigelser eller warrants.

The board of directors is authorized to amend these Articles of Association as a consequence of applying the authorizations granted or the exercise of warrants.

9 Generalforsamling

General Meetings

9.1 Generalforsamlinger afholdes i Storkøbenhavn.

General meetings of the Company shall be held in Greater Copenhagen.

9.2 Ordinære generalforsamlinger skal afholdes i så god tid, at den reviderede og godkendte årsrapport kan indsendes og være modtaget i Erhvervs- og Selskabsstyrelsen senest fire måneder efter regnskabsårets udløb.

Annual general meetings shall be held early enough for the audited and adopted annual report to be submitted to and received by the Danish Commerce and Company Agency not later than four months after the closing of the financial year.

9.3 Bestyrelsen skal senest otte uger før dagen for den påtænkte afholdelse af den ordinære generalforsamling offentliggøre datoen for afholdelsen af generalforsamlingen samt datoen for den seneste fremsættelse af krav om optagelse af et bestemt emne på dagsordenen for aktionærerne, jf. punkt 9.4.

Not later than eight weeks before the date set for the annual general meeting the board of directors shall announce the date on which it intends to hold the general meeting as well as the date by which requests filed by shareholders wishing to have specific items included on the agenda, cf. article 9.4.

9.4 Forslag fra aktionærerne til behandling på den ordinære generalforsamling skal være skriftligt fremsat til bestyrelsen senest seks uger før generalforsamlingens afholdelse. Modtager bestyrelsen et forslag senere end seks uger før generalforsamlingens afholdelse, afgør bestyrelsen, om forslaget er fremsat i så god tid, at emnet alligevel kan optages på dagsordenen.

Proposals from shareholders for consideration by the annual general meeting shall be submitted to the board of directors in writing not later than six weeks before the date of the general meeting. In the event that the board of directors receives a proposal later than six weeks before the general meeting, the board of directors shall decide whether it was received in time for it to be included on the agenda nonetheless.

9.5 Ekstraordinær generalforsamling afholdes efter en generalforsamlings beslutning, bestyrelsens beslutning, når det kræves af Selskabets revisor, eller når det til behandling af et bestemt emne skriftligt kræves af aktionærer, der ejer mindst 5 % af aktiekapitalen.

An extraordinary general meeting shall be held when decided by a general meeting, the board of directors or requested by the Company's auditor as well as when requested in writing by shareholders holding at least 5 % of the share capital for consideration of a specific issue.

9.6 Alle dokumenter til brug for Selskabets generalforsamlinger i forbindelse med eller efter generalforsamlingen, herunder indkaldelsen og forhandlingsprotokollen, skal alene udarbejdes på engelsk.

All documents prepared for use by or for a general meeting of the Company in connection with or after the general meeting, including the notice and the minutes, must be prepared in English only.

9.7 Generalforsamlinger skal indkaldes med højst fem ugers og mindst tre ugers varsel. Indkaldelse til ekstraordinær

General meetings shall be convened with a maximum notice of five weeks and a minimum notice of three weeks. An extraordinary general meeting shall be convened within

generalforsamling skal ske senest 14 dage efter, at bestyrelsen har modtaget behørig anmodning herom.

14 days after a proper request has been received by the board of directors.

9.8 Bestyrelsen skal indkalde til generalforsamling ved bekendtgørelse indrykket i Erhvervs- og Selskabsstyrelsens it-system samt ved offentliggørelse på Selskabets hjemmeside (com).

The board of directors shall convene general meetings by publication in the computer information system of the Danish Commerce and Companies Agency and by posting on the Company's website (www.zealandpharma.com).

9.9 Indkaldelsesvarslet regnes fra den første bekendtgørelse. Indkaldelse sker endvidere ved meddelelse til alle noterede aktionærer i ejerbogen, som har fremsat begæring herom, til den adresse, herunder e-mailadresse, jf. punkt 12, de har opgivet til Selskabet. Er oplysningerne i ejerbogen utilstrækkelige eller mangelfulde, har bestyrelsen ingen pligt til at søge disse berigtiget eller til at indkalde på anden måde.

