Veloxis Pharmaceuticals A/S
(a Danish public limited company, CVR no. 26527767)

Rights Issue of 1,206,779,946 new Shares, with a nominal value of DKK 0.10 each, at an offer price of DKK 0.35 per Share, with Preemptive Rights for Existing Shareholders at the ratio of 8:3

This prospectus (the "Prospectus") has been prepared in connection with a capital increase comprising an offering (the "Offering") and the admission to trading and official listing on NASDAQ OMX Copenhagen A/S ("NASDAQ OMX") of 1,206,779,946 new shares (the "Offer Shares") with a nominal value of DKK 0.10 each in Veloxis Pharmaceuticals A/S with preemptive rights to subscribe for Offer Shares ("Preemptive Rights") for the Existing Shareholders (as defined) at a ratio of 8:3.

Prior to the Offering, the Company's (as defined) registered share capital is nominally DKK 45,254,248, consisting of 452,542,480 Shares (as defined) with a nominal value of DKK 0.10 each, all of which are fully paid (the "Existing Shares").

Pursuant to an authorisation granted at an extraordinary general meeting held on 20 September 2012, the board of directors of the Company (the "Board of Directors") passed a resolution on 15 October 2012 to increase the Company's share capital by nominally DKK 120,677,994.60 (corresponding to 1,206,779,946 Offer Shares with a nominal value of DKK 0.10 each). Existing shareholders will have Preemptive Rights to subscribe for the Offer Shares. On 22 October 2012 at 12:30 p.m. CET (the "Allocation Time"), each holder of Shares registered with VP Securities A/S ("VP Securities") as a shareholder of the Company ("Existing Shareholders") will be allocated eight (8) Preemptive Rights for each Existing Share held. For every three (3) Preemptive Rights, the holder will be entitled to subscribe for one (1) Offer Share at a price of DKK 0.35 per Offer Share (the "Offer Price"). Due to the subscription ratio of 8:3, there will be an excess of two (2) Preemptive Rights even if all Offer Shares are subscribed for. Veloxis Pharmaceuticals A/S' Existing Shares are listed on NASDAQ OMX under the symbol "VELO" and the ISIN code DK0060048148.

The trading period for the Preemptive Rights will commence on 18 October 2012 at 9:00 a.m. CET and close on 31 October 2012 at 5:00 p.m. CET. The subscription period for the Offer Shares (the "Subscription Period") commences on 23 October 2012 at 9:00 a.m. CET and closes on 5 November 2012 at 5:00 p.m. CET. Any Preemptive Rights that have not been exercised during the Subscription Period will lapse with no value, and the holder of such Preemptive Rights will not be entitled to compensation. Once a holder of Preemptive Rights has exercised such rights and subscribed for Offer Shares, such subscription cannot be withdrawn or modified by the holder. The Preemptive Rights and the Offer Shares have been approved for trading and official listing on NASDAQ OMX.

The Offer Shares will not be issued or admitted to trading and official listing on NASDAQ OMX until the capital increase relating to the Offering has been registered with the Danish Business Authority. Admission to trading and official listing of the Offer Shares is expected to take place on 15 November 2012 in the ISIN code of the Existing Shares (DK0060048148).

Offer Shares which have not been subscribed for by the Company's Existing Shareholders through the exercise of their allocated or acquired Preemptive Rights or by other investors through the exercise of their acquired Preemptive Rights before the expiry of the Subscription Period ("Remaining Shares") may, without compensation to the holders of unexercised Preemptive Rights, be subscribed for by existing shareholders (who were shareholders in the Company as at the Prospectus Date) who, before expiry of the Subscription Period, have made binding commitments to subscribe for Remaining Shares at the Offer Price. In the event that binding undertakings made by existing shareholders exceed the number of Remaining Shares, the Remaining Shares will be allocated pro rata based on the Shares each existing shareholder held at the Prospectus Date. Existing shareholders wishing to subscribe for Remaining Shares must do so by making binding undertakings to subscribe for Remaining Shares at the Offer Price through their own custodian institution before the end of the Subscription Period. Existing shareholders in Denmark may use the subscription form that accompanies the International Prospectus. Existing shareholders outside Denmark should contact their own custodian institution.

Two of the Company's Major Shareholders (as defined), Lundbeckfond Invest A/S and Novo A/S, have each made a conditional advance undertaking to exercise the Preemptive Rights allocated to them in the Offering to subscribe for Offer Shares.

In addition, Lundbeckfond Invest A/S and Novo A/S have made conditional advance undertakings to subscribe for any available Remaining Shares.

Due to the binding advance undertakings described above, subject to the fulfilment of the conditions attached to the advance undertakings and the completion of the Offering, the total gross proceeds of the Offering will be DKK 422 million.

The Preemptive Rights and the Offer Shares will be delivered in book-entry form through allocation to accounts with VP Securities. The Offer Shares have been accepted for clearance through Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") and Clearstream Banking S.A. ("Clearstream").

Investors should be aware that an investment in the Preemptive Rights and the Offer Shares involves a high degree of risk. In particular, the success of the Company is dependent solely on the development, regulatory approval and commercialisation of one single product, LCP-Tacro (as defined). Investors should be aware that most or all of their investment will be lost if the Company is unsuccessful in this regard. See "Risk factors" for a description of factors that should be considered before investing in the Preemptive Rights and the Offer Shares.

The Offering comprises a public offering in Denmark and private placements in certain other jurisdictions. The Offering is subject to Danish law and this Prospectus has been prepared in accordance with the standards and conditions applicable under Danish law.

This Prospectus may not be distributed or otherwise be made available, and the Offer Shares may not be directly or indirectly offered, sold or subscribed for, and the Preemptive Rights may not be directly or indirectly offered, sold, acquired or exercised in the United States, Canada, Australia, Japan or any other jurisdiction in which such distribution, offering, sale, subscription, acquisition or exercise would not be permitted under applicable laws of such jurisdiction, unless such distribution, offering, sale, acquisition, exercise or subscription is permitted under applicable laws of the relevant jurisdiction, and the Company and the Global Coordinator (as defined) receive satisfactory documentation to that effect. Due to such restrictions under applicable legislation and regulations, the Company expects that certain investors residing in the United States, Canada, Australia, Japan and other jurisdictions outside Denmark may not be able to receive this Prospectus and may not be able to exercise their Preemptive Rights or subscribe for the Offer Shares.

The Preemptive Rights and the Offer Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws in the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Global Coordinator

Handelsbanken Capital Markets

The date of this Prospectus is 15 October 2012 (the "Prospectus Date").

IMPORTANT NOTICE

In this Prospectus "Veloxis" and the "Company" refers to Veloxis Pharmaceuticals A/S or, depending on the context, Veloxis Pharmaceuticals A/S and its wholly-owned subsidiary Veloxis Pharmaceuticals Inc. Veloxis Pharmaceuticals A/S together with its wholly-owned subsidiary Veloxis Pharmaceuticals Inc. shall be referred to as the "Group". See Part I, Section 26 "Definitions" and Part I, Section 27 "Acronyms and glossary" for a list of frequently used definitions and scientific and medical terms. References to persons comprise references both to individuals and to legal entities.

IMPORTANT INFORMATION RELATING TO THIS PROSPECTUS

This Prospectus has been prepared for the Offering and the admission to trading and official listing of the Preemptive Rights and the Offer Shares on NASDAQ OMX. It has been prepared in compliance with Danish legislation and regulations, including Consolidated Act no. 855 of 17 August 2012 on Securities Trading (the "Danish Securities Trading Act"), Commission Regulation (EC) no. 809/2004 of 29 April 2004, as amended, and Executive Order no. 643 of 19 June 2012 issued by the Danish Financial Supervisory Authority on prospectuses for securities admitted to trading on a regulated market and for public offerings of securities of at least EUR 5,000,000 (the "Danish Prospectus Order"). The Offering is subject to Danish law and this Prospectus has been prepared in accordance with the standards and conditions applicable under Danish law.

The Prospectus has been prepared in the English language for the offering in Denmark and the private placement of securities outside Denmark and the United States (the "International Prospectus") and for the private placement of securities in the United States (the "U.S. Prospectus"). Further, a Danish summary of the Prospectus is included in the International Prospectus. The International Prospectus and the U.S. Prospectus are equivalent except that the International Prospectus contains (i) a summary in the Danish language; (ii) certain responsibility statements from the Company's Board of Directors and Executive Management (as defined); (iii) a report from the Company's independent auditors on prospective financial information; (iv) a subscription form in the Danish language, all of which are not included in the U.S. Prospectus; and (v) the U.S. Prospectus includes a form of investor letter to be executed by any eligible person in the United States wishing to exercise Preemptive Rights or to subscribe for Offer Shares. In the event of any discrepancy between the English language and the Danish language versions of the summary of the International Prospectus, the English language version shall prevail.

The Company maintains a website at www.veloxis.com. Unless expressly stated herein, no information on the Company's website shall be considered to form part of or be incorporated into this Prospectus, and in the event of any discrepancy between the Company's website and this Prospectus, this Prospectus shall prevail.

RESTRICTIONS APPLICABLE TO THE OFFERING

GENERAL RESTRICTIONS

The Offering will be implemented under Danish law, and neither the Company nor the Global Coordinator has taken any action or will take any action in any jurisdictions, with the exception of Denmark, which may result in a public offering of the Preemptive Rights and/or the Offer Shares.

The distribution of this Prospectus and the Offering, as well as the marketing of Preemptive Rights or Offer Shares, may be restricted by law in certain jurisdictions, and this Prospectus may not be used for the purpose of or in connection with any offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. This Prospectus does not constitute an offer of or an invitation to acquire any Preemptive Rights or to subscribe for Offer Shares in any jurisdiction in which such offer or invitation would be unlawful. Persons into whose possession this Prospectus comes shall inform themselves of and observe all such restrictions. Each investor is advised to investigate through such investor's own advisers the tax consequences of an investment in Offer Shares. Neither the Company nor the Global Coordinator accepts any legal responsibility for any violation by any person, irrespective of whether such person is an Existing Shareholder or a potential purchaser of Preemptive Rights and/or a subscriber for or a purchaser of the Offer Shares.

The Preemptive Rights and the Offer Shares are subject to transfer and selling restrictions in certain jurisdictions. By purchasing or subscribing for the Preemptive Rights or the Offer Shares, purchasers of or subscribers for the Preemptive Rights or Offer Shares will be deemed to have confirmed that the Company and the Global Coordinator and their respective affiliates and other persons may rely on the accuracy of the representations, acknowledgements, guarantees and agreements contained herein.

Each prospective purchaser of or subscriber for the Preemptive Rights and/or the Offer Shares must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, subscribes for, offers or sells Preemptive Rights and/or Offer Shares or possesses or distributes this Prospectus and must obtain any applicable consent, approval or permission for acquiring Preemptive Rights and/or Offer Shares.

This Prospectus may not be distributed in or otherwise be made available, and the Offer Shares may not be directly or indirectly offered, sold or subscribed for, and the Preemptive Rights may not be directly or indirectly offered, sold, acquired or exercised in the United States, Canada, Australia or Japan, unless such distribution, offering, sale, acquisition, exercise or subscription is permitted under applicable laws of the relevant jurisdiction and the Company and the Global Coordinator receive satisfactory documentation to that effect. Due to such restrictions under applicable legislation and regulations, the Company expects that certain investors residing in the United States, Canada, Australia, Japan and other jurisdictions outside Denmark may not be able to receive this Prospectus and may not be able to exercise their Preemptive Rights or to subscribe for the Offer Shares.

NOTICE TO UNITED STATES RESIDENTS

The Preemptive Rights and the Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within

the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Preemptive Rights may not be offered, sold, purchased or exercised in the United States, and the Offer Shares may not be subscribed for, offered or sold in the United States unless they are registered under the U.S. Securities Act or an exemption from such registration requirements is available. The Offer Shares are being offered or sold in the United States solely to qualified institutional buyers ("QIBs") in connection with the offering pursuant to Rule 144A (the "Rule 144A Offering") or otherwise pursuant to an exemption from registration. The Offer Shares are being offered outside the United States in reliance on Regulation S. Prospective investors are hereby notified that sellers of the Offer Shares may be relying on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A or Regulation S. For restrictions on transfer and resale, see Part III, Section 5.14 "Jurisdictions in which the Offering will be made and restrictions applicable to the Offering".

The Preemptive Rights and the Offer Shares have neither been approved nor disapproved by the U.S. Securities and Exchange Commission (the "Securities and Exchange Commission" or the "SEC"), any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

Internal Revenue Service Circular 230 Notice: **To ensure compliance with Internal Revenue Service Circular 230, prospective investors are hereby notified that: (i) any discussion of federal tax issues contained or referred to in this Prospectus is not intended or written to be used, and cannot be used, by prospective investors for the purpose of avoiding penalties that may be imposed on them under the Internal Revenue Code; (ii) such discussion is written in connection with the promotion or marketing of the transactions or matters addressed herein; and (iii) prospective investors should seek advice based on their particular circumstances from an independent tax adviser.**

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENCED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area which has implemented the EU Directive 2003/71, as amended, (the "Prospectus Directive") (each a "Relevant Member State"), no offering of Preemptive Rights or Offer Shares to the public will be made in any Relevant Member State prior to the publication of a prospectus concerning the Preemptive Rights and the Offer Shares, which has been approved by the competent authority in such Relevant Member State or, where relevant, approved in another Relevant Member State and notified to the competent authority in such Relevant Member State, all pursuant to the Prospectus Directive, except that with effect from and including the date of implementation of the Prospectus Directive in such Relevant Member State, an offering of Preemptive Rights and Offer Shares may be made to the public at any time in such Relevant Member State under the following exemptions under the Prospectus Directive:

- to any qualified investor as defined in the Prospectus Directive;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior written consent of the Company and the Global Coordinator; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Offer Shares shall result in a requirement for the publication by the Company or the Global Coordinator of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of the above, the expression "an offer of Preemptive Rights and Offer Shares to the public" in relation to any Preemptive Rights and Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering, the Preemptive Rights and the Offer Shares so as to enable an investor to decide whether to exercise or acquire Preemptive Rights or to subscribe for the Offer Shares or not, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This document is only being distributed to, and is only directed at, (i) persons outside the United Kingdom, or (ii) persons reasonably believed by the Company to be investment professionals within the meaning of article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), or high net worth companies or unincorporated associations within the meaning of article 49(2) of the Order, or (iii) persons to whom this document may otherwise lawfully be distributed (all such persons being referred to collectively as "Relevant Persons"). The Preemptive Rights and the Offer Shares are only available to, and any invitation, offer or agreement to subscribe for, purchase or otherwise acquire such Preemptive Rights or Offer Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.

NOTICE CONCERNING CANADA, AUSTRALIA AND JAPAN

This Prospectus may not be distributed or otherwise be made available, and the Offer Shares may not be directly or indirectly offered, sold or subscribed for, and the Preemptive Rights may not be directly or indirectly offered, sold, acquired or exercised in the, Canada, Australia, Japan or any other jurisdiction in which such distribution, offering, sale, subscription, acquisition or exercise would not be permitted under applicable laws of such jurisdiction, and the Company and the Global Coordinator receive satisfactory documentation to that effect.

Due to such restrictions under applicable legislation and regulations, the Company expects that certain investors residing in Canada, Australia, Japan and other jurisdictions outside Denmark may not be able to receive this Prospectus and may not be able to exercise their Preemptive Rights or to subscribe for the Offer Shares.

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RESPONSIBILITY AND STATEMENTS

Responsibility

Veloxis Pharmaceuticals A/S is responsible for this Prospectus in accordance with Danish law.

Company statement

We hereby declare that we 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 contains no omissions likely to affect the import thereof.

Hørsholm, 15 October 2012

VELOXIS PHARMACEUTICALS A/S

Board of Directors

Kim Bjørnstrup *Chairman*	Thomas P. Dyrberg *Deputy chairman*	Kurt Anker Nielsen
Anders Götzsche	Mette Kirstine Agger	Edward Etienne Penhoet

Kim Bjørnstrup is a professional board member and adviser.

Thomas P. Dyrberg is a Senior Partner with Novo Ventures, Novo A/S.

Kurt Anker Nielsen is a professional board member.

Anders Götzsche is Executive Vice President and Chief Financial Officer at H. Lundbeck A/S.

Mette Kirstine Agger is Managing Partner at Lundbeckfond Ventures under Lundbeckfond Invest A/S.

Edward Etienne Penhoet is a director of Alta BioPharma Management III, LLC and manager of Alta Embarcardero BioPharma Partners III, LLC.

Executive Management

William J. Polvino *President and Chief Executive Officer*	Johnny Stilou *Executive Vice President and Chief Financial Officer*

DANSK RESUMÉ

I henhold til gældende dansk ret består resuméet nedenfor af oplysningskrav, der benævnes 'Elementer'. Disse Elementer er nummereret i afsnittene A – E (A.1 – E.7). Dette resumé indeholder alle de Elementer, der skal være indeholdt i et resumé for denne type værdipapirer og udsteder. Da nogle Elementer ikke skal medtages, kan der forekomme huller i nummereringen af Elementerne.

Selv om et Element skal indsættes i resuméet på grund af typen af værdipapirer 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

A.1	**Advarsel**	Dette resumé skal læses som en indledning til Prospektet. Enhver beslutning om investering i de Udbudte Aktier eller Tegningsretterne af investoren bør træffes på baggrund af Prospektet som helhed. Den sagsøgende investor, hvis en sag vedrørende oplysningerne i Prospektet indbringes for en domstol, i henhold til national lovgivning i medlemsstaterne kan være forpligtet til at betale omkostningerne i forbindelse med oversættelse af Prospektet, inden sagen indledes. Kun de personer, som har indgivet resuméet eller 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 ikke, når det læses sammen med Prospektets andre dele, indeholder nøgleoplysninger, således at investorerne lettere kan tage stilling til, om de vil investere i de Udbudte Aktier eller Tegningsretterne.
A.2	**Anvendelse af Prospektet ved videresalg eller endelig placering af værdipapirer via finansielle formidlere**	Ikke relevant. Veloxis Pharmaceuticals A/S er ikke indforstået med, at Prospektet anvendes ved videresalg eller endelig placering af værdipapirer via finansielle formidlere.

Afsnit B – Udsteder

B.1	**Navn**	Selskabets navn er Veloxis Pharmaceuticals A/S.
B.2	**Hjemsted, juridisk form og indregistreringsland**	Selskabets hjemsted er Kogle Allé 4, 2970 Hørsholm, Danmark. Veloxis Pharmaceuticals A/S er stiftet i henhold til og underlagt dansk ret Veloxis Pharmaceuticals A/S er registreret i Erhvervsstyrelsen.
B.3	**Virksomhedsbeskrivelse**	Veloxis er en specialiseret farmaceutisk virksomhed med fokus på udvikling af LCP-Tacro til forebyggelse af organafstødning hos nyretransplanterede patienter. LCP-Tacro er en én-gang-daglig lægemiddelform af tacrolimus, som er markedets førende primære immunosuppressive middel til brug i forbindelse med transplantation. LCP-Tacro har vist positive resultater i det første af to kliniske fase III studier sammenlignet med standardbehandlingen Prograf samt i tidligere kliniske fase II studier, og det undersøges nu i det andet af to kliniske fase III studier til behandling af nytransplanterede (*de novo*) nyrepatienter. Selskabet har til hensigt at indlevere en ansøgning om markedsføringstilladelse ("MAA") i den Europæiske Union i 2013 og en New Drug Application ("NDA") i USA i andet halvår 2013. Selskabet anvender sin rettighedsbeskyttede MeltDose-teknologi i formuleringen af LCP-Tacro for at forbedre biotilgængeligheden af lægemidlet og give mulighed for en plasmaprofil med kontrolleret eller modificeret afgivelse ("sustained release" eller "modified release"). MeltDose-teknologien er blevet valideret i kliniske undersøgelser gennem de amerikanske lægemiddelmyndigheders ("FDA"'s) godkendelse af Fenoglide (der nu er på markedet) til behandling af dyslipidæmi hos voksne. **Forretningsstrategi** Veloxis' primære mål er at afslutte Selskabets igangværende kliniske fase III studier med LCP-Tacro, at opnå myndighedsgodkendelse i USA og den Europæiske Union og derefter at kommercialisere produktet. De væsentligste elementer af Veloxis' forretningsstrategi er: • **At udvikle LCP-Tacro gennem de kliniske studier og opnå myndighedsgodkendelse inden for organtransplantation.** For LCP-Tacro (dosering én gang dagligt) er der opnået positive kliniske fase II og III data fra nyretransplanterede patienter i direkte sammenligning med Prograf (dosering to gange dagligt), som er det eneste ikke-generiske tacrolimus-produkt, der i dag sælges på det amerikanske marked som profylakse mod organafstødning. Selskabet har desuden opnået positive fase II data for LCP-Tacro fra levertransplanterede patienter i direkte sammenligning med Prograf. Selskabet har valgt at fokusere sine udviklingsaktiviteter på LCP-Tacro til behandling af nyretransplanterede patienter som følge af den større potentielle patientgruppe og efterspørgsel. • **At maksimere den fulde værdi af LCP-Tacro programmet ved internt at finansiere programmet frem til afslutningen af fase III, indlevering af NDA/MAA samt lancering på markedet.** Selskabet indledte kliniske fase III studier med LCP-Tacro i stabile nyretransplanterede patienter i an-

det halvår 2008 og i nytransplanterede (*de novo*) nyrepatienter i fjerde kvartal 2010. For studieprotokollen vedrørende *de novo* transplantation er der opnået en såkaldt SPA fra FDA.

Efter veloverstået gennemførelse af Udbuddet har Selskabet til hensigt at videreføre udviklingsprogrammet rettet mod indsendelse af NDA/MAA og lancering på markedet, hvorved Selskabet kan efterleve sin strategi om selv at kommercialisere produktet i USA og indgå samarbejdsaftaler i resten af verden. Formålet med denne strategi er at maksimere programmets fulde værdi. Som følge af de særlige karakteristika ved markedet for organtransplantation kræves der kun en relativt lille salgsstyrke for en vellykket markedsføring af produkter på transplantationsområdet. Det er derfor Selskabets nuværende plan, under forudsætning af en vellykket gennemførelse af fase III programmet, at etablere egen salgsstyrke i USA. I relation til øvrige jurisdiktioner har Selskabet for nylig indgået en samarbejdsaftale med Chiesi (som defineret) med hensyn til kommercialisering af LCP-Tacro i bestemte lande, herunder i Europa, Tyrkiet og CIS-landene (som defineret).

B.4a Tendensoplysninger

Veloxis har aktiviteter inden for sundhedsbranchen og er således afhængig af den overordnede udvikling i sundhedssektoren. Der er megen lokal variation på de forskellige sundhedsmarkeder, men den overordnede tendens har været en løbende stigning i sundhedsomkostningerne på globalt plan, bl.a. som følge af stigende BNP-vækst, højere krav til sundhedssektoren fra offentligheden samt en stadig bedre evne til at foretage avancerede behandlinger af flere forskellige medicinske tilstande.

Selskabet forventer, at denne tendens vil fortsætte. Da mange af de store økonomier, herunder USA og den Europæiske Union, imidlertid er berørt af den igangværende finanskrise, kan det forventes, at den generelle fokus på at begrænse det offentliges og den private sektors udgifter vil føre til langsommere vækst i de kommende år i forhold til de historiske vækstrater.

B.5 Organisationsstruktur

Veloxis Pharmaceuticals A/S er moderselskab for det 100% ejede Veloxis Pharmaceuticals, Inc.

B.6 Større Aktionærer

Følgende aktionærer har pr. Prospektdatoen meddelt Selskabet, at de ejer mindst 5% af Selskabets Aktier eller stemmerettigheder.

Aktionær	Aktiebeholdning (%)	Stemmeandel (%)[1]
Lundbeckfond Invest A/S Vestagervej 17 2900 Hellerup Denmark	30,9	30,9
Novo A/S Tuborg Havnevej 19 2900 Hellerup Danmark	28,0	28,0
Alta Partners[2] One Embarcadero Center, Suite 3700 San Francisco, CA 94111 USA	6,3	6,3

Noter:

[1] Aktionærer har ret til én stemme pr. aktie

[2] "Alta Partners" referer til Alta Partners III, Inc., inklusive de associerede fonde Alta BioPharma Partners III, L.P., Alta BioPharma Partners III, GmbH & Co. Beteiligungs KG, og Alta Embarcadero BioPharma Partners III, LLC

Selskabets Større Aktionærer har samme rettigheder som Selskabets øvrige aktionærer.

Selskabet har ikke kendskab til, at det direkte eller indirekte ejes eller kontrolleres af andre, ligesom Selskabet ikke har kendskab til aftaler, som senere kan medføre, at andre overtager kontrollen med Selskabet.

B.7 Resumé af regnskabsoplysninger

Hoved- og nøgletallene i dette resumé er uddraget af Selskabets reviderede koncernregnskaber for regnskabsårene 2009, 2010 og 2011, som er aflagt i overensstemmelse med IFRS som godkendt af den Europæiske Union og yderligere danske oplysningskrav til regnskabsaflæggelse for børsnoterede selskaber. Selskabets uafhængige revisor er PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab.

Dette resumé omfatter ligeledes hoved- og nøgletal uddraget af Selskabets reviewede sammendragne delårskoncernregnskaber for perioderne 1. januar – 30. juni 2011 og 1. januar – 30. juni 2012. Delårskoncernregnskaberne er aflagt i overensstemmelse med den internationale regnskabsstandard nr. 34 (IAS 34) "Præsentation af delårsregnskaber" som godkendt af den Europæiske Union.

Hoved- og nøgletallene bør læses i sammenhæng med Veloxis' årsrapporter og delårsregnskaber.

Beløb i EUR er omregnet fra danske kroner af hensyn til læseren. Omregning af resultatopgørelse og pengestrømsopgørelse for regnskabsårene 2009, 2010 og 2011 er baseret på gennemsnitskursen for det pågældende år, og omregning af balanceposter er baseret på ultimokursen for den pågældende periode eller år. Omregning af resultatopgørelse og pengestrømsopgørelse for perioderne 1. januar – 30. juni 2011 og 1. januar – 30. juni 2012 er baseret på kursen på datoen for balanceopgørelsen for den pågældende periode. Disse omregninger bør ikke fortolkes som en angivelse af, at beløb i danske kroner faktisk svarer til de pågældende beløb i EUR til de angivne kurser.

	Perioden 1. januar – 30. juni		Regnskabsåret		
	2012	2011	2011	2010	2009
Gennemsnitskurs DKK/EUR	-	-	7,450529	7,447366	7,446251
Ultimokurs DKK/EUR	7,433400	7,458700	7,434200	7,454400	7,441500

Kilde: www.nationalbanken.dk

HOVED- OG NØGLETAL I DKK

	Perioden 1. januar – 30. juni		Regnskabsåret		
	2012 DKK mio.	2011 DKK mio.	2011 DKK mio.	2010 DKK mio.	2009 DKK mio.
Resultatopgørelse					
Nettoomsætning	0	0	0	1,5	2,5
Forsknings- og udviklingsomkostninger	(119,5)	(117,2)	(222,1)	(210,4)	(210,1)
Administrationsomkostninger	(19,7)	(23,9)	(47,8)	(52,2)	(62,4)
Omstruktureringsomkostninger[1]	(21,4)	0	0	(10,9)	(9,5)
Driftsresultat	(160,6)	(141,1)	(269,9)	(272,0)	(279,5)
Finansielle indtægter/(tab), netto	0,4	0,2	16,0	(0,8)	8,5
Periodens/årets nettotab før skat	(160,2)	(140,9)	(253,8)	(272,8)	(271,0)
Skat for perioden/året	(0,4)	(0,3)	1,2	(1,4)	0
Periodens/årets nettotab	(160,6)	(141,2)	(252,6)	(274,2)	(271,0)
Balance					
Likvide beholdninger	152,7	402,2	297,7	531,5	333,4
Aktiver i alt	167,8	426,9	320,9	562,9	379,3
Egenkapital i alt	99,0	363,6	255,9	498,2	317,3
Investeringer i materielle aktiver	0,2	1,3	3,0	2,6	11,0
Pengestrømme					
Pengestrømme fra driftsaktivitet, netto	(142,8)	(122,0)	(234,6)	(238,1)	(251,2)
Pengestrømme fra investeringsaktivitet, netto	53,6	(221,8)	(169,8)	(2,7)	(11,0)
Pengestrømme fra finansieringsaktivitet, netto	(2,4)	(2,8)	(5,9)	440,0	0,7
Likvide beholdninger ultimo	152,7	402,2	297,7	531,5	333,4
Nøgletal[2]					
Aktuelt og udvandet resultat pr. aktie	(0,35)	(0,31)	(0,56)	(2,84)	(4,80)
Vægtet, gennemsnitligt antal udestående aktier	452.542.480	452.542.480	452.542.480	96.707.708	56.443.701
Gennemsnitligt antal ansatte i perioden/året (fuldtidsstillinger)	55	53	52	59	93
Aktiver/egenkapital ultimo	1,70	1,17	1,25	1,13	1,20

Noter:

[1] Omstruktureringsomkostninger omfatter lønudbetalinger til fratrådte medarbejdere i forbindelse med den offentliggjorte reduktion af antallet af medarbejdere, som blev gennemført i maj 2012, samt nedskrivninger på laboratorieudstyr og indretning af lejede lokaler som følge af ophøret af aktiviteter i selskabets pipeline, som ikke vedrørte LCP-Tacro.

[2] Nøgletallene er beregnet i henhold til Dansk Finansanalytikerforenings anbefalinger.

HOVED- OG NØGLETAL I EUR

	Perioden 1. januar – 30. juni		Regnskabsåret		
	2012 EUR mio.	2011 EUR mio.	2011 EUR mio.	2010 EUR mio.	2009 EUR mio.
Resultatopgørelse					
Nettoomsætning	0	0	0	0,2	0,3
Forsknings- og udviklingsomkostninger	(16,1)	(15,7)	(29,8)	(28,2)	(28,2)
Administrationsomkostninger	(2,6)	(3,2)	(6,4)	(7,0)	(8,4)
Omstruktureringsomkostninger[1]	(2,9)	0	0	(1,5)	(1,3)
Driftsresultat	(21,6)	(18,9)	(36,2)	(36,5)	(37,6)
Finansielle indtægter/(tab), netto	0,1	0	2,1	(0,1)	1,1
Periodens/årets nettotab før skat	(21,5)	(18,9)	(34,1)	(36,6)	(36,4)
Skat for perioden/året	(0,1)	0	0,2	(0,2)	0
Periodens/årets nettotab	(21,6)	(18,9)	(33,9)	(36,8)	(36,4)
Balance					
Likvide beholdninger	20,5	54,1	40,0	71,3	44,8
Aktiver i alt	22,6	57,4	43,2	75,5	51,0
Egenkapital i alt	13,3	48,9	34,4	66,8	42,6
Investeringer i materielle aktiver	0	0,2	0,4	0,3	1,5
Pengestrømme					
Pengestrømme fra driftsaktivitet, netto	(19,2)	(16,4)	(31,5)	(32,0)	(33,7)
Pengestrømme fra investeringsaktivitet, netto	7,2	(29,7)	(22,8)	(0,4)	(1,5)
Pengestrømme fra finansieringsaktivitet, netto	(0,3)	(0,4)	(0,8)	59,1	0,1
Likvide beholdninger ultimo	20,5	54,1	40,0	71,3	44,8
Nøgletal[2]					
Aktuelt og udvandet resultat pr. aktie	(0,05)	(0,04)	(0,07)	(0,38)	(0,64)
Vægtet, gennemsnitligt antal udestående aktier	452.542.480	452.542.480	452.542.480	96.707.708	56.443.701
Gennemsnitligt antal ansatte i perioden/året (fuldtidsstillinger)	55	53	52	59	93
Aktiver/egenkapital ultimo	1,70	1,17	1,25	1,13	1,20

Noter:

[1] Omstruktureringsomkostninger omfatter lønudbetalinger til fratrådte medarbejdere i forbindelse med den offentliggjorte reduktion af antallet af medarbejdere, som blev gennemført i maj 2012, samt nedskrivninger på laboratorieudstyr og forbedringer af lejede lokaler som følge af ophøret af aktiviteter i Selskabets pipeline, som ikke vedrørte LCP-Tacro.

[2] Nøgletallene er beregnet i henhold til Dansk Finansanalytikerforenings anbefalinger.

I perioden siden offentliggørelsen af Selskabets halvårsregnskab for 1. halvår 2012 den 22. august 2012 har der ikke været væsentlige ændringer i Selskabets finansielle stilling ud over kontant afholdelse af udgifter som led i den daglige drift.

B.8 Proformaregnskabsoplysninger

Ikke relevant. Dette Prospekt indeholder ingen proformaregnskabsoplysninger.

B.9 Fremadrettede konsoliderede finansielle oplysninger

Forventninger til 2012
Driftsresultatet og årets resultat forventes at blive et underskud i størrelsesordenen DKK 240 mio.– DKK 270 mio. for regnskabsåret 2012.

Pr. 31. august 2012 udgjorde Selskabets likvide beholdninger DKK 104 mio., og Selskabets likvide beholdninger pr. 31. december 2012 forventes at ligge i størrelsesordenen DKK 490 mio.– DKK 530 mio. inklusive provenuet fra Udbuddet.

Forventninger til 2013
Driftsresultatet og årets resultat forventes at blive et underskud i størrelsesordenen DKK 170 mio.– DKK 200 mio. for regnskabsåret 2013.

B.10	**Forbehold i revisionspåtegningen**	Ikke relevant. Der er ikke taget forbehold vedrørende de historiske regnskabsoplysninger indeholdt i Prospektet.
B.11	**Driftskapital**	Såfremt Udbuddet ikke gennemføres, og der ikke iværksættes andre tiltag, vil Selskabets kapitalberedskab ikke være tilstrækkeligt til at finansiere Selskabets drift de næste 12 måneder regnet fra Prospektdatoen. Selskabet har historisk været finansieret ved kapitalindskud fra Selskabets aktionærer. Selskabet vurderer, at nettoprovenuet fra Udbuddet på ca. DKK 405 mio. sammen med de eksisterende likvide beholdninger vil være tilstrækkeligt til at finansiere Selskabets drift frem til efter den forventede lancering af LCP-Tacro i Europa og USA i fjerde kvartal 2014. Hvorvidt Selskabet vil få brug for yderligere kapital til finansiering i perioden fra salget påbegyndes, til Selskabet er profitabelt, vil afhænge af den fremtidige salgspris, salgsvolumen, kostpriser, tidspunktet for og om kommercialiseringen af LCP-Tacro lykkes.

Afsnit C – Værdipapirer

C.1	**Værdipapirtype og ISIN koder**	**Tegningsretter** Den vederlagsfri tildeling af Tegningsretterne vil ske til Eksisterende Aktionærer, der er registreret som aktionærer i VP Securities den 22. oktober 2012 kl. 12.30 dansk tid. Aktier, som handles efter den 17. oktober 2012, vil blive handlet eksklusive Tegningsretter, forudsat at Aktierne handles med sædvanlig tre dages valør. Tegningsretterne har ISIN koden DK0060449130. Tegningsretterne er blevet godkendt til optagelse til handel og officiel notering på NASDAQ OMX, og kan handles på NASDAQ OMX i perioden fra den 18. oktober 2012 kl. 9.00 dansk tid til den 31. oktober 2012 kl. 17.00 dansk tid. Tegningsperioden for de Udbudte Aktier løber fra den 23. oktober 2012 kl. 9.00 dansk tid til den 5. november 2012 kl. 17.00 dansk tid. Udbuddet gennemføres i forholdet 3:8, hvilket indebærer, at hver Eksisterende Aktionær tildeles otte (8) Tegningsretter pr. Eksisterende Aktie, vedkommende besidder, og at der skal anvendes tre (3) Tegningsretter for at tegne et (1) stk. Udbudt Aktie til Udbudskursen. **Udbudte Aktier** De Udbudte Aktier, der udstedes af Selskabet efter registrering af kapitalforhøjelsen i Erhvervsstyrelsen, skal være af samme klasse som de Eksisterende Aktier. De Udbudte Aktier vil blive udstedt og registreret i den midlertidige ISIN kode DK0060449213. De Udbudte Aktier vil ikke blive optaget til handel og officiel notering på NASDAQ OMX i den midlertidige ISIN kode. Den midlertidige ISIN kode vil blive lagt sammen med den permanente ISIN kode for de Eksisterende Aktier, og de Udbudte Aktier vil blive noteret på NASDAQ OMX direkte i ISIN koden for de Eksisterende Aktier (DK0060048148) efter registrering af kapitalforhøjelsen i Erhvervsstyrelsen, hvilket forventes at ske den 13. november 2012. De Udbudte Aktier forventes at blive optaget til handel og officiel notering på NASDAQ OMX i den eksisterende ISIN kode den 15. november 2012.
C.2	**Valuta**	Udbuddet gennemføres og handel med Tegningsretterne og de Udbudte Aktier finder sted i danske kroner. De Udbudte Aktier er denomineret i danske kroner.
C.3	**Aktiekapital før og efter Udbuddet**	Umiddelbart før Udbuddet udgjorde Selskabets registrerede aktiekapital nom. DKK 45.254.248, svarende til 452.542.480 stk. Aktier à nom. DKK 0,10. Umiddelbart efter Udbuddet vil Selskabets registrerede aktiekapital udgøre nom. DKK 165.932.242,60, svarende til 1.659.322.426 Aktier à nom. DKK 0,10. Selskabet har ingen aktieklasser, og alle Aktier er udstedt og fuldt indbetalt.
C.4	**Tegningsretternes og Aktiernes rettigheder**	**Tegningsretter** Udbuddet gennemføres i forholdet 3:8, hvilket betyder, at alle Eksisterende Aktionærer vil blive tildelt otte (8) Tegningsretter pr. Eksisterende Aktie, og at der skal anvendes tre (3) Tegningsretter for at tegne én (1) Udbudt Aktie til Udbudskursen. Tegningsretterne kan handles på NASDAQ OMX i perioden fra den 18. oktober 2012 kl. 9.00 dansk tid til den 31. oktober 2012 kl. 17.00 dansk tid og kan udnyttes i perioden fra den 23. oktober 2012 kl. 9.00 dansk tid til den 5. november 2012 kl. 17.00 dansk tid (sidstnævnte periode er Tegningsperioden). Tegningsretterne kan kun udnyttes ved anvendelse af det antal Tegningsretter, der tillader tegning af et helt antal Udbudte Aktier. Hvis en indehaver af Tegningsretter ikke har et tilstrækkeligt antal Tegningsret-

ter til at tegne et helt antal Udbudte Aktier, og denne ønsker at tegne Udbudte Aktier, kan vedkommende enten 1) i løbet af handelsperioden for Tegningsretterne købe det antal Tegningsretter i markedet, der er nødvendigt for at tegne et helt antal Udbudte Aktier, 2) sælge Tegningsretterne i løbet af samme periode eller 3) lade Tegningsretterne bortfalde. Tegningsretter, som ikke udnyttes inden udløbet af Tegningsperioden, bortfalder uden værdi, og indehaveren af sådanne Tegningsretter på dette tidspunkt er ikke berettiget til kompensation. Tegningsperioden slutter den 5. november 2012 kl. 17.00 dansk tid.

Eksisterende aktionærer (som var aktionærer i Selskabet pr. Prospektdatoen) kan tegne Resterende Aktier uden kompensation til indehaverne af ikke-udnyttede Tegningsretter.

Hvis Udbuddet ikke gennemføres, vil udnyttelse af Tegningsretter, som allerede måtte være sket, automatisk blive annulleret, tegningskursen for de Udbudte Aktier vil blive refunderet (med fradrag af eventuelle mæglergebyrer), alle Tegningsretter vil bortfalde, og der vil ikke blive udstedt nogen Udbudte Aktier. Handler med Tegningsretter foretaget i løbet af handelsperioden for Tegningsretterne vil imidlertid ikke blive berørt. Dette medfører, at investorer, der har erhvervet Tegningsretter, vil lide et tab svarende til købesummen for Tegningsretterne og eventuelle mæglergebyrer. En tilbagekaldelse vil i givet fald straks blive meddelt gennem NASDAQ OMX.

Udbudte Aktier
De Udbudte Aktier får, når de er fuldt indbetalt, og kapitalforhøjelsen er registreret i Erhvervsstyrelsen, de samme rettigheder som de Eksisterende Aktier.

Stemmeret
På generalforsamlinger giver hver Aktie én stemme. Der er ingen begrænsninger i vedtægterne eller efter dansk ret vedrørende udlændinges eller ikke danske statsborgeres ret til at eje eller stemme på Selskabets Aktier.

Ret til udbytte
I henhold til selskabsloven kan aktionærerne på en generalforsamling beslutte at udlodde ordinært og ekstraordinært udbytte.

