

Zealand Pharma Tax Policy

Introduction

This tax policy has been adopted by the Board of Directors of Zealand Pharma A/S (“Zealand” or the “Company”).

The purpose of this policy is to describe the guidelines approved by the Board of Directors under which Zealand’s Corporate Management can make decisions which have a tax implication, including VAT.

Governance and accountability

Zealand’s tax policy applies to all employees and entities in all jurisdictions in which we operate. The policy is reviewed annually and approved by the Board of Directors.

The Audit Committee oversees awareness and adherence to the tax policy and follows up on the company’s tax risk management.

Corporate Management, represented by the Chief Financial Officer, is responsible for communicating the tax policy, ensuring tax compliance, and identifying and mitigating potential tax risks.

Finance and Accounting is responsible for the day-to-day operational tax activities.

Guidelines

General tax guidelines:

As per Zealand Pharma’s Code of Business Conduct, all employees must comply with all applicable laws and regulations when conducting business on behalf of Zealand, including all tax laws and regulations in each jurisdiction in which business is conducted. More specifically:

- Zealand is committed to always paying taxes in due time in the countries in which we operate in accordance with applicable tax laws and regulations.
- The tax setup at Zealand must reflect and support the business strategy and activities, always considering tax issues from a group perspective, including avoiding double taxation.
- No tax decisions are undertaken solely for the purpose of creating tax benefits; tax decisions must always be business-driven and any tax plans to be implemented must be based on the economic substance of business activities and the applicable laws, which are often complex and subject to interpretation by management and the relevant government authorities.
- Zealand has no specific target tax rate, as the tax regulation is ever-changing.

In the acknowledgment that tax laws and regulation are subject to interpretations, Zealand will seek to interpret laws and regulation in accordance with the intention of these.

Partnerships:

Zealand has several partnership agreements with other companies in place and expects to enter additional partnership agreements in the future for the continued development and/or commercialization of its products and product candidates. In connection with potentially new partnership agreements, Zealand could face situations where a potential partner company has a different tax policy than Zealand, creating a legacy of tax liabilities.



The Board of Directors acknowledges that tax plays an important role in how a potential merger, acquisition, licensing deal or similar transaction is structured. Hence, Corporate Management is granted significant tax structuring flexibility in connection with such transactions under the following conditions:

- Any tax liability and potential risk of the tax structuring must be disclosed to the Board of Directors prior to signing the definitive transaction document.
- A specific timetable to address any tax liabilities must be presented, prior to signing definitive transaction documentation.
- Tax decisions in connection with a deal transaction should as a starting point be limited to deduction of capital costs and usage of unused accumulated tax losses.

Acting individually, Zealand will refrain from structures which include so-called tax havens. However, partners of Zealand may not fully disclose their tax position or group structure to Zealand. As such, Zealand will consistently monitor and evaluate if a tax position of a partner could challenge Zealand's tax position and engage in necessary actions to provide for any negative consequences.

Tax credits and incentives:

Jurisdictions in which Zealand operates today and/or in the future may offer tax exemptions, credits, and incentives of various kinds. Zealand accepts government-sponsored tax credits and incentives with strict adherence to the rules and in line with the economic substance of the company's business activities. Zealand will only accept credits and incentives which are commonly available.

Due to the nature of Zealand's current business activities, tax credits and incentives utilized by Zealand mainly relate to R&D tax credits in Denmark.

Tax risk management

Our approach to tax risk management is integrated within our broader enterprise risk management and compliance framework. Zealand has a low tolerance towards tax risk. Our processes, policies and governance are designed to ensure compliance with tax laws and regulations in the jurisdictions where we operate and to identify and mitigate material tax risks. In the event that tax laws and regulations are subject to interpretations, we will seek external advice and/or opinions to minimize uncertainties and provide for a sustainable tax position of Zealand. Zealand may also obtain binding rulings or similar clarifications from the tax authorities to confirm the application of the tax laws.

Relationship with tax authorities and other stakeholders

Zealand seeks to develop and maintain professional and transparent relationships with tax authorities, providing full access to relevant information. We prepare and file all tax returns in the form specified by law and at the time required. Furthermore, we prepare and retain all the documentation needed to answer any questions raised by tax auditors.

Zealand complies with all current applicable reporting and disclosure requirements in respect of taxes. Initiatives to increase transparency on tax matters are consistently monitored and evaluated. Zealand will seek to respond to such developments in a coherent and sustainable manner.

As stipulated in the company's Code of Business Conduct, Zealand has a zero-tolerance policy towards bribery and corruption of any kind, including bribery of tax or government officials with the aim of obtaining beneficial tax treatment. All employees must adhere to this Code of Business Conduct and regular mandatory training is in place to ensure awareness and compliance.



Publication

Zealand's tax policy is made publicly available on the company's website www.zealandpharma.com.

Approved by the Board of Directors on 16 August 2023