The length of the notice shall be reckoned from the first advertisement. General meetings shall moreover be convened by sending a notice to all shareholders entered in the Company's Register of Shareholders having so requested, to the address, including the e-mail address, cf. article 12, informed to the Company. If the information contained in the Register of Shareholders is insufficient or incorrect, the board of directors shall not be obliged to rectify the information or to give notice in any other way.

9.10 Indkaldelsen skal som minimum indeholde:

The notice shall as a minimum include:

(1) Tid og sted for generalforsamlingen, samt hvilke emner der skal behandles på generalforsamlingen. Såfremt der på generalforsamlingen skal behandles forslag til vedtægtsændringer, skal forslagets væsentligste indhold angives i indkaldelsen.

(1) Time and place for the general meeting and the issues to be considered at the general meeting. If the general meeting is to consider a proposal to amend the Articles of Association, then the notice shall specify the material content of the proposal.

(2) En beskrivelse af aktiekapitalens størrelse og aktionærernes stemmeret.

(2) The amount of the share capital and the voting rights of the shareholders.

(3) Den i vedtægternes punkt 10.2 nævnte registreringsdato med en tydeliggørelse af, at det alene er selskaber eller personer, der på denne dato er aktionærer i Selskabet, der har ret til at deltage i og stemme på generalforsamlingen.

(3) The registration date stated in article 10.2 with a clear indication that only companies or persons holding shares in the Company as at said date shall be entitled to attend and vote at the general meeting.

(4) Angivelse af hvor og hvordan den komplette, uforkortede tekst til de dokumenter, der skal fremlægges på generalforsamlingen, dagsordenen og de fuldstændige forslag kan fås, herunder den nøjagtige internetadresse til Selskabets hjemmeside, hvor dagsordenen og de dokumenter nævnt i punkt 12.2 vil blive gjort tilgængelige.

(4) An indication of where and how to obtain the full, unbridged text of the documents to be presented at the general meeting, the agenda and the complete proposals, including the exact internet address of the Company's website where the agenda and the other documents mentioned in article 12.2 will be made available.

(5) Proceduren for stemmeafgivelse ved fuldmagt, brev og ved elektronisk stemmeafgivelse, herunder at der vil blive stillet en fuldmagtsblanket til rådighed for enhver stemmeberettiget aktionær.

(5) The procedure for voting by proxy, by postal and by electronic means, and the Company will make a proxy form available for the shareholders that are entitled to vote.

(6) Såfremt generalforsamlingen gennemføres elektronisk eller delvis elektronisk, jf. punkt 11.1, skal indkaldelsen tillige indeholde oplysninger derom samt om tilmelding og de nærmere krav til de elektroniske systemer som vil blive anvendt. Indkaldelsen skal angive, at oplysninger om fremgangsmåden ved elektronisk generalforsamling vil kunne findes på Selskabets hjemmeside.

(6) If the general meeting is conducted by electronic means or partly by electronic means, cf. article 11.1 this shall be stated in the convening notice together with the details on how to sign up and what the requirements are to the electronic systems that will be used. The convening notice shall point out that detailed information about the procedure will be available on the Company's website.

9.11 Generalforsamlingen afholdes på engelsk, uden at der sker simultantolkning til dansk.

The general meeting is held in English without simultaneous translation to Danish.

9.12 Senest tre uger før generalforsamlingen skal følgende oplysninger som minimum være tilgængelige på Selskabets hjemmeside:

Not later than three weeks prior to a general meeting the following information, as minimum, shall be available on the Company's website:

(1) Indkaldelsen.

(1) The notice.

(2) Det samlede antal aktier og stemmerettigheder på datoen for indkaldelsen.

(2) The total number of shares and voting rights on the date of the notice.

(3) De dokumenter, der skal fremlægges på generalforsamlingen, herunder for den ordinære generalforsamlings vedkommende den reviderede årsrapport.

(3) The documents to be submitted to the general meeting, including with respect to the annual general meeting the audited annual report.

(4) Dagsordenen og de fuldstændige forslag.

(4) The agenda and complete proposals.

(5) De formularer, der skal anvendes ved stemmeafgivelse ved fuldmagt og ved brev.

(5) The forms to be used for voting by proxy or postal.

9.13 Dagsordenen for den ordinære generalforsamling skal omfatte:

The agenda of the annual meeting shall include:

(1) Bestyrelsens beretning om Selskabets virksomhed i det forløbne regnskabsår.