De Udbudte Aktier har samme rettigheder som de Eksisterende Aktier til fuldt udbytte deklareret fra det tidspunkt, de Udbudte Aktier er registreret i Erhvervsstyrelsen. Eventuelt deklareret udbytte udbetales i danske kroner til aktionærernes konto hos VP Securities. Der gælder ingen udbyttebegrænsninger eller særlige procedurer for ejere af Aktier, der ikke er bosiddende i Danmark. Udbytte, der ikke er hævet tre år efter forfald, fortabes og tilfalder Selskabet.

Fortegningsret
Hvis en generalforsamling vedtager at udvide Selskabets aktiekapital ved kontant indskud, gælder selskabslovens § 162. I henhold til denne bestemmelse har aktionærerne fortegningsret til nye aktier i forhold til deres eksisterende aktiebeholdning. Fortegningsretten kan dog fraviges af et flertal bestående af mindst to tredjedele af de afgivne stemmer samt mindst to tredjedele af den på generalforsamlingen repræsenterede aktiekapital, forudsat at kapitalforhøjelsen sker til markedskurs.

Bestyrelsen kan vedtage at forhøje Selskabets aktiekapital uden fortegningsret for eksisterende aktionærer i henhold til de bemyndigelser, der er anført i Selskabets vedtægter.

Som følge af restriktioner i henhold til de gældende love og regler forventer Selskabet, at visse investorer hjemmehørende uden for Danmark muligvis ikke vil kunne udnytte deres Tegningsretter eller tegne de Udbudte Aktier.

Rettigheder ved likvidation
I tilfælde af likvidation af Selskabet har aktionærerne ret til at deltage i udlodningen af de overskydende aktiver i forhold til deres respektive nominelle aktiebeholdning efter betaling af Selskabets kreditorer.

Øvrige rettigheder
Alle Selskabets Aktier har samme rettigheder, og vedtægterne giver ikke mulighed for at konvertere Aktierne. Ingen aktionær er forpligtet til helt eller delvist at lade deres Aktier indløse af Selskabet eller andre, ud over hvad der fremgår af selskabsloven. Der er ingen begrænsninger i retten til at eje Aktier i henhold til Selskabets vedtægter eller efter dansk ret.

C.5	**Indskrænkninger i Aktiernes omsættelighed**	Ikke relevant. Selskabets Eksisterende Aktier er og de Udbudte Aktier vil være omsætningspapirer i henhold til dansk ret og frit omsættelige.

C.6	**Optagelse til handel og officiel notering**	Tegningsretterne er godkendt til og vil blive optaget til handel og officiel notering på NASDAQ OMX, og handelsperioden for Tegningsretterne begynder den 18. oktober 2012 kl. 9.00 dansk tid og slutter den 31. oktober 2012 kl. 17.00 dansk tid i ISIN koden DK0060449130. Efter registrering af kapitalforhøjelsen vedrørende de Udbudte Aktier i Erhvervsstyrelsen, hvilket forventes at finde sted den 13. november 2012, vil de Udbudte Aktier blive udstedt og optaget til handel og officiel notering på NASDAQ OMX. Optagelse til handel og officiel notering af de Udbudte Aktier forventes at finde sted den 15. november 2012 i ISIN koden for de Eksisterende Aktier (DK0060048148).
C.7	**Udbytte**	Selskabet har til dato ikke deklareret eller udbetalt udbytte og agter for tiden at anvende alle finansielle midler og eventuel driftsindtjening til brug i virksomheden, og Selskabet forventer ikke at udbetale udbytte inden for en overskuelig fremtid. Fremtidig udbytteudbetaling afhænger af en række forhold, herunder Selskabets fremtidige indtjening, kapitalbehov, økonomiske forhold og fremtidsudsigter, gældende begrænsninger vedrørende udlodning af udbytte i henhold til dansk lovgivning og andre forhold, som Bestyrelsen måtte anse for relevante.

Afsnit D – Risici

D.1	**Risici forbundet med Selskabet**	**Risici forbundet med Selskabets aktiviteter** *LCP-Tacro* • Veloxis fokuserer udelukkende på udvikling, myndighedsgodkendelse og kommercialisering af LCP-Tacro, og det vil muligvis ikke lykkes for Selskabet at føre denne produktkandidat på markedet. • Selskabets igangværende kliniske fase III studie af LCP-Tacro vil muligvis ikke lykkes eller vil muligvis ikke frembringe tilstrækkelige data til at understøtte en myndighedsgodkendelse, hvilket kan få væsentlig negativ indflydelse på Selskabets fremtidsudsigter. • Selskabet vil muligvis ikke kunne opnå myndighedsgodkendelse til at markedsføre LCP-Tacro i henhold til tidsplanen eller overhovedet, hvilket kan få væsentlig negativ indflydelse på Selskabets fremtidsudsigter. • Selskabet anvender eksterne samarbejdspartnere til at udføre kliniske studier af LCP-Tacro, og disse samarbejdspartnere vil muligvis ikke være i stand til at overholde deres myndigheds- eller kontraktbestemte forpligtelser over for Selskabet. *Kommercialisering* • Selskabet har aldrig kommercialiseret et produkt, har ingen salgs- og markedsføringserfaring, og Selskabet vil muligvis ikke kunne etablere den udvidede organisationsstruktur, der kræves for at understøtte en kommerciel lancering. • Yderligere igangværende eller fremtidige studier, der skal vise yderligere fordele ved LCP-Tacro, vil muligvis ikke lykkes, hvilket kan begrænse markedet for denne produktkandidat. • Det vil muligvis ikke lykkes for Selskabets samarbejdspartnere at kommercialisere LCP-Tacro uden for USA, og Selskabet kan blive væsentligt afhængig af sine samarbejdspartnere i forbindelse med disse aftaler. *Fremstilling* • Selskabet er afhængigt af en enkelt ekstern producent af LCP-Tacro og vil muligvis ikke være i stand til at finde alternative leverandører inden for tidsplanen eller inden for budgettet. **Risici forbundet med Selskabets immaterielle rettigheder** • Tredjeparter kan starte sagsanlæg med påstande om, at Selskabet krænker deres immaterielle rettigheder, og udfaldet heraf kan være usikkert og kan få væsentlig negativ indvirkning på Selskabets forretningsmæssige succes. • Veloxis kan blive udsat for en retssag vedrørende immaterielle rettigheder med Astellas Pharma Inc. i forbindelse med LCP-Tacro. • Selskabet kan blive involveret i retssager for at beskytte eller håndhæve sine patenter eller andre immaterielle rettigheder, hvilket kan blive dyrt, tidskrævende og i sidste ende føre til, at Selskabet ikke vinder sagerne. • Selskabet kan muligvis ikke opnå eller fastholde kommercielt værdifuld patentbeskyttelse eller ikke-patentbaseret eksklusivitet eller beskytte sine forretningshemmeligheder. **Risici forbundet med produktansvar og retstvister** • Selskabet kan blive udsat for produktansvarskrav vedrørende brug eller misbrug af LCP-Tacro.

- LCP-Tacro vil muligvis vise sig at resultere i uforudsete bivirkninger, hvilket kan føre til omkostninger eller ansvar for Selskabet eller manglende markedsaccept af produktet.

- Selskabet kan blive involveret i andre retssager eller krav.

- Selskabet vil muligvis ikke kunne opnå eller fastholde tilstrækkelig forsikringsdækning.

Risici forbundet med Selskabets medarbejdere
- Selskabet har reduceret medarbejderstaben i forbindelse med en organisatorisk omstrukturering i maj 2012 for at opnå en mere lean struktur, og det kan i fremtiden blive vanskeligt for Selskabet at fastholde eller tiltrække kvalificerede medarbejdere, herunder nøglemedarbejdere.

Risici forbundet med "post-approval" myndighedskrav og tilskud
- LCP-Tacro vil, når og hvis der opnås godkendelse, blive underlagt omfattende "post-approval" krav.

- Selskabet vil muligvis ikke være i stand til at generere tilstrækkelig omsætning fra LCP-Tacro på grund af regler og politik vedrørende tilskud og medicinpriser.

Risici forbundet med konkurrence og markedsaccept
- Der er kraftig konkurrence inden for biotek- og medicinalindustrien, og Selskabet vil muligvis ikke være i stand til at konkurrere effektivt.

- Selskabet kan især blive udsat for kraftig konkurrence fra andre produkter inden for det samme terapeutiske område.

- LCP-Tacro vil muligvis ikke opnå markedsaccept.

Risici forbundet med økonomisk stilling, valuta og andre finansielle risici
Økonomisk stilling og finansiering
- Selskabet agter at anvende hele den frie kapital, herunder nettoprovenuet fra Udbuddet, til at finansiere udvikling, myndighedsgodkendelse og kommerciel lancering af LCP-Tacro.

- Selskabet har haft et akkumuleret underskud siden stiftelsen og har hidtil kun genereret begrænset omsætning, vil få fremtidige underskud og vil muligvis ikke opnå eller være i stand til at fastholde lønsomhed.

- Det vil muligvis være vanskeligt at opnå yderligere finansiering i fremtiden.

- Selskabets driftsresultat vil kunne variere betydeligt fra regnskabsperiode til regnskabsperiode, og disse variationer kan være vanskelige at forudsige.

- De fremadrettede finansielle oplysninger i dette Prospekt kan afvige væsentligt fra Selskabets faktiske resultater.

Valuta
- Størsteparten af Selskabets løbende udgifter afholdes i en anden valuta end Selskabets likvide beholdning.

Skattemæssige risici
- Det er sandsynligt, at Selskabet vil være et "passive foreign investment" selskab i amerikansk skattehenseende i 2012 og potentielt i fremtidige år.

- Selskabets fortolkning og implementering af skattelovgivning, -regler og administrativ praksis vedrørende aktiviteterne i Danmark og USA er muligvis ikke korrekt, og der er risiko for, at disse regler kan ændre sig.

D.3 Risici forbundet med Selskabets Aktier og Udbuddet

Koncentration af kontrol
- Selskabets Større Aktionærer kontrollerer en væsentlig del af Selskabets Aktier, og deres interesser kan være forskellige fra og i modstrid med andre af Selskabets øvrige aktionærers interesser.

Anvendelse af provenu
- Selskabets Bestyrelse og Direktion har store frihedsgrader i forhold til anvendelsen af nettoprovenuet fra Udbuddet og vil måske ikke anvende det effektivt.

Gennemførelse af Udbuddet
- Der er risiko for, at de eksisterende aktionærer (som var aktionærer i Selskabet pr. Prospektdatoen), der ønsker at tegne Resterende Aktier, ikke vil blive tildelt nogen Resterende Aktier.

- Udbuddet risikerer ikke at blive gennemført og kan tilbagekaldes under visse ekstraordinære og uforudsigelige omstændigheder.

- Tegningstilsagn og garantiforpligtelser kan trækkes tilbage eller vil muligvis ikke blive overholdt.

- Hvis Udbuddet ikke gennemføres, vil investorer, der har købt Tegningsretter, miste hele den betalte købssum.
- Hvis Udbuddet ikke gennemføres, kan investorer, der har købt rettigheder til de Udbudte Aktier, miste hele den betalte købssum.

Risici forbundet med Tegningsretterne

- Markedskursen på Selskabets Aktier og Tegningsretter kan være meget svingende.
- Hvis markedskursen på Aktierne falder væsentligt, kan Tegningsretterne tabe deres værdi.
- Markedet for Tegningsretterne vil muligvis have begrænset likviditet, og selv hvis der udvikler sig et marked, vil Tegningsretterne muligvis ikke blive prissat effektivt i forhold til Aktiernes kurs.
- Aktionærer i jurisdiktioner uden for Danmark er muligvis ikke i stand til at erhverve og/eller udnytte Tegningsretter.
- Manglende udnyttelse af Tegningsretter inden udløbet af Tegningsperioden (den 5. november 2012 kl. 17.00 dansk tid) vil medføre bortfald af indehaverens Tegningsretter.
- Hvis en Eksisterende Aktionær ikke udnytter alle sine Tegningsretter, vil vedkommendes ejerandel blive udvandet, og denne udvanding kan være væsentlig.

Risici forbundet med Aktierne

- Likviditeten i Aktierne har været og vil muligvis fortsat være begrænset.
- Selskabet har ikke tidligere udbetalt udbytte på Aktierne og forventer ikke at udbetale udbytte inden for en overskuelig fremtid.
- Tegnere af de Udbudte Aktier kan opleve udvanding af deres investering i forbindelse med udnyttelse af warrants.
- Selskabet vil muligvis udstede yderligere Aktier eller andre værdipapirer i fremtiden, eller Selskabets Større Aktionærer, Bestyrelsen eller Direktionen vil muligvis beslutte at sælge deres Aktier.
- Selskabet forventer, at det vil gennemføre et omvendt aktiesplit, hvilket vil kunne påvirke børskursen pr. Aktie og likviditeten i Aktierne negativt.
- Investorer uden for Danmark er udsat for valutarisici.
- Selskabet er et aktieselskab registreret i henhold til dansk ret, hvilket kan gøre det svært for Aktionærer bosiddende uden for Danmark at udnytte eller håndhæve visse rettigheder.

Afsnit E – Udbud

E.1	**Nettoprovenu og samlede omkostninger**	Bruttoprovenuet fra Udbuddet vil udgøre i alt DKK 422 mio. De estimerede omkostninger (faste og diskretionære), som skal betales af Selskabet i forbindelse med Udbuddet, udgør i alt DKK 17 mio., forudsat at Udbuddet tegnes fuldt ud. Det skønnede nettoprovenu fra Udbuddet vil udgøre i alt DKK 405 mio. Selskabet har forpligtet sig til at betale en tegningsprovision på 0,125% pr. Udbudt Aktie til de kontoførende institutter. Honorarer og provision til Global Coordinator og tegningsprovision til de kontoførende institutter er variable, og de faktiske omkostninger vil derfor afhænge af Udbuddets resultat. De Udbudte Aktier udbydes til DKK 0,35 pr. Aktie. Investorerne pålægges ikke kurtage.
E.2a	**Baggrund for Udbuddet og anvendelse af provenu**	Udbuddet skal skaffe yderligere kapitalressourcer til udvikling, myndighedsgodkendelse og kommercialisering af LCP-Tacro, som er den eneste produktkandidat, som Veloxis udvikler pr. Prospektdatoen. Selskabet forventer at modtage et nettoprovenu fra Udbuddet på ca. DKK 405 mio. Selskabet agter at anvende nettoprovenuet fra Udbuddet samt eksisterende likvide midler til at finansiere Selskabets løbende aktiviteter med henblik på at: • Afslutte de kliniske fase III studier, der er nødvendige for at opnå myndighedsgodkendelse af LCP-Tacro i USA og den Europæiske Union. Selskabet er i øjeblikket i gang med at gennemføre det sidste udestående planlagte fase III studie (studie 3002, nyretransplantationsstudie med *de novo* patienter), hvor

succes i gennemførelsen forventes at være tilstrækkeligt til at opnå myndighedsgodkendelse af LCP-Tacro produktet i USA og den Europæiske Union. Veloxis forventer, at resultaterne fra studie 3002 vil foreligge medio 2013.

- Ansøge om myndighedsgodkendelse af LCP-Tacro i henholdsvis USA og den Europæiske Union. Veloxis forventer at indlevere en ansøgning (NDA) til de amerikanske sundhedsmyndigheder (FDA) i andet halvår 2013 og en ansøgning (MAA) til Det Europæiske Lægemiddelagentur (EMA) i løbet af 2013, under antagelse af at der opnås positive resultater i *de novo* nyretransplantationsstudiet. Det forventes, at det vil tage ca. et år fra indleveringen af henholdsvis NDA og MAA, før der opnås myndighedsgodkendelse i de respektive regioner.

- Påbegynde kommercialisering af LCP-Tacro produktet. Veloxis forventer at opbygge en intern salgsorganisation på ca. 20 salgsrepræsentanter til at markedsføre LCP-Tacro produktet i USA, og har indgået en aftale med en samarbejdspartner om kommercialisering af LCP-Tacro i bestemte andre lande, herunder i Europa, Tyrkiet og CIS-landene. Veloxis forventer, at salgsorganisationen i USA vil være på plads i andet halvår 2014, og at LCP-Tacro produktet vil blive markedsført i fjerde kvartal 2014.

Forudsat at ovenstående tidslinje realiseres, vurderer Selskabet, at nettoprovenuet fra Udbuddet på ca. DKK 405 mio. sammen med de eksisterende likvide beholdninger vil være tilstrækkeligt til at finansiere Selskabets drift frem til efter den forventede lancering af LCP-Tacro i Europa og USA i fjerde kvartal 2014. Hvorvidt Selskabet vil få brug for yderligere kapital til finansiering i perioden fra salget påbegyndes, til Selskabet er profitabelt, vil afhænge af den fremtidige salgspris, salgsvolumen, kostpriser, og tidspunktet for og om kommercialiseringen af LCP-Tacro lykkes.

Omfanget og den tidsmæssige placering af Selskabets faktiske omsætning og omkostninger i forbindelse med LCP-Tacro kan ikke forudsiges med sikkerhed, og den specifikke anvendelse af nettoprovenuet fra Udbuddet vil afhænge af en række faktorer. Indtil nettoprovenuet anvendes til ovennævnte formål, agter Selskabet at placere midlerne i kontante indskud, kortfristede rentebærende værdipapirer og tilsvarende investeringer med lav risiko i og uden for Danmark.

E.3 Udbudsbetingelser

Den 22. oktober 2012 kl. 12.30 dansk tid (Tildelingstidspunktet) vil enhver indehaver af aktier, der er registreret i VP Securities som aktionær i Selskabet, få tildelt otte (8) stk. Tegningsretter for hver Eksisterende Aktie, vedkommende besidder.

Tre (3) Tegningsretter berettiger indehaveren til at tegne et (1) stk. Udbudt Aktie. Indehaveren har således ret til mod betaling af Udbudskursen at tegne et (1) stk. Udbudt Aktie for hver tre (3) Tegningsretter. Der udstedes ingen brøkdele af Udbudte Aktier. De Udbudte Aktier udbydes til DKK 0,35 pr. Aktie. Investorerne pålægges ikke kurtage.

Aktier, som handles efter den 17. oktober 2012, vil blive handlet eksklusive Tegningsretter, forudsat at Aktierne handles med sædvanlig tre dages valør.

Tegningsperioden for de Udbudte Aktier løber fra den 23. oktober 2012 kl. 9.00 dansk tid til den 5. november 2012 kl. 17.00 dansk tid.

Eksisterende aktionærer (som var aktionærer i Selskabet pr. Prospektdatoen), der ønsker at tegne Resterende Aktier, skal gøre dette ved at afgive bindende tilsagn om at tegne Resterende Aktier til Udbudsprisen gennem deres eget kontoførende institut inden Tegningsperiodens udløb. Danske eksisterende aktionærer kan benytte den tegningsblanket, der er vedhæftet Prospektet, mens udenlandske eksisterende aktionærer skal kontakte deres eget kontoførende institut.

I tilfælde af at bindende tilsagn afgivet af eksisterende aktionærer (som var aktionærer i Selskabet pr. Prospektdatoen) overstiger antallet af Resterende Aktier, vil de Resterende Aktier blive tildelt pro rata på basis af de Aktier, hver eksisterende aktionær besad på Prospektdatoen.

Eksisterende aktionærer (som var aktionærer i Selskabet pr. Prospektdatoen), der ønsker at komme i betragtning ved tildelingen af Resterende Aktier, skal inden Tegningsperiodens udløb gennem deres eget kontoførende institut fremsende dokumentation til Global Coordinator, der klart og tydeligt viser den Eksisterende Aktionærs beholdning af Aktier på Prospektdatoen. Hvis dokumentationen for antallet af Aktier, den eksisterende aktionær ejer pr. Prospektdatoen, ikke er fremsendt gennem den eksisterende aktionærs kontoførende institut til Global Coordinator inden Tegningsperiodens udløb, vil den eksisterende aktionær ikke komme i betragtning ved tildelingen af Resterende Aktier. Tegning af Resterende Aktier vil ske uden kompensation til indehavere af ikke-udnyttede Tegningsretter. Hverken Selskabet eller Global Coordinator kan give sikkerhed for, at eksisterende aktionærer, der ønsker at tegne Resterende Aktier, vil få tildelt Resterende Aktier. Kun Aktionærer og investorer, der erhverver og udnytter Tegningsretter, er garanteret tildeling af Udbudte Aktier i Selskabet, og kun i tilfælde af at Udbuddet gennemføres. Som følge heraf vil Resterende Aktier kun være til rådighed for tildeling, hvis de Udbudte Aktier ikke er tegnet af Selskabets Aktionærer ved udnyttelse af tildelte Tegningsretter eller af investorer ved udnyttelse af Tegningsretter.

To af Selskabets Større Aktionærer, Lundbeckfond Invest A/S og Novo A/S, har hver især afgivet et betinget forhåndstilsagn om at udnytte de Tegningsretter, de bliver tildelt i Udbuddet, til at tegne Udbudte Aktier.

Desuden har Lundbeckfond Invest A/S og Novo A/S afgivet betingede forhåndstilsagn om at tegne indtil alle de Resterende Aktier. Hvis og i det omfang andre eksisterende aktionærer (som var aktionærer i Selskabet pr. Prospektdatoen) har afgivet bindende tilsagn om at tegne Resterende Aktier, vil disse andre eksisterende aktionærer og Lundbeckfond Invest A/S samt Novo A/S få tildelt Resterende Aktier forholdsmæssigt på baggrund af de Aktier, de hver især ejede pr. Prospektdatoen og med respekt af et eventuelt maksimum angivet af andre eksisterende aktionærer.

De to storaktionærer har indgået aftale om, hvis relevant, indbyrdes at sælge og overdrage et sådant antal Udbudte Aktier i forbindelse med Udbuddets gennemførelse, som er nødvendigt for at sikre, at ingen af dem når en ejerandel på over 33,32% i Selskabet, eller, hvis dette ikke er muligt, at sikre, at deres aktieposter i Selskabet vil være af nøjagtig samme størrelse efter Udbuddets gennemførelse. Som følge heraf forventer Selskabet ikke, at hverken Lundbeckfond Invest A/S eller Novo A/S vil opnå en kontrollerende aktiepost i Selskabet som følge af Udbuddet.

Som følge af de ovenfor beskrevne forhåndstilsagn, med forbehold for opfyldelse af betingelserne knyttet til forhåndstilsagnene og Udbuddets gennemførelse, vil det samlede bruttoprovenu fra Udbuddet udgøre DKK 422 mio.

E.4	**Fysiske og juridiske personers interesse i Udbuddet**	Nogle af medlemmerne af Bestyrelsen har direkte interesse i/er relateret til en Større Aktionær. Nogle af medlemmerne af Bestyrelsen og Direktionen har Aktier og warrants til at tegne Aktier i Selskabet. Selskabet er ikke bekendt med interesser i eller potentielle interessekonflikter i forbindelse med Udbuddet, som er væsentlige for Selskabet, med undtagelse af det ovenfor nævnte.
E.5	**Sælgende værdipapirejere og lock-up aftaler**	Selskabet har ikke modtaget nogen tilkendegivelser fra aktionærer, om at de agter at sælge deres Aktier eller Tegningsretter. Selskabet, Bestyrelsen og Direktionen har indgået lock-up aftaler med Global Coordinator. Selskabet har forpligtet sig til i en periode på op til 180 dage fra datoen for gennemførelsen af Udbuddet (forventet gennemførelse den 13. november 2012) ikke at udstede, sælge, udbyde, indgå aftale om salg, pantsætte eller på anden måde direkte eller indirekte overdrage Aktierne i Selskabet eller andre værdipapirer som kan konverteres til Aktier i Selskabet, herunder warrants eller andre optioner til at købe Aktier i Selskabet (samlet "Company Securities") eller annoncere en sådan intention uden forudgående skriftlig godkendelse fra Global Coordinator. En sådan godkendelse må ikke uretmæssigt holdes tilbage eller forsinkes, såfremt transaktionen er baseret på rimelige forretningsmæssige forhold, der kan tilskrives Selskabet. Den ovenfor nævnte forpligtelse for Selskabet skal ikke gælde for så vidt angår overdragelse eller udstedelse af Company Securities til Selskabets eller dets datterselskabs medarbejdere, medlemmer af Direktionen eller Bestyrelsen i relation til tildeling eller udstedelse af Company Securities til sådanne personer som en del af eller i forbindelse med de allerede eksisterende eller fremtidige generelle eller individuelle medarbejderaktionærprogrammer og/eller warrantprogrammer, ligesom de heller ikke skal gælde for så vidt angår udnyttelsen af sådanne personers ret i relation til allerede eksisterende eller fremtidige generelle eller individuelle medarbejderaktionærprogrammer og/eller warrantprogrammer eller ophævelse af allerede eksisterende warrants. Medlemmerne i Bestyrelsen og Direktionen har hver især forpligtet sig til i en periode på 180 dage fra dato for gennemførelsen af Udbuddet (forventet gennemførelse den 13. november 2012), ikke at sælge, udbyde, indgå aftale om salg, pantsætte eller på anden måde direkte eller indirekte overdrage Company Securities eller annoncere en sådan intention uden forudgående skriftlig godkendelse fra Global Coordinator. En sådan godkendelse må ikke uretmæssigt holdes tilbage eller forsinkes. Den ovenfor nævnte forpligtelse skal ikke gælde for så vidt angår køb af, tegning af eller afhændelse af Company Securities for så vidt angår udnyttelsen af aktionærens rettigheder i relation til allerede eksisterende eller fremtidige generelle eller individuelle medarbejderaktionærbeholdninger og/eller warrantprogrammer, eller ophævelse af eksisterende warrants foretaget i henhold til aftale med Selskabet, ligesom forpligtelsen ikke omfatter Tegningsretter og Aktier eller warrants erhvervet af aktionæren efter Prospektdatoen.
E.6	**Udvanding**	Pr. 31. august 2012 udgjorde værdien af Selskabets egenkapital DKK 61 mio., svarende til DKK 0,13 pr. Aktie. Egenkapital pr. Aktie beregnes ved at dividere værdien af egenkapitalen med det samlede antal Aktier. Efter udstedelsen af de Udbudte Aktier til Udbudskursen på DKK 0,35 pr. Aktie og fradrag af provision og skønnede omkostninger ville proforma-egenkapitalværdien pr. den 31. august 2012 have været ca. DKK 466 mio. eller DKK 0,28 pr. Aktie. Dette svarer til en umiddelbar forøgelse af egenkapitalværdien pr. Aktie på DKK 0,15 for Selskabets Eksisterende Aktionærer og en umiddelbar udvanding af den justerede egenkapital pr. Aktie på DKK 0,07 svarende til en udvanding på 20% for tegnere af de Udbudte Aktier.
E.7	**Mæglergebyrer**	Investorerne pålægges ikke kurtage.

ENGLISH SUMMARY

Pursuant to applicable Danish law, the summary below consists 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. 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

A.1	**Warning**	This summary should be read as an introduction to the Prospectus. Any decision to invest in the Offer Shares or the Preemptive Rights should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the 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 the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Offer Shares or the Preemptive Rights.
A.2	**Use of the Prospectus for subsequent resale or final placement of securities by financial intermediaries**	Not applicable. Veloxis Pharmaceuticals A/S does not consent to use of the Prospectus for subsequent resale or final placement of securities by financial intermediaries.

Section B – Issuer

B.1	**Name**	The Company's name is Veloxis Pharmaceuticals A/S.
B.2	**Registered office, legal form and country of incorporation**	The Company's registered office is Kogle Allé 4, 2970 Hørsholm, Denmark. Veloxis Pharmaceuticals A/S is incorporated under and subject to Danish law. Veloxis Pharmaceuticals A/S is registered with the Danish Business Authority.
B.3	**Business description**	Veloxis is a speciality pharmaceutical company focused on the development of LCP-Tacro for the prevention of organ rejection in kidney transplant patients. LCP-Tacro is a once-daily dosage version of tacrolimus, the market-leading primary immunosuppressant in the transplant market. LCP-Tacro obtained encouraging results in the first of two Phase III clinical studies against the standard therapy, Prograf, as well as in earlier Phase II clinical studies, and is currently in a second Phase III clinical study in *de novo* kidney transplant patients. The Company intends to proceed with an MAA submission in the European Union in 2013 and an NDA submission in the United States in the second half of 2013. The Company is using its proprietary MeltDose technology in the formulation of LCP-Tacro to enhance the bioavailability of the drug and allow for a sustained or modified release plasma profile. The MeltDose technology has been validated in clinical studies through U.S. Food and Drug Administration ("FDA") approval of Fenoglide (now on the market) for the treatment of dyslipidemia in adults. **Business strategy** The primary goal of Veloxis is to complete its ongoing Phase III clinical studies of LCP-Tacro, to obtain regulatory approval in the United States and the European Union, and then commercialise the product. The key elements of Veloxis' business strategy are as follows: • **Advance LCP-Tacro through clinical studies and obtain regulatory approval within the organ transplantation area.** LCP-Tacro (once-daily dosage) has received positive Phase II and Phase III clinical data in kidney transplant patients when compared head-to-head with Prograf (twice-daily dosage), the only non-generic tacrolimus product currently available on the U.S. market for prophylaxis of organ rejection. In addition, the Company has received positive Phase II data for LCP-Tacro in liver transplant patients when compared head-to-head with Prograf. The Company has elected to focus its development efforts on pursuing LCP-Tacro for treatment of kidney transplant patients, given the larger potential patient population and demand. • **Maximise the full value of the LCP-Tacro programme by funding in-house through the completion of Phase III, NDA/MAA submission and commercial launch.** The Company initiated Phase III clinical studies for LCP-Tacro in stable kidney transplant patients in the second half of 2008 and in *de novo* kidney transplant patients in the fourth quarter of 2010. The *de novo* transplant study protocol received an SPA from the FDA. Following successful completion of the Offering, the Company intends to continue the development programme aiming at NDA/MAA submission and commercial launch, enabling the Company to execute

its strategy of commercialising in the United States itself and through partnering arrangements in the rest of the world. This strategy is intended to maximise the full value of the programme. Given the special characteristics of the organ transplant market, the field force required to market successfully in the transplant space is relatively small. Consequently, assuming successful completion of the Phase III programme, the Company currently plans to establish its own sales force in the United States. In relation to other jurisdictions, the Company has recently concluded a partnership agreement with Chiesi (as defined) in respect of the commercialisation of LCP-Tacro in certain countries, including Europe, Turkey and CIS Countries (as defined).

B.4a **Trend information**

Veloxis is active within the healthcare industry and is therefore dependent on developments in the healthcare sector in general. There are many local variances in the different healthcare markets, but the overall trend has been a steady increase in healthcare spending globally due to, among other factors, increased GDP growth, greater demands on the healthcare sector from the general public and an increasing ability to undertake advanced treatments of a wider variety of medical conditions.

The Company expects that this trend will continue. However, as many large economies, including the United States and the European Union, are affected by the ongoing financial crises, it may be expected that the general focus to limit public and private spending will lead to slower growth in the coming years when compared with historic growth rates.

B.5 **Organisational structure**

Veloxis Pharmaceuticals A/S is the parent company of Veloxis Pharmaceuticals, Inc., of which it owns 100% of the capital stock.

B.6 **Major Shareholders**

The following shareholders have as at the Prospectus Date notified the Company that they hold at least 5% of the Company's Shares or voting rights:

Shareholder	Shareholdings (%)	Voting rights (%)[1]
Lundbeckfond Invest A/S Vestagervej 17 2900 Hellerup Denmark	30.9	30.9
Novo A/S Tuborg Havnevej 19 2900 Hellerup Denmark	28.0	28.0
Alta Partners[2] One Embarcadero Center, Suite 3700 San Francisco, CA 94111 United States	6.3	6.3

Notes:

[1] Shareholders are entitled to one vote per Share

[2] "Alta Partners" refers to Alta Partners III, Inc., including the funds affiliated thereto, being Alta BioPharma Partners III, L.P., Alta BioPharma Partners III, GmbH & Co. Beteiligungs KG, and Alta Embarcadero BioPharma Partners III, LLC

The Company's Major Shareholders have the same rights as the Company's other shareholders.

The Company is not aware of being owned or controlled, directly or indirectly, by other parties, and the Company is not aware of any agreements that could later result in other parties taking over the control of the Company.

B.7 **Summary financial information**

The financial data in this summary has been extracted from the Company's audited consolidated financial statements for the years ended 31 December 2009, 2010 and 2011, which have been prepared in accordance with IFRS, as adopted by the European Union, and additional Danish disclosure requirements for financial statements of listed companies. The Company's independent accountant is Pricewaterhouse-Coopers Statsautoriseret Revisionspartnerselskab.

This summary also includes financial data extracted from the Company's reviewed interim condensed consolidated financial statements for the six months ended 30 June 2011 and 30 June 2012. The interim consolidated financial statements have been prepared in accordance with International Accounting Standard No. 34 (IAS 34), "Interim Financial Reporting", as adopted by the European Union.

The financial data should be read in conjunction with Veloxis' annual reports and interim consolidated financial statements.

Amounts in euros have been converted from Danish Kroner for the convenience of the reader. The conversion of income statement and cash flow statement items for the financial years ended 31 December 2009, 2010 and 2011 is based on the average exchange rate that year, and the conversion of balance

sheet items is based on the exchange rate at the end of the relevant period or year. The conversion of income statement and cash flow statement items for the six months ended 30 June 2011 and 30 June 2012 is based on the exchange rate at the balance sheet date for the period in question. Such conversions should not be construed as representations that the Danish Kroner amounts actually represent such euro amounts at any specified rate.

	Six months ended 30 June		Year ended 31 December		
	2012	2011	2011	2010	2009
Average DKK/EUR exchange rate	-	-	7.450529	7.447366	7.446251
End of period DKK/EUR exchange rate	7.433400	7.458700	7.434200	7.454400	7.441500

Source: www.nationalbanken.dk

FINANCIAL HIGHLIGHTS IN DKK

	Six months ended 30 June		Year ended 31 December		
	2012	2011	2011	2010	2009
	DKK million	DKK million	DKK million	DKK million	DKK million
Income statement					
Revenue	0	0	0	1.5	2.5
Research and development costs	(119.5)	(117.2)	(222.1)	(210.4)	(210.1)
Administrative expenses	(19.7)	(23.9)	(47.8)	(52.2)	(62.4)
Restructuring costs [1]	(21.4)	0	-	(10.9)	(9.5)
Operating loss	(160.6)	(141.1)	(269.9)	(272.0)	(279.5)
Net financial income/(loss)	0.4	0.2	16.0	(0.8)	8.5
Net loss for the period/year before tax	(160.2)	(140.9)	(253.8)	(272.8)	(271.0)
Tax for the period/year	(0.4)	(0.3)	1.2	(1.4)	0
Net loss for the period/year	(160.6)	(141.2)	(252.6)	(274.2)	(271.0)
Balance sheet					
Cash and cash equivalents	152.7	402.2	297.7	531.5	333.4
Total assets	167.8	426.9	320.9	562.9	379.3
Total equity	99.0	363.6	255.9	498.2	317.3
Investment in property, plant and equipment	0.2	1.3	3.0	2.6	11.0
Cash flow					
Cash flow from operating activities, net	(142.8)	(122.0)	(234.6)	(238.1)	(251.2)
Cash flow from investing activities, net	53.6	(221.8)	(169.8)	(2.7)	(11.0)
Cash flow from financing activities, net	(2.4)	(2.8)	(5.9)	440.0	0.7
Cash and cash equivalents at period/year end	152.7	402.2	297.7	531.5	333.4
Financial ratios[2]					
Basic and diluted earnings per share	(0.35)	(0.31)	(0.56)	(2.84)	(4.80)
Weighted average number of outstanding shares	452,542,480	452,542,480	452,542,480	96,707,708	56,443,701
Average number of employees for the period/year (full-time equivalents)	55	53	52	59	93
Assets/equity at period/year end	1.70	1.17	1.25	1.13	1.20

Notes:

[1] Restructuring costs include salary payments to former employees in connection with the reduction in headcount executed in May 2012 and write-down of laboratory equipment and leasehold improvements due to the discontinuation of pipeline activities not related to LCP-Tacro.

[2] Such financial data is stated in accordance with the recommendations of the Association of Danish Financial Analysts.

FINANCIAL HIGHLIGHTS IN EUR

	Six months ended 30 June		Year ended 31 December		
	2012 EUR million	2011 EUR million	2011 EUR million	2010 EUR million	2009 EUR million
Income statement					
Revenue	0	0	0	0.2	0.3
Research and development costs	(16.1)	(15.7)	(29.8)	(28.2)	(28.2)
Administrative expenses	(2.6)	(3.2)	(6.4)	(7.0)	(8.4)
Restructuring costs (1)	(2.9)	0	-	(1.5)	(1.3)
Operating loss	(21.6)	(18.9)	(36.2)	(36.5)	(37.6)
Net financial income/(loss)	0.1	0	2.1	(0.1)	1.1
Net loss for the period/year before tax	(21.5)	(18.9)	(34.1)	(36.6)	(36.4)
Tax for the period/year	(0.1)	0	0.2	(0.2)	0
Net loss for the period/year	(21.6)	(18.9)	(33.9)	(36.8)	(36.4)
Balance sheet					
Cash and cash equivalents	20.5	54.1	40.0	71.3	44.8
Total assets	22.6	57.4	43.2	75.5	51.0
Total equity	13.3	48.9	34.4	66.8	42.6
Investment in property, plant and equipment	0	0.2	0.4	0.3	1.5
Cash flow					
Cash flow from operating activities, net	(19.2)	(16.4)	(31.5)	(32.0)	(33.7)
Cash flow from investing activities, net	7.2	(29.7)	(22.8)	(0.4)	(1.5)
Cash flow from financing activities, net	(0.3)	(0.4)	(0.8)	59.1	0.1
Cash and cash equivalents at period/year end	20.5	54.1	40.0	71.3	44.8
Financial ratios[2]					
Basic and diluted earnings per share	(0.05)	(0.04)	(0.07)	(0.38)	(0.64)
Weighted average number of outstanding shares	452,542,480	452,542,480	452,542,480	96,707,708	56,443,701
Average number of employees for the period/year (full-time equivalents)	55	53	52	59	93
Assets/equity at period/year end	1.70	1.17	1.25	1.13	1.20

Notes:

(1) Restructuring costs include salary payments to former employees in connection with the published reduction in headcount executed in May 2012 and write-down of laboratory equipment and leasehold improvements due to the discontinuation of pipeline activities not related to LCP-Tacro.

(2) Such financial data is stated in accordance with the recommendations of the Association of Danish Financial Analysts.

No material changes have occurred to the Company's financial or trading position since the release of the Company's interim report for the six months ended 30 June 2012 on 22 August 2012, other than the expenditure of cash in the ordinary course.

B.8 Pro forma financial information

Not applicable. This Prospectus does not include pro forma financial information.

B.9 Prospective consolidated financial information

Prospective financial information for 2012
An operating and net loss of DKK 240 million to DKK 270 million for the financial year 2012 is expected.

As at 31 August 2012, the Company's cash position equalled DKK 104 million, and as at 31 December 2012, the Company's cash position is expected to be in the range of DKK 490 million to DKK 530 million, including the proceeds from the Offering.

Prospective financial information for 2013
An operating and net loss of DKK 170 million to DKK 200 million for the financial year 2013 is expected.

B.10	**Qualifications in the audit report**	Not applicable. No qualifications have been issued with respect to the historical financial information included in the Prospectus.
B.11	**Working capital**	If the Offering is not completed and no other measures are taken, the Company's capital resources will not be sufficient to finance the Company's operations for the next 12 months as from the Prospectus Date. Historically, the Company has been financed by capital injections from the Company's shareholders. The Company believes that the net proceeds from the Offering, approximately DKK 405 million, together with the existing cash balances, will be sufficient to fund the Company's operations beyond anticipated launch of LCP-Tacro in Europe and the United States in the fourth quarter of 2014. Whether the Company will require additional capital to bridge the period from initial sales to profitability will depend on the future sales prices, sales volumes, cost prices, timing and success of the commercialisation of LCP-Tacro.

Section C – Securities

C.1	**Type of securities and ISIN codes**	**Preemptive Rights** The allotment of the Preemptive Rights, free of charge, will be made to the Existing Shareholders who are registered as shareholders with VP Securities on 22 October 2012 at 12:30 p.m. CET. Shares traded after 17 October 2012 will be traded without Preemptive Rights, provided that Shares are traded with customary three-day settlement. The Preemptive Rights will have the ISIN code DK0060449130. The Preemptive Rights have been approved for trading and official listing on NASDAQ OMX and may be traded on NASDAQ OMX during the period from 18 October 2012 at 9:00 a.m. CET to 31 October 2012 at 5:00 p.m. CET. The Subscription Period for the Offer Shares commences on 23 October 2012 at 9:00 a.m. CET and closes on 5 November 2012 at 5:00 p.m. CET. The Offering is being made at the ratio of 8:3, which means that each Existing Shareholder will be allocated eight (8) Preemptive Rights per Existing Share held and that three (3) Preemptive Rights will be required to subscribe for one (1) Offer Share at the Offer Price. **Offer Shares** The Offer Shares issued by the Company upon registration of the capital increase with the Danish Business Authority shall be of the same class as the Existing Shares. The Offer Shares will be issued and registered under the temporary ISIN code DK0060449213. The Offer Shares will not be traded and officially listed on NASDAQ OMX under the temporary ISIN code. The temporary ISIN code will be merged with the permanent ISIN code for the Existing Shares, and the Offer Shares will be admitted to trading and official listing on NASDAQ OMX directly under the ISIN code of the Existing Shares (DK0060048148) following registration of the capital increase with the Danish Business Authority, which is expected to take place on 13 November 2012. Admission to trading and official listing of the Offer Shares on NASDAQ OMX under the existing ISIN code is expected to take place on 15 November 2012.
C.2	**Currency**	The Offering will be carried out and trading of the Preemptive Rights and the Offer Shares will be effected in DKK. The Offer Shares are denominated in DKK.
C.3	**Share capital before and after the Offering**	Immediately prior to the Offering, the Company's registered share capital is nominally DKK 45,254,248, corresponding to 452,542,480 Shares with a nominal value of DKK 0.10 each. Immediately after the Offering, the Company's registered share capital will be nominally DKK 165,932,242.60, corresponding to 1,659,322,426 Shares with a nominal value of DKK 0.10 each. The Company has no share classes and all Shares are issued and fully paid up.
C.4	**Rights attached to the Preemptive Rights and the Shares**	**Preemptive Rights** The Offering is being made at the ratio of 8:3, which means that each Existing Shareholder will be allocated eight (8) Preemptive Rights per Existing Share held and that three (3) Preemptive Rights will be required to subscribe for one (1) Offer Share at the Offer Price. The Preemptive Rights may be traded on NASDAQ OMX during the period from 18 October 2012 at 9:00 a.m. CET to 31 October 2012 at 5:00 p.m. CET and exercised in the period from 23 October 2012 at 9:00 a.m. CET to 5 November 2012 at 5:00 p.m. CET (the latter period is the Subscription Period).

The Preemptive Rights may be exercised only by using such number of Preemptive Rights as allows subscription for a whole number of Offer Shares. If a holder of Preemptive Rights does not have a sufficient number of Preemptive Rights to subscribe for a whole number of Offer Shares, such holder wishing to subscribe for Offer Shares may either (i) acquire in the market, during the trading period for the Preemptive Rights, the number of Preemptive Rights necessary to subscribe for a whole number of Offer Shares, (ii) sell the Preemptive Rights during the same period or (iii) allow the Preemptive Rights to lapse. Preemptive Rights that are not exercised by the end of the Subscription Period will lapse with no value, and a holder of Preemptive Rights at such time will not be entitled to compensation. The Subscription Period will end on 5 November 2012 at 5:00 p.m. CET.

Existing shareholders (who were shareholders in the Company as at the Prospectus Date) may subscribe for Remaining Shares without compensation to the holders of unexercised Preemptive Rights.

If the Offering is not completed, the exercise of Preemptive Rights that has already taken place will automatically be cancelled, the subscription price for Offer Shares will be refunded (less any brokerage fees), all Preemptive Rights will be null and void, and no Offer Shares will be issued. However, trades of Preemptive Rights executed during the trading period for Preemptive Rights will not be affected. As a result, investors who acquired Preemptive Rights will incur a loss corresponding to the purchase price of the Preemptive Rights and any brokerage fees. Any withdrawal will be notified immediately through NASDAQ OMX.

Offer Shares
The Offer Shares will, when fully paid up and after registration of the capital increase with the Danish Business Authority, have the same rights as the Existing Shares.

Voting rights
At general meetings each Share shall carry one vote. There are no limitations under the Articles of Association or under Danish law on the rights of foreigners or non-Danish citizens to hold or vote on the Company's Shares.

Dividend rights
Pursuant to the Danish Companies Act, general meetings may resolve distribution of ordinary and extraordinary dividends.

The Offer Shares shall carry the same rights as the Existing Shares to any dividends declared from the date the Offer Shares are registered with the Danish Business Authority. The Company's dividends, if declared, will be paid in DKK to the shareholders' account set up through VP Securities. No restrictions on dividends or special procedures apply to holders of the Shares who are not residents of Denmark. Dividends which have not been claimed within three years from the time they are payable are forfeited and all such dividends will accrue to the Company.

Preemptive rights
If the shareholders of the Company at a general meeting resolve to increase the share capital of the Company by a cash contribution, section 162 of the Danish Companies Act will apply. Under that section, shareholders have a preemptive right to subscribe for new shares in proportion to their existing shareholdings. However, the preemptive 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.

The Board of Directors may resolve to increase the Company's share capital without preemptive rights for existing shareholders pursuant to authorisations in the Company's Articles of Association.

Due to restrictions under applicable legislation and regulations, the Company expects that certain investors in jurisdictions outside Denmark may not be able to exercise their Preemptive Rights or subscribe for the Offer Shares.

Rights on liquidation
In case of liquidation of the Company shareholders will be entitled to participate in the distribution of excess assets in proportion to their respective nominal shareholdings after payment to the Company's creditors.

Other rights
All Shares have equal rights and the Articles of Association do not include provisions allowing for a conversion of the Shares. No shareholder shall be obliged to have Shares redeemed in whole or in part by the Company or others other than as provided in the Danish Companies Act. There are no limitations on the right to hold Shares under the Articles of Association or Danish law.

C.5	**Restrictions to the negotiability of the Shares**	Not applicable. The Existing Shares of the Company are and the Offer Shares will be negotiable under Danish law and freely transferable.

C.6	**Admission to trading and official listing**	The Preemptive Rights have been approved for and will be admitted to trading and official listing on NASDAQ OMX and the trading period for the Preemptive Rights will commence on 18 October 2012 at 9:00 a.m. CET and will close on 31 October 2012, at 5:00 p.m. CET under the ISIN code DK0060449130. Upon registration of the capital increase relating to the Offer Shares with the Danish Business Authority which is expected to take place on 13 November 2012, the Offer Shares will be issued and admitted to trading and official listing on NASDAQ OMX. Admission to trading and official listing of the Offer Shares is expected to take place on 15 November 2012 in the ISIN code of the Existing Shares (DK0060048148).
C.7	**Dividends**	The Company has to date not declared or paid any dividends and the Company currently intends to retain all available financial resources and any earnings generated by its operations for use in the business and the Company does not anticipate paying any dividends in the foreseeable future. The payment of any dividends in the future will depend on a number of factors, including future earnings, capital requirements, financial condition and future prospects, applicable restrictions on the payment of dividends under Danish law and other factors that the Board of Directors may consider relevant.

Section D – Risks

D.1	**Risk related to the Company**	**Risks related to the Company's business** *LCP-Tacro* • Veloxis is focussed exclusively on the development, regulatory approval and commercialisation of LCP-Tacro and may not be successful in bringing this product candidate to market. • The Company's ongoing Phase III clinical study of LCP-Tacro may not be successful or may not provide sufficient data to support regulatory approval, which would materially harm the Company's prospects. • The Company may not be able to obtain the regulatory approvals to market LCP-Tacro on schedule or at all, which would materially harm the Company's prospects. • The Company relies on third parties to conduct clinical studies of LCP-Tacro, and such parties may not be able to meet their regulatory or contractual obligations to the Company. *Commercialisation* • The Company has never commercialised a product, has no sales and marketing experience, and may not successfully establish the expanded organisational structure required to support commercial launch. • Additional current or future studies intended to show added benefits of LCP-Tacro may be unsuccessful, which may limit the market for this product candidate. • The Company's partners may not be successful in commercialising LCP-Tacro outside the United States, and the Company may become substantially dependent on its partners in connection with these arrangements. *Manufacturing* • The Company is dependent on a single, third party manufacturer of LCP-Tacro and may not be able to find alternative suppliers on schedule or within budget. **Risks related to the Company's intellectual property** • Third parties could initiate legal proceedings alleging that the Company is infringing their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on the success of the Company's business. • Veloxis could face intellectual property litigation with Astellas Pharma Inc. in connection with LCP-Tacro. • The Company may become involved in lawsuits to protect or enforce its patents or other intellectual property, which could be expensive, time-consuming and ultimately unsuccessful. • The Company may not be able to obtain or maintain commercially valuable patent protection or non-patent exclusivity or to protect its trade secrets. **Risks related to product liability and litigation** • The Company may face product liability claims related to the use or misuse of LCP-Tacro. • LCP-Tacro could be found to result in unforeseen side effects, which could result in expense or liability to the Company or a lack of market acceptance of the product. • The Company may become subject to other litigation and claims. • The Company may not be able to obtain or maintain adequate insurance cover.

Risks related to the Company's employees

- The Company has reduced its workforce in connection with an organisational restructuring in May 2012 in order to achieve a leaner structure, and may in the future have difficulty in retaining or attracting qualified personnel, including key employees.

Risks related to post-approval government regulation and reimbursement

- LCP-Tacro will, when and if approved, be subject to extensive post-approval regulation.
- The Company may not be able to generate adequate revenues from LCP-Tacro due to reimbursement and drug pricing policies and regulations.

Risks related to competition and market acceptance

- Competition in the biotechnology and pharmaceutical industries is intense and the Company may not be able to compete effectively.
- The Company may in particular face intense competition from other products within the same therapeutic area.
- LCP-Tacro may not achieve market acceptance.

Risks related to financial condition, currency and other financial risks

Financial condition and financing

- The Company intends to use its entire available capital including the net proceeds of the Offering to fund the development, regulatory approval and commercial launch of LCP-Tacro.
- The Company has incurred a cumulative loss since incorporation, has obtained limited revenue to date, will incur future losses and may not achieve or sustain profitability.
- It may be difficult to obtain additional financing in the future.
- The Company's operating results may vary significantly from period to period and these variations may be difficult to predict.
- The prospective financial information included in this Prospectus may differ materially from the Company's actual results.

Currency

- The majority of the Company's current expenses are incurred in a different currency than its financial resources.

Tax risks

- The Company will likely be a "passive foreign investment" company for U.S. tax purposes for 2012 and potentially for future years.
- The Company's interpretation and implementation of tax legislation, regulations and administrative practise applicable to its operations in Denmark and the United States may not be correct, and there is a risk that such rules may be subject to change.

D.3 Risks related to the Company's Shares and the Offering

Concentration of control

- The Company's Major Shareholders control a significant portion of the Company's Shares, and their interests may be different from, and may conflict with, those of the Company's other shareholders.

Use of Proceeds

- The Company's Board of Directors and Executive Management have broad discretion in the use of the net proceeds from the Offering and may not use them effectively.

Completion of Offering

- There is a risk that existing shareholders (who were shareholders in the Company as at the Prospectus Date) who wish to subscribe for Remaining Shares will not be allocated any Remaining Shares.
- There is a risk that the Offering will not be completed and it may be withdrawn in certain exceptional and unpredictable circumstances.
- Subscription undertakings and underwriting commitments may be withdrawn or might not be met.
- If the Offering is not completed, investors that have purchased Preemptive Rights will incur a total loss of the purchase price paid.
- If the Offering is not completed, investors that have purchased rights to Offer Shares may incur a total loss of the purchase price paid.

Risks related to the Preemptive Rights

- The market price of the Company's Shares and Preemptive Rights may be highly volatile.
- If the market price of the Shares declines significantly, the Preemptive Rights may lose their value.
- The market for the Preemptive Rights may offer only limited liquidity, and even if a market develops, the Preemptive Rights may not be effectively priced against the price of the Shares.
- Shareholders in jurisdictions outside Denmark may be unable to acquire and/or exercise Preemptive Rights.
- Failure to exercise Preemptive Rights by the end of the Subscription Period (5 November 2012 at 5:00 p.m. CET) will result in the lapse of the holder's Preemptive Rights.
- If any Existing Shareholder does not exercise all of its Preemptive Rights, its ownership interest will be diluted and such dilution might be substantial.

Risks related to the Shares

- There has been and may continue to be limited liquidity in the Company's Shares.
- The Company has not paid dividends on its Shares in the past and does not anticipate paying any dividends in the foreseeable future.
- Subscribers for the Offer Shares may suffer dilution of their investment in connection with the exercise of warrants.
- The Company may issue additional Shares or other securities in the future, or the Company's Major Shareholders, the Board of Directors or the Executive Management could decide to sell their Shares.
- The Company expects that it will implement a reverse share split, which could adversely affect the per Share trading price and the liquidity of the Shares.
- Investors outside Denmark are subject to foreign exchange rate risks.
- The Company is a public limited liability company organised under the laws of Denmark, which may make it difficult for Shareholders residing outside Denmark to exercise or enforce certain rights.

Section E – Offer

E.1	**Net proceeds and aggregate costs**	The gross proceeds of the Offering will total DKK 422 million. The estimated total expenses (fixed and discretionary) payable by the Company in connection with the Offering are DKK 17 million, provided that the Offering is fully subscribed for. The estimated net proceeds of the Offering will total DKK 405 million. The Company has undertaken to pay a subscription commission of 0.125% per Offer Share to the custodian banks. Fees and commission to the Global Coordinator and subscription commission to custodian banks are variable, and the actual costs will therefore depend on the result of the Offering. The Offer Shares are offered at DKK 0.35 per Share. No brokerage fees will be incurred by investors.
E.2a	**Reasons for the Offering and use of proceeds**	The Offering is intended to provide additional capital resources for the development, regulatory approval and commercialisation of LCP-Tacro, which is the only product candidate Veloxis is developing at the Prospectus Date. The Company expects to receive net proceeds from the Offering of approximately DKK 405 million. The Company intends to use the net proceeds from the Offering and existing cash balances to fund the Company's ongoing operations in order to: • Conclude the Phase III clinical studies required to obtain regulatory approval of LCP-Tacro in the United States and the European Union. The Company is currently executing the last remaining planned Phase III study (Study 3002, kidney transplant study in *de novo* patients), successful completion of which is expected to be sufficient to obtain regulatory approval for the LCP-Tacro product in the United States and the European Union. Veloxis expects that the results from study 3002 will be available in mid-2013.

- Apply for regulatory approvals of LCP-Tacro in the United States and the European Union. Veloxis expects to submit an NDA with the FDA in the second half of 2013 and an MAA with the EMA during 2013, assuming that positive results are obtained in the *de novo* kidney transplant study. It is expected that it will take approximately one year from the submission of the NDA and the MAA, respectively, in order to obtain regulatory approval in the respective regions.

- Commence commercialisation of the LCP-Tacro product. Veloxis expects to build an internal sales organisation of approximately 20 sales representatives to market the LCP-Tacro product in the United States, and has concluded an agreement with a partner regarding the commercialisation of LCP-Tacro in certain other countries, including Europe, Turkey and CIS Countries. Veloxis expects that the U.S. sales organisation will be in place in the second half of 2014 and that the LCP-Tacro product will be launched in the fourth quarter of 2014.

On the assumption that the above timeline is realised, the Company believes that the net proceeds from the Offering, approximately DKK 405 million, together with the existing cash balances, will be sufficient to fund the Company's operations beyond anticipated launch of LCP-Tacro in Europe and the United States in the fourth quarter of 2014. Whether the Company will require additional capital to bridge the period from initial sales to profitability will depend on the future sales prices, sales volumes, cost prices, timing and success of the commercialisation of LCP-Tacro.

The amount as well as the timing of the actual revenue from and expenditures in relation to LCP-Tacro cannot be predicted with certainty, and the specific use of the net proceeds of the Offering will depend upon numerous factors. Pending utilisation of such net proceeds, the Company intends to invest such funds in cash deposits, short-term, interest-bearing securities and other similar low-risk investments in and outside Denmark.

E.3	**Terms and conditions of the Offering**	On 22 October 2012 at 12:30 p.m. CET (Allocation Time), each holder of Shares who is registered with VP Securities as a shareholder of the Company will be allocated eight (8) Preemptive Rights for each Existing Share held. Three (3) Preemptive Rights will entitle the holder to subscribe for one (1) Offer Share. Accordingly, the holder will have the right, upon payment of the Offer Price, to subscribe for one (1) Offer Share for every three (3) Preemptive Rights. No fractional Offer Shares will be issued. The Offer Shares are offered at DKK 0.35 per Share. No brokerage fees will be incurred by investors. Shares traded after 17 October 2012 will be traded without Preemptive Rights provided that Shares are traded with customary three-day settlement. The Subscription Period for the Offer Shares commences on 23 October 2012 at 9:00 a.m. CET and closes on 5 November 2012 at 5:00 p.m. CET. Existing shareholders (who were shareholders in the Company as at the Prospectus Date) wishing to subscribe for Remaining Shares must do so by making binding undertakings to subscribe for Remaining Shares at the Offer Price through their own custodian institution before the end of the Subscription Period. Existing shareholders in Denmark may use the subscription form that accompanies the International Prospectus. Existing shareholders outside Denmark should contact their own custodian institution. In the event that binding undertakings made by existing shareholders (who were shareholders in the Company as at the Prospectus Date) exceed the number of Remaining Shares, the Remaining Shares will be allocated pro rata based on the Shares each existing shareholder held at the Prospectus Date. Existing shareholders (who were shareholders in the Company as at the Prospectus Date) who wish to be considered when the Remaining Shares are allocated must, before the expiry of the Subscription Period and through their own custodian institution, send documentation to the Global Coordinator which clearly documents the number of Shares held by the existing shareholder as at theProspectus Date. In the event that the documentation for the number of Shares held by the existing shareholder as at the Prospectus Date is not sent through the existing shareholder's custodian institution to the Global Coordinator before expiry of the Subscription Period, the existing shareholder will not be taken into consideration when the Remaining Shares are allocated. Subscription for the Remaining Shares will take place without compensation to holders of Preemptive Rights that have not been exercised. Neither the Company nor the Global Coordinator can guarantee that existing shareholders who wish to subscribe for Remaining Shares will be allocated any Remaining Shares. Only shareholders and investors who acquire and exercise Preemptive Rights are guaranteed allocation of Offer Shares in the Company and only in the event that the Offering is completed. Accordingly, Remaining Shares will only be available for allocation if the Offer Shares have not been subscribed for by the Company's shareholders through the exercise of allocated Preemptive Rights or by investors through the exercise of Preemptive Rights. Two of the Company's Major Shareholders, Lundbeckfond Invest A/S and Novo A/S, have each made a conditional advance undertaking to exercise the Preemptive Rights allocated to them in the Offering to subscribe for Offer Shares.

In addition, Lundbeckfond Invest A/S and Novo A/S have made conditional advance undertakings to subscribe for up to all of the Remaining Shares. If and to the extent other existing shareholders (who were shareholders in the Company as at the Prospectus Date) have submitted binding commitments to subscribe for Remaining Shares, such other existing shareholders and Lundbeckfond Invest A/S and Novo A/S will be allocated Remaining Shares on a pro rata basis based on the Shares they each held on the Prospectus Date and subject to any maximum indicated by other existing shareholders.

The two major shareholders have agreed to sell and transfer such number of Offer Shares, if relevant, amongst them in connection with completion of the Offering as are necessary to ensure that neither of them reach an ownership interest of more than 33.32% in the Company or, if that is not possible, to ensure that their shareholdings in the Company shall be of exactly the same size after completion of the Offering. Consequently, the Company does not expect that either Lundbeckfond Invest A/S or Novo A/S will obtain a controlling interest in the Company as a consequence of the Offering.

Due to the binding advance undertakings described above, subject to the fulfilment of the conditions attached to the advance undertakings and the completion of the Offering, the total gross proceeds of the Offering will be DKK 422 million.

E.4	**Interests of natural and legal persons involved in the Offering**	Some of the members of the Board of Directors have direct interest in/are related to a Major Shareholder. Some of the members of the Board of Directors and the Executive Management hold Shares and warrants to subscribe for Shares in the Company. The Company is not aware of any interests or potential conflicts of interest in relation to the Offering that are material to the Company, other than the above.
E.5	**Selling security holders and lock-up agreements**	The Company has not received any indications from shareholders that they intend to sell their Shares or Preemptive Rights. The Company, its Board of Directors and the Executive Management have entered into lock-up agreements with the Global Coordinator. The Company has undertaken that for a period of 180 days counted from the date of completion of the Offering (expected to take place on 13 November 2012), it will not issue, sell, offer for sale, enter into any agreement regarding the sale of, pledge or in any other way directly or indirectly transfer the Shares in the Company or other securities exchangeable into Shares in the Company, including warrants or other options to acquire Shares in the Company (together "Company Securities") or announce the intention to make any such act without the prior written consent of the Global Coordinator. Such consent is not to be unreasonably withheld or delayed, if the transaction is motivated by reasonable business considerations attributable to the Company. The above-mentioned obligation of the Company shall not apply to transfers or issues of Company Securities to the Company's and its subsidiary's employees, the members of the Executive Management or the Board of Directors in relation to granting, allocation or issue of Company Securities to such persons as part of or in accordance with the existing or future general or individual employee shareholding and/or warrant programmes, the exercise by such persons of their rights in accordance with the existing or future general or individual employee shareholding and/or warrant programmes or cancellation of existing warrants. The members of the Board of Directors and of the Executive Management have each agreed that for a period of 180 days counted from the date of completion of the Offering (expected to take place on 13 November 2012), they will not sell, offer for sale, enter into any agreement regarding the sale of, pledge or in any other way directly or indirectly transfer Company Securities or announce the intention to make any such act without the prior written consent of the Global Coordinator. Such consent is not to be unreasonably withheld or delayed. The above-mentioned obligation shall not apply to the acquisition, subscription for or disposal of Company Securities in relation to the exercise by the shareholder of its rights in accordance with existing or future general or individual employee shareholdings and/or warrant programmes, or any cancellation of existing warrants made in agreement with the Company, and the obligation does not cover Preemptive Rights and Shares or warrants acquired by the shareholder after the Prospectus Date.
E.6	**Dilution**	The Company's equity value as at 31 August 2012 was DKK 61 million or DKK 0.13 per Share. The equity per Share is determined by dividing the equity value by the total number of Shares. After giving effect to the issue of the Offer Shares at the Offer Price of DKK 0.35 per Share, and deducting commissions and estimated expenses, the pro forma equity value as at 31 August 2012 would have been approximately DKK 466 million or DKK 0.28 per Share. This represents an immediate increase in equity value per Share of DKK 0.15, for the Company's Existing Shareholders, and an immediate dilution in adjusted equity per Share of DKK 0.07, corresponding to an dilution of 20% for subscribers for Offer Shares.
E.7	**Brokerage fees**	No brokerage fees will be incurred by investors.

RISK FACTORS

Investing in the Preemptive Rights or the Offer Shares involves a high degree of risk. Prior to making any investment decision with respect to the Preemptive Rights or the Offer Shares, an investor should consider carefully the following risk factors, as well as the other information contained in this Prospectus.

These risks are not the only ones the Company faces. They should be taken as an indication of the risk factors that the Company believes are particularly important and relevant to the Company at the present time. Should any of the following risks occur, it could have a material adverse effect on the Company's business, results of operations, cash flows and financial position. However, additional risks not presently known to the Company or which the Company currently deems immaterial may also have a material adverse effect on the Company.

This Prospectus also contains forward-looking statements that involve risk and uncertainty. The Company's actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited to, the risks described below and elsewhere in this Prospectus. It is not possible to quantify the significance to the Company of each individual risk factor as each of the risk factors mentioned below may materialise to a greater or lesser degree and have a material adverse effect on the Company's business, results of operations, cash flows and financial position.

RISKS RELATED TO THE COMPANY'S BUSINESS

LCP-TACRO

Veloxis is focussed exclusively on the development, regulatory approval and commercialisation of LCP-Tacro and may not be successful in bringing this product candidate to market

Veloxis has decided to focus its entire efforts on the development, regulatory approval and commercialisation of LCP-Tacro and has put the development of all other product candidates on hold. As a consequence, the Company has no other product candidates that can become profitable within a relevant time frame, and the Company is completely dependent on the successful development, regulatory approval and commercialisation of LCP-Tacro. Any failure or delay in this regard will have a material adverse effect on the Company's business, results of operations, cash flows and financial position, and may require the Company to cease operations.

The Company's ongoing Phase III clinical study of LCP-Tacro may not be successful or may not provide sufficient data to support regulatory approval, which would materially harm the Company's prospects

The Company must demonstrate that LCP-Tacro is safe and effective for use in humans through clinical studies in order to be approved for commercial sale. If the Company's ongoing Phase III clinical study for LCP-Tacro fails to meet its objectives or to obtain positive results on schedule, the Company would likely be unable to obtain regulatory approval on its intended schedule, if at all.

Clinical studies are lengthy, time consuming and expensive and have uncertain outcomes. The Company completed a first Phase III study of LCP-Tacro in stable kidney transplant patients in 2011 and has a second Phase III study of LCP-Tacro in *de novo* kidney transplant patients currently underway, with 543 patients enrolled and data expected in mid-2013. The completion of this ongoing Phase III study could be delayed by any of a number of factors, including (i) any required modification to the clinical trial protocol; (ii) unforeseen safety issues; (iii) any inability to observe patients adequately during and after treatment; (iv) change in regulatory requirements applicable to the study; (v) the performance of the Company's contract research partners; and (vii) government or regulatory delays.

The results of the Company's first Phase III trial or earlier Phase II trials do not guarantee the success of the ongoing Phase III study. The Company's clinical studies may not produce statistically significant results or otherwise be sufficient to obtain the requisite regulatory approval for LCP-Tacro. Although the Company has agreed on an SPA with the FDA, pursuant to which the FDA expressed agreement with the parameters of the Company's trial protocol, there is no assurance that the study will be carried out and completed in accordance with the Company's current plans and budget or that the FDA will not change its views as to the structure or statistical parameters of this trial or that it will not require additional or different data to support regulatory approval.

If the Company is not able to successfully complete its clinical programme for LCP-Tacro on schedule or at all, it would have a material adverse effect on the Company's business, results of operations, cash flows and financial position, and may require the Company to cease operations.

The Company may not be able to obtain the regulatory approvals to market LCP-Tacro on schedule or at all, which would materially harm the Company's prospects

Assuming successful completion of its ongoing Phase III trial, the Company plans to file a 505(b)(2) NDA with the FDA in the second half of 2013, and also plans to file an MAA with the EMA in 2013. The Company has only limited experience in filing and pursuing applications necessary to obtain regulatory approval or licensure, and the Company cannot ensure that LCP-Tacro will be approved or licensed for marketing on schedule or at all.

In order to market and offer LCP-Tacro for commercial sale in the United States, the European Union or any other jurisdiction, the Company must obtain the required regulatory approvals. The FDA, the EMA and other regulatory agencies internationally regulate the development, testing, manufacture, safety, efficacy, record keeping, labelling, storage, approval, advertising, promotion, sale and distribution of pharmaceutical products. The regulatory review and approval process is lengthy, expensive and

uncertain. Securing regulatory approval requires the submission of extensive preclinical and clinical data and supporting information to the FDA and the EMA to establish the product candidate's safety and efficacy. The approval process for LCP-Tacro may take more than a year from initial submission, will require substantial resources, will involve post-marketing surveillance and may involve ongoing post-marketing studies. Although clinical studies are designed with scientific advice from regulatory authorities, the clinical and regulatory environment may have changed significantly at the time of submission for approval, as a result of new scientific discoveries, competitor product evaluations, changes in medical health care policies, new technical standards and other factors beyond the Company's control. In addition, data obtained from preclinical and clinical activities are susceptible to varying interpretations and Good Clinical Practice (GCP) documentation requirements which may delay, limit or prevent regulatory approval. A preapproval inspection of the major clinical trial sites may be conducted to ensure compliance with GCPs and the relevant clinical trial protocols and requirements.

Regulators could refuse regulatory approval, or could require the Company to repeat previous clinical studies or to conduct further clinical studies. A pre-approval inspection of manufacturing facilities by regulatory authorities may be required before regulatory approval can be obtained, and such facilities will be subject to periodic inspections that could prevent or delay regulatory approval or require the expenditure of financial or other resources to address. If the Company or its manufacturing or other partners do not succeed in obtaining regulatory approval, or succeed only after delays, this could have a material effect on the Company's ability to generate revenues. Delays in obtaining regulatory approvals may:

- adversely affect the success or timing of the commercialisation of LCP-Tacro;
- impose costly procedures on the Company or its partners;
- diminish any competitive advantages in the marketplace; or
- adversely affect the Company's receipt of revenues or royalties, or its expenditures.

If the Company fails to obtain regulatory approval for LCP-Tacro or is required to generate additional data related to safety and efficacy in order to obtain regulatory approval, or if previously unknown problems are discovered with the already approved drug tacrolimus, which is the active ingredient in LCP-Tacro, the Company may be unable to meet its anticipated development, approval and commercialisation timelines, which would have a material adverse effect on the Company's business, results of operations, cash flows and financial position, and may require the Company to cease operations.

The Company relies on third parties to conduct clinical studies of LCP-Tacro, and such parties may not be able to meet their regulatory or contractual obligations to the Company

The Company relies to a large extent on independent clinical investigators, contract research organisations and other third party service providers to conduct clinical studies of LCP-Tacro, and the Company is unable to control all aspects of their activities. If these third parties do not carry out their contractual duties or obligations or meet expected deadlines, if the third parties need to be replaced, or if the quality or accuracy of the clinical data they obtain is compromised due to failure to adhere to the Company's clinical protocols or for other reasons, the Company's ongoing Phase III clinical study may be extended, delayed or terminated. Any extension, delay or termination of the study would compromise the Company's ability to commercially launch LCP-Tacro on schedule or at all, and would have a material adverse effect on the Company's business, results of operations, cash flows and financial position.

COMMERCIALISATION

The Company has never commercialised a product, has no sales and marketing experience, and may not successfully establish the expanded organisational structure required to support commercial launch

Following receipt of regulatory approval, the Company intends to commercialise LCP-Tacro in the United States itself. In order to implement such a strategy, the Company will have to develop a sales and marketing organisation, establish distribution capabilities and expand the number of managerial, operational, financial and other employees, which will be expensive and time-consuming. The Company expects that a sales force of approximately 20 people would be required to cover effectively the U.S. market for LCP-Tacro. This represents an increase of two-thirds in the size of the Company's current workforce. The Company will also need to manage additional relationships with various partners, suppliers, distributors and other organisations. The Company's ability to manage its operations and growth will require the Company to continue to expand its operational, financial and management controls, reporting systems and procedures. Such growth could place a strain on its administrative and operational infrastructure. The Company may not be able to adequately strengthen its management information and control systems in an efficient or timely manner and may discover deficiencies in existing systems and controls. In addition, the competition for qualified personnel in the pharmaceutical and biotechnology field is intense, and the Company may experience difficulties in recruiting, hiring and retaining qualified individuals. There can be no assurance that the Company will succeed in marketing and commercialising LCP-Tacro on its own, or that it will successfully manage the growth that would be necessary to do so, which could have a material adverse effect on the Company's business, results of operations, cash flows and financial position.

Additional current or future studies intended to show added benefits of LCP-Tacro may be unsuccessful, which may limit the market for this product candidate

Veloxis has initiated one Phase IIIb/IV study and plans to initiate several additional studies to further examine the potential clinical differences between LCP-Tacro and existing therapies, including Prograf. For example, the Company's ongoing STRATO study is designed to explore whether converting patients with symptomatic tremor from Prograf to LCP-Tacro leads to a measurable improvement in tremor. The STRATO study, however, is not designed to support labelling claims regarding safety or efficacy but rather is being conducted as an exploratory study. This and any additional trials will be subject to risks similar to those faced by the ongoing Phase III trial, described above, and may fail to demonstrate the benefits anticipated. Any such failure would limit the potential expansion of any marketing label for LCP-Tacro, thereby limiting LCP-Tacro's potential market.

The Company's partners may not be successful in commercialising LCP-Tacro outside the United States, and the Company may become substantially dependent on its partners in connection with these arrangements

The Company has entered into an agreement with Chiesi Farmaceutici S.p.A. ("Chiesi") in respect of the commercialisation of LCP-Tacro in certain other countries, including Europe, Turkey

and CIS Countries, and may in the future enter into agreements with other parties in other jurisdictions. There can be no assurance that the Company's partnership with Chiesi will result in the successful commercialisation of LCP-Tacro in any or all of the covered jurisdictions, or will otherwise result in the anticipated commercial benefit to the Company. There can also be no assurance that the Company will be able to conclude negotiations with any other party in respect of other jurisdictions. The agreement with Chiesi may not meet the Company's current expectations, due to a number of factors, including the results of its ongoing clinical programme, market demand for LCP-Tacro and competition.

The success of any partnering arrangements will depend on the efforts and activities of the Company's current or future partners, who have, or may have, significant discretion in determining how to pursue planned activities and the quality and nature of the efforts and resources that they will apply, and who may otherwise be unable to successfully commercialise LCP-Tacro outside the United States. Such arrangements may not produce the revenues that the Company anticipates. Factors that may affect the success of any such collaborations include (i) the failure of such partners to act in accordance with their obligations under their respective collaborative agreements or to prioritise or devote sufficient resources to the commercialisation of LCP-Tacro; (ii) the pursuit by the Company's partners of alternative technologies or products, either on their own or in collaboration with others, that may be competitive with LCP-Tacro or that could affect their commitment to the collaboration; (iii) reductions in marketing or sales efforts or a discontinuation of marketing or sales of LCP-Tacro by the Company's partners, which would reduce any royalties the Company could be entitled to receive, to the extent they are based on the sales of LCP-Tacro by its partners; (iv) termination by the Company's partners of their collaborations with the Company, which could make it difficult for the Company to attract new partners or adversely affect its reputation in the business and financial communities; and (v) business combinations or significant changes in a partner's business strategy, which may adversely affect the partner's willingness or ability to pursue actively or even to meet its obligations under its collaboration agreement with the Company.

Failure to attract partners to commercialise LCP-Tacro outside the United States, or a lack of success with any such arrangements, could have a material adverse effect on the Company's business, results of operations, cash flows and financial position.

MANUFACTURING

The Company is dependent on a single, third party manufacturer of LCP-Tacro and may not be able to find alternative suppliers on schedule or within budget

Assuming receipt of regulatory approval, the Company has decided to use a single manufacturer to supply LCP-Tacro for commercial launch. If the Company is required to find a second or replacement manufacturer, this will entail additional time and expense related to technology transfer, validation of facilities, and ramp-up of production, which would adversely affect the Company's planned revenue flows and expenses.

To be successful in commercialising LCP-Tacro, the Company needs the product candidate to be manufactured in sufficient quantities in compliance with regulatory requirements and at acceptable costs. The Company is aware of only a limited number of companies who operate manufacturing facilities in compliance with such regulatory requirements. The Company or its third party manufacturers have in the past and may in the future encounter complications in connection with or as a result of (i) inadequate production yields; (ii) quality control and assurance problems; (iii) shortages of qualified personnel; (iv) failure to comply with the rules and regulations issued by the FDA, the EMA and other applicable authorities; (v) unacceptable production costs; or (vi) complexities or inadequacies of advanced manufacturing techniques and process controls. In addition, the Company and any new or replacement third party manufacturer will be required to register such manufacturing facilities with the FDA (and have a U.S. agent for the facility), the EMA and other regulatory authorities. The Company may not be able to maintain or renew its existing third party manufacturing arrangements on acceptable terms, if at all, or may otherwise be required to obtain alternative suppliers. Any inability to obtain qualified alternative suppliers, including an inability to obtain, or delay in obtaining, approval of an alternative supplier by the FDA, would delay or prevent the further commercialisation of LCP-Tacro and could negatively impact the Company's ability to meet any supply obligations to partners for the future marketing and sale of LCP-Tacro. In addition, any problems arising from the production of LCP-Tacro by the Company's collaborative partners could negatively impact the Company, damage its reputation or the reputation of LCP-Tacro and create liability. If the Company is not able to maintain or renew its existing third party manufacturing arrangement on acceptable terms, or to find alternative third party manufacturers, it could have a material adverse effect on the Company's business, results of operations, cash flows and financial position.

RISKS RELATED TO THE COMPANY'S INTELLECTUAL PROPERTY

Third parties could initiate legal proceedings alleging that the Company is infringing their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on the success of the Company's business

The Company's commercial success depends upon its ability to complete the development of, obtain regulatory approval for, and then manufacture, market and sell LCP-Tacro and otherwise use its proprietary technologies without infringing the intellectual property and other proprietary rights of third parties. There is considerable intellectual property litigation in the biotechnology and pharmaceutical industries, and the Company may become party to, or threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to its products and technology, including interference proceedings before the U.S. Patent and Trademark Office. The defence and prosecution of contractual intellectual property lawsuits, U.S. Patent and Trademark Office interference proceedings, European Patent Office oppositions and related legal and administrative proceedings in the United States and elsewhere, involve complex legal and factual questions. As a result, such proceedings may be costly and time-consuming to pursue, and their outcome is uncertain.

Third parties could assert infringement claims against the Company based on existing or future intellectual property rights. If the Company is found to infringe a third party's intellectual property rights, it could be required to obtain a licence from such third party to continue developing, and ultimately marketing, LCP-Tacro. However, the Company may not be able to obtain any required licence on commercially reasonable terms or at all. Even if the Company was able to obtain a licence, it could be non-exclusive, thereby giving the Company's competitors access to the same technologies licensed to the Company. The Company could be forced, including by court order, to cease commercialising the infringing technology or product. In addition, the Company could be found liable for monetary damages, including treble damages and attorneys' fees, if it is found to

have wilfully infringed a patent. A finding of infringement could prevent the Company from commercialising its product candidate or force the Company to cease some of its business operations, which would materially harm its business. Regardless of the outcome of any litigation, defending the litigation would be expensive, time-consuming and distracting to management. In addition, because patent applications can take many years to issue, there may be currently pending applications, unknown to the Company, which may later result in issued patents that its product candidate may infringe. Claims that the Company has misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on the Company's business.

Veloxis could face intellectual property litigation with Astellas Pharma Inc. in connection with LCP-Tacro.

LCP-Tacro is a once-daily, sustained release (i.e. extended release) tablet formulation of tacrolimus. Astellas Pharma Inc. markets Prograf, a twice-daily immediate release capsule formulation of tacrolimus worldwide, and Advagraf, a once-daily sustained release formulation of tacrolimus, outside the United States. In September 2012, Astellas Pharma US Inc. announced that it had submitted an NDA seeking approval for a once-daily sustained release formulation of tacrolimus in the United States.

Astellas Pharma Inc. has Orphan Drug Exclusivity on Prograf expiring on March 29, 2013, but all composition-of-matter patents on tacrolimus have expired, and no patents are listed in the FDA's Orange Book for Prograf capsules.

If U.S. patents are issued and entered into the Orange Book listing for Prograf capsules, Astellas Pharma Inc. (the NDA holder) and/or the patentee may initiate, within a certain time frame after submission of an NDA under Section 505(b)(2) seeking approval for LCP-Tacro before expiry of one or more of the listed patents, legal proceedings against the Company claiming patent infringement. If the patents are submitted to the Orange Book before submission of the 505(b)(2) application for LCP-Tacro, under the Hatch-Waxman Act, the Company could be prevented from receiving FDA approval of LCP-Tacro until the earlier of 30 months, expiration of the patent, settlement of the lawsuit, or a decision in the lawsuit that is favourable to the Company, which would have a material adverse effect on the Company's business, results of operations, cash flows and financial position. If the Company is unsuccessful in any such patent litigation, FDA approval could be delayed until expiry of the patents in question (plus any associated paediatric exclusivity period). Either result would have a material adverse effect on the Company's business, results of operations, cash flows and financial position.

Astellas Pharma Inc. has patent protection in both the United States and the European Union on certain sustained release formulations of tacrolimus at least until 2019. The Company believes that Prograf (immediate release) is and will continue to be the appropriate listed drug on which it is relying for approval of LCP-Tacro in the United States. If Astellas Pharma Inc. obtains approval in the United States of a sustained release formulation and lists such patents in the Orange Book for the new product, however, it is possible that the FDA could seek to require the Company to identify the new sustained release formulation as the listed drug upon which it is relying. In such a case, Astellas Pharma Inc. (the NDA holder) and/or the patentee could initiate patent infringement litigation if the Company seeks approval of LCP-Tacro before expiration of the sustained release formulation patents, which could delay approval of LCP-Tacro, as described above. In addition, approval of LCP-Tacro could be delayed by any non-patent exclusivity, such as three-year exclusivity, granted to another sustained release formulation of tacrolimus. The Company believes that it is unlikely that the FDA would require the Company to identify Advagraf as the listed drug upon which it is relying, as LCP-Tacro and Advagraf are not generically identical and the Company will not rely upon any data specific to Advagraf to support approval of its 505(b)(2) application for LCP-Tacro. The Company also believes that the FDA generally views efforts to extend product exclusivity through technical changes to products or applications, or similar means, with disfavour. Nevertheless, if the FDA were to require such a change, the resulting delay in market launch would have a material adverse effect on the Company's business, results of operations, cash flows and financial position.