(1) A report from the board of directors on the Company's activities in the past financial year.

(2) Godkendelse af den reviderede årsrapport.

(2) Approval of the audited annual report.

(3) Beslutning om anvendelse af overskud eller dækning af underskud i henhold til den godkendte årsrapport.

(3) A resolution on the distribution of profit or the cover of loss in accordance with the annual report adopted.

(4) Valg af medlemmer til bestyrelsen.

(4) Election of members to the board of directors.

(5) Valg af revisor.

(5) Election of auditor.

(6) Bemyndigelse til erhvervelse af egne aktier.

(6) Authorization to acquire the Company's own shares.

(7) Eventuelle forslag fra bestyrelse eller aktionærer.

(7) Any proposals submitted by the board of directors or by shareholders.

(8) Eventuelt.

(8) Any other business.

9.14 Forhandlingerne på generalforsamlingen ledes af en dirigent, der udpeges af bestyrelsen. Dirigenten afgør alle spørgsmål vedrørende emnernes behandling, stemmeafgivning og stemmeresultaterne.

A chairman of the meeting appointed by the board of directors shall preside over the proceedings at general meetings and decide upon all questions of procedure, voting and voting results.

9.15 Et referat af generalforsamlingen indføres i en protokol. Referatet skal underskrives af dirigenten og af bestyrelsens formand. Senest to uger efter generalforsamlingens afholdelse skal generalforsamlingsprotokollen eller en bekræftet udgave af denne gøres tilgængelig for Selskabets aktionærer.

The proceedings at a general meeting shall be recorded in a minute book and be signed by the chairman of the general meeting and the chairman of the board of directors. Not later than two weeks after the general meeting the minute book, or a certified transcript of the minute book, shall be made available to the Company's shareholders.

9.16 Generalforsamlingsprotokollen skal for hver beslutning som udgangspunkt indeholde en fuldstændig redegørelse for afstemningen, derunder om (i) hvor mange aktier, der er afgivet gyldige stemmer for, (ii) den andel af aktiekapitalen, som disse stemmer repræsenterer, (iii) det samlede antal af stemmer for og imod hvert beslutningsforslag og (v) antallet af eventuelle stemmeundladelser.

As a general rule, for each resolution made at the general meeting the minute book of the general meeting must set out at a minimum the full details of the voting including information on (i) the total number of shares for which valid votes were cast, (ii) the proportion of the share capital accounted for by these votes, (iii) the total number of valid votes, (iv) the number of votes cast in favour of and against each resolution, and (v) the total number of abstentions, if any.

9.17 Ønsker ingen af aktionærerne en fuldstændig redegørelse for afstemningerne, er det kun nødvendigt i generalforsamlingsprotokollen at fastslå afstemningsresultatet for hver beslutning. Dirigenten skal således i forbindelse med hver generalforsamlingsbeslutning have afklaret hvorvidt, ingen af aktionærerne ønsker en fuldstændig redegørelse for afstemningen.

If no shareholder requests that the full details of the votes be included in the minute book, the minute book need only to state the results of the individual votes. Accordingly, the Chairman of the general meeting shall have to clarify for each individual vote whether or not any shareholders request the inclusion in the minute book of the full details of the vote.

9.18 Senest to uger efter generalforsamlingens afholdelse skal afstemningsresultatet offentliggøres på Selskabets hjemmeside.

Not later than two weeks after the general meeting the voting results from the general meeting shall be posted on the Company's website.

10 Møderet - Stemmeret

Right of Attendance - Voting Right

10.1 En aktionærs ret til at deltage i og afgive stemme på en generalforsamling fastsættes i forhold til de aktier, som aktionæren besidder på registreringsdatoen.

A shareholders right to attend general meetings and to vote at general meetings is determined on the basis of the shares that the shareholder owns on the registration date.

10.2 Registreringsdatoen ligger en uge før generalforsamlingens afholdelse. De aktier, den enkelte aktionær besidder, opgøres på registreringsdatoen på grundlag af noteringen

The registration date is one week before the general meeting is held. The shares which the individual shareholder owns are calculated on the registration date

af aktionærens ejerforhold i ejerbogen samt meddelelser om ejerforhold, som Selskabet har modtaget med henblik på indførsel i ejerbogen.

on the basis of the registration of ownership in the Company's Register of Shareholders as well as notifications concerning ownership which the Company has received with a view to update the ownership in the Register of Shareholders.