Under applicable national laws, a patentee may at any time after LCP-Tacro is marketed initiate legal proceedings against the Company claiming patent infringement. A court could issue an injunction preventing the Company from marketing LCP-Tacro in a particular jurisdiction for the remaining term of one or more of the applicable patents relating to tacrolimus formulations. Intellectual property litigation involves many risks and uncertainties, and there is no assurance that the Company would prevail in any lawsuit brought by Astellas Pharma Inc. or any other third party. In any event, litigation often involves significant expense, regardless of the merit of the claims or the outcome. In addition, Astellas Pharma Inc. has significantly greater resources than the Company. Any litigation, whether or not decided adversely to the Company, would have a material adverse effect on the Company's business, results of operations, cash flows and financial position.

The Company may become involved in lawsuits to protect or enforce its patents or other intellectual property, which could be expensive, time-consuming and ultimately unsuccessful

Competitors may infringe the Company's patents or other intellectual property. Litigation may be necessary to (i) protect and enforce the Company's patents and future patents; (ii) protect and enforce trade secrets, know-how and other proprietary rights that the Company owns; or (iii) determine the enforceability, scope and validity of the proprietary rights of third parties. Any such litigation is likely to be expensive and time-consuming. Any claims the Company asserts against perceived infringers could provoke those parties to assert counterclaims against the Company alleging that the Company infringes their patents. In addition, in a patent infringement proceeding, a court may decide that a patent of the Company is invalid or unenforceable, in whole or in part, construe the patent's claims narrowly, or refuse to stop the other party from using the technology at issue on the grounds that the Company's patents do not cover the technology in question. In any infringement litigation, any award of monetary damages the Company may receive may not be commercially valuable. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of the Company's confidential information could be compromised by disclosure during this type of litigation.

The Company may not be able to obtain or maintain commercially valuable patent protection or non-patent exclusivity or to protect its trade secrets

The Company's success depends in part on its ability to apply for, obtain, maintain and enforce patents, and to protect trade secrets. The Company will be able to protect its proprietary rights from unauthorised use by third parties only to the extent that such proprietary rights are covered by valid and enforceable patents or are effectively maintained as trade secrets. The Company protects its proprietary position by filing and prosecuting international, U.S., European and other national patent ap-

plications related to its proprietary technology, inventions and improvements that are important to the development of its business.

No assurance can be given that an application for formulation patent protection will not be restricted to cover only particular uses. Where the Company has only method-of-use or process patent coverage for a product candidate, it may be more difficult to enforce such patent protection.

In addition, third party patents or patent applications may conflict with patent applications to which the Company has rights. Any such conflict may substantially reduce the coverage of any rights that may issue from the patent applications to which the Company has rights. If third parties prepare and file patent applications in the United States that also cover the technology to which the Company has rights, the Company may have to participate in interference proceedings in the U.S. Patent and Trademark Office to determine when the invention was made.

The process of identifying and seeking patent protection is expensive and time-consuming, and the Company may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. The Company's pending or future applications may not result in issued patents, or may need to be refined or restricted before a patent is granted. The outcome of the patent prosecution for biotechnology and pharmaceutical products is generally highly uncertain, and it involves complex legal and scientific questions. The standards which patent offices in different countries use to grant patents, or to define the subject matter or scope of allowable claims, are not always applied predictably or uniformly and can change without prior notice. Except for some older U.S. patent applications that remain confidential for the entire time prior to issuance as a patent, patent applications are typically published 18 months after the date of filing. Similarly, publications of discoveries in the scientific literature often lag behind actual discoveries. The Company cannot be certain that it was the first to make the inventions claimed in the Company's pending patent applications, or that the Company was the first to file for protection of the inventions described in these patent applications.

The mere issuance of a patent does not guarantee that it is valid or enforceable. Even if issued, patents may be challenged, invalidated or circumvented. Moreover, the rules applicable to listing patents in the Orange Book, patent certifications and 30-month stays historically have been different for drug products that contain an "antibiotic" ingredient approved prior to 1997, such as tacrolimus. Although the Company believes that under current law the usual Orange Book rules will apply to its patents for LCP-Tacro, this interpretation may not be accepted by FDA or the courts. Accordingly, the Company cannot predict the degree of future protection for the Company's current or future proprietary rights, or the scope of claims allowed in any patent issued to the Company, or the effect of any such patent on the approval of competing sustained-release tacromilus products.

Moreover, no assurance can be given that, upon approval, LCP-Tacro will be eligible for or awarded non-patent exclusivity under the Hatch-Waxman Act. For drug products that contain an "antibiotic" ingredient approved prior to 1997, such as tacrolimus, the statute imposes certain limitations on the award of non-patent exclusivity, Although the Company does not believe it will be subject to any of these additional limitations, the FDA has provided only minimal guidance as to how it interprets these limitations, and the Company thus cannot predict whether it will be awarded non-patent exclusivity or the scope of any such exclusivity, if awarded, if LCP-Tacro is approved.

In addition to patents, the Company relies on trade secrets and proprietary know-how. The Company seeks protection, in part, through confidentiality and proprietary information clauses in agreements with its partners, employees, consultants, outside scientific partners and sponsored researchers and other advisers. These clauses may not effectively prevent disclosure of confidential and proprietary information and may not provide an adequate remedy in the event of unauthorised use or disclosure of confidential and proprietary information. In addition, if the Company's trade secrets otherwise become known to, or are independently developed by, the Company's competitors, the Company may not be able to successfully assert any trade secret rights against such parties. Costly and time-consuming litigation may be necessary to determine the scope of and to enforce its proprietary rights, and the failure to obtain or maintain trade secret protection could adversely affect the Company's competitive business position. If the Company fails to obtain and maintain patent and trade secret protection in respect of LCP-Tacro, the Company could lose its competitive advantage, and the increased competition the Company may face could have a material adverse effect on the Company's business, results of operations, cash flows and financial position.

RISKS RELATED TO PRODUCT LIABILITY AND LITIGATION

The Company may face product liability claims related to the use or misuse of LCP-Tacro

The Company is exposed to potential product liability risks that are inherent in the development, preclinical and clinical study, manufacturing, marketing, promotion, sale and use of LCP-Tacro. Product liability claims may be expensive to defend and may result in material judgments against the Company. Any claims against the Company could have a material adverse effect on the Company's business, results of operations, cash flows and financial position.

LCP-Tacro could be found to result in unforeseen side effects, which could result in expense or liability to the Company or a lack of market acceptance of the product

All drugs pose a risk of allergic, immunogenic or hypersensitivity reactions. Although the Company has tested for adverse reactions in preclinical and clinical trials, if LCP-Tacro is found to cause allergic or immunogenic reactions other than those acceptable to patients, physicians or regulators, the Company may have to conduct additional clinical trials, which would cause delays and result in additional costs, or may be forced to terminate or suspend its development programme. Even after a preclinical or clinical trial is deemed successful or regulatory approval is received, a product may later be shown to be unsafe. The existence of side effects may require the Company to conduct additional trials or studies, and may subject the Company to fines, suspension or withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and even civil litigation and/or criminal prosecution. The occurrence of any such event could have a material adverse effect on the Company's business, results of operations, cash flows and financial position.

The Company may become subject to other litigation and claims

The Company is not currently involved in any proceedings which, in the Company's view, constitute a material risk. However, the Company may become subject to litigation and claims or become otherwise involved in litigation, arbitration proceedings, government investigations or similar disputes or proceedings.

In addition, the Company regularly includes indemnification provisions in its contractual arrangements and may therefore be subject to claims by its contractual counterparties or third parties with respect to these obligations. The Company has no reason to believe that the Company's contracting partners, or other interested parties, have any grounds to raise any claims against the Company. However, if any such proceeding were to be commenced, it could have a material adverse effect on the Company's business, results of operations, cash flows and financial position.

The Company may not be able to obtain or maintain adequate insurance cover

The Company is required to secure certain levels of insurance as a condition for the conduct of clinical studies, and it maintains liability insurance with specified coverage limits per occurrence and in the aggregate. If and when the Company launches commercial sales of LCP-Tacro, it will need to obtain additional cover. The Company has decided not to take out insurance against certain identified risks, including against crime, legal costs and damages for infringement of patents, product recalls and loss of research results and material. Although the Company believes that its insurance coverage is appropriate for its business and stage of development, it cannot be certain that the insurance policies will be sufficient to cover all claims that may be made against the Company. Product liability insurance is expensive, difficult to obtain and may not be available in the future on acceptable terms. Any such claims against the Company could have a material adverse effect on the Company's business, results of operations, cash flows and financial position.

RISKS RELATED TO THE COMPANY'S EMPLOYEES

The Company has reduced its workforce in connection with an organisational restructuring in May 2012 in order to achieve a leaner structure, and may in the future have difficulty in retaining or attracting qualified personnel, including key employees

The Company reduced its workforce from approximately 60 to approximately 30 employees in connection with an organisational restructuring in May 2012. The Company is dependent on retaining its current personnel and is highly dependent on certain key employees, including the Executive Management and the Senior Management. The reduced number of employees makes the Company more dependent on its ability to retain its current qualified personnel. Furthermore, the Company will need to attract qualified sales and marketing personnel in order to implement its strategy to commercialise LCP-Tacro in the United States in-house. If the Company is not able to retain and attract qualified personnel, it could have a material adverse effect on the Company's business, results of operations, cash flows and financial position. See Part I, Section 16 "Practices of the Board of Directors, the Executive Management and the Senior Management" for further details on the Company's employment arrangements.

RISKS RELATED TO POST-APPROVAL GOVERNMENT REGULATION AND REIMBURSEMENT

LCP-Tacro will, when and if approved, be subject to extensive post-approval regulation

Following any regulatory approval of LCP-Tacro, the Company, its partners and the manufacturers of LCP-Tacro will be subject to continuing regulatory obligations, including safety reporting requirements, regulatory oversight of product promotion and marketing and good manufacturing practices. These regulations cover all aspects of manufacturing, testing, quality control and record keeping of products. In addition, in the United States, advertising and promotional materials for approved drug products must comply with FDA rules in addition to other potentially applicable federal and state laws. Application holders must obtain FDA approval for product and manufacturing changes, depending on the nature of the change. Various other state and federal laws would also apply to the Company's sales and marketing activities, if any. Within the European Union, once regulatory approval is obtained, numerous post-approval requirements also apply. The requirements are regulated by both EU regulations (such as reporting of adverse events) and national applicable regulations (related to e.g. prices and promotional material).

If the Company or its partners or manufacturers fail to comply with applicable regulatory requirements, the Company may be subject to fines, suspension or withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and criminal prosecution, any of which could have a material adverse effect on the Company's business, results of operations, cash flows and financial position.

The Company may not be able to generate adequate revenues from LCP-Tacro due to reimbursement and drug pricing policies and regulations

The Company's ability to generate adequate revenues from LCP-Tacro will depend on the reimbursement and drug pricing policies and regulations of numerous government agencies and private insurers. Many patients may be unable to pay for LCP-Tacro. The Company's ability to achieve acceptable levels of reimbursement by governmental authorities, private health insurers and other organisations will therefore have a material effect on its ability to successfully commercialise and attract additional partners to invest in the development of LCP-Tacro. The Company cannot be sure that reimbursement for LCP-Tacro in the United States, Europe or elsewhere will be available at all or at acceptable levels, and any reimbursement that may become available may be decreased or eliminated in the future. The Company has undertaken preliminary analyses of these matters, but has not to date completed a comprehensive formal analysis related to reimbursement for LCP-Tacro.

In the United States and the other principal markets in which the Company may in the future sell LCP-Tacro, there is continued economic, regulatory and political pressure to limit the cost of pharmaceutical products. Third party payers are increasingly challenging prices charged for pharmaceutical products and services, and many third party payers may refuse to provide reimbursement or may raise co-payments for particular drugs when an equivalent generic drug is available. Although the Company believes that LCP-Tacro will represent an improvement over the "originator" drug upon which it is based and should be considered unique, it is possible that a third party payer may consider LCP-Tacro and the generic immediate-release tacrolimus drugs as equivalents for prophylaxis of organ rejection following transplant and only offer to reimburse patients for the generic drug. Even if the Company shows improved efficacy or improved convenience of administration with LCP-Tacro, pricing of the existing "originator" drug may limit the amount the Company will be able to charge for LCP-Tacro. If reimbursement is not available or is available only at limited levels, the Company may not be able to successfully commercialise LCP-Tacro, and may not be able to obtain a satisfactory financial return on LCP-Tacro, which could have a material adverse effect on the Company's business, results of operations, cash flows and financial position.

RISKS RELATED TO COMPETITION AND MARKET ACCEPTANCE

Competition in the biotechnology and pharmaceutical industries is intense and the Company may not be able to compete effectively

The markets in which the Company competes and intends to compete are undergoing, and are expected to continue to undergo, rapid and significant technological changes. The Company expects competition to intensify as technological advances are made or new drugs and biotechnology products are introduced. New developments by competitors may render LCP-Tacro non-competitive, obsolete or uneconomical. The Company's competitors' products may be more efficacious or marketed and sold more effectively than LCP-Tacro. Many of the Company's competitors have (i) significantly greater financial, technical and human resources than the Company at every stage of the discovery, development, manufacturing and commercialisation process; (ii) more extensive experience in conducting clinical studies, obtaining regulatory approvals, commercialising drugs, challenging patents and manufacturing and marketing pharmaceutical products; (iii) more products or product candidates that have been approved or are in late stages of development; or (iv) collaborative arrangements in the Company's target markets with leading companies and research institutions. If the Company successfully develops and obtains regulatory approval for LCP-Tacro, the Company will face competition based on many different factors, including (i) the safety, efficacy and price of LCP-Tacro; (ii) the timing of any specific circumstances relating to regulatory approvals; (iii) the scope of the approved indication or indications of LCP-Tacro; (iv) availability and cost of manufacturing, marketing and sales capabilities; (v) the effectiveness of the Company's and/or its potential partners' marketing and sales capabilities; (vi) the availability and amount of third party reimbursement for LCP-Tacro; and (vii) the strength of the Company's patent position. The Company's competitors may develop or commercialise products with significant competitive advantages in regard to any of these factors. In particular, LCP-Tacro will, if commercialised, compete with a number of generic products as well as non-generic products, and there can be no assurance that market participants will be willing to adopt a non-generic product such as LCP-Tacro at a price which is higher than that of generics, regardless of the potential additional benefits of this product candidate. The Company's competitors may therefore be more successful in commercialising their products than the Company, which could have a material adverse effect on the Company's business, results of operations, cash flows and financial position.

The Company may in particular face intense competition from other products within the same therapeutic area

LCP-Tacro is a proprietary equivalent product based on the already approved drug tacrolimus and therefore, if LCP-Tacro is commercialised, the Company will face competition from other products within the same therapeutic area, and in particular from Astellas Pharma Inc.'s products Prograf and Advagraf, as it is the Company's strategy to gain market shares from Astellas Pharma Inc. Pharmaceutical companies can generally be expected to seek to delay the introduction of competing products through a variety of means including (i) filing new pharmaceutical formulation and use patent applications on drugs whose original patent protections are about to expire; (ii) filing an increasing number of patent applications that are more complex and costly to challenge; (iii) filing suits for alleged patent infringement that may delay FDA approval; (iv) developing patented sustained release or other "next-generation" products, which often reduces demand for a new version of an existing product; or (v) changing and expanding product claims and product labelling. Any one of these strategies may increase the costs and risks associated with the Company's commercialisation of LCP-Tacro and may delay or altogether prevent such commercialisation.

LCP-Tacro may not achieve market acceptance

Even if LCP-Tacro meets its objectives in the ongoing Phase III clinical study, obtains the required regulatory approvals and is commercialised, market acceptance for LCP-Tacro may be less than estimated, and/or competitors may successfully obstruct commercialisation efforts. The degree of market acceptance for LCP-Tacro (if and when it is commercialised) will depend on a number of factors, including (i) the market share of the "originator" drugs on which LCP-Tacro is based; (ii) relative cost-effectiveness; (iii) alternative treatment methods; (iv) changes in physicians' treatment preferences; (v) reimbursement policies of government and third party payers; and (vi) marketing and distribution support. If LCP-Tacro does not achieve market acceptance it could have a material adverse effect on the Company's business, results of operations, cash flows and financial position.

RISKS RELATED TO FINANCIAL CONDITION, CURRENCY AND OTHER FINANCIAL RISKS

FINANCIAL CONDITION AND FINANCING

The Company intends to use its entire available capital including the net proceeds of the Offering to fund the development, regulatory approval and commercial launch of LCP-Tacro

The Company intends to use its entire available capital, including the net proceeds of the Offering, to fund the further development, regulatory approval and commercial launch of LCP-Tacro. The Company anticipates that additional external funding will be required to take the Company from commercial launch of LCP-Tacro to profitability. The Company is fully dependent on the development of LCP-Tacro, and there is no guarantee that the Company will successfully complete the development and launch of LCP-Tacro on schedule or at all, or will be able to obtain such other funding, either of which would have a material adverse effect on the Company's business, results of operations, cash flows and financial position. See Part III, Section 3.4 "Reasons for the Offering and use of proceeds".

The Company has incurred a cumulative loss since incorporation, has obtained limited revenue to date, will incur future losses and may not achieve or sustain profitability

The Company has incurred significant losses since incorporation. As at 30 June 2012, its accumulated loss was DKK 1,574 million. To become and remain profitable, the Company must succeed in developing, obtaining approval for, and commercialising LCP-Tacro. The Company may never succeed in launching LCP-Tacro and may never generate revenues, or sufficient revenues to achieve profitability. Even if the Company does achieve profitability, the Company may not be able to sustain or increase profitability in the long term. The Company's failure to become and remain profitable would have a material adverse effect on the Company's business, results of operations, cash flows and financial position.

It may be difficult to obtain additional financing in the future

As at 31 August 2012, the Company had cash and cash equivalents totalling DKK 104 million. The Company raised gross proceeds of DKK 557 million, DKK 408 million and DKK 475 million in equity financing transactions completed in 2006, 2008 and 2010, respectively, and anticipates that this Offering will generate gross proceeds of DKK 422 million. The Company expects that it will need additional external funding to reach profitability following launch of LCP-Tacro. The Company's future capital requirements may vary depending on (i) whether the ongoing Phase III trial completes on schedule and on budget, (ii) the time and costs involved in obtaining regulatory approvals; (iii) the Company's and its potential partners' efforts and success in developing and commercialising LCP-Tacro; and (iv) the costs of manufacturing, marketing and sales activities and in developing such capabilities. The Company may seek additional funding through collaborative arrangements and public or private equity and debt financings. There can be no assurance that additional funds will be available on acceptable terms, if at all, or that such funds, if raised, will be sufficient to enable the Company to achieve sustained profitability. Conversely, if the Company raises additional funds by issuing equity securities, the Company's shareholders may experience additional dilution. Any debt financing or additional equity that the Company raises may contain terms that are not favourable to its shareholders or to the Company. If the Company raises additional funds through collaboration and licensing agreements with third parties, the Company may be required to relinquish some rights to its LCP-Tacro product candidate or to grant licences on terms that are not favourable to the Company. The Company's failure to obtain new funding could have a material adverse effect on the Company's business, results of operations, cash flows and financial position.

The Company's operating results may vary significantly from period to period and these variations may be difficult to predict

The Company's operating results and any future revenues are expected to vary significantly from period to period due to a number of factors. Many of these factors are outside of the Company's control and include (i) potential delays in the ongoing Phase III clinical study for LCP-Tacro and changes in regulatory requirements for clinical studies; (ii) the timing of future regulatory approvals for LCP-Tacro; (iii) the amount and timing of operating costs and capital expenditures relating to the Company's business operations and facilities; (iv) the timing of the commencement, completion or termination of collaboration agreements; and (v) the introduction of new products and services by the Company's potential partners or its competitors. The Company's revenues in any particular period, if any, may be lower than the Company anticipates and, if the Company is unable to reduce spending in that period, the Company's operating results may be adversely affected. Investors should not rely on period-to-period comparisons of the Company's results of operations as an indication of future performance. It is likely that in some future periods the Company's results of operations may be below the expectations of public market analysts and investors. If this occurs, it could have a material adverse effect on the Company's business, results of operations, cash flows and financial position.

The prospective financial information included in this Prospectus may differ materially from the Company's actual results

The prospective financial information included in Part I, Section 9 "Prospective consolidated financial information" and elsewhere in this Prospectus are the Company's projections of the results of operations for fiscal years 2012 and 2013. The projections and plans are based on a number of assumptions (including the success of the Company's business strategies), some or all of which may not materialise or may change. In addition, unanticipated events may adversely affect the actual results that the Company achieves in future periods, whether or not its assumptions relating to future periods otherwise prove to be correct. Consequently, the Company's results may vary materially from these projections and plans, which could have a material adverse effect on the Company's business, results of operations, cash flows and financial position.

CURRENCY

The majority of the Company's current expenses are incurred in a different currency than its financial resources

The majority of the Company's costs are in USD and Danish Kroner. However, the majority of the Company's current cash resources, including the proceeds from this Offering, are in Danish Kroner. Currently, the Company does not enter into foreign exchange contracts to cover its exposure to exchange rate fluctuations. As a result, the Company's expenses and any future investment or other income may be subject to fluctuations in exchange rates, particularly fluctuations in the exchange rate between Danish Kroner and USD, which could have a material adverse effect on the Company's business, results of operations, cash flows and financial position.

TAX RISKS

The Company will likely be a "passive foreign investment" company for U.S. tax purposes for 2012 and potentially for future years

The Company expects that it will be a passive foreign investment company ("PFIC") for U.S. federal income tax purposes for the 2012 taxable year and possibly for future tax years. The Company's status as a PFIC is determined annually, and therefore may be subject to change. If the Company is a PFIC in any year during which a U.S. Holder holds Shares, the U.S. Holder will be subject to adverse U.S. federal income tax consequences. See Part III, Section 4.11 "Taxation". U.S. investors are strongly urged to consult their own tax advisers as to the potential application of the PFIC rules.

The Company's interpretation and implementation of tax legislation, regulations and administrative practise applicable to its operations in Denmark and the United States may not be correct, and there is a risk that such rules may be subject to change

The Company operates through companies in Denmark and the United States, and its business operations and management, including intra-group transactions, are conducted in accordance with the Company's interpretation of applicable tax legislation, tax agreements and regulations in the countries concerned. The Company has obtained advice in these matters from independent tax advisers. However, its interpretation and implementation of applicable legislation, tax agreements and regulations and/or interpretation and implementation of the administrative practice of the relevant authorities may not be correct, and there is a risk that such rules may be subject to change, possibly with retroactive effect. The Company's tax situation, including its future effective tax rate and the usability of its net operating loss carryforwards, may change as a result of determinations by relevant tax authorities and could have a material adverse effect on the Company's business, results of operations, cash flows and financial position.

RISKS RELATED TO THE COMPANY'S SHARES AND THE OFFERING

CONCENTRATION OF CONTROL

The Company's Major Shareholders control a significant portion of the Company's Shares, and their interests may be different from, and may conflict with, those of the Company's other shareholders

As at the date of this Prospectus, the Company's Major Shareholders control 65.2% of the Company's share capital and voting rights, and their interests may differ from, or conflict with, the interests of the Company's other shareholders. Two of the Company's Major Shareholders, Lundbeckfond Invest A/S and Novo A/S, have each made a conditional advance undertaking to exercise the Preemptive Rights allocated to them in the Offering to subscribe for Offer Shares, and therefore, upon completion of the Offering, the Company's Major Shareholders will own at least 60.6% of the Company's share capital. In addition, Lundbeckfond Invest A/S and Novo A/S have made conditional advance undertakings to subscribe for up to all of the Remaining Shares. If and to the exent other existing shareholders (who were shareholders in the Company as at the Prospectus Date) have submitted binding commitments to subscribe for Remaining Shares, such other existing shareholders and Lundbeckfond Invest A/S and Novo A/S will be allocated Remaining Shares on a pro rata basis based on the Shares they each held on the Prospectus Date and subject to any maximum indicated by other existing shareholders. The two major shareholders have agreed to sell and transfer such number of Offer Shares, if relevant, amongst them in connection with completion of the Offering as are necessary to ensure that neither of them reach an ownership interest of more than 33.32% in the Company or, if that is not possible, to ensure that their shareholdings in the Company shall be of exactly the same size after completion of the Offering. Consequently, the Company does not expect that either Lundbeckfond Invest A/S or Novo A/S will obtain a controlling interest in the Company as a consequence of the Offering. As a result, if none of the Preemptive Rights are exercised by investors other than Lundbeckfond Invest A/S and Novo A/S and none of the Offer Shares are subscribed for by other investors, the Major Shareholders will own 88.8% of the Company's share capital upon completion of the Offering. The Company's Major Shareholders will thus continue to have the ability, either alone or voting together as a group to determine and/or significantly influence the outcome of matters submitted to the Company's shareholders for approval, including the election and removal of members of the board of directors, payment of dividends, amendments to the Company's articles of association, including changes to the Company's share capital or any merger or acquisition. As at the Prospectus Date the Company has no knowledge that any of its Major Shareholders have entered into or anticipate entering into a shareholders' agreement concerning their shareholdings in the Company, that they otherwise coordinate their interests in the Company or that they are otherwise acting in concert. If the largest shareholders were to act together, they would have the ability to exert ultimate control of the Company's management and affairs. Such control and concentration of ownership may discourage certain types of transactions, including those involving actual or potential change of control of the Company's business (whether through merger, consolidation, takeover or other business combination), which might otherwise benefit or be supported by the Company's other shareholders. See Part III, Section 4.9 "Danish regulations governing takeover bids, redemption of shares and disclosure requirements" for a description of the Danish rules regulating mandatory takeover bids.

USE OF PROCEEDS

The Company's Board of Directors and Executive Management have broad discretion in the use of the net proceeds from the Offering and may not use them effectively

While the Company's Board of Directors and Executive Management currently intend to use the net proceeds of the Offering to fund the development, regulatory approval and commercial launch of LCP-Tacro, they will have broad discretion in the application of the net proceeds and may resolve to use the net proceeds of the Offering differently. In particular, in the event that the current Phase III trial in LCP-Tacro is unsuccessful, or the Company encounters problems obtaining regulatory approval for this product candidate, the Board of Directors will have discretion to adopt a new strategy for the Company and to determine the use of any remaining proceeds, or to elect to wind up the Company. In addition, pending any use of the proceeds of this Offering, the Company's Board of Directors and Executive Management intend to invest the net proceeds from the Offering in cash deposits and short-term, investment grade, interest-bearing securities. Such investments may not yield a favourable return to the Company's shareholders. The failure by the Company's Board of Directors or Executive Management to apply these funds effectively or to prudently invest the funds pending use could have a material adverse effect on the Company's business, results of operations, cash flows and financial position. See Part III, Section 3.4 "Reasons for the Offering and use of proceeds".

COMPLETION OF OFFERING

There is a risk that existing shareholders (who were shareholders in the Company as at the Prospectus Date) who wish to subscribe for Remaining Shares will not be allocated any Remaining Shares

Existing shareholders (who were shareholders in the Company as at the Prospectus Date) may subscribe for Remaining Shares without compensation to the holders of unexercised Preemptive Rights. Neither the Company nor the Global Coordinator (as custodian institution for the Offering) can guarantee that existing shareholders who wish to subscribe for Remaining Shares will be allocated any Remaining Shares.

There is a risk that the Offering will not be completed and it may be withdrawn in certain exceptional and unpredictable circumstances

In the period until registration of the capital increase with the Danish Business Authority, the Offering may be withdrawn. The Company and the Global Coordinator have entered into the Rights Issue Agreement, see Part III, Section 5.22 "Placing". Pursuant to this agreement, the Global Coordinator may require the Company to withdraw the Offering at any time prior to the registration of the capital increase relating to the Offer Shares upon notification of termination of the Rights Issue Agreement. The Global Coordinator is entitled to terminate the Rights Issue Agreement upon the occurrence of certain exceptional and/or unpredictable circumstances, such as matters of *force majeure*. The Company may also terminate the Rights Issue Agreement and withdraw the Offering prior to the expiry of the Subscription Period upon the occurrence of certain exceptional and/or unpredictable circumstances. The Rights Issue Agreement also contains closing conditions which the Company believes are customary for offerings such as the Offering. If one or more of the closing conditions are not met, the Global Coordinator may, at its discretion, terminate the Rights Issue Agreement and thereby require the Company to withdraw the Offering. In the event that such circumstances occur before registration of the capital

increase with the Danish Business Authority, and the Global Co-ordinator decides to terminate the Rights Issue Agreement, the Preemptive Rights will become null and void and no Offer Shares will be issued, potentially causing investors who may have acquired Preemptive Rights and/or Offer Shares (in an off-market transaction, see below) to incur a loss. Any withdrawal will be notified immediately through NASDAQ OMX.

Subscription undertakings and underwriting commitments may be withdrawn or might not be met

Two of the Company's Major Shareholders, Lundbeckfond Invest A/S and Novo A/S, have each made a conditional advance undertaking to exercise the Preemptive Rights allocated to them in the Offering to subscribe for Offer Shares. In addition, Lundbeckfond Invest A/S and Novo A/S have made conditional advance undertakings to subscribe for up to all of the Remaining Shares. If and to the extent other existing shareholders (who were shareholders in the Company as at the Prospectus Date) have submitted binding commitments to subscribe for Remaining Shares, such other existing shareholders and Lundbeckfond Invest A/S and Novo A/S will be allocated Remaining Shares on a pro rata basis based on the Shares they each held on the Prospectus Date and subject to any maximum indicated by other existing shareholders. The two major shareholders have agreed to sell and transfer such number of Offer Shares, if relevant, amongst them in connection with completion of the Offering as are necessary to ensure that neither of them reach an ownership interest of more than 33.32% in the Company or, if that is not possible, to ensure that their shareholdings in the Company shall be of exactly the same size after completion of the Offering. Consequently, the Company does not expect that either Lundbeckfond Invest A/S or Novo A/S will obtain a controlling interest in the Company as a consequence of the Offering. Both the subscription undertakings and the underwriting commitments have been made subject to a number of terms and conditions which might not be satisfied, as a result of which the Offering might not be completed.

If the Offering is not completed, investors that have purchased Preemptive Rights will incur a total loss of the purchase price paid

If the Offering is not completed, the exercise of the Preemptive Rights that has already taken place will automatically be cancelled, the subscription price for Offer Shares will be refunded (less any brokerage fees), all Preemptive Rights will be null and void and no Offer Shares will be issued. However, trades of Preemptive Rights executed during the trading period for Preemptive Rights will not be affected. As a result, investors who purchase Preemptive Rights will incur a loss corresponding to the purchase price of the Preemptive Rights and any brokerage fees.

If the Offering is not completed, investors that have purchased rights to Offer Shares may incur a total loss of the purchase price paid

If the Offering is not completed, the Offer Shares will not be issued, and investors that have acquired rights to Offer Shares (when issued) in an off-market transaction will lose the purchase price paid, unless they are able to reclaim the purchase price (and any brokerage fees) from the seller of such rights.

RISKS RELATED TO THE PREEMPTIVE RIGHTS

The market price of the Company's Shares and Preemptive Rights may be highly volatile

The market price of the Shares as well as at the Preemptive Rights has been and may in the future continue to be highly volatile, subject to significant fluctuations in response to various factors, many of which are beyond the Company's control and which may be unrelated to the Company's business, operations or prospects. Matters which could affect the price of the Shares as well as at the Preemptive Rights include actual or anticipated variations in operating results, announcements by the Company or other parties relating to the results of clinical studies, announcements of technological innovations by the Company or the Company's competitors, new products or services introduced by the Company or announced by the Company or the Company's competitors, conditions, trends or changes in the biotechnology and pharmaceutical industries, changes in the market valuations of other similar companies, additions or departures of key employees and further sales of Shares by the Company or the Major Shareholders.

In addition, the equity market in general, and the market for technology and pharmaceutical companies in particular, has experienced significant price and volume fluctuations that may be unrelated or disproportionate to the operating performance of individual companies.

If the market price of the Shares declines significantly, the Preemptive Rights may lose their value

The market price of the Preemptive Rights depends on the price of the Shares. A decline in the price of the Shares could have an adverse effect on the value and market price of the Preemptive Rights.

The market for the Preemptive Rights may offer only limited liquidity, and even if a market develops, the Preemptive Rights may not be effectively priced against the price of the Shares

The trading period during which the Preemptive Rights can be traded on NASDAQ OMX commences on 18 October 2012 at 9:00 a.m. CET and closes on 31 October 2012 at 5.00 p.m. CET. There can be no assurance that a market for the Preemptive Rights will develop when they are initially traded on NASDAQ OMX, and if such a market develops, the Preemptive Rights may not be effectively priced against the price of the Shares.

Shareholders in jurisdictions outside Denmark may be unable to acquire and/or exercise Preemptive Rights

Holders of Shares in jurisdictions outside Denmark, such as the United States, may be unable to acquire and/or exercise any Preemptive Rights, unless such acquisition or exercise occurs in accordance with relevant local laws and/or pursuant to an exemption from applicable registration requirements. The Company is under no obligation and does not intend to file a registration statement in any other jurisdiction outside Denmark in respect of the Preemptive Rights or the Offer Shares, and makes no representation as to the availability of any exemption from any registration requirements under the laws of any other jurisdictions outside Denmark in respect of any such rights in the future.

Failure to exercise Preemptive Rights by the end of the Subscription Period (5 November 2012 at 5:00 p.m. CET) will result in the lapse of the holder's Preemptive Rights

If Preemptive Rights are not exercised by the end of the Subscription Period (5 November 2012 at 5:00 p.m. CET), such holders' Preemptive Rights to subscribe for Offer Shares will lapse with no value, and the holder will not be entitled to compensation. Accordingly, Existing Shareholders and other holders of Preemptive Rights must ensure that all required exercise instructions are actually received by such Existing Shareholder's or other holder's bank before the deadline. If an Existing Shareholder or other holder fails to provide all required exercise instructions or otherwise fails to follow the procedure applicable to exercising the Preemptive Rights prior to 5 November 2012 at 5:00 p.m. CET, the Preemptive Rights will lapse and will no longer exist.

If any Existing Shareholder does not exercise all of its Preemptive Rights, its ownership interest will be diluted and such dilution might be substantial

The Company is offering a total of 1,206,779,946 Offer Shares for subscription. Prior to the Offering, the Company's registered share capital is nominal DKK 45,254,248, consisting of 452,542,480 Shares with a nominal value of DKK 0.10 each. If the Offering is completed, the Company's registered share capital will increase significantly, to nominal DKK 165,932,242.60, corresponding to 1,659,322,426 Shares with a nominal value of DKK 0.10 each. Two of the Company's major shareholders, Lundbeckfond Invest A/S and Novo A/S, have each made a conditional advance undertaking to exercise the Preemptive Rights allocated to them in the Offering to subscribe for Offer Shares. In addition, Lundbeckfond Invest A/S and Novo A/S have made conditional advance undertakings to subscribe for up to all of the Remaining Shares. If and to the extent other existing shareholders (who were shareholders in the Company as at the Prospectus Date) have submitted binding commitments to subscribe for Remaining Shares, such other existing shareholders and Lundbeckfond Invest A/S and Novo A/S will be allocated Remaining Shares on a pro rata basis based on the Shares they each held on the Prospectus Date and subject to any maximum indicated by other existing shareholders. The two major shareholders have agreed to sell and transfer such number of Offer Shares, if relevant, amongst them in connection with completion of the Offering as are necessary to ensure that neither of them reach an ownership interest of more than 33.32% in the Company or, if that is not possible, to ensure that their shareholdings in the Company shall be of exactly the same size after completion of the Offering. Consequently, the Company does not expect that either Lundbeckfond Invest A/S or Novo A/S will obtain a controlling interest in the Company as a consequence of the Offering. Lundbeckfond Invest A/S and Novo A/S have thus made advance undertakings to subscribe for a total of 1,206,779,946 Offer Shares, corresponding to total gross proceeds of DKK 422 million or 100% of the Offering. Accordingly, upon issue of the Offer Shares, any Existing Shareholder who has not exercised its Preemptive Rights will experience substantial dilution of its ownership interest and voting power. Even if an Existing Shareholder decides to sell its Preemptive Rights, the compensation it receives may not be sufficient to offset this dilution. See Part III, Section 9 "Dilution" for a description of the dilution suffered by subscribers for Offer Shares.

RISKS RELATED TO THE SHARES

There has been and may continue to be limited liquidity in the Company's Shares

Following the Offering, a maximum of 39.4% of the Company's Shares will be held by persons other than the Major Shareholders. If none of the Preemptive Rights are exercised by investors other than Lundbeckfond Invest A/S and Novo A/S and none of the Offer Shares are subscribed for by other investors, only 11.2% of the Company's Shares will be held by persons other than the Major Shareholders. The Company, the Board of Directors and the Executive Management are subject to lock-up undertakings. See Part III, Section 7.2 "Lock-up agreements in connection with the Offering". The limited public market for the Company's Shares may impair the ability of investors to sell their Shares at the time or times they wish to do so or at an acceptable price and may increase the volatility of the price of the Shares.

The Company has not paid dividends on its Shares in the past and does not anticipate paying any dividends in the foreseeable future

The Company has never paid dividends or made distributions, and the Company does not anticipate paying any dividends or making any distributions in the foreseeable future, and therefore investors' only return will be from appreciation in the share price, if any. The payment of any dividends in the future will depend on a number of factors, including future earnings, capital requirements, financial condition and future prospects, applicable restrictions on the payment of dividends under Danish law and other factors that the Board of Directors may consider relevant.

Subscribers for the Offer Shares may suffer dilution of their investment in connection with the exercise of warrants

There are 16,900,702 outstanding warrants issued to the members of the Board of Directors, Executive Management and Senior Management pursuant to the Company's equity compensation programmes, each conferring a right to subscribe for one Share at a weighted average exercise price of approximately DKK 1.6. If any of such warrants are exercised, subscribers for the Offer Shares will suffer further dilution. See Part I, Section 21.2 "Warrant programmes" for a description of the Company's warrant programmes, including the adjustments that will be made to the subscription prices applicable to warrants and the number of warrants following completion of the Offering. The Company's Board of Directors has been authorised to issue up to 165,559,306 warrants to its members of the Board of Directors, members of the Executive and the Senior Management and to the Company's employees, consultants and advisers. Each warrant will, upon issuance, confer the right to subscribe for one Share at no less than the market value of the Company's Shares on the date of issuance of the warrants. This price may be lower than the Offer Price, depending on the market price of the Shares on the date such warrants are granted, see Part I, Section 21.2 "Warrant programmes". The issuance and exercise of such warrants may cause investors in the Offer Shares to suffer further dilution.

The Company may issue additional Shares or other securities in the future or the Company's Major Shareholders, the Board of Directors or the Executive Management could decide to sell their Shares

The Company is restricted by a lock-up undertaking which regulates the Company's possibility of issuing additional Shares for a period of 180 days counted from the date of completion of the Offering. Following the end of this lock-up period or subject to the Global Coordinator's approval, the Company will be free to issue Shares or other securities which could cause the market price of its Shares to decline. The Company has no current plans for a subsequent public offering of its Shares. However, the Company may decide to offer additional Shares or other securities in the future. The Company's Board of Directors and Executive Management are also restricted by lock-up undertakings which regulate their possibility to sell their Shares for a period of 180 days counted from the date of completion of the Offering. Following the end of the lock-up periods or subject to the Global Coordinator's approval, the Board of Directors and the Executive Management will be free to sell Shares which could cause the market price of the Company's Shares to decline. The Major Shareholders are not subject to any lock-up period. The Major Shareholders will thus be free to sell their Shares. See Part III, Section 7.2 "Lock-up agreements in connection with the Offering" for a description of the lock-up undertakings, including the exceptions hereof. An additional offering by the Company of Shares or other securities or a public perception that an offering may occur or a sale by the Company's Board of Directors, Executive Management or any one of the Major Shareholders of Shares or other securities, or a public perception that a sale may occur could have an adverse effect on the market price of the Shares.

The Company expects that it will implement a reverse share split, which could adversely affect the per Share trading price and the liquidity of the Shares

The Shares have traded below DKK 1.00 since 23 December 2011. The Company expects that it will implement a reverse share split, which would have the effect of reducing the number of Shares outstanding, and consequently increasing the per-Share trading price. There can be no assurance that market price per Share following a reverse share split would increase in proportion to the reduction in the number of Shares outstanding. Accordingly, the total market capitalisation of the Company after a reverse share split, when and if implemented, may be lower than the total market capitalisation before the reverse share split. In addition, a decline in the market price of the Shares after a reverse share split may be greater in percentage terms than would have occurred in the absence of a reverse share split, and the liquidity of the Shares could be adversely affected by the reduced number of Shares that would be outstanding following such a reverse share split. Furthermore, if a shareholder possesses a number of Shares (be it the entire or part of the shareholding) that is not enough to entitle the holder to a whole new Share, such excess Shares may be subject to redemption by the Company. There can be no assurance that a reverse share split will be proposed nor adopted at a general meeting at all or in accordance with the description set out above.

Investors outside Denmark are subject to foreign exchange rate risks

The Preemptive Rights and the Offer Shares are priced in Danish Kroner. Accordingly, the value of the Preemptive Rights and the Offer Shares is likely to fluctuate with the exchange rate between the Danish Kroner and an investor's local currency. If the value of Danish Kroner depreciates against such currency, the value of the investor's Preemptive Rights and the Offer Shares will depreciate.

The Company is a public limited liability company organised under the laws of Denmark, which may make it difficult for Shareholders residing outside Denmark to exercise or enforce certain rights

The rights of holders of Shares and the Preemptive Rights are governed by Danish law and by the Company's articles of association. These rights may differ from the typical rights of shareholders in the United States and other jurisdictions. See Part III, Section 5 "Terms and conditions of the Offering". It may be difficult or impossible for investors outside Denmark to serve process or to enforce judgments against the Company in connection with the Offering or in connection with their rights as shareholders. Shareholders outside Denmark may also be precluded from exercising their voting rights or other shareholder rights such as Preemptive Rights.

GENERAL INFORMATION

IMPORTANT INFORMATION RELATING TO THIS PROSPECTUS

Handelsbanken Capital Markets (a division of Svenska Handelsbanken AB (publ)) ("Handelsbanken Capital Markets") is the Global Coordinator in connection with this Offering and will in that connection receive fees from the Company. In connection with Handelsbanken Capital Markets' usual business activities, Handelsbanken Capital Markets may have provided and may in the future provide investment banking advice and carry on normal banking business with the Company, see Part I, Section 5.9 "Transactions with financial advisers".

No person is authorised to give any information or to make any representation not contained in this Prospectus in connection with the Offering. Any information or representation not so contained must not be relied upon as having been made or authorised by or on behalf of the Company or the Global Coordinator. Neither the Company nor the Global Coordinator accepts any liability for any such information or representation. The information contained in this Prospectus has been provided by the Company and other sources identified herein.

Investors are authorised to use this Prospectus solely for the purpose of considering the acquisition or exercise of the Preemptive Rights and subscription for the Offer Shares described in this Prospectus.

This Prospectus is not intended to provide the basis of any credit or any other evaluation and should not be considered as a recommendation by the Company or the Global Coordinator that any recipient of this Prospectus should acquire or exercise Preemptive Rights or subscribe for any Offer Shares.

Prospective subscribers for or purchasers of Preemptive Rights and/or the Offer Shares should make an independent assessment as to whether the information in this Prospectus is relevant for his/her own situation. In addition to their own assessment of the Company and the terms of the Offering, including the merits and risks involved, investors should rely only on the information contained in this Prospectus, including the risk factors described herein, and any notices published by the Company under current legislation or NASDAQ OMX Copenhagen A/S' Rules for Issuers of shares ("NASDAQ Rules").

The information in this Prospectus relates to the Prospectus Date, unless expressly stated otherwise. The distribution of this Prospectus shall not in any circumstances imply that there have been no changes in the affairs of the Company since the Prospectus Date, or that the information contained in this Prospectus is correct as at any time subsequent to the date hereof.

Any material change compared with the contents of this Prospectus will be published as a supplement to the Prospectus pursuant to applicable laws, rules and regulations in Denmark.

The Company is responsible for the Prospectus under current Danish legislation. The Global Coordinator does not make any direct or indirect representation with respect to, and does not assume responsibility for, the accuracy and completeness of the information contained in this Prospectus.

This Prospectus may not be forwarded, reproduced or in any other way redistributed by anyone but the Company and the Global Coordinator. Investors may not reproduce or distribute this Prospectus, in whole or in part, and investors may not disclose any of the contents of this Prospectus or use any information herein for any purpose other than considering the acquisition or exercise of Preemptive Rights and the purchase of or subscription for Offer Shares described in this Prospectus. Investors agree to the foregoing and all other restrictions and limitations contained herein by accepting delivery of this Prospectus.

WHERE THE OFFERING WILL BE MADE

The Offering comprises a public offering in Denmark and private placements in certain other jurisdictions.

ENFORCEABILITY OF JUDGMENTS

The Company is a public limited company incorporated in Denmark. Most of the members of the Board of Directors and the Executive Management are residents of Denmark, and a substantial portion of the Company's and such persons' assets are located in Denmark. As a result, it may not be possible for investors to effect service of process outside Denmark upon the Company or such persons or to enforce against them judgments obtained in courts outside Denmark based upon applicable laws in jurisdictions outside Denmark, including judgments obtained in U.S. courts, whether or not such judgments were made pursuant to civil liability provisions of the federal or state securities laws of the United States or any other laws of the United States.

The Company has been advised by its Danish legal advisers, Plesner, that there is not currently a treaty between the United States and Denmark providing for reciprocal recognition and enforceability of judgments rendered in connection with civil and commercial disputes and, accordingly, that a final judgment rendered by a U.S. court based on civil liability would not be enforceable in Denmark. Considerable uncertainty exists whether Danish courts would allow actions to be predicated on the securities laws of the United States or other jurisdictions outside Denmark. Awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in Denmark.

PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

The audited consolidated financial statements as at and for the years ended 31 December 2009, 2010 and 2011 incorporated by reference in this Prospectus have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union, and additional Danish disclosure requirements for financial statements of listed companies. The reviewed interim consolidated financial statements for the periods 1 January to 30 June 2011 and 1 January to 30 June 2012, also incorporated by reference in this Prospectus, have been prepared in accordance with IFRS, as adopted by the European

Union, IAS34 "Interim Financial Reporting", and additional Danish disclosure requirements applicable to interim reports of listed companies.

Financial information set forth in a number of tables in this Prospectus has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total figure given for that column or row. Certain percentages presented in the tables in this Prospectus reflect calculations based upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers. In addition, certain figures and percentages in this Prospectus have been rounded. Accordingly, the figures presented in this Prospectus may differ from the figures presented in the annual reports and interim reports of the Company.

This Prospectus includes references to trademarks owned by other companies, in particular Prograf® (owned by Astellas Pharma Inc.) and Fenoglide® (owned in the United States by Santarus, Inc. and in Denmark, China and South Korea by the Company).

FOREIGN CURRENCY PRESENTATION
In this Prospectus all references to "Danish Kroner", "kroner", or "DKK" are to the currency of the Kingdom of Denmark, all references to "U.S. dollars", "USD" or "$" are to the currency of the United States, all references to "euro", "EUR" or "€" are to the common European currency, and all references to "Japanese Yen", "JPY" or "¥" are to the currency of Japan.

The Company publishes its financial statements in Danish Kroner. The financial statements incorporated by reference and certain financial information included in this Prospectus contain conversions of certain Danish Kroner amounts into euros at specified rates for the convenience of the reader. These conversions should not be construed as representations that the Danish Kroner amounts actually represent such euro amounts or could be converted into euros at the rates indicated or at any other rate. The conversions in the Prospectus of financial information into euros have been made using the rates disclosed therein. In addition, certain additional information herein has been presented in USD.

MARKET AND INDUSTRY INFORMATION
This Prospectus contains historical market data and industry forecasts, including information related to the size of the market in which the Company operates. This information has been obtained from a variety of sources, including professional data suppliers, such as Business Insights, IMS Health Inc., Datamonitor Inc., pharmaceutical specialist literature and articles, company websites and other publicly available information as well as the Company's knowledge of its markets. Veloxis does not represent that this information is accurate. Industry forecasts are, by their nature, subject to significant uncertainty. There can be no assurance that any of the forecasts will materialise.

The Company confirms that information sourced from third parties has been accurately reproduced and that to the best of the Company's knowledge and belief, and so far as can be ascertained from the information published by such third party, no facts have been omitted which would render the information provided inaccurate or misleading.

Market statistics are inherently subject to uncertainty and are not necessarily reflective of actual market conditions. Such statistics are based on market research which itself is based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market/market segment definitions.

FORWARD-LOOKING STATEMENTS
Certain statements in this Prospectus may contain forward-looking statements. Such statements concern the Board of Director's and the Executive Management's expectations, beliefs, intentions or strategies relating to the future as at the Prospectus Date. The statements can be identified by the use of terminology such as, but not limited to, "assess", "estimate", "predict", "should", "target", "believe", "expect", "aim", "intend", "plan", "seek", "will", "may", "anticipate", "would", "could", "continue" or similar expressions.

The forward-looking statements reflect the Board of Directors' and the Executive Management's current views and assumptions with respect to future events and hence involve substantial risks and uncertainties. Actual and future results and performance may differ materially from those contained in such statements. Such risks, uncertainties and other important factors include, among others, but not limited to:

- the ability to successfully complete the development of, obtain regulatory approval for, and commercialise LCP-Tacro;
- completion of and the actual outcome of the ongoing Phase III clinical study of LCP-Tacro in *de novo* kidney transplant patients;
- the difficulty of predicting FDA, EMA and other regulatory authority approvals;
- potential, unforeseen safety issues resulting from the administration of LCP-Tacro;
- competition from other companies in the pharmaceutical and biopharmaceutical industries;
- the level of market acceptance of LCP-Tacro;
- the ability to manage any necessary or desired growth of development of sales and marketing operations relating to LCP-Tacro;
- the ability to attract and retain suitably qualified personnel;
- the ability to enforce and protect the Company's patents and other proprietary rights;
- potential intellectual property or other litigation over LCP-Tacro;
- changes and developments in technology which may render the Company's products obsolete or uncompetitive;
- the impact of pharmaceutical industry regulation and any future legislation that could affect the pharmaceutical industry; and
- the regulatory environment and changes in the healthcare reimbursement policies and structures in various countries.

Except for any prospectus supplements that the Company may be required to publish under Danish law, the Company does not intend to and does not assume any obligation to update the forward-looking statements in this Prospectus subsequent to the Prospectus Date.

I. DESCRIPTION OF THE COMPANY

1. PERSONS RESPONSIBLE

See "Responsibility and statements" included elsewhere in this Prospectus.

2. STATUTORY AUDITORS

Veloxis' independent accountant is:

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup
Denmark

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab is represented by Torben Jensen and Henrik Jensen, State Authorised Public Accountants. Torben Jensen and Henrik Jensen are members of FSR – Danish Auditors (The Institute of State Authorised Public Accountants in Denmark).

PricewaterhouseCoopers has audited the consolidated annual reports for 2009 and 2010 and the consolidated financial statements for 2011. The annual report for 2009 was signed by Lars Holtug, State Authorised Public Accountant, member of FSR – Danish Auditors (The Institute of State Authorised Public Accountants in Denmark). The annual report for 2010 was signed by Torben Jensen, State Authorised Public Accountant. The consolidated financial statements for 2011 were signed by Torben Jensen and Henrik Jensen, State Authorised Public Accountants. The change of auditors was effected due to the applicable Danish rules on auditor rotation.

3. SELECTED FINANCIAL INFORMATION

Reference is made to Part I, Section 10 "Review of operations and financial statements".

4. RISK FACTORS

Reference is made to the section entitled “Risk factors”.

5. INFORMATION ABOUT THE COMPANY

5.1 Name, registered office, etc.

The Company's name is Veloxis Pharmaceuticals A/S. The Company's secondary name is LifeCycle Pharma A/S.

The Company's registered office is Kogle Allé 4, 2970 Hørsholm, Denmark.

The Company's telephone number is +45 70 33 33 00.

Veloxis Pharmaceuticals A/S is registered with the Danish Business Authority under CVR no. 26527767.

Veloxis Pharmaceuticals A/S is domiciled in the municipality of Rudersdal.

5.2 ISIN code

Veloxis Pharmaceuticals A/S' Existing Shares are listed on NASDAQ OMX under the ISIN code DK0060048148.

5.3 Date of incorporation and governing law

Veloxis Pharmaceuticals A/S is incorporated under and subject to Danish law. Veloxis Pharmaceuticals A/S was incorporated on 21 March 2002.

5.4 Financial calendar

The interim report for the nine-month period ending 30 September 2012 is expected to be released on 14 November 2012.

The Annual report for the financial year 2012 is expected to be released on 6 March 2013.

The Company's next annual general meeting is expected to be held on 17 April 2013.

The Company's most recent annual general meeting was held on 18 April 2012, and the Company's most recent extraordinary general meeting was held on 20 September 2012.

5.5 Financial year and financial reporting

The Company's financial year runs from 1 January to 31 December. The Company publishes interim reports for the first, second and third quarters of the financial year and a full-year report. Annual reports and interim reports are published in both Danish and English.

5.6 Objects and purposes

The Company's object, as set out in article 2 of the Articles of Association (as defined), is to engage in medical research, production and sale of such products and related business.

5.7 Principal bank and issuing agent

The Company's principal bank and issuing agent is:

Danske Bank A/S
Holmens Kanal 2-12
1092 Copenhagen K
Denmark

5.8 Share registrar

The Company's share registrar is:

Computershare A/S
Kongevejen 418
2840 Holte
Denmark

5.9 Transactions with financial advisers

The Global Coordinator may have provided and may in the future provide investment banking advice and carry on normal banking business with the Company, for which it may have received and may in the future receive fees and commissions.

In connection with the Offering, the Global Coordinator will offer Offer Shares and Preemptive Rights subject to certain restrictions. See "Important Notice - Restrictions applicable to the Offering".

5.10 The Company's history and development

MAIN EVENTS IN THE PERIOD 2002 TO 2008
In June 2002, Veloxis commenced operations as a spin-off from H. Lundbeck A/S of the MeltDose technology. From 2002 the Company operated under the name Pharotech A/S and from 2003 the Company operated under the name LifeCycle Pharma A/S. Following a number of private placements raising in total DKK 353 million and the submission of an NDA application to the FDA in October 2006 for the first product candidate developed using the Company's MeltDose technology, Fenoglide, the Company was listed on NASDAQ OMX on 13 November 2006.

Through the initial public offering of Shares in the Company, it successfully raised DKK 557 million in gross proceeds.

In April 2008, the Company completed a rights issue of 23,987,771 Shares at a price of DKK 17 per share raising gross proceeds of DKK 408 million.

In August 2008, the Company sold its royalty stream in North America related to Fenoglide to Healthcare Royalty Partners (formerly known as Cowen Healthcare Royalty Partners) ("HRP") for a total payment of up to USD 105 million (DKK 551 million) based on certain sales milestones, including an upfront payment of USD 29 million (DKK 152 million). The Company does not expect to receive any additional payments from HRP in respect of this sale.

MAIN EVENTS IN 2009
In April 2009, the Company announced positive two-week results of its Phase II clinical study of LCP-Tacro for the prevention of organ rejection in *de novo* kidney transplant patients comparing LCP-Tacro tablets administered once-daily versus Astellas Pharma Inc.'s Prograf (containing tacrolimus as the active drug substance) capsules administered twice-daily in *de novo* kidney transplant patients.

In September 2009, the Company announced positive results from a completed 12-month extension phase of the Phase II clinical study of LCP-Tacro tablets in stable liver transplant patients.

MAIN EVENTS IN 2010
In July 2010, the Company announced positive topline results of a one-year extension phase of its Phase II clinical studies of LCP-Tacro in *de novo* kidney transplant patients.

In August 2010, the Company obtained agreement with the FDA on an SPA for its pivotal Phase III study for LCP-Tacro in *de novo* kidney transplant patients, such that the FDA has assessed the protocol for the study and has agreed that it will not later alter its perspective on the issues of the agreed design, execution or analyses proposed in the protocol(s) unless public health concerns unrecognised at the time of protocol assessment under this process are evident.

In October 2010, the Company announced dosing of the first patient with LCP-Tacro in its Phase III study for the treatment of *de novo* kidney transplant patients.

In November 2010, the Company completed a rights issue of 395,974,670 Shares at a price of DKK 1.20 per share raising gross proceeds of DKK 475 million.

MAIN EVENTS IN 2011
In June 2011 the Company announced its results from the Phase III "switch" study in stable transplant patients demonstrating successful non-inferiority of efficacy results comparing once-daily LCP-Tacro with twice-daily Prograf.

In July 2011, the Company changed its name from LifeCycle Pharma A/S to Veloxis Pharmaceuticals A/S.

In November 2011, the Company confirmed its intention to commercialise LCP-Tacro in the United States through its own infrastructure, and in the European Union and the rest of the world via partners.

MAIN EVENTS IN 2012
In January 2012, the Company announced initiation of the STRATO study with LCP-Tacro. This study is designed to explore whether LCP-Tacro can reduce problematic tremors in kidney transplant patients who are receiving Prograf.

In March 2012, the Company announced that it had completed enrolment in the Phase III *de novo* kidney transplant study, which is a head-to-head comparison of once-daily LCP-Tacro versus twice-daily Prograf in newly transplanted patients.

In May 2012, the Company announced a reduction in share capital, effectively reducing the nominal value of a Share to DKK 0.10.

In May 2012, the Company effected a restructuring of its employee base, to its present size of approximately 30 full-time employees. In connection with this most recent restructuring, the Company discontinued research and development pipeline activities to focus entirely on the late stage development and commercialisation of LCP-Tacro. See Part I, Section 7 "Organisational structure" for a further description of the organisational restructuring in May 2012.

In October 2012, the Company entered into a partnership agreement with Chiesi in respect of the commercialisation of LCP-Tacro in certain other countries, including Europe, Turkey and CIS Countries. See Part I, Section 22 "Material agreements" for a summary of this agreement.

5.11 Investments

	Six months ended 30 June		Year ended 31 December		
DKK million	**2012**	**2011**	**2011**	**2010**	**2009**
Investments in property, plant and equipment	0.2	1.3	3.0	2.6	11.0

Investments primarily relate to process plant and machinery for use in the Company's laboratories in Denmark.

The Company has financed its investments in property, plant and equipment through the Company's own financial resources.

Since 1 July 2012, the Company has made no material investments and has made no commitments to effect material future investments.

As at 30 June 2012 the Company recorded an impairment charge of DKK 6.1 million (30 June 2011: DKK 0 million) on laboratory equipment and leasehold improvements due to the discontinuation of pipeline activities not related to LCP-Tacro.

6. BUSINESS

Overview

Veloxis is a speciality pharmaceutical company focused on the development of LCP-Tacro for the prevention of organ rejection in kidney transplant patients.

LCP-Tacro is a once-daily dosage version of tacrolimus, the market-leading primary immunosuppressant in the transplant market. LCP-Tacro obtained encouraging results in the first of two Phase III clinical studies against the standard therapy Prograf, as well as in earlier Phase II clinical studies, and is currently in a second Phase III clinical study in *de novo* kidney transplant patients. The Company intends to proceed with an MAA submission in the European Union in 2013 and an NDA submission in the United States in the second half of 2013.

The Company is using its proprietary MeltDose technology in the formulation of LCP-Tacro to enhance the bioavailability of the drug and allow for a sustained or modified release plasma profile. The MeltDose technology has been validated in clinical studies through U.S. Food and Drug Administration ("FDA") approval of Fenoglide (now on the market) for the treatment of dyslipidemia in adults.

Business strategy

The primary goal of Veloxis is to complete its ongoing Phase III clinical studies of LCP-Tacro, to obtain regulatory approval in the United States and the European Union, and then commercialise the product. The key elements of Veloxis' business strategy are as follows:

- ***Advance LCP-Tacro through clinical studies and obtain regulatory approval within the organ transplantation area.*** LCP-Tacro (once-daily dosage) has received positive Phase II and Phase III clinical data in kidney transplant patients when compared head-to-head with Prograf (twice-daily dosage), the only non-generic tacrolimus product currently available on the U.S. market for prophylaxis of organ rejection following transplant. In addition, the Company has received positive Phase II data for LCP-Tacro in liver transplant patients when compared head-to-head with Prograf. The Company has elected to focus its development efforts on pursuing LCP-Tacro for treatment of kidney transplant patients, given the larger potential patient population and demand.

  LCP-Tacro (once-daily dosage) has received positive Phase II and Phase III clinical data in kidney transplant patients demonstrating a potential best-in-class profile when compared head-to-head with Prograf (twice-daily dosage), the only non-generic tacrolimus product currently available on the U.S. market. In addition, the Company has received positive Phase II data for LCP-Tacro in liver transplant patients indicating a potential best-in-class profile when compared head-to-head with Prograf. The Company has elected to focus its development efforts on pursuing LCP-Tacro for treatment of kidney transplant patients, given the larger potential patient population and demand.

- ***Maximise the full value of the LCP-Tacro programme by funding in-house through the completion of Phase III, NDA/MAA submission and commercial launch.*** The Company initiated Phase III clinical studies for LCP-Tacro in stable kidney transplant patients in the second half of 2008 and in *de novo* kidney transplant patients in the fourth quarter of 2010. The *de novo* transplant study protocol received a Special Protocol Assessment ("SPA") from the FDA.

  Following successful completion of the Offering, the Company intends to continue the development programme aiming at NDA/MAA submission and commercial launch, enabling the Company to execute its strategy of commercialising in the United States itself and through partnering arrangements in the rest of the world. This strategy is intended to maximise the full value of the programme. Given the special characteristics of the organ transplant market, the field force required to market successfully in the transplant space is relatively small. Consequently, assuming successful completion of the Phase III programme, the Company currently plans to establish its own sales force in the United States. In relation to other jurisdictions, the Company has recently concluded a partnership agreement with Chiesi in respect of the commercialisation of LCP-Tacro in certain countries, including Europe, Turkey and CIS Countries. See Part I, Section 22 "Material agreements" for a summary of this agreement

6.1 LCP-Tacro product candidate for kidney transplant immunosuppression

TRANSPLANTATION HISTORY

Transplantation in humans has a relatively short history, spanning just over 50 years. The first successful human kidney transplant was performed in 1954. Since then, the development of effective immunosuppression drugs, coupled with advances in immunology, surgical techniques, donor selection and post-operative care, have all contributed to improved outcomes for solid organ transplants, which is now an established treatment for organ failure of the kidney, pancreas, liver, heart or lung. The first major advance in graft survival followed the discovery of the antiproliferative agent azathioprine which, in combination with corticosteroids, became the dominant regimen in the 1960s and 1970s. However, it was only after the launch of Novartis AG's calcineurin inhibitor (CNI) cyclosporine (Sandimmune) in 1983 that graft survival rates improved sufficiently to enable a widespread clinical application of transplantation. The combination of cyclosporine with corticosteroids and azathioprine was found to be the most effective approach to immunosuppression for organ transplantation patients during the 1980s and early 1990s.

TABLE 1. LCP-TACRO DEVELOPMENT STATUS AND MILESTONES

Disease indications	Clinical studies	Status
Organ transplant–Kidney	Phase III - *De novo* kidney transplant patients	Ongoing (1H 2013)
	Phase III - Stable kidney transplant patients	Completed 2Q 2011
	Phase II - *De novo* kidney transplant patients	Completed 3Q 2010
	Phase II - Stable kidney transplant patients	Completed 1Q 2008
	Other studies - Phase IIIb/IV (STRATO)	Ongoing (2H 2012)
Organ transplant–Liver (Not in active development)	Phase II - *De novo* liver transplant patients	Completed 4Q 2010
	Phase II - Stable liver transplant patients	Completed 3Q 2009

Tacrolimus is the most recent drug in the CNI family and was introduced to the market in the late 1990s by Astellas Pharma Inc. in the form of Prograf, which is now the most widely used non-generic product.

LCP-TACRO FOR TRANSPLANTATION

LCP-Tacro is being developed as a once-daily dosage tablet version of tacrolimus for the treatment of kidney transplant patients. Compared with Astellas Pharma Inc.'s Prograf, a twice-daily dosage capsule version of tacrolimus, Veloxis believes that LCP-Tacro has the following potential benefits:

- once-daily dosing;
- improved systemic absorption;
- improved bioavailability and thus a lower dose of tacrolimus; and
- limited variability in the concentration of tacrolimus in the blood ("peak-to-trough" fluctuation).

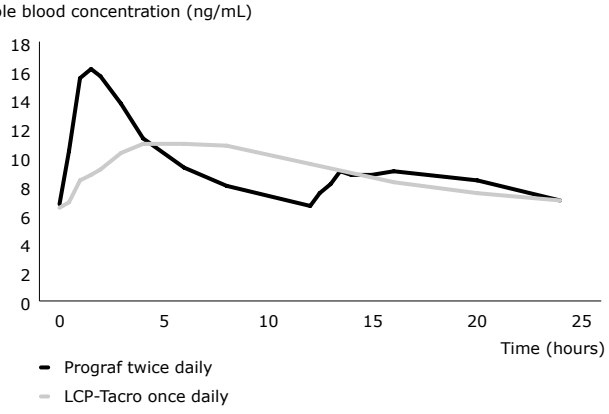
Veloxis believes that physicians will have a preference for LCP-Tacro's once-daily dosing given the potential for positive impact on compliance for patients, and based on physicians' preference for non-generic products for molecules with a narrow therapeutic index. No once-daily tacrolimus product is currently approved for sale in the United States. Advagraf, Astellas Pharma Inc.'s once-daily dosage form of Prograf, was approved by the EMA in mid-2007 and commercialised in the European Union and other regions. Astellas Pharma Inc. made an initial filing for regulatory approval in the United States in 2007, and in September 2012 announced that it had made a further submission in the United States in this regard. The product candidate has not been approved for sale in the United States as at the date of this Prospectus.

Transplant patients need to maintain a minimum level of tacrolimus in the blood in order to prevent organ rejection. On the other hand, if too much tacrolimus is administered, there is an increased risk of serious side effects such as kidney damage. Since tacrolimus is a "narrow therapeutic index" drug, its concentration and dosing must be carefully managed, typically requiring transplant patients to visit the hospital for monitoring and dose adjustments after receiving a new organ. In Phase I, II and III clinical studies, LCP-Tacro has demonstrated improved and higher bioavailability when compared with Prograf. LCP-Tacro is formulated using Veloxis' MeltDose technology, and through this technology Veloxis has aimed to optimise the delivery kinetics of LCP-Tacro to provide "flat" pharmacokinetics, reducing the peak concentrations associated with standard tacrolimus formulations. The benefits of these flatter, less variable blood levels may potentially include a reduction in side effects, an improvement in efficacy and/or greater convenience to patients, including a less frequent need for dose adjustments. The development programme at Veloxis seeks to demonstrate data to support some or all of these potential benefits.

DEVELOPMENT STRATEGY AND STATUS

Early development studies in Phase I and Phase II indicated that LCP-Tacro has a unique ability to deliver "flat", more consistent blood levels throughout the day as shown in Figure 1.

FIGURE 1. MEAN WHOLE BLOOD TACROLIMUS CONCENTRATION IN STABLE KIDNEY TRANSPLANT PATIENTS SWITCHED FROM PROGRAF TO LCP-TACRO (STUDY 2011, N=47)



These encouraging findings led the Company to decide to fund Phase III studies in kidney transplant patients.

KIDNEY – PHASE III CLINICAL STUDIES

A Phase III programme in kidney transplant patients was initiated in the second half of 2008. The programme consisted of one successfully completed conversion (switch) study in stable kidney transplant patients with Prograf as the comparator, as well as one ongoing *de novo* kidney transplant study versus Prograf. In addition, the Company has initiated its Phase IIIb/IV STRATO study. This is not a prerequisite for the regulatory approval of LCP-Tacro.

LCP-TACRO IN KIDNEY TRANSPLANT PATIENTS (STABLE PATIENTS, STUDY 3001)

This study was completed and preliminary data was released in June 2011. Data from this study was presented at the European Society for Organ Transplantation in September 2011 in Glasgow and at the American Society of Nephrology Renal Week in November 2011 in Philadelphia.

This Phase III study successfully demonstrated non-inferiority in predefined endpoints compared to Prograf. The Phase III open-label conversion (switch) study in 326 stable kidney transplant patients, with Prograf as the comparator, met all its primary efficacy and safety endpoints.

The primary efficacy endpoint for the study was a comparison between once-daily sustained release LCP-Tacro and twice-daily Prograf. The composite primary endpoint comprised Biopsy-Proven Acute Rejection (BPAR, microscopic evidence of rejection), graft loss (return to dialysis or need for re-transplant), death and loss to follow-up. BPAR was assessed by both local and central pathologists blinded with regard to treatment assignment. In the primary analyses (local pathology for BPAR), the treatment failure rate at Month 12 for the composite endpoint was 2.5% (four total treatment failures) for both LCP-Tacro and Prograf. The 95% confidence interval for the treatment difference was +/- 4.2%, well within the protocol pre-specified non-inferiority margin of +9.0%, indicating that the study achieved statistical success for its primary outcome. In the secondary analyses (central blinded pathology for BPAR), the treatment failure rate during the study, including post-study observations, for the composite endpoint was 2.5% for LCP-Tacro and 4.9% for Prograf. As measured by the central blinded pathologist, the rates of BPAR were 0.6% for LCP-Tacro and 2.5% for Prograf but the difference was not statistically significant.

TABLE 2. PRIMARY EFFICACY RESULTS OF STUDY 3001, LCP-TACRO ONCE-DAILY VERSUS PROGRAF TWICE-DAILY

	Local pathology reading	
	LCP-Tacro once-daily (N=162)	Prograf twice-daily (N=162)
Primary endpoint (efficacy failure), n (%)	4 (2.5)	4 (2.5)
Treatment difference (95% CI)	0% (-4.2,+4.2)	
P-value	>0.999	
Individual efficacy components		
Death, n (%)	2 (1.2)	1 (0.6)
Graft loss, n (%)	0 (0.0)	0 (0.0)
Loss to follow-up, n (%)	0 (0.0)	1 (0.6)
BPAR, n (%)	2 (1.2)	2 (1.2)

The primary safety analyses were the differences between LCP-Tacro and Prograf treatment groups at Month 12 (Day 360) with respect to the incidence of adverse events (AEs) and the incidence of predefined potentially clinically significant laboratory measures including: fasting plasma glucose, platelet count, white blood cell (WBC) count, aminotransaminases, total cholesterol, low density lipoprotein (LDL) cholesterol, triglycerides and estimated glomerular filtration rate (eGFR). In all instances, there were no statistically significant differences between the two treatments. More LCP-Tacro patients discontinued the study than Prograf patients but there was no consistent pattern to the types of events leading to discontinuation, and these did not affect the statistical significance of the results.

In addition, the study results demonstrated that LCP-Tacro patients, on average, required a daily dose that was 20% lower than patients receiving Prograf, reflecting the improved absorption provided by LCP-Tacro's proprietary MeltDose formulation.

LCP-TACRO IN KIDNEY TRANSPLANT PATIENTS (DE NOVO PATIENTS, STUDY 3002)

This clinical Phase III study in *de novo* kidney transplant patients was initiated in October 2010. Patient enrolment was completed in the first quarter of 2012, with 543 patients enrolled. Data from the completed study is expected to be available mid-2013.

Study 3002 is a randomised, double-blind, multicentre study that compares once-daily LCP-Tacro with twice-daily Prograf in *de novo* adult kidney transplant patients. The primary endpoint of the study, a composite endpoint (BPAR, graft failure, loss to follow-up or death), will be evaluated after a 12-month treatment period to demonstrate the non-inferiority of LCP-Tacro compared to Prograf. Secondary endpoints will include safety, tolerability and renal function assessments. The study is being conducted at approximately 90 transplant centres, primarily in the United States and Europe. Patients will participate in a 12-month extension period on treatment for follow-up safety assessments. This study is being conducted under an SPA, such that the FDA has assessed the protocol for the study and has agreed that it will not later alter its perspective on the issues of the agreed design, execution, or analyses proposed in the protocol(s) unless public health concerns unrecognised at the time of protocol assessment under this process are evident.

ADDITIONAL STUDIES IN ORDER TO IDENTIFY POTENTIAL ADDITIONAL POSITIVE CHARACTERISTICS OF LCP-TACRO COMPARED TO PROGRAF

Veloxis has initiated one Phase IIIb/IV study (STRATO – Study 3003, described below) and plans to initiate several additional Phase IIIb/IV studies to further examine the potential clinical differences between LCP-Tacro and existing therapies including most notably Prograf.

STRATO (Switching kidney TRAnsplant patients with Tremor to LCP-tacrO – STUDY 3003)

This is an open-label study of LCP-Tacro in kidney transplant patients experiencing tremors on standard tacrolimus formulations. It is designed to explore whether converting patients who have symptomatic tremor from treatment with standard twice-daily tacrolimus capsules (such as Prograf) to sustained release once-daily LCP-Tacro tablets, leads to a measurable improvement in tremor. This study was initiated in December 2011 and enrolment is presently continuing. Results from the STRATO study are expected to be available at the end of 2012. The STRATO study is not designed to support labelling changes or claims in the United States.

KIDNEY – PHASE II CLINICAL STUDIES

The Phase II programme included clinical studies that were designed as conversion studies in stable kidney transplant patients with patients being switched to LCP-Tacro (once-daily dosage) from Prograf (twice-daily dosage) at least six months after transplantation as well as a Phase II study in *de novo* kidney transplant patients with patients being treated with LCP-Tacro (once-daily dosage) versus Prograf (twice-daily dosage) immediately after their kidney transplant.

The Phase II clinical studies in stable kidney transplant patients were performed in 13 clinical centres in the United States. The endpoints of the studies were successful switching, conversion rates, bioavailability and pharmacokinetic parameters. In the studies patients were treated with Prograf (twice-daily dosage) for seven days after which the patients were treated with LCP-Tacro (once-daily dosage) for 14 days. The Phase II clinical studies showed that LCP-Tacro absorption was greater than Prograf absorption, enabling a reduction in daily dose, and LCP-Tacro produced a flatter pharmacokinetic profile with lower peak concentrations and a reduced peak-to-trough ratio.

No serious adverse effects related to LCP-Tacro were reported in the studies.

The Phase II clinical study in *de novo* kidney transplant patients was performed in 11 clinical centres in the United States and was successful in demonstrating the desired once-daily pharmacokinetics. In this study, patients were treated with Prograf (twice-daily dosage) or LCP-Tacro (once-daily dosage) immediately after their kidney transplant. The Phase II *de novo* clinical study generated the results set out in Table 3 below.

TABLE 3. RESULTS OF PHASE II CLINICAL STUDY IN *DE NOVO* KIDNEY TRANSPLANT PATIENTS

	LCP-Tacro (N=32)	Prograf (N=31)
	n (%)	n (%)
Death	0	0
Graft failure	0	0
BPAR	1 (3.13%)	2 (6.45%)
Loss to follow-up	1 (3.13%)	1 (3.23%)
Treatment failure	2 (6.25%)	3 (9.68%)

These results indicated a low rate of treatment failures for once-daily LCP-Tacro when compared to twice-daily Prograf.

LIVER – PHASE II CLINICAL STUDIES

The Phase II clinical studies for liver transplants were designed as either:

- conversion studies in liver transplant patients with patients being switched to LCP-Tacro (once-daily dosage) from Prograf (twice-daily dosage) at least six months after transplantation; or
- a *de novo* liver transplant study with patients being treated with LCP-Tacro (once-daily dosage) versus Prograf (twice-daily dosage) immediately after their liver transplant.

The data from these Phase II clinical studies in liver transplant patients confirmed a once-daily dosage treatment profile and demonstrated improved pharmacokinetics and higher bioavailability when compared with Prograf. However, the Company has elected to focus its development efforts on pursuing LCP-Tacro for the treatment of kidney transplant patients, given the larger potential patient population and demand.

LCP-TACRO REGULATORY STRATEGY

Based on the favourable results of Study 3001 and the totality of an extensive Phase I, II and III clinical safety, efficacy and pharmacokinetics programme, the Company intends to file an MAA in the European Union in 2013 and is currently evaluating whether to wait for the results of the second Phase III study (in *de novo* patients) before making this submission. Filing in the United States is targeted for the second half of 2013, following completion of the ongoing Study 3002.

COMMERCIAL STRATEGY

The transplant marketplace in the United States is ideally suited for a small and well-focused selling effort and the clinical practice of transplant medicine leads to a unique commercialisation opportunity. Transplants are generally performed at a small number of highly specialised centres, of which there are approximately 250 in the entire United States. Patients waiting for a transplant will often travel considerable distances for transplant at one of these few centres. As such, a limited number of sales representatives can cover the majority of the centres. During a sales visit, a representative can effectively call upon all professionals involved in the transplant process, including surgeons, nephrologists, infectious diseases specialists and pharmacists. On a targeted basis, community nephrologists with large numbers of transplant patients would also be included for field force coverage.

Upon receipt of regulatory approval, Veloxis plans to launch and commercialise LCP-Tacro in the United States through its own dedicated sales representatives and to commercialise the product in the rest of the world via partnering arrangements. The required infrastructure build for the United States is underway and will be completed as the Company nears projected launch in the fourth quarter of 2014. It is anticipated that a field sales force of approximately 20 representatives will be hired to call on the key transplant centres in the United States in a tiered fashion, focusing on high priority centers performing the majority of transplants and covering these centres with a higher calling frequency than the lower priority centres. Around 140 of the approximately 250 transplant centres in the United States constitute high-prescribing centres. Consequently, a highly-skilled set of 20 sales representatives can effectively cover the small number of priority centers within the entire United States. The Company believes that these priority centers will be familiar with the attributes of LCP-Tacro by the time of launch, and many will have participated in clinical studies with Veloxis. In relation to other jurisdictions, the Company has recently concluded a partnership agreement with Chiesi in respect of the commercialisation of LCP-Tacro in certain countries, including Europe, Turkey and CIS Countries. See Part I, Section 22 "Material agreements" for a summary of this agreement

TABLE 4. EXPECTED TIMELINE OF PRINCIPAL EVENTS

3002 topline results	Mid-2013
NDA application (United States)	Second half of 2013
MAA application (European Union)	2013
Expected regulatory approvals	Second half of 2014
Launch of LCP-Tacro in the United States	Fourth quarter of 2014

TRANSPLANTATION MARKET OVERVIEW

MARKET SIZE

In 2010, more than 50,000 organ transplants were conducted in the United States, Japan, the United Kingdom, France, Germany, Italy and Spain.

The immunosuppression market comprises several different classes of compounds. The main class of immunosuppressants is the calcineurin inhibitors (CNIs), which includes tacrolimus (Prograf and Advagraf® (Astellas Pharma Inc.) and generics of

Prograf) and cyclosporine (Neoral® and Sandimmune® (Novartis AG) and generics). The worldwide sales of non-generic Prograf and Advagraf were reported by Astellas Pharma Inc. to be JPY 154 billion (approximately USD 1.95 billion) for 2011 (Astellas Pharma Inc. Annual Report FY 2011). Sales of non-generic cyclosporine (Neoral and Sandimmune), for which generic versions have been available since 2000, were reported to be USD 903 million for 2011 (Novartis AG Annual Report FY 2011). The CNIs are the principle class of agents that will compete with LCP-Tacro for sales, together with Nulojix® (belatacept), which was launched by Bristol-Myers Squibb Company ("BMS") in 2011 and achieved sales of USD 3 million (BMS Annual Report 2011). In addition to these agents, patients will get additional drugs in addition to their CNIs. These include the anti-metabolites that include CellCept® and generic versions of mycophenolate mofetil, as well as myfortic® (mycophenolate sodium), and the TOR inhibitors Rapamune® (sirolimus, Wyeth LLC) and Certican® (everolimus). CellCept (Hoffmann-LaRoche AG) achieved sales of USD 1.4 billion for 2010, while Novartis AG reported sales of USD 518 million for myfortic for 2011 (Novartis AG Annual Report FY 2011). Pfizer Inc. reported sales of USD 372 million for Rapamune for 2011 (Pfizer Inc. Annual Report FY 2011), while Novartis AG reported sales of USD 46 million for Certican (Novartis AG Annual Report FY 2011).

TREATMENT OPTIONS

Over the past 20 years, a number of new immunosuppression medications have been approved, increasing the number of options available and facilitating a noticeable evolution in therapeutic protocols. While CNIs continue to be used for maintenance immunosuppression in most patients, there has been a change in the preference of CNI used from cyclosporine to Astellas Pharma Inc.'s tacrolimus (Prograf).

Immunosuppression can be achieved with many different drugs, including steroids, targeted antibodies and CNIs like tacrolimus. Of these immunosuppressants, tacrolimus is one of the most potent in terms of suppression of the immune system. Tacrolimus for systemic use is currently available worldwide as a twice-daily dosage formulation, Prograf (Astellas Pharma Inc.), and in Europe, since June 2007, it has also been available as a once-daily dosage formulation, Advagraf (Astellas Pharma Inc.). Advagraf attained EUR 144 million in sales in 2011 in the European Union (Astellas Pharma Inc. FY2011 Financial Results). With respect to Advagraf, Astellas Pharma Inc. received approvable letters from the FDA in January 2007 for the prevention of organ rejection in kidney and liver transplants, in March 2008 for the prevention of organ rejection in kidney transplants and in May 2008 for the prevention of organ rejection in liver transplants. However, as at the date of this Prospectus, Advagraf has not been approved for marketing in the United States.

A new infusional biologic agent, Nulojix (belatacept, BMS), achieved U.S. and EU approval in June 2011. However, the initial sales were modest with BMS reporting 2011 sales for Nulojix of USD 3 million (BMS FY2011 Financial Results). The 2012 sales continue to be modest, with BMS reporting first half sales of only USD 4 million (BMS 2Q 2012 Financial Results).