10.3 Enhver aktionær som senest tre dage inden generalforsamlingens afholdelse har meddelt Selskabet sin deltagelse, og som har modtaget et adgangskort, er berettiget til personligt eller ved fuldmagt at deltage i generalforsamlingen. Adgangskort udstedes til den i Selskabets ejerbog noterede aktionær.

Any shareholder who has notified the Company of his participation not later than three days prior to the general meeting and who has received an admission card shall be entitled to attend the general meeting, either in person or by proxy. Admission card will be issued to the holder registered in the Company's Register of Shareholders.

10.4 På generalforsamlingen giver hvert aktiebeløb på DKK 1 én stemme. En aktionær har ret til at udøve stemmerettighederne i tilknytning til nogle af sine aktier på en måde, der ikke er identisk med udøvelsen af stemmerettighederne i tilknytning til andre af dennes aktier.

Each share of DKK 1 has one vote at general meetings. A shareholder may exercise the voting rights attached to some of his/her shares in a manner that is not identical to the exercise of the voting rights attached to his/her other shares.

10.5 Stemmeret kan udøves i henhold til skriftlig fuldmagt eller ved brevstemme, og Selskabet skal senest tre uger før generalforsamlingen gøre formularer til brug herfor tilgængelige på Selskabets hjemmeside. En brevstemme skal være Selskabet i hænde senest tre dage før generalforsamlingens afholdelse for at blive medtaget på generalforsamlingen.

A shareholder may vote by proxy or by postal, and the Company shall not later than three weeks prior to the general meeting make a form for this use available on the Company's website. A vote by postal must be received by the Company not later than three days prior to the general meeting is held in order to be counted at the general meeting.

10.6 Aktionæren eller fuldmægtigen kan møde på generalforsamlingen sammen med en rådgiver.

The shareholder or the proxyholder may attend the general meeting accompanied by an advisor.

10.7 Generalforsamlingen træffer beslutning ved simpelt stemmeflertal, medmindre andet følger af lovgivningen eller af Selskabets vedtægter.

At general meetings resolutions shall be decided by simple majority of votes unless otherwise prescribed by law or the Articles of Association.

11 Elektronisk generalforsamling

Electronic general meetings

11.1 Bestyrelsen kan, når den anser det for hensigtsmæssigt og generalforsamlingen kan afvikles på betryggende vis, bestemme at generalforsamlingen udelukkende skal foregå elektronisk (fuldstændig elektronisk generalforsamling). Bestyrelsen kan herudover under samme forudsætninger vælge at tilbyde aktionærerne at deltage elektronisk på generalforsamlinger, der i øvrigt gennemføres ved fysisk fremmøde (delvis elektronisk generalforsamling). Aktionærerne kan derved elektronisk deltage i, ytre sig samt stemme på generalforsamlingen. Nærmere oplysninger vil til sin tid kunne findes på Selskabets hjemmeside og i indkaldelsen til de pågældende generalforsamlinger, ligesom de i Selskabets ejerbog

When the board of directors finds it appropriate and technically safe it may decide that the general meeting solely shall be held as an electronic general meeting (completely electronic general meeting). The board of directors may also as an alternative under the same circumstances invite shareholders to attend by electronic means general meetings that are also attended by shareholders in person (partially electronic general meeting). In this way, shareholders will be able to attend, express their opinion and vote at the general meeting by electronic means. In due course more information will be made available on the Company's website and in the notices convening the general meetings involved, and written information on the subject will also be sent to

noterede aktionærer vil modtage skriftlig meddelelse herom.

shareholders listed in the Company's Register of Shareholders.

12 Elektronisk kommunikation

12.1 Bestyrelsen er bemyndiget til at indføre elektronisk kommunikation mellem Selskabet og dets aktionærer, således at Selskabet kan benytte elektronisk dokumentudveksling og elektronisk post, som nærmere angivet nedenfor i sin kommunikation med aktionærerne.

Electronic communication

The board of directors has been granted authority to introduce electronic communication between the Company and its shareholders, meaning that the Company may use electronic document exchange and electronic mail as specified below in its communication with the shareholders.