COMPETITION

The current market consists of Astellas Pharma Inc.'s Prograf (twice-daily) and generic equivalent tacrolimus products, as well as Astellas Pharma Inc.'s Advagraf (once-daily), which is currently marketed outside the United States and would likely be a key competitive product to LCP-Tacro in, specifically, countries within the European Union. In particular, major pharmaceutical companies such as Sandoz (a Novartis AG company), Accord Healthcare Ltd., Watson Pharmaceuticals, Inc., Dr. Reddy's Laboratories Ltd. and Mylan Laboratories, Inc. are active generic market participants in the immunosuppression market.

At present, there is no once-daily version of tacrolimus available in the United States. In September 2012, Astellas Pharma Inc. announced that they had submitted an application to the FDA seeking approval in the United States for tacrolimus extended release capsules (Advagraf) for the prophylaxis of organ rejection in adult kidney transplant recipients and adult male liver transplant recipients. Generic versions of Prograf became available in the United States in 2009 and in the European Union in 2010. Generics have attained a 64% share of the tacrolimus market in the United States as at 12 April 2012 (source: Astellas Pharma Inc. FY2011 Financial Results). LCP-Tacro will not be an AB-rated generic equivalent of tacrolimus, and therefore generics of tacrolimus cannot automatically substitute for LCP-Tacro.

LEGAL/IP MATTERS

LCP-TACRO

Veloxis has developed novel and inventive sustained release formulations and has filed patent applications accordingly. As at the Prospectus Date, 15 formulation patents relating to LCP-Tacro have been issued to Veloxis and are in force. See Part I, Section 12 "Research and development, patents and licences".

The Company believes that it has freedom to operate for LCP-Tacro. See "Risk factors – Risks related to the Company's intellectual property".

OTHER PRODUCTS AND PRODUCT CANDIDATES NOT UNDER DEVELOPMENT: CARDIOVASCULAR

As Veloxis is focussing its efforts and resources on the development, regulatory approval and commercialisation of LCP-Tacro, the Company is discontinuing future efforts to identify partners for its existing pipeline cardiovascular assets. Within the cardiovascular area, one product, Fenoglide, developed using Veloxis' proprietary MeltDose technology has received approval from the FDA for commercial sale in the United States for the treatment of dyslipidemia (which includes hypertriglyceridemia, mixed dyslipidemia and hypercholesterolemia). In addition, Veloxis has a second product candidate, AtorFen, a fixed-dose combination tablet of fenofibrate and atorvastatin, which has completed Phase II.

FENOGLIDE

On 10 August 2007, the FDA approved Fenoglide for the treatment of dyslipidemia in the United States. Veloxis outlicensed the marketing of Fenoglide for the United States, Canada and Mexico to Shionogi Inc. (formerly Shionogi Pharma Inc., and prior to that Sciele Pharma, Inc.) ("Shionogi Inc.") which launched the product under the brand name Fenoglide in the United States in February 2008. In August 2008, Veloxis sold to HRP under a purchase agreement the future royalty and milestone payments for sales of Fenoglide in North America due to it from Shionogi Inc. As part of its agreement with HRP, Veloxis also granted HRP an exclusive, royalty-free licence with the right to sublicense, develop, manufacture and sell Fenoglide in the United States, Canada and Mexico, subject to the prior rights granted by Veloxis to Shionogi Inc. In 2010, Shionogi Inc. gave notice to Veloxis of termination of the licence agreement with Veloxis, and Shore Therapeutics, Inc., a company controlled by HRP, took over the commercialisation of Fenoglide in the United States after Shionogi Inc. On 22 December 2011, it was announced that

U.S. commercial rights to Fenoglide were to be transferred from Shore Therapeutics to Santarus, Inc. The transfer was effective as at the first quarter of 2012.

On 22 December 2011, it was also announced that ongoing U.S. patent litigation with Impax Laboratories, Inc. related to Fenoglide had been settled. The settlement terms grant Impax Laboratories, Inc. a sublicence to begin selling a generic version of Fenoglide on 1 October 2015, or earlier under certain circumstances.

LCP-ATORFEN
AtorFen, which has completed Phase II clinical studies for the treatment of dyslipidemia, is a combination therapy based on a fixed-dose combination of atorvastatin (the active ingredient in Lipitor) and a low dose of fenofibrate without food effect. Thus, the product candidate is designed to combine in a small tablet a proven statin and a fenofibrate in a treatment that addresses all three atherosclerosis risk parameters: Elevated LDL, elevated triglycerides and low HDL.

AtorFen has completed Phase II clinical studies. On 23 December 2011, Veloxis announced that it had entered into an alliance with Athena Drug Delivery Solutions Pvt. Ltd., whereby Athena obtained exclusive rights in certain emerging market territories to manufacture and, with third parties, develop, register and commercialise AtorFen.

6.2 MeltDose technology

OVERVIEW
The Company's proprietary MeltDose technology enables the formulation and drug delivery attributes of the LCP-Tacro product candidate. MeltDose enhances the bioavailability of compounds with low water solubility, supporting the creation of improved versions of marketed drugs. MeltDose has been validated in clinical studies and received regulatory acceptance through the FDA approval of Fenoglide for sale in the United States.

The fundamental limiting factor for oral absorption of drugs with low water solubility is the transfer of drug substance particles to dissolved molecules that can penetrate the epithelium of the gastrointestinal tract and enter into the bloodstream.

Figure 2 below illustrates the solubility and permeability considerations for oral absorption of drugs.

FIGURE 2. SOLUBILITY AND PERMEABILITY CONSIDERATIONS FOR ORAL ABSORPTION OF DRUGS

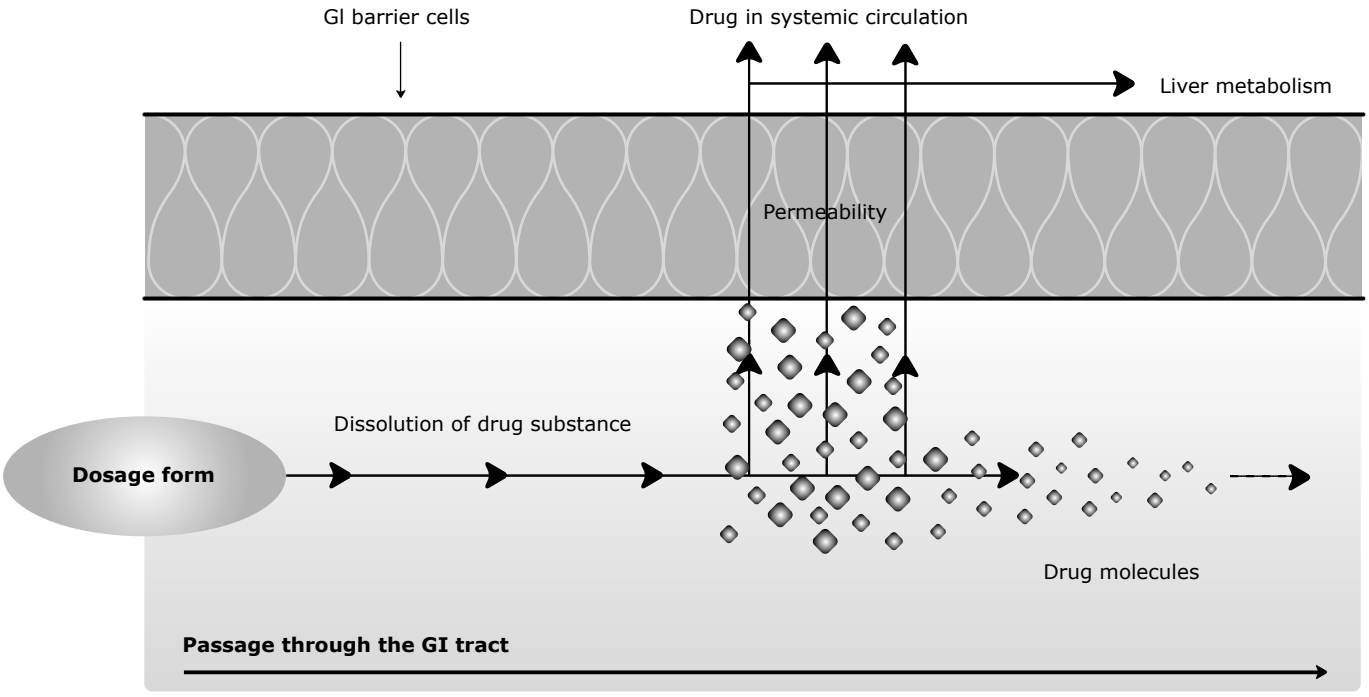
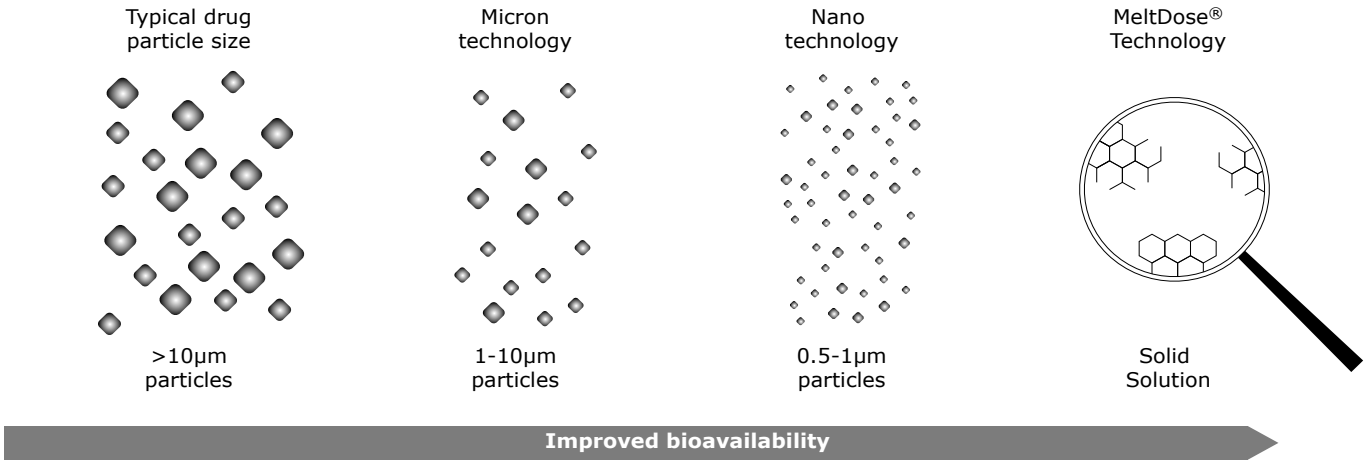


FIGURE 3. COMPARISON OF DRUG PARTICLE SIZE



The majority of conventional drug delivery technologies aimed at increasing bioavailability of compounds with low water solubility relies on reduction of the particle size of the drug substance – thereby increasing the surface area available for the dissolution process. Figure 3 shows a comparison of different formulation technologies in terms of particle size.

Veloxis believes that the Company's proprietary MeltDose technology provides a novel drug formulation technology that produces improved bioavailability of compounds with low water solubility by solubilising them and incorporating the drug substance into a melted vehicle which is then sprayed onto a carrier. The result of this process is a granulate.

The drug substances are solubilised in low-melting vehicles such as PEG, poloxamers or lipids, all of which are so-called GRAS (generally recognised as safe). This process can be conducted under controlled atmosphere (nitrogen) in order to avoid degradation processes such as oxidation. The solubilised drug in this melted vehicle is transformed into solid particles by being sprayed under controlled conditions onto an inert carrier in a fluid bed. From the resulting granulate, known as a solid solution or solid dispersion, tablets can be manufactured by way of direct compression.

POTENTIAL CLINICAL BENEFITS OF THE COMPANY'S PROPRIETARY MELTDOSE TECHNOLOGY

Veloxis believes that the MeltDose technology, which forms the basis of the LCP-Tacro product candidate, may offer several meaningful clinical benefits, including, but not limited to:

- **Decreased intra-individual variability:** Veloxis believes that by enhancing bioavailability, variability can be reduced leading to improved efficacy/side effect profiles of compounds with a narrow therapeutic index. In some cases, the therapeutic window is very narrow and minimal variability is mandatory. Veloxis believes that reduction in the intra-subject variability will improve the efficacy and reduce the number of adverse events. Furthermore, a decrease in variability may reduce the number of individual titrations and/or the need for control visits by the patient to the physician.

- **Reduction in peak-to-trough ratio:** Drugs often exhibit high peak (C_{max}) and low trough (C_{min}) plasma levels that may severely affect the clinical profile of the drug. This is particularly problematic since severe side effects may be induced at high Cmax values, and lack of clinical effect may occur at low trough levels. A solution to this pharmacokinetic profile problem may be the development of a sustained release formulation such as the Company's MeltDose technology, allowing a beneficial combination of an increase in bioavailability and a controlled or modified release plasma profile.

- **Reduction of administration frequency:** In order to improve compliance, it may be beneficial to reduce daily dosing frequency, for example from two times a day to once daily. This may be achieved by a sustained release formulation and, as described above, Veloxis believes that the Company's proprietary MeltDose technology may solve this problem as it combines an increase in bioavailability with a sustained- or modified-release profile. Compliance continues to be a clinical problem, even in the transplant setting. Recent research has indicated that 28% of patients are non-compliant to some degree and that non-compliance contributes to 20% of late rejections and 16% of graft losses. Other publications have indicated that 36% of graft losses result from non-compliance. Veloxis believes that a simplified dosing regimen, such as once-daily dosing with LCP-Tacro, will improve patient compliance and lead to better transplant outcomes.

  Through the development of LCP-Tacro, the Company's proprietary MeltDose technology has shown the ability to create a product candidate with a once-daily administration schedule compared with the twice-daily administration schedule of the currently marketed drug, Prograf.

LEGAL/IP MATTERS

As at the Prospectus Date, 14 patents related to the Company's MeltDose technology have been issued and are in force. See Part I, Section 12 "Research and development, patents and licences" and "Risk factors – Risks related to the Company's intellectual property" for further details.

6.3 Regulatory matters

OVERVIEW

The research, development, testing, manufacture, distribution and marketing of products employing the Company's technology are

subject to regulation for safety and efficacy by national legislation and numerous governmental authorities in the United States, Europe and other countries. Product development and approval within this regulatory scheme, if successful, takes a number of years and involves the expenditure of substantial resources.

Drug development is a highly structured process divided into two major stages, preclinical and clinical. In the preclinical stage, the toxicology and mode of action of an active compound is evaluated. The clinical stage is designed to prove the safety of any new pharmaceutical, determine dosage requirements and, predominantly in the later phases, prove its efficacy. This stage is carried out in three phases, which, as a developer moves through the phases, require increasingly large, complex, expensive and time-consuming clinical studies. During Phase I, the product candidate is initially given to a small number of healthy human subjects or patients and tested for safety, tolerance, absorption, metabolism, distribution and excretion. During Phase II, additional studies are conducted in a larger, but still relatively limited, patient population to verify that the product candidate has the desired effect and to identify optimal dosage levels. Furthermore, possible adverse effects and safety risks are identified. The efficacy of the product candidate for specific targeted diseases is also studied in more depth. During Phase III, studies are undertaken to further evaluate dosage, to provide statistically significant evidence of clinical efficacy and to further study the safety in an expanded patient population at multiple clinical study sites. Phase III studies may require several hundreds or thousands of patients and are therefore the most expensive and time-consuming to conduct. At any time during one of the phases, a study may produce a negative result, in which case the developer may choose to end the development project.

Following completion of the Phase III studies, the developer submits all the preclinical and clinical study documentation as well as extensive data characterising the manufacturing process to the regulator to seek regulatory approval to market the formulation as a pharmaceutical. The regulator reviews all the information related to the safety of the active compound, and whether the pharmacological effect claimed by the developer on the proposed label can be substantiated by the results of the clinical studies. The regulator has the option to decide to approve the application as requested, ask for changes to the claims made by the developer, ask for more information or clinical studies, or refuse to approve the formulation for sale.

The Company's regulatory strategy integrates internationally recognised requirements for quality, safety and efficacy, the technical criteria developed under the International Conference on Harmonisation (ICH) in order to support successful and fast approvals of new therapeutic products and their placing on the market worldwide.

Possible changes in the regulatory environment and practices may strongly influence product development. As the regulatory environment is constantly evolving, the Company actively monitors the regulatory requirements of the territories in which the Company intends to market its products. See "Risk factors" generally, and in particular "Risk factors – Risks related to post-approval government regulation and reimbursement".

U.S. REGULATION

In the United States, therapeutic drug products are subject to extensive rigorous federal regulation, including the requirement of approval by the FDA before marketing may begin and, to a lesser extent, state regulation. The U.S. Federal Food, Drug, and Cosmetic Act ("FDCA"), as amended, and the regulations promulgated thereunder, together with federal and state statutes and regulations govern, among other things, the testing, manufacture, safety, efficacy, labelling, distribution, storage, record keeping, approval, advertising and promotion of the Company's products.

The results of preclinical studies and clinical studies, together with proposed labelling and detailed information on the manufacture and composition of the product, are submitted to the FDA in the form of an NDA requesting approval to market the product. Generally, regulatory approval of a new drug by the FDA may follow one of three routes. The most traditional of these routes is the submission of a full NDA under Section 505(b)(1) of the FDCA. A second route, which is possible where an applicant chooses to rely in part on the FDA's prior conclusion about the safety and efficacy of approved drugs, is to submit a more limited NDA described in Section 505(b)(2) of the FDCA. The final route is the submission of an ANDA for products that are shown to be therapeutically equivalent to previously approved drug products as permitted under Section 505(j) of the FDCA.

Both Section 505(b)(1) and Section 505(b)(2) applications are required by the FDA to contain full reports of investigations of safety and efficacy. However, in contrast to a traditional NDA submitted pursuant to Section 505(b)(1) in which the applicant submits all of the data demonstrating safety and efficacy, an application submitted pursuant to Section 505(b)(2) can rely upon prior findings by the FDA that the parent drug is safe and effective in that indication. As a consequence, the preclinical and clinical development programmes leading to the submission of an NDA under Section 505(b)(2) may be less expensive to carry out and can be concluded in a shorter period of time than programmes required for a Section 505(b)(1) application. This approval route may not, however, result in a minimised requirement for clinical data. In its review of any NDA submissions, the FDA has broad discretion to require an applicant to generate additional data related to safety and efficacy, and as such, it is impossible to predict the number or nature of the clinical studies that may be required before the FDA will grant approval. Unless deferred or waived, paediatric studies generally must be conducted prior to the approval of a new drug that incorporates certain changes from a previously approved drug, including a new dosage form or new dosing regimen.

Notwithstanding the approval of many products by the FDA pursuant to Section 505(b)(2), over the last few years certain brand-name pharmaceutical companies and others have objected to the FDA's interpretation of Section 505(b)(2). If the FDA changes its interpretation of Section 505(b)(2), this could delay or even prevent the FDA from approving certain Section 505(b)(2) NDA submissions.

To the extent that a Section 505(b)(2) NDA relies on studies conducted for or prior FDA findings relating to a previously approved drug product, the applicant is required to certify to the FDA concerning any patents listed for the approved drug in the Orange Book. Especially, the applicant must certify that:

1. the required patent information has not been filed;
2. the listed patent has expired;
3. the listed patent has not expired but will expire on a particular date, and approval is sought after patent expiration; or
4. the listed patent is invalid, unenforceable or will not be infringed by the new product. A certification that the new product will not infringe the already approved product's listed patents or that such patents are invalid or unenforceable is known as a Paragraph IV certification.

If the applicant does not challenge the listed patents, the Section 505(b)(2) application will not be approved until all the listed patents claiming the referenced product have expired. The main exception to this rule is that if the patent covers only a method-of-use, and the 505(b)(2) applicant is not seeking approval of that method-of-use, the 505(b)(2) application can include a notice indicating as much (rather than one of the certifications identified above), in which case FDA approval will not be delayed by the patent.

If the applicant has provided a Paragraph IV certification to the FDA, the applicant must also send notice of the Paragraph IV certification to the NDA and patent holders once the NDA has been accepted for filing by the FDA. The NDA and patent holders may then initiate a legal challenge to the Paragraph IV certification. Under the FDCA, the filing of a patent infringement lawsuit by the patent holders within 45 days of their receipt of a Paragraph IV certification automatically prevents the FDA from approving the Section 505(b)(2) NDA until the earlier of 30 months, expiration of the patent, settlement of the lawsuit, or a decision in the lawsuit that is favourable to the Section 505(b)(2) applicant. Thus, the Section 505(b)(2) applicant may invest a significant amount of time and expense in the development of its products only to be subject to significant delay and patent litigation before its products may be commercialised. Alternatively, if the listed patent holder does not file a patent infringement lawsuit within the required 45-day period, the applicant's NDA will not be subject to the 30-month stay.

Moreover, the Section 505(b)(2) application will not be approved until any pertinent non-patent exclusivity periods, such as three-year exclusivity or orphan drug exclusivity, listed in the Orange Book for the referenced product, have expired. For drug products that contain an "antibiotic" ingredient approved prior to 1997, such as tacrolimus, however, the statute imposes certain limitations on the award of non-patent exclusivity. The FDA has provided only minimal guidance on how it interprets these limitations.

U.S. REGULATORY STRATEGY
Based on communication and guidance from the FDA to date, Veloxis anticipates that LCP-Tacro will be subject to Section 505(b)(2) of the FDCA.

However, regulatory requirements and regulatory authorities' interpretations thereof are subject to periodic change. See "Risk factors – Risks related to post-approval government regulation and reimbursement".

EU REGULATION
In the European Union, a centralised procedure and national procedures for regulatory approval exist.

The centralised procedure is compulsory for specified types of pharmaceuticals and available at the request of companies for other innovative new products. Applications are submitted directly to EMA in London. At the conclusion of EMA's internal scientific evaluation, the result of the evaluation is transmitted to the European Commission, the approval of which will form the basis of one single regulatory approval applying to the whole European Union.

Under the national procedures, which apply the same substantive criteria as the centralised procedure, two options exist for introducing a product to various European markets. Either a regulatory approval is filed for and obtained first in one member state, recognition of which is then requested by the applicant in other designated member states ("Mutual Recognition Procedure"). Or a regulatory approval is filed for in parallel in various member states of the European Union (each, a "member state"), designating one member state as reference member state, which is then the lead for the review of the application ("Decentralised Procedure"). In case of disputes between national authorities, the points in dispute are submitted to EMA's scientific committee for arbitration.

EUROPEAN REGULATORY STRATEGY
Currently, no products employing the Company's technology have been approved for sale in the European Union.

Should the eligibility for review under the centralised procedure be denied, an alternative route would be to seek approval by the Mutual Recognition Procedure ("MRP"). Starting with a "national" approval in a country where a drug with the same active compound is already approved, and the likelihood for acceptance of their assessment by other countries is high, the MRP will be spread to all relevant countries for this product. Veloxis believes that MRP provides the Company with the opportunity to market the product already approved in the first countries while still seeking approvals in others.

The Company intends to submit a marketing authorisation application for LCP-Tacro via the centralised procedure, for a single regulatory approval valid in the entire European Union. To date, guidance and correspondence received from the European Medicines Agency indicates its concurrence that LCP-Tacro is eligible for filing under the centralised procedure.

POST-APPROVAL REQUIREMENTS
Even after initial health authority approval has been obtained, further studies, including Phase IV post-approval safety studies ("PASS"), may be required to provide additional data on safety and will be required to gain approval for the use of a product as a treatment for clinical indications other than those for which the product was initially tested. In addition, regulatory authorities require post-marketing reporting to monitor the adverse effects of the product. Results of post-approval programmes may limit or expand the further marketing of the products. Further, if there are any modifications to the product, including changes in indication, manufacturing process or labelling, or a change in the manufacturing facility, an application seeking approval of such changes or, as the case may be, notification, must be submitted to the relevant regulatory authorities before the modified product can be commercialised. Moreover, an approved drug product may be subject to a Risk Evaluation and Mitigation Strategy, or REMS, which could impose a number of post-approval obligations, including (among other things) a communication plan for physicians regarding safe use of the drug, distribution and use restrictions, and/or periodic assessments of the effectiveness of the REMS. Finally, studies may be required as a contingency of regulatory approval (post-approval commitments), and completion of these studies within a regulator mandated time frame may be required.

MANUFACTURING REQUIREMENTS
Veloxis and third party manufacturers must comply with applicable FDA and European regulations relating to cGMP. The cGMP regulations include requirements relating to organisation of personnel, buildings and facilities, equipment, control of components and drug product containers and closures, production and process controls, packaging and labelling control, holding and distribution, laboratory controls, records and reports, and returned or salvaged products. A failure to comply with these regulations could result in sanctions being imposed, including fines, injunctions, civil penalties, suspension or withdrawal of FDA and/or European approvals, seizures or recalls of products, operating restrictions and criminal prosecutions. While the Company periodically monitors the FDA and/or European regulation

compliance of third party manufacturers, the Company cannot be certain that present or future third party manufacturers will be able to comply with the cGMP regulations and other ongoing FDA and/or European regulatory requirements.

REIMBURSEMENT AND PRICING CONTROL

While a regulatory approval for a product is generally a pre-condition for reimbursement by public health care systems or private health care plans, it does not lead to automatic reimbursement approval. Such approval is sought from separate authorities or bodies subsequent to regulatory approval. See "Risk factors – Risks related to post-approval government regulation and reimbursement" for risks associated with reimbursement and pricing controls.

UNITED STATES

There is no national reimbursement system in the United States. For patients covered by Medicare and Medicaid, prices are negotiated. Some private healthcare plans follow the lead of Medicare and Medicaid, while others negotiate prices independently. For those patients who do not have health care plans with pharmaceutical reimbursement benefits, the pricing is market based.

EUROPEAN UNION

Reimbursement and pricing control is not harmonised in the European Union. A wide variety of systems exists in the member states. They rely on direct and/or indirect price control, and/or determined or negotiated reimbursement rates. Approval for reimbursement may not be achieved and, if achieved, may take longer than a year following regulatory approval.

7. ORGANISATIONAL STRUCTURE

Veloxis Pharmaceuticals A/S is the parent company of Veloxis Pharmaceuticals, Inc., of which it owns 100% of the capital stock. Veloxis Pharmaceuticals, Inc. was established in January 2007 and has its address at 499 Thornall Street, 3th Floor, Edison, New Jersey 08837, United States.

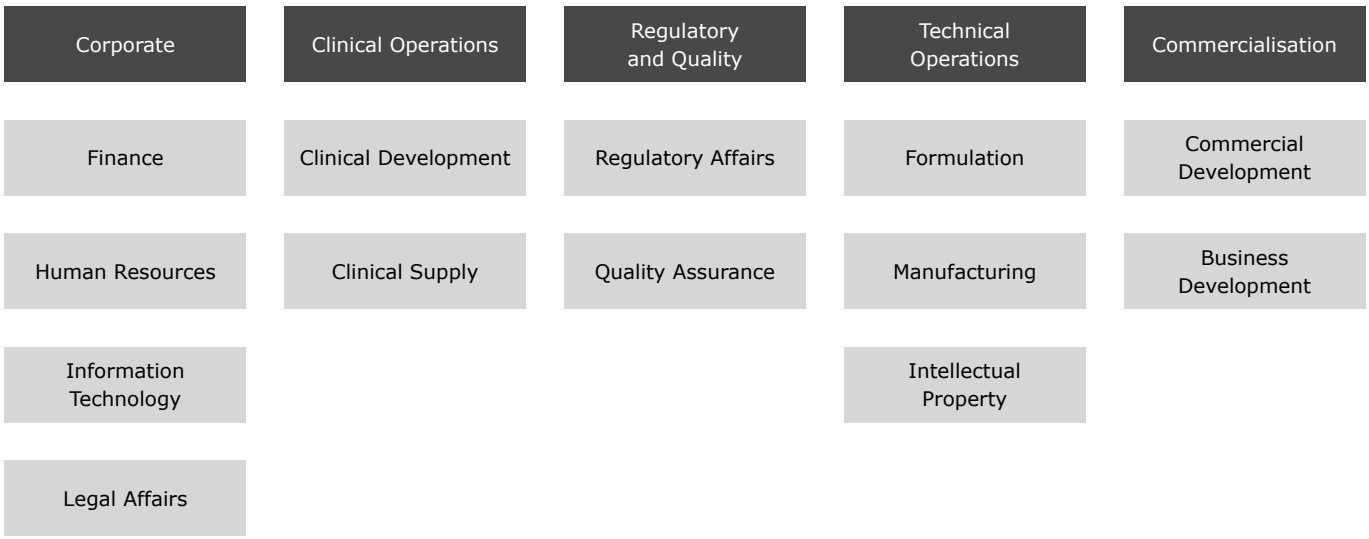
Veloxis operates from sites in Hørsholm, Denmark, and in Edison, New Jersey, United States. The Company's Hørsholm operations serve as its headquarters and focus on the coordination and execution of the drug development, clinical studies and administration. The U.S. site is focused on the conduct of clinical studies, regulatory strategy and commercialisation.

In May 2012 the Company announced a restructuring of the Company's operations in order to focus its resources on the completion of the development, regulatory approval and subsequent commercialisation of LCP-Tacro. Other pipeline activities, including early phase research activities, have been discontinued. As a result, the organisation was reduced from approximately 60 employees to approximately 30 employees. Furthermore, a new management organisation was established with the current Executive Management and the Company's senior management ("Senior Management").

7.1 Functional structure

As at 31 August 2012, the Company employed a total of 30 full-time employees, of which 10 are based in the United States and 20 in Denmark.

FIGURE 4. FUNCTIONAL STRUCTURE OF THE COMPANY



FUNCTIONS

CORPORATE

Corporate is comprised of Finance, Human Resources, Information Technology and Legal Affairs.

CLINICAL OPERATIONS

- **Clinical Development** is responsible for planning, conducting and reporting of clinical studies, and operates both in Denmark and the United States in order to cover individual and regional clinical product development needs.

- **Clinical Supply** is responsible for planning, procurement, packaging and distribution of drugs to sites that are active in clinical studies.

REGULATORY AND QUALITY

- **Regulatory Affairs** is responsible for global oversight, strategy and implementation of all regulatory interactions from development to commercialisation, handles registration activities and will handle post-approval commercial compliance.

- **Quality Assurance** is responsible for overseeing the quality assurance operations and for approving the manufacturing and controls for clinical supplies used in relation to the clinical studies sponsored by the Company. Quality Assurance is also responsible for the documentation system and documentation structure.

TECHNICAL OPERATIONS

- **Formulation** works on drug formulation and process development.

- **Manufacturing** ensures manufacture of clinical trial material and handles every aspect of manufacturing from sourcing of raw materials to technology transfer for commercial scale manufacture.

- **Intellectual Property** ensures all aspects of intellectual property protection from evaluating existing intellectual property rights to actively seeking to obtain a wide range of intellectual property rights relating to the Company's technology and products.

COMMERCIALISATION

- **Commercial Development** is responsible for evaluating market potential in all relevant markets and regions and for building the commercial infrastructure in the United States.

- **Business Development** is responsible for overseeing current partner agreements along with actively pursuing partnering opportunities for LCP-Tacro.

8. PROPERTY, PLANT, EQUIPMENT, ETC.

8.1 Facilities

Veloxis operates from sites in Hørsholm, Denmark, and in Edison, New Jersey, United States.

In Denmark, Veloxis Pharmaceuticals A/S leases approximately 2,500 square meters of combined office and laboratory space. The lease can be terminated by the Company or by the lessor by giving 12 months' notice; provided, however, that the lease is non-terminable by both the Company and the lessor until October 2013, at which time it can be terminated with effect from October 2014. The aggregate lease commitment over the remainder of the lease term is approximately DKK 13.2 million. The Company is entitled to certain maintenance services provided by the lessor.

The Company has entered into a new lease agreement with the same lessor as its current lease at Kogle Allé 4, 2970 Hørsholm, pursuant to which the Company will lease approximately 780 square metres of office and storage space located at the address Bøge Allé 5, 2970 Hørsholm. The aggregate lease commitment per year is approximately DKK 1 million. The new lease may be terminated by Veloxis by giving six months' notice. The new lease commenced on 1 October 2012 and the current lease agreement will terminate by the end of 2012. Pursuant to the current lease, the Company is under an obligation to pay an amount of approximately DKK 2 million to the lessor for refurbishment. As at the Prospectus Date, the Company is expected to move to the new lease premises in November 2012.

In the United States, Veloxis Pharmaceuticals, Inc. leases 5,283 square feet of office space. The lease expires on 30 September 2013, at which time the Company intends to renew this lease or find alternative premises. The minimum lease commitments over the remainder of the lease term are approximately USD 0.10 million (DKK 0.7 million).

8.2 Insurance

The Company believes that it maintains the insurance coverage appropriate for its business and stage of development. Its insurance includes coverage in respect of personal injury, chattel damage and business interruption, as well as for pollution up to certain levels. The Company also maintains directors' and officers' liability insurance coverage for members of the Board of Directors and the Executive Management. In addition, the Company has taken out product liability insurances for the product candidates currently in clinical studies up to certain specified coverage limits per occurrence and in the aggregate. The Company intends to seek additional appropriate product liability insurance coverage in all future clinical studies that it performs and for which the Company is liable. With respect to Fenoglide, the Company has, after careful consideration of the potential risks involved, including the fact that manufacturing of the product is performed by third parties, made a business decision not to take out specific insurance cover for product liability. Additionally, the Company has decided not to take out insurance against certain identified risks, including against crime, legal costs and damages for infringement of patents, product recalls and loss of research results and material.

8.3 Environmental issues

Veloxis no longer has any significant manufacturing facilities, and the Company's consumption of energy and other natural resources and its discharges of substances into the air and water are limited. There are no pending environmental issues of significance to the Company's operations.

9. PROSPECTIVE CONSOLIDATED FINANCIAL INFORMATION

STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

The Board of Directors and the Executive Management have presented their forecast for 2012 and 2013 under the subheading "Prospective financial information for 2012 and 2013" below. The information was prepared by applying the accounting policies, incorporated by reference in Part II "Financial information", which are in accordance with the recognition and measurement regulations of IFRS, as adopted by the European Union. The prospective financial information was prepared for use herein. The Board of Directors and the Executive Management believe that the material assumptions on which the prospective consolidated financial information is based are described in this Prospectus, and that the assumptions have been consistently applied in the preparation of the information.

The prospective consolidated financial information is based on a number of assumptions, some of which are within the Board of Directors' and the Executive Management's control, whilst others are beyond their control. The methods used in the preparation of the prospective financial information and the underlying assumptions on which the information is based are stated in "Prospective financial information for 2012 and 2013" below.

This prospective consolidated financial information represents the Board of Directors' and the Executive Management's best estimate of Veloxis' revenue, research and development costs, administrative expenses and results of operations for the financial years 2012 and 2013. The prospective financial information contains forward-looking statements concerning Veloxis' financial position that are subject to considerable uncertainty. The actual results may differ materially from those contained in such statements.

Hørsholm, 15 October 2012

BOARD OF DIRECTORS

Kim Bjørnstrup
Chairman

Thomas P. Dyrberg
Deputy chairman

Kurt Anker Nielsen

Anders Götzsche

Mette Kirstine Agger

Edward Etienne Penhoet

EXECUTIVE MANAGEMENT

William J. Polvino
President and Chief Executive Officer

Johnny Stilou
Executive Vice President and Chief Financial Officer

INDEPENDENT AUDITORS' REPORT ON PROSPECTIVE FINANCIAL INFORMATION FOR 2012 AND 2013

TO THE READERS OF THIS PROSPECTUS

We have examined the prospective consolidated financial information for 2012 and 2013 as included in Part I, Section 9 "Prospective consolidated financial information". This report has been prepared solely for shareholders and potential investors in connection with their considerations about acquiring Shares in Veloxis Pharmaceuticals A/S.

MANAGEMENT'S RESPONSIBILITY

The Board of Directors and Executive Management are responsible for preparing the prospective consolidated financial information based on the material assumptions described in Part I, Section 9 "Prospective consolidated financial information" and in accordance with the accounting policies of the Group as described in its consolidated financial statements for 2011. Furthermore, the Board of Directors and Executive Management are responsible for the assumptions on which the consolidated prospective financial information is based.

AUDITOR'S RESPONSIBILITY

Our responsibility is, based on our examinations, to provide a conclusion on the prospective consolidated financial information. We have conducted our examinations in accordance with ISAE 3000 "the International Standard on Assurance Engagements Other Than Audits and Reviews of Historical Financial Information" (ISAE 3000) and additional requirements under Danish regulation to obtain reasonable assurance that the prospective financial information for 2012 and 2013 has in all material respects been prepared on the basis of the assumptions stated and in accordance with Veloxis Pharmaceuticals A/S' accounting policies. As part of our work we have examined whether the prospective consolidated financial information has been prepared on the basis of the assumptions stated and in accordance with the accounting policies of Veloxis Pharmaceuticals A/S. Furthermore, we have examined the numerical interconnection in the prospective consolidated financial information.

We believe that our examinations provide a reasonable basis for our conclusion.

CONCLUSION

In our opinion the prospective consolidated financial information for 2012 and 2013 has in all material respects been properly prepared on the basis of the assumptions in Part I, Section 9 "Prospective consolidated financial information" of the Prospectus and in accordance with the accounting policies of Veloxis Pharmaceuticals A/S.

Actual results are likely to be different from the prospective consolidated financial information since anticipated events frequently do not occur as expected. The variation may be material. Our work has not included an assessment of whether the assumptions are documented, well founded and complete, or whether the prospective consolidated financial information can be realised and we express no conclusion in this regard.

EMPHASIS OF MATTER

As described in Part I, Section 9 "Prospective consolidated financial information", no prospective consolidated financial information assumptions are considered within Veloxis Pharmaceutical A/S' full control or influence and especially Veloxis Pharmaceuticals A/S has no control over regulatory requirements to studies, and consequently the prospective consolidated financial information for 2013 is subject to a very high degree of uncertainty.

Copenhagen, 15 October 2012

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Torben Jensen
State Authorised Public Accountant

Henrik Jensen
State Authorised Public Accountant

PROSPECTIVE FINANCIAL INFORMATION FOR 2012 AND 2013

The prospective consolidated financial information for the financial years 2012 and 2013 has been prepared in accordance with Danish law. The prospective consolidated financial information is inherently based on a number of assumptions and estimates which, while presented with numerical specificity and considered reasonable by Veloxis, are inherently subject to significant business, operational and economic uncertainties, many of which are beyond Veloxis' control and upon assumptions with respect to future business decisions that are subject to change. The most important of these assumptions are described in "Methodology and Assumptions" below. The prospective consolidated financial information has been prepared in accordance with Veloxis' accounting policies, which are in accordance with the recognition and measurement regulations of IFRS, as adopted by the European Union.

METHODOLOGY AND ASSUMPTIONS

Veloxis' prospective consolidated financial information for the financial years 2012 and 2013 reflects the Board of Directors' and the Executive Management's estimates and forecasts for 2012 and 2013. These estimates for 2012 and 2013 have been prepared in accordance with Veloxis' normal budgeting procedures which focus on the income statement and expected cash flow performance.

Veloxis' estimates of research and development costs are based on the budgeted costs of further development of LCP-Tacro. See Part III, Section 3.4 "Reasons for the Offering and use of proceeds".

The forecasts are based on the assumption of a successful implementation of Veloxis' strategy as planned. See Part I, Section 6 "Business". The success of this strategy is subject to uncertainties and contingencies which are, at least in part, beyond Veloxis' control, and no assurance can be given that the strategy will be effective, or that the anticipated benefits from the strategy will be realised in the periods for which forecasts have been prepared, or at all. Accordingly, Veloxis cannot provide any assurance that these results will be realised. The prospective financial information may differ materially from the actual results. Prospective investors are cautioned not to place undue reliance on this information.

Prospective financial information for 2012 and 2013 is based, among other things, on the following key assumptions, of which some, at least in part or in full, are beyond Veloxis' control. Veloxis has no control over assumptions of regulatory requirements to studies and the DKK/USD exchange rate. Further, there are no assumptions that are considered within Veloxis' full control or influence. Prospective consolidated financial information for the remainder of 2012 is based on the realised results of operations for the six months ended 30 June 2012 and the budget for the six months ended 31 December 2012.

ASSUMPTIONS FOR 2012

- The activities in connection with the ongoing Phase III study in *de novo* kidney transplant patients proceed in accordance with the expected timeline, including that no change to the scope of the study occurs and that the cost per patient enrolled does not materially change.
- The STRATO study of LCP-Tacro is progressing according to plan.
- The average number of employees was approximately 60 during the first half of 2012. Following the completion of the restructuring plan announced in May 2012, the number of employees will be approximately 30 for the second half of 2012.

ASSUMPTIONS FOR 2013

- Receipt of milestone payment of DKK 30 million from the Chiesi partnering agreement.
- A DKK/USD exchange rate of 6.0.
- The activities in connection with the ongoing Phase III study in *de novo* kidney transplant patients proceed in accordance with the expected timeline, including that no change to the scope of the study occurs and that the cost per patient enrolled does not materially change.
- The Phase III clinical study in *de novo* kidney transplant patients is expected to produce topline results in mid-2013.
- European MAA filing is planned for 2013 and FDA filing is planned for the second half of 2013.
- The STRATO study of LCP-Tacro is progressing according to plan.
- The number of employees will be in the range of 30 to 35.

PROSPECTIVE FINANCIAL INFORMATION FOR 2012

An operating and net loss of DKK 240 million to DKK 270 million for the financial year 2012 is expected.

As at 31 August 2012, the Company's cash position equalled DKK 104 million, and as at 31 December 2012, the Company's cash position is expected to be in the range of DKK 490 million to DKK 530 million, including the proceeds from the Offering.

PROSPECTIVE FINANCIAL INFORMATION FOR 2013

An operating and net loss of DKK 170 million to DKK 200 million for the financial year 2013 is expected.

10. REVIEW OF OPERATIONS AND FINANCIAL STATEMENTS

The financial data in this section has been extracted from the Company's audited consolidated financial statements for the years ended 31 December 2009, 2010 and 2011, which have been prepared in accordance with IFRS as adopted by the European Union, and additional Danish disclosure requirements for financial statements of listed companies. The Company's independent accountant is PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab.

This section also includes financial data extracted from the Company's reviewed interim condensed consolidated financial statements for the six months ended 30 June 2011 and 30 June 2012, which have been prepared in accordance with International Accounting Standard No. 34 (IAS 34), "Interim Financial Reporting", as adopted by the European Union.

The audited consolidated financial statements for 2009, 2010 and 2011 and the reviewed interim consolidated financial statements for the six months ended 30 June 2011 and 30 June 2012 are incorporated by reference in Part II "Financial information".

The financial data should be read in conjunction with Veloxis' annual reports and interim consolidated financial statements. See also Part II "Financial information" that includes a cross reference table.

Amounts in euros have been converted from Danish Kroner for the convenience of the reader. The conversion of income statement and cash flow statement items for the financial years ended 31 December 2009, 2010 and 2011 is based on the average exchange rate for the applicable year, and the conversion of balance sheet items is based on the exchange rate at the end of the relevant period or year. The conversion of income statement and cash flow statement items for the six months ended 30 June 2011 and 30 June 2012 is based on the exchange rate at the balance sheet date for the period in question. Such conversions should not be construed as representations that the Danish Kroner amounts actually represent such euro amounts at any specified rate.

	Six months ended 30 June		Year ended 31 December		
	2012	**2011**	**2011**	**2010**	**2009**
Average DKK/EUR exchange rate	-	-	7.450529	7.447366	7.446251
End of period DKK/EUR exchange rate	7.433400	7.458700	7.434200	7.454400	7.441500

Source: www.nationalbanken.dk

Financial highlights in DKK

	Six months ended 30 June		Year ended 31 December		
DKK million	**2012**	**2011**	**2011**	**2010**	**2009**
Income statement					
Revenue	0	0	0	1.5	2.5
Research and development costs	(119.5)	(117.2)	(222.1)	(210.4)	(210.1)
Administrative expenses	(19.7)	(23.9)	(47.8)	(52.2)	(62.4)
Restructuring costs[1]	(21.4)	0	0	(10.9)	(9.5)
Operating loss	(160.6)	(141.1)	(269.9)	(272.0)	(279.5)
Net financial income/(loss)	0.4	0.2	16.0	(0.8)	8.5
Net loss for the period/year before tax	(160.2)	(140.9)	(253.8)	(272.8)	(271.0)
Tax for the period/year	(0.4)	(0.3)	1.2	(1.4)	0
Net loss for the period/year	(160.6)	(141.2)	(252.6)	(274.2)	(271.0)
Balance sheet					
Cash and cash equivalents	152.7	402.2	297.7	531.5	333.4
Total assets	167.8	426.9	320.9	562.9	379.3
Total equity	99.0	363.6	255.9	498.2	317.3
Investment in property, plant and equipment	0.2	1.3	3.0	2.6	11.0
Cash flow					
Cash flow from operating activities, net	(142.8)	(122.0)	(234.6)	(238.1)	(251.2)
Cash flow from investing activities, net	53.6	(221.8)	(169.8)	(2.7)	(11.0)
Cash flow from financing activities, net	(2.4)	(2.8)	(5.9)	440.0	0.7
Cash and cash equivalents at period/year end	152.7	402.2	297.7	531.5	333.4
Financial ratios[2]					
Basic and diluted earnings per share	(0.35)	(0.31)	(0.56)	(2.84)	(4.80)
Weighted average number of outstanding shares	452,542,480	452,542,480	452,542,480	96,707,708	56,443,701
Average number of employees for the period/year (full-time equivalents)	55	53	52	59	93
Assets/equity at period/year end	1.70	1.17	1.25	1.13	1.20

Notes:

[1] Restructuring costs include salary payments to former employees in connection with the published reduction in headcount executed in May 2012 and write-down of laboratory equipment and leasehold improvements due to the discontinuation of pipeline activities not related to LCP-Tacro.

[2] Such financial data is stated in accordance with the recommendations of the Association of Danish Financial Analysts.

Financial highlights in EUR

	Six months ended 30 June		Year ended 31 December		
EUR million	**2012**	**2011**	**2011**	**2010**	**2009**
Income statement					
Revenue	0	0	0	0.2	0.3
Research and development costs	(16.1)	(15.7)	(29.8)	(28.2)	(28.2)
Administrative expenses	(2.6)	(3.2)	(6.4)	(7.0)	(8.4)
Restructuring costs[1]	(2.9)	0	0	(1.5)	(1.3)
Operating loss	(21.6)	(18.9)	(36.2)	(36.5)	(37.6)
Net financial income/(loss)	0.1	0.0	2.1	(0.1)	1.1
Net loss for the period/year before tax	(21.5)	(18.9)	(34.1)	(36.6)	(36.4)
Tax for the period/year	(0.1)	0	0.2	(0.2)	0
Net loss for the period/year	(21.6)	(18.9)	(33.9)	(36.8)	(36.4)
Balance sheet					
Cash and cash equivalents	20.5	54.1	40.0	71.3	44.8
Total assets	22.6	57.4	43.2	75.5	51.0
Total equity	13.3	48.9	34.4	66.8	42.6
Investment in property, plant and equipment	0	0.2	0.4	0.3	1.5
Cash flow					
Cash flow from operating activities, net	(19.2)	(16.4)	(31.5)	(32.0)	(33.7)
Cash flow from investing activities, net	7.2	(29.7)	(22.8)	(0.4)	(1.5)
Cash flow from financing activities, net	(0.3)	(0.4)	(0.8)	59.1	0.1
Cash and cash equivalents at period/year end	20.5	54.1	40.0	71.3	44.8
Financial ratios[2]					
Basic and diluted earnings per share	(0.05)	(0.04)	(0.07)	(0.38)	(0.64)
Weighted average number of outstanding shares	452,542,480	452,542,480	452,542,480	96,707,708	56,443,701
Average number of employees for the period/year (full-time equivalents)	55	53	52	59	93
Assets/equity at period/year end	1.70	1.17	1.25	1.13	1.20

Notes:

[1] Restructuring costs include salary payments to former employees in connection with the published reduction in headcount executed in May 2012 and write-down of laboratory equipment and leasehold improvements due to the discontinuation of pipeline activities not related to LCP-Tacro.

[2] Such financial data is stated in accordance with the recommendations of the Association of Danish Financial Analysts.

OVERVIEW
Veloxis is a speciality pharmaceutical company focused on the development of LCP-Tacro for the prevention of organ rejection in kidney transplant patients.

The Company seeks to raise net proceeds of approximately DKK 405 million to provide additional funding for the development, regulatory approval and commercialisation of LCP-Tacro. The Company believes that the net proceeds from the Offering, approximately DKK 405 million, together with the existing cash balances, will be sufficient to fund the Company's operations beyond anticipated launch of LCP-Tacro in Europe and the United States in the fourth quarter of 2014. Whether the Company will require additional capital to bridge the period from initial sales to profitability will depend on the future sales prices, sales volumes, cost prices, timing and success of the commercialisation of LCP-Tacro.

FACTORS AFFECTING THE COMPANY'S RESULTS OF OPERATIONS

REVENUES
Revenues comprise services rendered from research and development and commercialisation agreements.

For the periods presented, the Company's revenues consist of payments under Veloxis' collaboration agreements. In the longer term, the Company expects the revenues to be generated from its own sales of products.

RESEARCH AND DEVELOPMENT COSTS
Research and development costs comprise licence costs, manufacturing costs, preclinical and clinical trial costs, salaries and other staff costs including pensions, and other costs including cost of premises, depreciation and amortisation related to research and development activities.

The Company's research and development costs vary from period to period depending on the phase of development of its product candidates. For the periods presented, research and development costs were mainly affected by the Phase III clinical studies performed by the Company.

ADMINISTRATIVE EXPENSES
Administrative expenses comprise salaries and other staff costs including pensions, office supplies, cost of premises, and depreciation and amortisation related to administrative activities and fluctuate mainly based on changes in the number of employees.

RESTRUCTURING COSTS
Restructuring costs include salary payments to former employees in connection with the reduction in headcount and write-down of laboratory equipment and leasehold improvements effected in May 2012.

GOVERNMENT, ECONOMIC, FISCAL, MONETARY OR POLITICAL INITIATIVES THAT MATERIALLY AFFECT VELOXIS' OPERATIONS
The Company has not identified any current government, economic, fiscal, monetary or political initiatives that materially affect the Company's operations.

ACCOUNTING POLICIES
A full description of the Company's accounting policies is provided in the audited consolidated financial statements for 2009, 2010 and 2011, which are incorporated by reference in Part II "Financial information".

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS
In preparing financial statements under IFRS, as adopted by the European Union, certain rules and standards require Executive Management's judgements. Such judgements are considered important to understanding the accounting policies and Veloxis' compliance with standards. The following summarises the areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

REVENUE RECOGNITION
IAS 18 "Revenues" prescribes the criteria to be fulfilled for revenue being recognisable. Evaluating the criteria for revenue recognition with respect to Veloxis' research and development and commercialisation agreements requires Executive Management's judgement to ensure that all criteria have been fulfilled prior to recognising any amount of revenue. All the Company's revenue generating transactions are analysed by Executive Management to ensure recognition in accordance with IFRS.

CAPITALISATION OF DEVELOPMENT COSTS
IAS 38 "Intangible assets" prescribes that intangible assets arising from development projects must be recognised in the balance sheet if the criteria for capitalisation are met. That means (1) that the development project is clearly defined and identifiable; (2) that technological feasibility, adequate resources to complete and a market for the product or an internal use of the project can be documented; and (3) that the Executive Management has the intent to produce and market the product or to use it internally.

Such an intangible asset shall be recognised if it can be documented that the future income from the development project will exceed the aggregate cost of development, production, sale and administration of the product.

Veloxis believes that future income from the development projects cannot be determined with sufficient certainty until the development activities have been completed and the necessary regulatory approvals have been obtained. Accordingly, Executive Management has decided not to recognise such internally generated intangible assets at this time.

JOINT VENTURES/COLLABORATION AGREEMENTS
Collaboration agreements within the Company's industry are often structured so that each party contributes its respective skills in the various phases of a development project. No joint control exists for such collaborations and the parties do not have any financial obligations on behalf of each other. Accordingly, the collaborations are not considered to be joint ventures as defined in IAS 31 "Financial Reporting of Interests in Joint ventures".

SIX MONTHS ENDED 30 JUNE 2011 AND 30 JUNE 2012

RESULTS OF OPERATIONS
For the first half of each of 2011 and 2012, Veloxis had revenues of DKK 0.

Research and development costs totalled DKK 119.5 million for the six months ended 30 June 2012 compared with DKK 117.2 million for the six months ended 30 June 2011. 2012 costs mainly reflect costs related to the Phase III trial in LCP-Tacro (*de novo* patients, Study 3002).

Administrative expenses were DKK 19.7 million for the six months ended 30 June 2012 compared with DKK 23.9 million for

the six months ended 30 June 2011. The reduction in cost is attributable to the continued focus on reducing overall cost.

Restructuring costs were DKK 21.4 million for the six months ended 30 June 2012 compared with DKK 0.0 million for the six months ended 30 June 2011. The 2012 costs are due to reduction in headcount effected in May 2012 and a write-down of laboratory equipment and leasehold improvements due to the discontinuation of pipeline activities not related to LCP-Tacro.

Net financial items were positive DKK 0.4 million for the six months ended 30 June 2012 compared with DKK 0.2 million for the six months ended 30 June 2011. The gain is mainly attributable to interest and gains on investment bonds.

LIQUIDITY AND CAPITAL RESOURCES
As at 30 June 2012, Veloxis had cash and cash equivalents of DKK 152.7 million as compared with cash and cash equivalents of DKK 402.2 million as at 30 June 2011. This decrease reflects the Company's operating activities for the period. For additional information regarding liquidity and capital resources, see Part III, Section 3.1 "Working capital".

CASH FLOWS

NET CASH FLOW FROM OPERATING ACTIVITIES
Net cash flow from operating activities amounted to an outflow of DKK 142.8 million for the six months ended 30 June 2012 compared to an outflow of DKK 122.0 million for the six months ended 30 June 2011. Net cash flow from operating activities is attributable primarily to the progression of clinical development activities, as well as administrative expenses.

NET CASH FLOW FROM INVESTING ACTIVITIES
Net cash flow from investing activities amounted to an inflow of DKK 53.6 million for the six months ended 30 June 2012 compared with an outflow of DKK 221.8 million for the six months ended 30 June 2011. Net cash flows from investing activities comprise net addition of plant and equipment and investments in and sale of investment bonds.

NET CASH FLOW FROM FINANCING ACTIVITIES
Net cash flow from financing activities amounted to an outflow of DKK 2.4 million for the six months ended 30 June 2012 compared with an outflow of DKK 2.8 million for the six months ended 30 June 2011. Net cash flow from financing activities was attributable to instalment payments on a finance lease.

CAPITAL EXPENDITURES
Capital expenditures totalled DKK 0.2 million for the six months ended 30 June 2012 compared with DKK 1.3 million for the six months ended 30 June 2011. In each period, the expenditures consisted primarily of the purchase of laboratory equipment, leasehold improvements and software.

YEARS ENDED 31 DECEMBER 2009, 2010 AND 2011

RESULTS OF OPERATIONS
Revenues were DKK 0 million in 2011, DKK 1.5 million in 2010 and DKK 2.5 million in 2009. The revenues in 2010 and 2009 consisted of payments under Veloxis' collaboration agreements.

Research and development costs totalled DKK 222.1 million, DKK 210.4 million and DKK 210.1 million for the years ended 31 December 2011, 2010 and 2009, respectively. Total research and development costs increased only slightly between 2009 and 2010 as the increase in costs related to the Phase III clinical study for LCP-Tacro in stable kidney transplant patients (Study 3001) was almost completely offset by the decrease in costs due to the reduction in the number of employees that took place in 2009 and in 2010. The increase from 2010 to 2011 was mainly due to increased costs for the two Phase III trials in LCP-Tacro. In the cost is included the finalisation of the Phase III study in kidney transplant patients (stable patients, Study 3001) along with costs associated with the ongoing Phase III study in kidney transplant patients (*de novo* patients, Study 3002).

Administrative expenses were DKK 47.8 million in 2011, DKK 52.2 million in 2010 and DKK 62.4 million in 2009. The decrease in expenditures over the years is attributable to the continued focus on reducing overall cost, combined with the effect of the reduction in the number of employees that took place in 2009 and 2010.

Restructuring costs were DKK 0 million in 2011, DKK 10.9 million in 2010 and DKK 9.5 million in 2009. The costs in 2010 and 2009 were due to the reduction in headcount as a result of continued focus on cost reduction.

Net financial items were income of DKK 16.0 million in 2011, expenses of DKK 0.8 million in 2010 and income of DKK 8.5 million in 2009. The increase in financial items from 2010 to 2011 was primarily attributable to earnings on interest and gains on investment bonds along with currency gains due to increases in the DKK/USD exchange rate. The decrease in financial items from 2009 to 2010 was primarily related to a significantly lower cash position and lower interest rate earned on the cash position.

LIQUIDITY AND CAPITAL RESOURCES
Since its incorporation, Veloxis has financed its operations primarily through the issuance of Shares and to a lesser extent through licence fees, up-front and milestone payments. As at the Prospectus Date and since incorporation, the Company has raised net proceeds of DKK 1,777.2 million excluding the proceeds of this Offering through the issuance of Shares.

As at 31 December 2011, Veloxis had cash and cash equivalents of DKK 297.7 million as compared with cash and cash equivalents of DKK 531.5 million as at 31 December 2010 and cash and cash equivalents of DKK 333.4 million as at 31 December 2009. For additional information regarding liquidity and capital resources, see Part III, Section 3.1 "Working capital".

CASH FLOWS

NET CASH FLOW FROM OPERATING ACTIVITIES
Net cash outflow from operating activities amounted to DKK 234.6 million in 2011, DKK 238.1 million in 2010 and DKK 251.2 million in 2009. Changes in net cash flow from operating activities were attributable primarily to the initiation and completion of clinical development activities as well as administrative expenses and revenue.

NET CASH FLOW FROM INVESTING ACTIVITIES
Net cash outflow from investing activities amounted to DKK 169.8 million in 2011, DKK 2.7 million in 2010 and DKK 11.0 million in 2009. Net cash flow from investing activities comprised net addition of plant and equipment and investments in and sale of investment bonds. The net cash flow from investing activities for 2011 and 2010 was negatively affected by investments in and sale of investment bonds.

NET CASH FLOW FROM FINANCING ACTIVITIES

Net cash flow from financing activities amounted to DKK 5.9 million in 2011, DKK 440.0 million in 2010 and DKK 0.7 million in 2009. The net cash inflow in 2010 reflected primarily the cash inflow from the completion of the rights issue in November 2010 resulting in net proceeds to the Company of DKK 445 million. The net cash flow from financing activities in 2011 and 2009 relates to instalments on a finance lease.

CAPITAL EXPENDITURES

Capital expenditures totalled DKK 3.0 million, DKK 2.6 million and DKK 11.0 million for the years ended 31 December 2011, 2010 and 2009, respectively. In each year, the expenditures consisted primarily of the purchase of laboratory equipment and the establishment of office facilities, including leasehold improvements and software.

FOREIGN CURRENCY RATE FLUCTUATIONS

The functional currency of the Company is Danish Kroner. Foreign currency transactions are converted at the exchange rate prevailing on the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are converted using the exchange rate prevailing on the balance sheet date. Exchange rate differences that arise between the rate at the transaction date and the rate at the settlement date are recognised in the financial statement as financial income or financial expenses. See section "Risk factors – Risks related to financial condition, currency and other financial risks".

OFF-BALANCE-SHEET OBLIGATIONS

Beyond the purchase obligations and operating lease obligations described below, Veloxis does not have any material off-balance-sheet obligations.

CONTRACTUAL OBLIGATIONS

Contractual obligations relate primarily to finance leases and operating leases.

The following table summarises the contractual obligations as at 31 December 2011 (measured at present value) and the effect such obligations will have on the liquidity and cash flows in future periods.

	Payments due by period[1]			
DKK million	**Within 1 year**	**From 1 to 5 years**	**After 5 years**	**Total**
Finance lease commitments	4.6	3.7	-	8.3
Operating lease commitments	7.3	14.1	-	21.4
Total contractual commitments	**11.9**	**17.8**	**-**	**29.7**

Note:

[1] As at 31 December 2011 and as at the Prospectus Date, the Company does not have any obligations for the payment of licence fees, milestone payments or royalties related to the Company's business.

11. CAPITAL RESOURCES

Veloxis currently has only short-term capital resources, consisting of cash and cash equivalents. As at 31 August 2012, the Company's capital resources totalled DKK 104 million. On an as-adjusted basis, giving effect to the receipt of net proceeds of DKK 405, the adjusted capital resources as at 31 August 2012 totalled DKK 509 million. For a description of the Company's cash flows, see Part I, Section 10 "Review of operations and financial statements – Cash flows".

The Company is presently financed through equity and does not have any material interest-bearing debt. The Company also expects, in the future, to generate cash flow from licence fees, up-front and milestone payments from existing as well as potentially new partners, product sales, royalty payments and other sources, if any, as well as capital resources accessed through equity or debt financing, as required. The Company does not expect to obtain any debt financing in the period until anticipated launch of LCP-Tacro in Europe and the United States in the fourth quarter of 2014.

The Company's capital resources are not subject to any restrictions that materially affect or could materially affect its operations. The Company invests its free cash in cash deposits and short-term, investment grade, interest-bearing securities.

The Company aims to preserve capital while at the same time maximising the income received from investments without significantly increasing risk. The Company currently maintains its cash reserves by placing them in short-term deposit accounts. Due to the short-term nature of these deposits, the Company believes that it has no material exposure to interest rate risk arising from these investments. In terms of assessment of the credit risk, the Company's bank has a Moody's long-term rating of Baa1 and an S&P's long-term rating of A-.

The Company believes that the net proceeds from the Offering, approximately DKK 405 million, together with the existing cash balances, will be sufficient to fund the Company's operations beyond anticipated launch of LCP-Tacro in Europe and the United States in the fourth quarter of 2014. Whether the Company will require additional capital to bridge the period from initial sales to profitability will depend on the future sales prices, sales volumes, cost prices, timing and success of the commercialisation of LCP-Tacro. The Company's expectations are based on the assumption that the LCP-Tacro Phase III studies progress as scheduled, although actual results may differ materially. For a discussion of risks related to future income, cash flows, financing and business activities, see "Risk factors".

12. RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES

12.1 Research and development

Veloxis is a speciality pharmaceutical company focused on the development of LCP-Tacro for the prevention of organ rejection in kidney transplant patients and, therefore, substantially all its operating costs are incurred to support these development activities.

TABLE 5. RESEARCH AND DEVELOPMENT COSTS

	Six months ended 30 June		Year ended 31 December		
DKK million	**2012**	**2011**	**2011**	**2010**	**2009**
Research and development costs	119.5	117.2	222.1	210.4	210.1

For additional information, see Part I, Section 10 "Review of operations and financial statements".

12.2 Patents and other intellectual property rights

PATENT STRATEGY
Veloxis' patent strategy is to secure intellectual property rights that underpin the Company's drug development programme and to actively defend the technologies, inventions and improvements to inventions that are commercially important to the development of the Company's business. Veloxis files patent applications initially in the United States or in Denmark with subsequent international applications (referred to as PCT applications) designating all PCT member states followed by national phase applications in relevant countries and jurisdictions. European patent applications are filed with the European Patent Office and are subject to examination under the European Patent Convention.

The most important form of patent protection for biopharmaceutical companies is generally drug substance patents, also referred to as composition-of-matter patents, which prevent third parties from any use of the patented compound; as opposed to formulation patents, which prevent third parties from using only particular formulations of a given compound, and use patents (known as method-of-use patents in the United States and second medical indication patents in Europe), which prevent third parties only from using a given formulation for a specific use, such as a new medical indication. In addition, patents may be granted on processes for manufacturing drug substances and formulations (also known as process patents).

In addition to patents, Veloxis relies on trade secrets to protect the Company's business model and approach, especially where patent protection is believed not to be appropriate or obtainable. Veloxis possesses trade secrets and copyrights in the proprietary process, including algorithms and user interfaces associated with the process, for evaluating clinical and scientific data and identifying drugs and drug candidates of potential application to the Company's business. Veloxis also possesses important trade secret information in the output of that proprietary process. However, trade secrets are difficult to protect. Veloxis attempts to protect the Company's technology, in part, with confidentiality agreements with employees, consultants and partners.

The Company believes that it has freedom to operate for LCP-Tacro, its tablet formulation of tacrolimus. However, no assurance can be given that no third party patents exist or might issue that would require the Company to alter its development or commercial strategies or its products or processes, to obtain licences, or to cease certain activities. See "Risk factors – Risks related to the Company's intellectual property".

PATENT AND PATENT APPLICATION PORTFOLIO
As at the Prospectus Date, Veloxis has a total of 21 patent families, consisting of 50 issued or allowed patents and 72 pending patent applications (wherein essentially identical patent applications that are intended to serve only as priority applications are counted as single patent applications) covering:

- the Company's technology platforms, including its MeltDose and Porous Tablet technology platforms (25 issued or allowed patents and 27 pending patent applications); and
- the Company's product and product candidates (25 issued patents and 45 pending patent applications).

PATENT AND PATENT APPLICATION PORTFOLIO ON MELTDOSE TECHNOLOGY PLATFORM
The Company has established intellectual property protection for the Company's core technology through claims addressing different angles of the technology platform: the process itself, choice of meltable carrier, concentration of carrier and choice of active compound and equipment.

The following patent families related to the MeltDose technology are pending:

- Controlled agglomeration (published as WO 03/004001); and
- A self-cleaning spray nozzle (published as WO 2004/056487).

As at the Prospectus Date, 14 patents related to the Company's MeltDose technology have been issued and are in force: U.S. Patent No. US 7,217,431, Canadian Patent No. CA 2,452,330, South African Patent No. ZA 2004/0044, Australian Patent No. AU 2002325192, Chinese Patent No. CN 100579514C, Russian

Patent No. RU 2330642, Indian patent No. IN 242657 and Japanese Patent No. JP 4570357 to the controlled agglomeration process; and U.S. Patent No. US 7,252,247, European Patent No. EP B 1497034, Canadian Patent No. CA 2,511,150, Chinese Patent No. CN 100415383C, Indian Patent No. IN 221724 and Japanese Patent No. JP 4330539 to a self-cleaning spray nozzle". The corresponding patent applications in other countries and regions are still pending.

PATENT AND PATENT APPLICATION PORTFOLIO ON PRODUCTS AND PRODUCT CANDIDATES

Veloxis regularly seeks patent protection for new product opportunities and for value-added improvements related to pharmacokinetics, efficacy, safety and Adverse Drug Reaction ("ADR"), treatment regimens, and novel indications and drug combinations.

Veloxis is actively prosecuting the following number of product specific patent families, including pending national/PCT national phase patent applications and issued patents in force, in the following product/therapeutic areas:

FIGURE 5. VELOXIS' PRODUCT SPECIFIC PATENTS AND PATENT APPLICATIONS

Drug/ therapeutic area	Number of patent families	Number of issued patents in force	Number of pending patent applications
Tacrolimus/organ transplant immunosuppression	5	15	28
Fenofibrate/ cardiovascular	6	10	15
Other areas	2	0	2

TACROLIMUS

Two PCT applications relating to LCP-Tacro were filed on 30 August 2004 and published on 10 March 2005 with the following publication numbers and titles: WO2005/020993, Modified Release Compositions Comprising Tacrolimus, and WO2005/020994, Solid Dispersions Comprising Tacrolimus. A PCT application relating to LCP-Tacro once-daily was filed on 30 May 2008 and published on 4 December 2008 with the publication number and title: WO2008/145143, Once Daily Oral Dosage Form Comprising Tacrolimus. A further PCT application relating to LCP-Tacro once-daily was filed on 7 July 2009 and published on 14 January 2010 with the publication number and title: WO2010/005980, Tacrolimus for Improved Treatment of Transplant Patients. A PCT application relating to stabilised LCP-Tacro was filed on 17 February 2011 and published on 25 August 2011 with the publication number and title: WO 2011/100975 Stabilised Tacrolimus Composition. At present,15 patents relating to LCP-Tacro have been issued: Australian Patent AU 2004267909, Australian Patent AU 2004267910, Canadian Patent CA 2,537,041, Canadian Patent CA 2,537,044, Chinese Patent CN 1859909B, Hong Kong Patent HK 1096032, European Patent EP 1663216, European Patent EP 1663217, Indian Patent IN 234522, Indian Patent IN 234120, Japanese Patent JP 4996249, Japanese Patent JP 4903568, Mexican Patent MX 295085, Mexican Patent MX 281035 and U.S. Patent US 7,994,214. National/regional phase applications derived from one or more of the above-mentioned PCT applications are pending in the United States, Canada, Brazil, Argentina, Europe, Norway, Russia, India, Taiwan, Korea, China, Hong Kong and Japan. The pending patent applications are currently subject to examination by the respective patent authorities except for the applications in Norway, Argentina, Korea, Taiwan and Russia, where prosecution has not yet started.

FENOFIBRATE (FENOGLIDE, LCP-ATORFEN)

Two PCT applications relating to fenofibrate formulations were filed, the first on 1 October 2004 and the second on 12 April 2006, with the following respective publication/application numbers and publication dates and titles: PCT /DK2004/000667 published on 21 April 2005 as WO2005/034920 A1, A Solid Dosage Form Comprising a Fibrate, and PCT/DK2006/050014, published on 17 August 2006 as WO2006/084475, A Tablet Comprising a Fibrate. At present, six patents relating to Fenoglide as well as LCP-AtorFen have been issued: U.S. Patent No. US 7,658,944, U.S. Patent No. 8,124,125, Chinese Patent Publ. No. CN 100551363C, Hong Kong Patent No. HK 1096034, Japanese Patent No. 4944014B and Canadian Patent No. 2,540,984. The United States Patents are both listed in the FDA's Orange Book for Fenoglide. The Company has national/regional phase applications including divisional patent applications pending in selected countries; all are currently subject to examination by the respective patent authorities.

In connection with the Company's LCP-AtorFen product candidate, four patents have been issued: U.S. Patent No. 7,772,273, Australian Patent No. 2004279661, Australian Patent No. 2010201739 and Russian Patent No. RU 2343905. The Company has national/regional phase patent applications pending in selected countries and subject to examination by the respective patent authorities derived from the PCT application with the following publication/application number and publication date and title: PCT/DK2005/050001 published on 13 April 2006 as WO2006/037344 A1, Pharmaceutical Compositions Comprising Fenofibrate and Atorvastatin. Also pending are national/regional phase applications including in the United States and South Korea derived from PCT/DK2006/050004 published on 17 August 2006 as WO2006/084474, A Stable Pharmaceutical Composition Comprising a Fixed Dose Combination of Fenofibrate and an HMG-CoA Reductase Inhibitor, as well as a pending European patent application EP 07102107.5 published as EP1818049 relating to a formulation of atorvastatin.

TRADEMARKS AND DOMAIN NAMES

Veloxis is the owner of registered Danish, European and U.S. trademarks for "MELTDOSE", the Company's corporate name "VELOXIS PHARMACEUTICALS" and the company logo, and Danish, Chinese and Korean trademarks for "FENOGLIDE" as well as other word marks currently not in use. All marks are registered trademarks (®). Veloxis has pending trademark applications for the word marks "CIROMBI", "ENVARRIO" and "ENVARSUS" in Denmark and the European Union. In addition, Veloxis is the owner of several top-level domain names corresponding to the Company's trademarks.

13. TREND INFORMATION

Veloxis is active within the healthcare industry and is therefore dependent on developments in the healthcare sector in general. There are many local variances in the different healthcare markets, but the overall trend has been a steady increase in healthcare spending globally due to, among other factors, increased GDP growth, greater demands on the healthcare sector from the general public and an increasing ability to undertake advanced treatments of a wider variety of medical conditions.

The Company expects that this trend will continue. However, as many large economies, including the United States and the European Union, are affected by the ongoing financial crises, it may be expected that the general focus to limit public and private spending will lead to slower growth in the coming years when compared with historic growth rates.

14. BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND SENIOR MANAGEMENT

14.1 Board of Directors

The Company's Board of Directors currently consists of the six members listed in Table 6 below, which sets forth name, year of birth and position of the members of the Board of Directors.

The business address for the members of the Board of Directors is Veloxis Pharmaceuticals A/S, Kogle Allé 4, 2970 Hørsholm, Denmark.

TABLE 6. BOARD OF DIRECTORS

Name	Year of birth	Member since	Term expires	Position
Kim Bjørnstrup	1958	2011	AGM 2013	Chairman of the Board of Directors[1]
Thomas P. Dyrberg	1954	2003	AGM 2013	Deputy chairman of the Board of Directors[1][3]
Kurt Anker Nielsen	1945	2006	AGM 2013	Member of the Board of Directors[2][3]
Anders Götzsche	1967	2008	AGM 2013	Member of the Board of Directors[2][3]
Mette Kirstine Agger	1964	2010	AGM 2013	Member of the Board of Directors[1][3]
Edward Etienne Penhoet	1940	2011	AGM 2013	Member of the Board of Directors[3]

Notes:
[1] Member of the Compensation Committee
[2] Member of the Audit Committee
[3] Has an interest in/is related to a Major Shareholder. See Part I, Section 14.5 "Statement of kinship and statement of conflict of interest"

The Company believes that all members of the Board of Directors possess the professional competence and international experience required to serve as a member of the Board of Directors.

KIM BJØRNSTRUP – MEMBER OF THE BOARD OF DIRECTORS (CHAIRMAN)
Kim Bjørnstrup has been a member of the Board of Directors since 2011 and chairman of the Board of Directors since 2011. Mr Bjørnstrup is a professional board member and adviser.

POSITIONS OUTSIDE VELOXIS
CHAIRMAN OF THE BOARD OF DIRECTORS
A.G A/S
Assistance Personale Service A/S

MEMBER OF THE BOARD OF DIRECTORS
Aase Hagemann Holding ApS
Assistance Gastronomie ApS
Hagemann Ejendomme A/S
Xeltis AG

MANAGERIAL POSITIONS
None

MEMBER OF THE BOARD OF DIRECTORS WITHIN THE PAST FIVE YEARS (POSITIONS NO LONGER HELD)
A.H. A/S (chairman) (the company was liquidated by merger)
Aase Hagemann A/S (the company was liquidated by merger)
Octapharma AG and subsidiaries

MANAGERIAL POSITIONS WITHIN THE PAST FIVE YEARS
None

ADDITIONAL INFORMATION
Senior industrial adviser, EQT

THOMAS P. DYRBERG – MEMBER OF THE BOARD OF DIRECTORS (DEPUTY CHAIRMAN)
Thomas P. Dyrberg has been a member of the Board of Directors since 2003 and deputy chairman of the Board of Directors since 2009. Mr Dyrberg is Senior Partner with Novo Ventures, Novo A/S

POSITIONS OUTSIDE VELOXIS
CHAIRMAN OF THE BOARD OF DIRECTORS
Lux Biosciences, Inc.

MEMBER OF THE BOARD OF DIRECTORS
Ophthotech Corporation
AlloCure, Inc.
Delenex Therapeutics AG

MANAGERIAL POSITIONS
None

MEMBER OF THE BOARD OF DIRECTORS WITHIN THE PAST FIVE YEARS (POSITIONS NO LONGER HELD)
Hemofocus ApS (chairman) (the company was solvently liquidated)
Gloucester Pharmaceuticals, Inc.

MANAGERIAL POSITIONS WITHIN THE PAST FIVE YEARS
None

ADDITIONAL INFORMATION
Member of the advisory board of Imagen Biotech Inc.

KURT ANKER NIELSEN – MEMBER OF THE BOARD OF DIRECTORS
Kurt Anker Nielsen has been a member of the Board of Directors since 2006. Mr Nielsen is a professional board member.

POSITIONS OUTSIDE VELOXIS
Chairman of the board of directors
Dalhoff Larsen & Horneman A/S
K/S Tysk Ejendomsinvest XIX

MEMBER OF THE BOARD OF DIRECTORS
Vestas Wind Systems A/S
Novo Nordisk A/S
Novozymes A/S
Novo Nordisk Fonden

MANAGERIAL POSITIONS
KAN ApS (Manager)

MEMBER OF THE BOARD OF DIRECTORS WITHIN THE PAST FIVE YEARS (POSITIONS NO LONGER HELD)
Reliance A/S (chairman)
ZymoGenetics, Inc.
StatoilHydro ASA (now Statoil ASA)
Norsk Hydro ASA

MANAGERIAL POSITIONS WITHIN THE PAST FIVE YEARS
None

ADDITIONAL INFORMATION
Kurt Anker Nielsen is founder of KAN ApS

ANDERS GÖTZSCHE – MEMBER OF THE BOARD OF DIRECTORS
Anders Götzsche has been a member of the Board of Directors since 2008. Mr Götzsche is Executive Vice President and Chief Financial Officer at H. Lundbeck A/S.

POSITIONS OUTSIDE VELOXIS
Chairman of the board of directors
None

MEMBER OF THE BOARD OF DIRECTORS
None

MANAGERIAL POSITIONS
H. Lundbeck A/S (Executive Vice President and Chief Financial Officer)

MEMBER OF THE BOARD OF DIRECTORS WITHIN THE PAST FIVE YEARS (POSITIONS NO LONGER HELD)
Lundbeck Insurance A/S (chairman)
Grenaa Bladet A/S
A/S Bladkompagniet
Komplementarselskabet Syddanske Medier A/S
Syddanske Medier K/S
Weekendavisen A/S
Ejendomsselskabet Kanalholmen A/S
A/S Sjællandske Avistryk
OL Holding ApS
Berlingske Avistryk A/S
Trykkompagniet A/S

MANAGERIAL POSITIONS WITHIN THE PAST FIVE YEARS
None

ADDITIONAL INFORMATION
None

METTE KIRSTINE AGGER – MEMBER OF THE BOARD OF DIRECTORS
Mette Kirstine Agger has been a member of the Board of Directors since 2010. Ms. Agger is Managing Partner at Lundbeckfond Ventures under Lundbeckfond Invest A/S.

POSITIONS OUTSIDE VELOXIS
Chairman of the board of directors
Klifo A/S

MEMBER OF THE BOARD OF DIRECTORS
Harboes Bryggeri A/S
AlloCure Inc.
PsiOxus Therapeutics Limited

MANAGERIAL POSITIONS
None

MEMBER OF THE BOARD OF DIRECTORS WITHIN THE PAST FIVE YEARS (POSITIONS NO LONGER HELD)
Cobis A/S (chairman)
Klifo Holding A/S (chairman)
Symbion Management A/S
Symbion A/S
Epitherapeutics ApS
DBV Technologies S.A.

MANAGERIAL POSITIONS WITHIN THE PAST FIVE YEARS
7TM A/S (CEO)
M.K. Agger ApS (Manager) (the company was solvently liquidated)

ADDITIONAL INFORMATION
Member of Institutrådet of Statens Serum Institut

EDWARD ETIENNE PENHOET – MEMBER OF THE BOARD OF DIRECTORS
Edward Etienne Penhoet has been a member of the Board of Directors since 2011. Mr Penhoet is a director of Alta BioPharma Management III, LLC and manager of Alta Embarcardero BioPharma Partners III, LLC.

POSITIONS OUTSIDE VELOXIS
Chairman of the board of directors
None

MEMBER OF THE BOARD OF DIRECTORS
ChemoCentryx, Inc
Immune Design Corp
Metabolex, Inc
Scynexis, Inc

MANAGERIAL POSITIONS
None

MEMBER OF THE BOARD OF DIRECTORS WITHIN THE PAST FIVE YEARS (POSITIONS NO LONGER HELD)
IDM Pharma, Inc
ZymoGenetics, Inc
Corcept Therapeutics, Inc

MANAGERIAL POSITIONS WITHIN THE PAST FIVE YEARS
None

ADDITIONAL INFORMATION
CURRENT POSITIONS
Member of President Obama's Council of Advisors on Science and Technology (PCAST)
Member of the Institute of Medicine of the National Academy of Sciences

POSITIONS HELD WITHIN THE PAST FIVE YEARS (NO LONGER HELD)
President of the Gordon and Betty Moore Foundation (United States)
Member of the Independent Citizens Oversight Committee for the California Institute of Regenerative Medicine (CIRM)

14.2 Executive Management

Table 7 below sets forth the name, year of birth and position of the members of the Executive Management. The business address for the members of the Executive Management is Veloxis Pharmaceuticals A/S, Kogle Allé 4, 2970 Hørsholm, Denmark.

TABLE 7. EXECUTIVE MANAGEMENT

Name	Year of birth	Position
William J. Polvino	1960	President and Chief Executive Officer
Johnny Stilou	1967	Executive Vice President and Chief Financial Officer

William J. Polvino and Johnny Stilou are registered as the Company's Chief Executive Officer and Chief Financial Officer, respectively, with the Danish Business Authority.

The Company believes that both members of the Executive Management possess the professional competence and international experience required to serve as members of the Executive Management.

WILLIAM J. POLVINO – PRESIDENT AND CHIEF EXECUTIVE OFFICER
William J. Polvino has served as President and Chief Executive Officer since 2009 when he was promoted from his position as Chief Operating Officer, a position he had held since he joined the Company in 2009.

POSITIONS OUTSIDE VELOXIS
CHAIRMAN OF THE BOARD OF DIRECTORS
None

MEMBER OF THE BOARD OF DIRECTORS
None

MANAGERIAL POSITIONS
None

MEMBER OF THE BOARD OF DIRECTORS WITHIN THE PAST FIVE YEARS (POSITIONS NO LONGER HELD)
Helsinn Therapeutics (U.S.), Inc
Sapphire Therapeutics, Inc

MANAGERIAL POSITIONS WITHIN THE PAST FIVE YEARS
CEO and Director at Helsinn Therapeutics (U.S.), Inc.
President, CEO and Director of Sapphire Therapeutics, Inc

ADDITIONAL INFORMATION
None

JOHNNY STILOU – EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER
Johnny Stilou has served as Executive Vice President and Chief Financial Officer since 2012 when he became a registered officer of the Company in connection with the organisational restructuring in May 2012. He was Chief Financial Officer from 2010 and joined the Company in 2008.