12.2 Indkaldelse af aktionærerne til ordinær og ekstraordinær generalforsamling, herunder de fuldstændige forslag til vedtægtsændringer, tilsendelse af dagsorden, årsrapport, delårsrapport, kvartalsrapport, fondsbørsmeddelelser, generalforsamlingsprotokollater, fuldmagtsblanketter og adgangskort samt øvrige generelle oplysninger fra Selskabet til aktionærerne vil kunne sendes af Selskabet til aktionærerne via e-mail.

The Company shall be able to send notices convening annual and extraordinary general meetings including the complete proposals for amendments to the articles of association, agenda, annual report, interim report, quarterly report, stock exchange releases, minutes and general meetings, proxy forms, mail-in voting forms, admission cards and other general information from the Company to it shareholders by means of email.

12.3 Ovennævnte dokumenter, bortset fra adgangskort til generalforsamlingen, vil tillige blive offentliggjort på Selskabets hjemmeside. På Selskabets hjemmeside vil der tillige kunne findes oplysning om kravene til de anvendte systemer samt om fremgangsmåden i forbindelse med elektronisk kommunikation.

The above documents, to the exclusion of admission cards for the general meeting, shall also be posted on the Company's website. The Company's website shall also contain information about requirements to the systems used and the procedures applying to the use of electronic communication.

12.4 Selskabet er forpligtet til at bede navnenoterede aktionærer om en elektronisk adresse hvortil meddelelser m.v. kan sendes, og det er den enkelte aktionærs ansvar at sikre, at Selskabet er i besiddelse af den korrekte elektroniske adresse.

The Company must request registered shareholders for an electronic address to which notices can be sent, and it is the responsibility of each shareholder to ensure that the Company is in possession of a proper electronic address.

12.5 Selskabet skal ved brev til de i ejerbogen noterede aktionærer give aktionærerne meddelelse, når bestyrelsens bemyndigelse til at indføre elektronisk kommunikation udnyttes.

Once the board of directors utilizes the authority to introduce electronic communication, the Company shall notify shareholders listed in the company's register of shareholders thereof by letter.

13 Bestyrelse

13.1 Til Selskabets bestyrelse vælger generalforsamlingen mindst fire og højst syv medlemmer.

Board of Directors

The general meeting shall elect at least four and not more than seven directors.

13.2 Bestyrelsesmedlemmer, som er valgt af generalforsamlingen, afgår på hvert års ordinære generalforsamling, men kan genvælges.

The directors elected by the general meeting shall retire from office at each annual general meeting but shall be eligible for re-election.

13.3 Ingen, der er fyldt 70 år, kan vælges til bestyrelsen. Et bestyrelsesmedlem skal fratræde ved afslutningen af den første ordinære generalforsamling, efter bestyrelsesmedlemmet er fyldt 70 år.

No person being elected to the board of directors shall have reached the age of 70 years. A board member shall retire at the end of the first annual general meeting held

after the relevant board member having reached the age of 70 years.

13.4 Bestyrelsen vælger selv formanden for bestyrelsen.

The board of directors elects the chairman of the board of directors.

13.5 Beslutninger i bestyrelsen træffes, medmindre andet er aftalt, med almindelig stemmeflerhed. I tilfælde af stemmelighed er formandens stemme afgørende.

Unless otherwise decided by the board of directors, decisions of the board of directors shall be decided by simple majority of votes. The chairman shall have a casting vote if equality of votes occurs.

13.6 Bestyrelsen træffer ved en forretningsorden nærmere bestemmelse om udførelsen af sit hverv.

The board of directors shall lay down rules of its proceedings.

13.7 Bestyrelsesmedlemmerne oppebærer et årligt honorar, hvis samlede størrelse skal fremgå af årsrapporten for det pågældende år.

The directors shall be remunerated annually as prescribed in the annual report for the relevant year.

13.8 Bestyrelsen kan meddele prokura, enkel eller kollektiv.

The board of directors may authorize one person alone or more persons jointly to sign for the Company by procuration.

14 Direktion

Executive management

14.1 Bestyrelsen ansætter en direktion bestående af mellem en og fire direktører. Hvis direktionen består af flere direktører, skal én af disse udnævnes til administrerende direktør.

The board of directors shall employ at least one but not more than four managers to comprise the Company's executive management. Where more than one manager is employed, one of them shall be appointed managing director.

14.2 Bestyrelsen er bemyndiget til at beslutte at lade Selskabet skadesløsholde medlemmerne af direktionen samt Selskabets medarbejdere for visse krav, der er knyttet til deres rolle i Selskabet.

The board of directors is authorized to resolve to let the Company indemnify the members of executive management and the Company's employees for certain claims against these individuals in connection with their services to the Company.

Selskabets skadesløsholdelse omfatter krav og rimelige sagsomkostninger, der er knyttet til den planlagte notering af selskabet i USA og/eller Selskabets efterfølgende status som noteret i USA. Selskabets skadesløsholdelse skal ikke omfatte følgende krav:

The Company's indemnification covers claims and reasonable legal costs arising from the listing of the Company in the United States and/or the Company's subsequent status as listed in the United States. However, the Company's indemnification shall not cover the following claims:

1) Krav mod en person, der gøres gældende efter dansk ret ved en dansk domstol, medmindre der er tale om krav, der er knyttet til noteringen af Selskabet i USA og/eller Selskabets efterfølgende status som noteret i USA,

1) Claims against a person according to Danish law raised before the Danish Courts, except claims arising from the listing of the Company in the United States and/or the Company's subsequent status as listed in the United States,

2) krav mod en person som følge af skader med tilhørende sagsomkostninger, der skyldes kriminelle handlinger og/eller grov uagtsomhed eller forsætlige handlinger eller undladelser, der er begået af personen,

2) claims against a person for damages and legal costs related to criminal and/or grossly negligent or willful acts or omissions committed by the person,

3) krav mod en person, som skyldes opnåelse eller forsøg på at opnå en gevinst eller anden type fordel, som personen eller en nærtstående fysisk eller juridisk person til personen ikke er berettiget til at opnå, og/eller

3) claims against a person, which is attributable to the gaining or purported gaining of any profit or advantage to which the individual or any related natural or legal person was not legally entitled, and/or

4) krav omfattet af forsikringsdækning. Hvis forsikringsselskabet nægter at dække krav af andre årsager end dem, der er nævnt oven for under pkt. 1 og 2, vil Selskabets skadesløsholdelse dække sådanne krav under forudsætning af, at Selskabet i sådanne tilfælde er berettiget til på ethvert tidspunkt at repræsentere den forsikrede under hensyntagen til forsikringsselskabet, og Selskabet skal automatisk overtage samtlige rettigheder i henhold til forsikringspolicen.

4) claims covered by insurance. If the insurance company refuses to provide cover for reasons other than those mentioned in items 1 and 2 above, the Company's indemnification will cover such claims, provided, however, that the Company in such event shall be entitled at any time to represent the insured in respect of the insurance company and shall automatically by subrogation enter into any and all rights under said insurance policy.

Selskabets skadesløsholdelse pr. krav pr. person er begrænset til maksimalt det bruttoprovenu, Selskabet opnår i forbindelse med noteringen i USA.

The indemnification shall be limited to a maximum amount per claim per person equivalent to the gross proceeds obtained by the Company in connection with the listing in the United States.

Skadesløsholdelsen skal opretholdes i 5 år efter, at den skadesløsholdte person er fratrådt sin stilling hos Selskabet, hvis de krav, der rejses inden for denne periode, er knyttet til personens tidligere hverv i Selskabet.

The indemnification shall remain in force for a period of five years after the resignation of the indemnified person from such person's position with the Company, if the claims made within such period are related to such person's services to the Company.

15 Nomineringskomité

Nomination Committee

15.1 Hvert tredje år på den ordinære generalforsamling skal Selskabets aktionærer beslutte, hvorvidt der skal nedsættes en nomineringskomité. Såfremt der ikke etableres en nomineringskomité, kan generalforsamlingen på enhver efterfølgende generalforsamling beslutte, at der skal nedsættes en nomineringskomité.

The Company's shareholders shall resolve whether to establish a Nomination Committee every third year at the annual general meeting. In the event that a Nomination Committee is not established, the general meeting may resolve to establish a Nomination Committee at any subsequent general meeting.

15.2 Nomineringskomitéen består af minimum tre og maksimum fem medlemmer. Bestyrelsesformanden er altid medlem af Nomineringskomitéen, og op til fire aktionærrepræsentanter vælges af generalforsamlingen. Medlemmer af Selskabets direktion og Selskabets medarbejdere kan ikke vælges til Nomineringskomitéen.

The Nomination Committee consists of a minimum of three and a maximum of five members. The chairman of the board of directors shall always be a member of the Nomination Committee and up to four shareholder representatives are elected by the general meeting. Members of the Company's executive management and

the Company's employees cannot be elected to the Nomination Committee.

15.3 De generalforsamlingsvalgte medlemmer af nomineringskomitéen vælges for en periode af tre år.

The members of the Nomination Committee elected by the general meeting are elected for a term of three years**.**

15.4 Nomineringskomitéen har til formål at vurdere bestyrelsens sammensætning og forelægge generalforsamlingen anbefalinger om valg af generalforsamlingsvalgte bestyrelsesmedlemmer. Nomineringskomitéen skal sikre, at alle kandidater til hvervet som bestyrelsesmedlem i Selskabet tilfredsstiller kapitalmarkedernes forventninger, og at bestyrelsens sammensætning opfylder anbefalingerne for god selskabsledelse i børsnoterede virksomheder. Nomineringskomitéens anbefalinger indskrænker ikke aktionærernes ret til at foreslå andre kandidater til generalforsamlingen. Yderligere skal Nomineringskomitéen fremkomme med forslag til Selskabets Vederlagsudvalg vedrørende vederlæggelsen af medlemmerne af Selskabets bestyrelse.

The purpose of the Nomination Committee is to assess the composition of the board of directors and to present annual recommendations to the general meeting about the election of board members to be elected by the general meeting. The Nomination Committee must ensure that all candidates for the position as a member of the board of directors of the Company fulfil the expectations of the capital markets and that the composition of the board of directors fulfils the recommendations on good corporate governance in listed companies. The recommendations of the Nomination Committee do not restrict the right of shareholders to propose other candidates to the general meeting. Furthermore, the Nomination Committee shall make proposals to the Company's Remuneration and Compensation Committee on the remuneration of the members of the Company's board of directors.

15.5 Medlemmerne af nomineringskomitéen er underlagt tavshedspligt efter samme regler som medlemmerne af Selskabets bestyrelse.

The members of the Nomination Committee are subject to a duty of confidentiality according to the same rules as those applying to members of the Company's board of directors.

15.6 Generalforsamlingen skal ved en forretningsorden for nomineringskomitéen træffe nærmere bestemmelser om nomineringskomitéens sammensætning og virke. Selskabet skal sikre, at den til enhver tid gældende forretningsordenen for nomineringskomitéen er offentliggjort på Selskabets hjemmeside.

The general meeting must adopt rules of procedure of the Nomination Committee concerning its composition and activities. The Company shall ensure that the rules of procedure of the Nomination Committee in force from time to time are made available at the Company's website.

16 Incitamentsaflønning

Incentive Pay

16.1 Selskabet har udarbejdet overordnede retningslinjer for incitamentsaflønning af bestyrelsen og direktionen. Disse retningslinjer er forelagt og vedtaget af Selskabets generalforsamling. Retningslinjerne er offentligt tilgængelige på Selskabets hjemmeside.

The Company has prepared a set of general guidelines for incentive pay to the board of directors and the executive management. These guidelines have been presented to and adopted by the Company in general meeting. The guidelines are publicly available on the Company's website.

17 Tegningsregel

Signature Rules

17.1 Selskabet tegnes af bestyrelsens formand i forening med den administrerende direktør, eller af bestyrelsens formand i forening med et bestyrelsesmedlem, eller af en direktør i forening med to bestyrelsesmedlemmer, eller af den administrerende direktør i forening med en direktør eller af den samlede bestyrelse.

The Company shall be bound by the joint signatures of the chairman of the board of directors with the managing director; or the chairman of the board of directors jointly with one member of the board of directors; or one member of the board of managers jointly with two members of the board of directors; or the joint signatures

		of the managing director and one member of the board of managers; or all members of the board of directors jointly.
18	**Revisor**	**Auditor**
18.1	Selskabets årsrapport revideres af en statsautoriseret revisor.	The Company's annual report shall be audited by a state-authorized public accountant.
18.2	Revisor vælges af den ordinære generalforsamling for et år ad gangen.	The auditor shall be elected by the annual general meeting for one year at a time.
19	**Årsrapport**	**Annual Report**
19.1	Selskabets regnskabsår er kalenderåret.	The financial year of the Company is the calendar year.
19.2	Selskabets årsrapport udarbejdes og aflægges udelukkende på engelsk.	The Company's annual report shall be prepared and submitted in English only.
20	**Selskabsmeddelelser**	**Company Announcements**
20.1	Selskabets offentliggørelse af information i henhold til gældende børslovgivning, herunder selskabsmeddelelser, sker udelukkende på engelsk.	The Company's disclosure of information pursuant to applicable securities legislation, including company announcements, shall be in English only.
21	**Bilag**	**Schedules**
21.1	Bilag 8.1.a: Warrants (2011-1 employee incentive program), jf. vedtægternes § 8.1.	Schedule 8.1.a: Warrants (2011-1 employee incentive program), cf. Article 8.1 of the Articles of Association.
21.2	Bilag 8.1.c: Warrants (2012-1 employee incentive program), jf. vedtægternes § 8.1.	Schedule 8.1.c: Warrants (2012-1 employee incentive program), cf. Article 8.1 of the Articles of Association.
21.3	Bilag 8.1.d: Warrants (2012-2 employee incentive program), jf. vedtægternes § 8.1.	Schedule 8.1.d: Warrants (2012-2 employee incentive program), cf. Article 8.1 of the Articles of Association.
21.4	Bilag 8.1.e: Warrants (2013-1 employee incentive program), jf. vedtægternes § 8.1.	Schedule 8.1.e: Warrants (2013-1 employee incentive program), cf. Article 8.1 of the Articles of Association.
21.5	Bilag 8.1.f: Warrants (2014-1 employee incentive program), jf. vedtægternes § 8.1.	Schedule 8.1.f: Warrants (2014-1 employee incentive program), cf. Article 8.1 of the Articles of Association.
21.6	Bilag 8.1.g: Warrants (2015-1 employee incentive program), jf. vedtægternes § 8.1.	Schedule 8.1.g: Warrants (2015-1 employee incentive program), cf. Article 8.1 of the Articles of Association.
21.7	Bilag 8.4: Warrants (2015-2 og 2015-4 employee incentive program), jf. vedtægternes § 8.1. og 8.4.	Schedule 8.4.: Warrants (2015-2 and 2015-4 employee incentive program), cf. Article 8.1 and 8.4 of the Articles of Association.
21.8	Bilag 8.4.a: Warrants (2015-3 employee incentive program), jf. vedtægternes § 8.4.	Schedule 8.4.a: Warrants (2015-3 employee incentive program), cf. Article 8.4 of the Articles of Association.

21.9	Bilag 8.4.b: Warrants (2016-1 employee incentive program), jf. vedtægternes § 8.4.	Schedule 8.4.b: Warrants (2016-1 employee incentive program), cf. Article 8.4 of the Articles of Association.
21.10	Bilag 8.4.c: Warrants (2016-2 employee incentive program), jf. vedtægternes § 8.4.	Schedule 8.4.c: Warrants (2016-2 employee incentive program), cf. Article 8.4 of the Articles of Association.
21.11	Bilag 8.4.d: Warrants (2016-3 employee incentive program), jf. vedtægternes § 8.4.	Schedule 8.4.d: Warrants (2016-3 employee incentive program), cf. Article 8.4 of the Articles of Association.
21.12	Bilag 8.4.e: Warrants (2017-1 employee incentive program), jf. vedtægternes § 8.4.	Schedule 8.4.e: Warrants (2017-1 employee incentive program), cf. Article 8.4 of the Articles of Association
21.13	Bilag 8.4.f: Warrants (2017-2 employee incentive program), jf. vedtægternes § 8.4	Schedule 8.4.f: Warrants (2017-2 employee incentive program), cf. Article 8.4 of the Articles of Association

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Vedtaget på Selskabets ekstraordinære generalforsamling afholdt den 31. juli 2017.

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Approved at the Company's extraordinary general meeting held on 31 July 2017.