POSITIONS OUTSIDE VELOXIS
CHAIRMAN OF THE BOARD OF DIRECTORS
None

MEMBER OF THE BOARD OF DIRECTORS
None

MANAGERIAL POSITIONS
None

MEMBER OF THE BOARD OF DIRECTORS WITHIN THE PAST FIVE YEARS (POSITIONS NO LONGER HELD)
None

MANAGERIAL POSITIONS WITHIN THE PAST FIVE YEARS
None

ADDITIONAL INFORMATION
None

14.3 Senior Management

Table 8 below sets forth the name, year of birth and position of members of the Senior Management who are believed to be relevant in establishing the appropriate expertise and experience for the management of the business of the Company. The business address for the Senior Managers is Veloxis Pharmaceuticals A/S, Kogle Allé 4, 2970 Hørsholm, Denmark, except for John D. Weinberg and Ronald Guido whose business address is, Veloxis Pharmaceuticals Inc., 499 Thornall Street, 3rd Floor, Edison, New Jersey 08837, United States.

TABLE 8. SENIOR MANAGEMENT

Name	Year of birth	Position
John D. Weinberg	1967	Executive Vice President and Chief Commercial Officer
Lars Bjørn-Christensen	1966	Senior Vice President, Global Technical Operations
Ronald Guido	1957	Senior Vice President, Global Regulatory Affairs & Quality
Christina Sylvest	1966	Senior Vice President, Global Clinical Development & Operations

The Company believes that all members of the Senior Management possess the professional competence and international experience required for their position as a Senior Manager in the Company.

JOHN D. WEINBERG – EXECUTIVE VICE PRESIDENT AND CHIEF COMMERCIAL OFFICER
John D. Weinberg has been a member of the Senior Management since 2010. He was promoted to Chief Commercial Officer in connection with the organisational restructuring in May 2012. He had been Senior Vice President Commercial Operations and Investor Relations since he joined the Company in 2010. He is employed by Veloxis Pharmaceuticals, Inc.

POSITIONS OUTSIDE VELOXIS
CHAIRMAN OF THE BOARD OF DIRECTORS
None

MEMBER OF THE BOARD OF DIRECTORS
None

MANAGERIAL POSITIONS
None

MEMBER OF THE BOARD OF DIRECTORS WITHIN THE PAST FIVE YEARS (POSITIONS NO LONGER HELD)
None

MANAGERIAL POSITIONS WITHIN THE PAST FIVE YEARS
Novartis Pharmaceuticals, Inc. (Business Franchise Head)

ADDITIONAL INFORMATION
None

LARS BJØRN-CHRISTENSEN – SENIOR VICE PRESIDENT, GLOBAL TECHNICAL OPERATIONS
Lars Bjørn-Christensen has been a member of the Senior Management since 2012 when he was promoted from his position as Vice President Manufacturing in connection with the organisational restructuring in May 2012. He joined the Company in 2005.

POSITIONS OUTSIDE VELOXIS
CHAIRMAN OF THE BOARD OF DIRECTORS
None

MEMBER OF THE BOARD OF DIRECTORS
None

MANAGERIAL POSITIONS
None

MEMBER OF THE BOARD OF DIRECTORS WITHIN THE PAST FIVE YEARS (POSITIONS NO LONGER HELD)
None

MANAGERIAL POSITIONS WITHIN THE PAST FIVE YEARS
None

ADDITIONAL INFORMATION
None

RONALD GUIDO - SENIOR VICE PRESIDENT, GLOBAL REGULATORY AFFAIRS & QUALITY
Ronald Guido has been a member of the Senior Management since 2012 when he was promoted from his position as Vice President Regulatory Affairs in connection with the organisational restructuring in May 2012. He joined the Company in 2010. He is employed by Veloxis Pharmaceuticals, Inc.

POSITIONS OUTSIDE VELOXIS
CHAIRMAN OF THE BOARD OF DIRECTORS
None

MEMBER OF THE BOARD OF DIRECTORS
None

MANAGERIAL POSITIONS
None

MEMBER OF THE BOARD OF DIRECTORS WITHIN THE PAST FIVE YEARS (POSITIONS NO LONGER HELD)
None

MANAGERIAL POSITIONS WITHIN THE PAST FIVE YEARS
None

ADDITIONAL INFORMATION
None

CHRISTINA SYLVEST – SENIOR VICE PRESIDENT, GLOBAL CLINICAL DEVELOPMENT & OPERATIONS
Christina Sylvest has been a member of the Senior Management since 2012 when she was promoted from her position as Vice President Clinical Operations in connection with the organisational restructuring in May 2012. She joined the Company in 2008.

POSITIONS OUTSIDE VELOXIS
CHAIRMAN OF THE BOARD OF DIRECTORS
None

MEMBER OF THE BOARD OF DIRECTORS
None

MANAGERIAL POSITIONS
None

MEMBER OF THE BOARD OF DIRECTORS WITHIN THE PAST FIVE YEARS (POSITIONS NO LONGER HELD)
None

MANAGERIAL POSITIONS WITHIN THE PAST FIVE YEARS
None

ADDITIONAL INFORMATION
None

14.4 Statement on past records of the Board of Directors, the Executive Management and the Senior Management

Other than as stated below, during the past five years none of the members of the Board of Directors, the Executive Management or the Senior Management has been (i) convicted of fraudulent offences, (ii) served as officer or senior manager in any company that has entered into bankruptcy, receivership or liquidation, (iii) subject to any official public incriminations and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or (iv) disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

Chairman of the Board of Directors Kim Bjørnstrup served as board member of A.H. A/S (chairman) and Aase Hagemann A/S which were both liquidated by merger. Member of the Board of Directors Thomas P. Dyrberg served as board member of Hemofocus ApS (chairman) which underwent a solvent liquidation. Member of the Board of Directors Mette Kirstine Agger served as manager of M.K. Agger ApS which underwent a solvent liquidation.

14.5 Statement of kinship and statement of conflict of interest

The Company is not aware of any family relationship among the members of the Board of Directors, the Executive Management or the Senior Management. The Company is not aware of any agreements or understanding among Major Shareholders, customers, suppliers or others with respect to election of members of the Board of Directors or appointment of the Executive Management or the Senior Management.

Other than as set forth below, no actual or potential conflict of interests exists between any duties of the members of the Board of Directors, the Executive Management or the Senior Management towards the Company and these persons' private interests and/or duties to other persons.

Member of the Board of Directors Kurt Anker Nielsen is a board member of Novo Nordisk Fonden. Novo A/S is wholly owned by Novo Nordisk Fonden. Novo A/S is a major shareholder in the Company. Member of the Board of Directors Thomas P. Dyrberg is Senior Partner with Novo Ventures, Novo A/S. Member of the Board of Directors Mette Kirstine Agger is Managing Partner at Lundbeckfond Ventures under Lundbeckfond Invest A/S. Lundbeckfond Invest A/S is wholly owned by the Lundbeck Foundation. Lundbeckfond Invest A/S is a major shareholder in the Company. Member of the Board of Directors Anders Götzsche is Executive Vice President and Chief Financial Officer at H. Lundbeck A/S, which is controlled by Lundbeckfond Invest A/S. Member of the Board of Directors Edward Etienne Penhoet is a director of Alta BioPharma Management III, LLC and manager of Alta Embarcardero BioPharma Partners III, LLC. Alta Partners (as defined) is a major shareholder in the Company.

See Part I, Section 19 "Related party transactions" for a description of other related party transactions.

See Part III, Section 7 "Selling security holders and lock-up agreements" for a description of lock-up agreements entered into between the Board of Directors and the Executive Management in connection with the Offering.

15. REMUNERATION AND BENEFITS

15.1 Remuneration of the members of the Board of Directors

Board members serving during 2011 received aggregate cash remuneration of DKK 1.3 million in 2011. During 2011, the Company recognised share-based remuneration totalling DKK 105,000 for warrants issued to members of the board of directors. Kim Bjørnstrup, Thomas P. Dyrberg, Kurt Anker Nielsen, Anders Götzsche, Mette Kirstine Agger and Edward Etienne Penhoet were all members of the board of directors during 2011.

All remuneration referred to has been paid by Veloxis Pharmaceuticals A/S and no remuneration payments have been made to members of the board of directors by Veloxis Pharmaceuticals, Inc.

The Company has not granted any loans, issued any guarantees or undertaken any other obligations to do so on behalf of the Board of Directors. No member of the Board of Directors is entitled to any kind of remuneration on retirement from his or her position as member of the Board of Directors. The Company has not allocated funds for any pension benefits, severance schemes or similar benefits or undertaken any other obligations to do so on behalf of the Board of Directors and has no current obligation to do so.

15.2 Remuneration of the Executive Management and the Senior Management

The aggregate remuneration to the persons who were members of the executive management in 2011 totalled DKK 6.1 million, including gross salary of DKK 4.2 million, DKK 1.6 million in bonus payments and pension contributions of DKK 0.3 million. In addition, during 2011, the Company recognised share-based remuneration totalling DKK 3.2 million for warrants issued to members of the executive management. William J. Polvino, President and Chief Executive Officer, was a member of the executive management during the entire year of 2011. Johnny Stilou, Executive Vice President and Chief Financial Officer, was not a member of the executive management in 2011 but was promoted in connection with the organisational restructuring in May 2012.

The aggregate remuneration to the persons who were members of the senior management in 2011 totalled DKK 12.3 million, including gross salary DKK 6.4 million, DKK 5.6 million in bonus payments and pension contributions of DKK 0.3 million. In addition, during 2011, the Company recognised share-based remuneration totalling DKK 3.2 million for warrants issued to members of the senior management. John D. Weinberg is the only current member of the Senior Management who was a member of the senior management during the entire year of 2011. Lars Bjørn-Christensen, Ronald Guido and Christina Sylvest were promoted to members of the Senior Management in connection with the organisational restructuring in May 2012.

Se Part I, Section 7 "Organisational structure" for a description of the organisational restructuring.

The remuneration referred to above covers payments from Veloxis Pharmaceuticals A/S as well as Veloxis Pharmaceuticals, Inc.

The Company has not granted any loans, issued any guarantees or undertaken any other obligations to do so on behalf of the Executive Management or the Senior Management. Other than described in Part I, Section 16.3 "Information regarding contract terms for the Executive Management and the Senior Management", no member of the Executive Management or the Senior Management is entitled to any kind of remuneration on retirement from his or her position as member of the Executive Management or the Senior Management, respectively. The Company has not allocated funds for any pension benefits, severance schemes or similar benefits or undertaken any other obligations to do so on behalf of the Executive Management or the Senior Management and has no current obligation to do so.

15.3 Shares and warrants held by the Board of Directors, the Executive Management and the Senior Management

See Part I, Section 17.2 "Shareholdings and warrants for members of the Board of Directors, the Executive Management and the Senior Management" for information regarding holdings of shares and warrants for the individual members of the Board of Directors, the Executive Management and the Senior Management.

16. PRACTICES OF THE BOARD OF DIRECTORS, THE EXECUTIVE MANAGEMENT AND THE SENIOR MANAGEMENT

16.1 Practices of the Board of Directors

The Board of Directors is entrusted with the ultimate responsibility for the Company and the supervision of the Executive Management. Board duties include establishing policies for strategy, accounting, organisation and finance, and the appointment of members of the Executive Management. The Articles of Association stipulate that the Board of Directors is elected by the Company's shareholders at the Company's general meeting and members are elected for one-year terms. Members may stand for re-election for successive terms. The Board of Directors shall consist of no less than three and no more than nine members elected by the general meeting.

The Board of Directors has established a Compensation Committee (as defined) and an Audit Committee (as defined).

The Board of Directors elects its chairman from its own number and conducts its business according to its rules of procedure. The Board of Directors shall endeavour to convene at even intervals and as a minimum once each quarter in connection with the approval of the annual report and the interim report (half yearly and quarterly reports). In addition, board meetings shall be held when the chairman determines that it is necessary. The chairman is obliged to convene the Board of Directors when this is deemed necessary or upon written request from a member of the Board of Directors, the auditor or a member of the Executive Management. Regular board meetings include an in-depth report from the Executive Management to the Board of Directors regarding the Company's operations status and progress.

See Part I, Section 14 "Board of Directors, Executive Management and Senior Management" for a description of the seniority, the date of expiration of the current term of office and the positions of the members of the Board of Directors.

16.2 Practices of the Executive Management and the Senior Management

The Executive Management, together with the Senior Management, is responsible for the day-to-day management of the Company's business and shall in that capacity follow the directions and guidelines provided by the Board of Directors. The day-to-day business does not include transactions which are unusual or of great significance in consideration of the position of the Company.

See Part I, Section 14 "Board of Directors, Executive Management and Senior Management" for a description of the members of the Executive Management and the Senior Management.

16.3 Information regarding contract terms for the Executive Management and the Senior Management

EXECUTIVE MANAGEMENT

WILLIAM J. POLVINO – PRESIDENT AND CHIEF EXECUTIVE OFFICER

The Company has entered into an executive service agreement with William J. Polvino as the Company's President and Chief Executive Officer. Dr Polvino and the Company may terminate his employment without any notice. Dr Polvino is, under certain circumstances, entitled to receive payment corresponding to six months' base salary following termination of his employment as well as any lump sum amount of his potential bonus. Dr Polvino is subject to a non-competition and non-solicitation undertaking for a period of 12 months following termination of his employment with the Company. The non-competition undertaking does not apply if Dr Polvino is dismissed without reasonable cause or if he terminates his position on account of the Company's breach of the employment relationship. The employment agreement for Dr Polvino does not have a fixed term of expiry.

JOHNNY STILOU – EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

The Company has entered into an employment agreement with Johnny Stilou as the Company's Executive Vice President and Chief Financial Officer. Mr Stilou may terminate his employment in accordance with the Danish Act on Salaried Employees; however it is agreed that the termination period will be two months longer than the minimum stated in the act, i.e. with three months' notice. Mr Stilou may be dismissed with 12 months' notice. In the event of a material breach both parties are entitled to terminate the employment without notice. Mr Stilou is entitled to receive a severance payment corresponding to six months' salary following termination of his employment, if his employment terminates within 12 months after a change of control of the Company occurs (transfer of more than 50% of the Company's shares/votes). Mr Stilou is not subject to non-competition or non-solicitation undertakings. The employment agreement for Mr Stilou does not have a fixed term of expiry.

SENIOR MANAGEMENT

The Company or its subsidiary, Veloxis Pharmaceuticals Inc., has entered into employment agreements with each member of the Senior Management.

John D. Weinberg and Ronald Guido may terminate their employment and may be terminated without notice. Lars Bjørn-Christensen may terminate his employment and may be terminated in accordance with the Danish Act on Salaried Employees;

however, the Company may not terminate his employment with less than six months' notice, and Mr Bjørn-Christensen may not terminate his employment with less than two months' notice. In the event of a material breach, both parties are entitled to terminate the employment without notice. Christina Sylvest may terminate her employment in accordance with the Danish Act on Salaried Employees, i.e. with one month's notice, and the Company may terminate the employment with six months' notice. In the event of a material breach, both parties are entitled to terminate the employment without notice.

Dr Weinberg and Mr Guido are, under certain circumstances, entitled to receive severance payment corresponding to their base salaries for a period of six months following termination of their employment. Ms Sylvest is entitled to receive a severance payment corresponding to three months' salary following termination of her employment, if her employment terminates within 12 months after a change of control of the Company occurs (transfer of more than 50% of the Company's shares/votes). Mr Bjørn-Christensen is not entitled to severance payment upon termination of his employment.

Dr Weinberg is subject to a non-competition and non-solicitation undertaking for a period of six months following termination of his employment with the Company. Mr Guido is subject to a non-competition and non-solicitation undertaking for a period of one year following termination of his employment with the Company. Mr Bjørn-Christensen and Ms Sylvest are not subject to any non-competition or non-solicitation undertakings.

Inventions made by the members of the Executive Management or the Senior Management during their employment are owned by the Company, and such person shall have no rights in relation hereto, except for those laid down in mandatory statutory provision. Apart from the above, none of the members of the Executive Management or the Senior Management will receive remuneration upon termination of their employment, with the exception of payments made pursuant to mandatory legislation.

See Part I, Section 15 "Remuneration and benefits" for a description of remuneration to the members of the Executive Management and the Senior Management. See Part I, Section 16 "Practices of the Board of Directors, the Executive Management and the Senior Management" for a description of general guidelines for the Company's incentive remuneration to members of the Executive Management. See Part I, Section 17.2 "Shareholdings and warrants for members of the Board of Directors, the Executive Management and the Senior Management" for information regarding holdings of shares and warrants for the individual members of the Executive Management and the Senior Management.

16.4 Committees

AUDIT COMMITTEE
The Board of Directors has established an Audit Committee which is expected to meet at least four times a year. The Audit Committee is responsible for reviewing the annual and interim financial statements and the Company's accounting policies and financial controls and for ensuring that the asset management is controlled satisfactorily as compared with the Company's needs, including without limitation that the Company's accounting policies and financial controls are adequate. The Audit Committee consists of Kurt Anker Nielsen (chairman) and Anders Götzsche.

COMPENSATION COMMITTEE
The Board of Directors has established a Compensation Committee which meets at least twice a year. The Compensation Committee shall make recommendations to the Board of Directors on the remuneration of the management and incentive and compensation arrangements for the Board of Directors and the Executive Management. The Compensation Committee consists of Kim Bjørnstrup (chairman), Thomas P. Dyrberg and Mette Kirstine Agger.

16.5 Scientific Advisory Board

The Company has established a Scientific Advisory Board with recognised experts and thought leaders from industry and academia in the United States and Europe. Their expertise, experience and knowledge cover disciplines in drug discovery, drug development and additional therapeutic areas of relevance to the Company. The Scientific Advisory Board consists of the following members: Josep M. Grinyo, MD (Professor of Medicine at the University of Barcelona, and Chief of Nephrology and Director of the Renal Transplant Unit at the University Hospital of Bellvitge, Barcelona, Spain), Klemens Budde, MD (Professor of Medicine and Head of the Clinical Transplant Program at the Charite Universitätsmedizin Berlin, Germany), Lionel Rostaing, MD, PhD (Medical Director of the Organ Transplant Department of Toulouse University Hospital, France), Robert Gaston, MD (Endowed Professor of Transplant Medicine and Medical Director of Kidney and Pancreas Transplant at the University of Alabama at Birmingham, Alabama, United States, and President of the American Society of Transplantation) and Sundaram Hariharan, MD (Professor of Medicine and Chief of Nephrology at the Medical College of Wisconsin in Milwaukee, United States).

16.6 Description of management reporting systems and internal control systems

THE FINANCIAL REPORTING PROCESS
The Company's internal controls and risk management are planned with a view to presenting an annual report in accordance with IFRS, as approved by the European Union, and other disclosure requirements applicable to annual reports of listed companies providing a true and fair view without material misstatement and to selecting and applying appropriate accounting policies and the adoption of accounting estimates which are reasonable in the circumstances.

The Executive Management and the Board of Directors determine and approve the overall policies, procedures and controls in material areas relating to the financial reporting process.

The Board of Directors has set up an Audit Committee mainly to assist the Board of Directors and the Executive Management in monitoring the financial reporting and the efficiency of the Company's internal control and risk management systems.

The maintenance of an efficient control environment and internal control and risk management systems is the responsibility of the

Executive Management. As a tool to identify and manage the critical risks, the Company has implemented a control environment with internal systems designed to reduce identified risks to an acceptable level.

RISK ASSESSMENT
At least once a year, the Executive Management assesses any identified risks and reports to the Board of Directors.

The most material risk in relation to the financial reporting process relates to ensuring sufficient liquidity to be able to meet the Company's liabilities as they fall due. Other risks relate to estimates made in connection with the financial reporting. These estimates are further described in Part I, Section 10 "Review of operations and financial statements – Critical accounting estimates and judgements".

CAPITAL MANAGEMENT
Rolling budgets are prepared on a short-term and a long-term basis to ensure that the Company always has sufficient funds to pay its liabilities as they fall due, and that the Company can in the long term finance the Company's research and development projects.

CONTROL ACTIVITIES
The objective of control activities is to prevent, detect and adjust any errors or irregularities.

The activities are integrated into the Company's accounting and reporting procedures and comprise, among other things, procedures for certification, authorisation, approval, reconciliation, analyses of results, segregation of incompatible functions, controls relating to IT applications and IT general controls.

POLICIES AND PROCEDURES
Policies and procedures are updated when necessary and are reviewed at least once a year. Relevant policies are reviewed by the Audit Committee and, if necessary, in special areas approved by the Board of Directors.

MONITORING
The Company uses a finance system for monitoring the Company's results. Monthly reviews are carried out of interim consolidated financial statements. In connection with the preparation of the annual report, additional analyses and control activities are performed to ensure that the preparation of the annual report is in accordance with the IFRS provisions described under accounting policies in the annual report.

16.7 Corporate governance

The Company recognises the value of an active and positive approach to the issue of corporate governance, including those aspects of corporate governance that are embodied in the recommendations on corporate governance published by the Committee on Corporate Governance in August 2011 (the "Recommendations"). Pursuant to the NASDAQ Rules, Danish companies shall give a statement on how they address the Recommendations. The complete statement is available on the Company's website www.veloxis.com. The contents of the Company's website do not form part of this Prospectus, except for information incorporated by reference herein. See "Important notice - Important information relating to this Prospectus". It is important to the Board of Directors to exercise good corporate governance and to comply with the Recommendations. Accordingly the Company has adopted the "comply or explain" principle. However, as set out in the complete statement, the Company does not comply with all of the Recommendations. Such non-compliance is set out below:

- The Committee on Corporate Governance recommends that the supreme governing body annually discusses the Company's activities to ensure diversity at management levels, including equal opportunities for both sexes, and that the supreme governing body set measurable objectives and in the management commentary in the annual report and/or on the Company's website give an account of both the objectives and the progress made in achieving the objective. The Board of Directors supports equal opportunities for both sexes and annually discusses the Company's activities to ensure diversity. Veloxis is a small company and does not intend to formalise objectives for the time being.

- The Committee on Corporate Governance recommends that the supreme governing body establish a nomination committee. The chairmanship of the Board of Directors performs the tasks of a nomination committee.

- The Committee on Corporate Governance recommends that remuneration of members of the supreme governing body do not include share or warrant programmes. The remuneration of the Board of Directors consists of warrant schemes. Four members of the Board of Directors have been issued warrants conferring a right to subscribe shares in Veloxis. Veloxis believes that the ability to offer warrants as well as other forms of shares as incentive compensation is necessary to attract key people from within the industry (whether as members of the Board of Directors, managers or employees).

- The Committee on Corporate Governance recommends that the total remuneration granted to each member of the supreme governing body and the executive board by the Company and other consolidated companies be disclosed in the (consolidated) financial statements and that the linkage with the remuneration policy be explained. The total remuneration to each member of the Board of Directors and the Executive Management is not disclosed in the annual report. The total remuneration to the entire Board of Directors and the entire Executive Management, respectively, is disclosed together with an explanation of the components. It is the Company's view that disclosure of the remuneration paid to each individual member of the Executive Management will not add additional value for shareholders and other stakeholders.

16.8 Guidelines for incentive remuneration

In accordance with Section 139 of Consolidated act no. 322 of 11 April 2011 on Public and Private Limited Companies ("the Danish Companies Act"), the Board of Directors has laid down general guidelines for incentive pay to members of the Board of Directors and the Executive Management. These guidelines have been approved by the shareholders at the ordinary general meeting held on 12 April 2011. The guidelines for incentive remuneration are set forth below and are also available at the Company's website www.veloxis.com.

GENERAL GUIDELINES FOR THE COMPANY'S INCENTIVE REMUNERATION TO MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

BOARD OF DIRECTORS

FIXED REMUNERATION
Members of the Board of Directors receive a fixed annual fee. The chairman of the Board of Directors, the chairman of the Audit Committee and the chairman of the Compensation Committee receive a supplement to the fixed annual fee.

WARRANTS
In addition to the fixed annual fee, the members of the Board of Directors are annually granted a fixed number of warrants. The estimated present value of warrants granted in a given financial year may be up to 100% of the fixed annual fee to the individual member of the Board of Directors. The estimated present value is calculated in accordance with IFRS. The general terms and conditions applying to the grant, vesting, exercise, etc. of the warrants must be within the general terms and conditions applying if warrants are to be granted to members of the Executive Management, cf. below, and which also apply to other employees in the Company who have been granted warrants.

Upon election, each member of the Board of Directors may decide to exchange the fixed number of warrants for an additional annual fee.

PUBLICATION AND APPROVAL
The aggregated annual fees, the supplemental and additional annual fees and warrants granted, are disclosed in the annual report and subsequently approved at the annual general meeting.

EXECUTIVE MANAGEMENT
The Compensation Committee performs an annual review of the remuneration package paid to members of the Executive Management. The remuneration paid to members of the Executive Management consists of a fixed and a variable part.

FIXED REMUNERATION
The fixed pay consists of cash salary, pension contribution and other benefits.

VARIABLE REMUNERATION
As an element of the variable pay, members of the Executive Management may receive an annual bonus, subject to achievement of certain benchmarks. The bonus proportion varies among the members of the Executive Management but cannot exceed 100% of the fixed annual cash salary. The actual bonus paid to the members of the Executive Management is disclosed in the annual report at an aggregated level. At the date of adoption of these guidelines, the bonus benchmarks primarily comprise the progress in the Company's development of its product candidates but they may be changed by the Board of Directors.

WARRANTS
Another element of the variable pay is made up of warrants and is intended to ensure that the Executive Management's incentive correlates with creation of shareholder value. The estimated aggregated present value of new warrants granted in a given financial year to the members of the Executive Management may be up to 100% of the aggregated fixed annual cash salary to the member of the Executive Management. The estimated present value is calculated in accordance with IFRS. The grant of new warrants may or may not be subject to achievement of defined benchmarks. The exercise price of the new warrants cannot be less than the market price of the Company's stock at the date of grant. The new warrants may have a maximum term of up to seven years and the exercise of the new warrants may be subject to a vesting period of up to four years. New warrants may be granted on such terms that the gain is taxed as share income while the costs of the grant are not tax deductible for the Company. The number of new warrants granted to each member of the Executive Management and their estimated present value is disclosed in the annual report.

17. STAFF

17.1 Overview of employees

As at 31 August 2012, the Group employed a total of 30 full-time employees, of which 10 were based in the United States and 20 in Denmark. In total, 24 employees worked in clinical, regulatory, technical and commercial development, and six were general and administrative staff. The number of employees has developed from 84 as at 31 December 2009, 52 as at 31 December 2010, 53 as at 31 December 2011 and 30 as at 31 August 2012. See Part I, Section 5.10 "The Company's history and development" for further details of the restructuring of the Company, which resulted in the reduction of the workforce in 2012.

17.2 Shareholdings and warrants of members of the Board of Directors, the Executive Management and the Senior Management

The shareholdings of the members of the Board of Directors, the Executive Management and the Senior Management are listed in Table 9 below.

TABLE 9. SHAREHOLDINGS OF THE BOARD OF DIRECTORS, THE EXECUTIVE MANAGEMENT AND THE SENIOR MANAGEMENT, AS AT THE PROSPECTUS DATE

Name	Number of Shares	Nominal value (DKK)
Board of Directors		
Kim Bjørnstrup	-	-
Thomas P. Dyrberg	123,200	12,320
Kurt Anker Nielsen	184,000	18,400
Anders Götzsche	-	-
Mette Kirstine Agger	1,288	128.80
Edward Etienne Penhoet	-	-
Executive Management		
William J. Polvino	160,000	16,000
Johnny Stilou	-	-
Senior Management		
John D. Weinberg	-	-
Lars Bjørn-Christensen	-	-
Ronald Guido	-	-
Christina Sylvest	-	-

See Part I, Section 14.5 "Statement of kinship and statement of conflict of interest" for a description of certain members of the Board of Directors' relations to Major Shareholders. See Part I, Section 18 "Major Shareholders" for a description of Major Shareholders' shareholdings in the Company.

The Board of Directors (with the exception of Kurt Anker Nielsen, Anders Götzsche and Mette Kirstine Agger), the Executive Management, the Senior Management and other employees, advisers and consultants participate in the Company's warrant programmes. Warrants issued to the respective persons as well as applicable exercise prices are set out in Table 10. "Warrants outstanding as at the Prospectus Date" For further specific information in respect of outstanding warrants, see Exhibits 1 and 2 to the Articles of Association. Following completion of the Offering, a recalculation of the number of warrants and the applicable exercise price will be carried out in order to reflect the dilution as a result of the Offering being conducted below the market price, see Part I, Section 21.2 "Warrant programmes".

TABLE 10. WARRANTS OUTSTANDING AS AT THE PROSPECTUS DATE

Name	Number of warrants[1]	Number of warrants (adjusted)[2]	Exercise price (DKK per share)[1]	Exercise price (DKK per share) (adjusted)[2]	Date of grant
Board of Directors					
Kim Bjørnstrup	150,000	150,000	1.16	1.16	10 May 2011
Kim Bjørnstrup in total	*150,000*	*150,000*	-	-	-
Thomas P. Dyrberg	26,442	36,357	21.37	15.54	9 May 2007
	21,717	29,861	12.43	9.04	14 May 2008
	21,717	29,861	4.40	3.20	20 August 2009
	21,717	29,861	1.86	1.36	18 August 2010
	50,000	50,000	1.16	1.16	10 May 2011
Thomas P. Dyrberg in total	*141,593*	*175,940*	-	-	-
Kurt Anker Nielsen	-	-	-	-	-
Anders Götzsche	-	-	-	-	-
Mette Kirstine Agger	50,000	50,000	1.16	1.16	10 May 2011
Mette Kirstine Agger in total	*50,000*	*50,000*	-	-	-
Edward Etienne Penhoet	46,273	63,625	21.37	15.54	9 May 2007
	32,576	44,792	12.43	9.04	14 May 2008
	32,576	44,792	4.40	3.20	20 August 2009
	21,717	29,861	1.86	1.36	18 August 2010
Edward Etienne Penhoet in total	*133,142*	*183,070*	-	-	-
Board of Directors in total	**474,735**	**559,010**	**-**	**-**	**-**
Executive Management					
William J. Polvino	325,759	447,918	3.22	2.34	11 November 2009
	760,104	1,045,143	2.69	1.96	2 December 2009
	406,882	559,462	1.44	1.05	28 October 2010
	3,754,310	3,754,310	1.23	1.23	15 December 2010
	1,260,052	1,260,052	1.23	1.23	1 March 2011
	183,814	183,814	1.03	1.03	17 August 2011
William J. Polvino in total	*6,690,921*	*7,250,699*	-	-	-
Johnny Stilou	65,125	89,584	11.74	8.54	21 August 2008
	111,301	153,039	4.83	3.52	3 March 2009
	108,586	149,306	2.79	2.03	24 February 2010
	54,293	74,653	1.86	1.36	18 August 2010
	180,976	248,843	1.44	1.05	28 October 2010
	1,617,404	1,617,404	1.23	1.23	15 December 2010
	85,833	85,833	1.03	1.03	17 August 2011
Johnny Stilou in total	*2,223,545*	*2,418,662*	-	-	-
Executive Management in total	**8,914,466**	**9,669,361**	**-**	**-**	**-**

TABLE 10. WARRANTS OUTSTANDING AS AT THE PROSPECTUS DATE – CONTINUED

Name	Number of warrants[1)]	Number of warrants (adjusted)[2)]	Exercise price (DKK per share)[1)]	Exercise price (DKK per share) (adjusted)[2)]	Date of grant
Senior Management					
John D. Weinberg	217,173	298,612	1.86	1.36	18 August 2010
	2,424,896	2,424,896	1.23	1.23	15 December 2010
	752,000	752,000	1.23	1.23	1 March 2011
	263,393	263,393	1.03	1.03	17 August 2011
John D. Weinberg in total	*3,657,462*	*3,738,901*	-	-	-
Lars Bjørn-Christensen	54,293	74,653	12.16	8.84	24 April 2008
	57,008	78,836	4.83	3.52	3 March 2009
	76,010	104,514	2.79	2.03	24 February 2010
	236,562	325,272	1.44	1.05	28 October 2010
	236,350	236,350	1.23	1.23	15 December 2010
	112,414	112,414	1.03	1.03	17 August 2011
Lars Bjørn-Christensen in total	*772,637*	*931,589*	-	-	
Ronald Guido	108,586	149,306	2.24	1.63	12 May 2010
	229,769	315,932	1.44	1.05	28 October 2010
	408,030	408,030	1.23	1.23	15 December 2010
	106,655	106,655	1.03	1.03	17 August 2011
Ronald Guido in total	*853,040*	*979,923*	-	-	-
Christina Sylvest	54,293	74,653	11.74	8.54	21 August 2008
	43,435	59,722	4.83	3.52	3 March 2009
	54,293	74,653	6.12	4.45	14 May 2009
	76,010	104,514	2.79	2.03	24 February 2010
	197,514	271,582	1.44	1.05	28 October 2010
	343,118	343,118	1.23	1.23	15 December 2010
	93,676	93,676	1.03	1.03	17 August 2011
Christina Sylvest in total	*862,339*	*1,021,918*	-	-	-
Senior Management in total	**6,145,478**	**6,672,331**	**-**	**-**	**-**
Current and former employees, consultants and advisers	**8,496,617**	**10,231,375**	**1.00 – 21.37**	**1.00 – 15.54**	**-**
Total	**24,031,296**	**27,132,077**	**1.00 – 21.37**	**1.00 – 15.54**	**-**

Notes
(1) Before the Offering and without giving effect to the anti-dilution adjustment provisions of the warrant programmes. See Part I, Section 21.2 "Warrant programmes" for further information.
(2) The adjustment has been calculated on the basis of the closing price at 22 August 2012 of DKK 0.56.

18. MAJOR SHAREHOLDERS

As at 31 August 2012, the Company had approximately 4,300 registered shareholders, who held a total of approximately 413 million Existing Shares, equivalent to approximately 91.3% of the Company's share capital. Since the Shares are bearer shares, the Company does not have a complete record of all of the holders.

The following shareholders have as at the Prospectus Date notified the Company that they hold at least 5% of the Company's Shares or voting rights, details of which are set out in Table 11 below.

TABLE 11. MAJOR SHAREHOLDERS IN THE COMPANY AS AT THE PROSPECTUS DATE

Shareholder	Share-holdings (%)	Voting rights (%)[1]
Lundbeckfond Invest A/S Vestagervej 17 2900 Hellerup Denmark	30.9	30.9
Novo A/S Tuborg Havnevej 19 2900 Hellerup Denmark	28.0	28.0
Alta Partners[2] One Embarcadero Center, Suite 3700 San Francisco, CA 94111 United States	6.3	6.3

Notes:
[1] Shareholders are entitled to one vote per Share
[2] "Alta Partners" refers to Alta Partners III, Inc., including the funds affiliated thereto, being Alta BioPharma Partners III, L.P., Alta BioPharma Partners III, GmbH & Co. Beteiligungs KG and Alta Embarcadero BioPharma Partners III, LLC

The Company's Major Shareholders have the same rights as the Company's other shareholders.

It is the duty of shareholders to give notice to the Company of any changes in their shareholdings or voting rights leading them to cross certain thresholds. See Part III, Section 4.9 "Danish regulations governing mandatory takeover bids, redemption of shares and disclosure requirements". The Company will issue a company announcement in the event it receives such notice from a shareholder.

It is outside the authority of the Company to make any company announcement of major shareholdings, unless prior notice from a shareholder has been received. Thus, changes may have occurred in the stated share capital or voting rights of Major Shareholders which are not reflected above in the event that a shareholder has failed to provide notice of its shareholding or voting right (including as a result of increases in the Company's share capital).

For shareholdings of the Board of Directors, the Executive Management and the Senior Management as at the Prospectus Date, see Part I, Section 17.2 "Shareholdings and warrants for members of the Board of Directors, the Executive Management and the Senior Management".

The Company is not aware of being owned or controlled, directly or indirectly, by other parties, and the Company is not aware of any agreements that could later result in other parties taking over the control of the Company.

As at the Prospectus Date, the Company has no knowledge of that any of its Major Shareholders have entered into or anticipate entering into a shareholders' agreement concerning their shareholdings in the Company, that they otherwise coordinate their interests in the Company or that they are otherwise acting in concert.

While the Company is authorised by the general meeting to buy treasury shares, it does not hold any Shares in treasury as at the Prospectus Date.

19. RELATED PARTY TRANSACTIONS

The members of the Board of Directors and the Executive Management are considered related parties as a result of their positions in the Company. Former member of the board of directors Gérard Soula (until 12 April 2011) and former chairman of the board of directors Paul Edick (until 12 April 2011) were considered related parties until such times. H. Lundbeck A/S was a major shareholder in the Company until 27 January 2009 and until such time was a related party. Finally, the Company considers the Major Shareholders to be related parties due to their ownership in the Company. Related parties also include such persons' relatives as well as companies in which such persons have significant interests.

As at the Prospectus Date there are no ongoing agreements or arrangements between the Company and any of its related parties, except as provided for in Part I, Section 15, "Remuneration and Benefits" and Section 16.3 "Information regarding contract terms for the Executive Management and the Senior Management" and the undertakings to subscribe made by Lundbeckfond Invest A/S and Novo A/S as described in Part III, Section 5.23 "Undertakings to subscribe". Transactions with related parties in the period since 2009 are described below.

MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

In 2007, the Company entered into a consulting agreement with former member of the board of directors Gérard Soula pursuant to which Mr Soula provided consulting services and advice within the product formulation area and technical assessment. During 2009 the Company paid consultancy fees totalling DKK 0.3 million to Mr Soula and reimbursed travel expenses. During 2010 the Company paid consultancy fees totalling DKK 0.6 million to Mr Soula and reimbursed travel expenses. During 2011 the Company paid consultancy fees totalling DKK 0.10 million to Mr Soula and reimbursed travel expenses. Veloxis has no outstanding balances with Mr Soula as at the date of this Prospectus.

In 2008, the Company entered into a consulting agreement with the then chairman of the board of directors Paul Edick, pursuant to which Mr Edick provided consulting services and advice to the Company. The consultancy agreement ended at the end of April 2009. From May 2009 until April 2011, Mr Edick received a monthly special assignment fee equal to USD 12,500 (DKK 68,251). During 2009, the Company paid consultancy as well as special assignment fees totalling DKK 0.7 million to Mr Edick and reimbursed travel expenses. During 2010 the Company paid DKK 0.8 million (covering both consultancy fees and special assignment fees) to Mr Edick and reimbursed travel expenses. During 2011 the Company paid special assignment fees totalling DKK 0.5 million to Mr Edick and reimbursed travel expenses. Veloxis has no outstanding balances with Mr Edick as at the date of this Prospectus.

Members of the Board of Directors and the Executive Management have been granted warrants to subscribe for Shares in the Company. See Part I, Section 17.2 "Shareholdings and warrants of members of the Board of Directors, the Executive Management and the Senior Management".

For a description of the remuneration received by the Board of Directors and the Executive Management, see Part I, Section 15 "Remuneration and benefits". For a description of warrants issued to the Board of Directors and the Executive Management, see Part I, Section 21.2 "Warrant programmes".

H. LUNDBECK A/S

The Company received maintenance and services from H. Lundbeck A/S for an amount of DKK 0.4 million in 2009. The agreement was terminated in 2009.

MAJOR SHAREHOLDERS

In connection with the 2010 rights issue, Lundbeckfond Invest A/S and Novo A/S undertook to subscribe for offer shares not subscribed for by exercise of preemptive rights, and the Company agreed that Lundbeckfond Invest A/S and Novo A/S would receive a subscription commission equal to 2.5% of their full undertaking. In 2011, Veloxis paid DKK 2.5 million as subscription commission to each of Lundbeckfond Invest A/S and Novo A/S in relation to such agreement.

Lundbeckfond Invest A/S and Novo A/S are not entitled to a commission for their undertakings to subscribe for any available Remaining Shares. See Part III, Section 5.23 "Undertakings to subscribe".

Lundbeckfond Invest A/S and Novo A/S have made conditional advance undertakings to subscribe for up to all of the Remaining Shares. If and to the extent other existing shareholders (who were shareholders in the Company as at the Prospectus Date) have submitted binding commitments to subscribe for Remaining Shares, such other existing shareholders and Lundbeckfond Invest A/S and Novo A/S will be allocated Remaining Shares on a pro rata basis based on the Shares they each held on the Prospectus Date and subject to any maximum indicated by other existing shareholders.

The two major shareholders have agreed to sell and transfer such number of Offer Shares, if relevant, amongst them in connection with completion of the Offering as are necessary to ensure that neither of them reach an ownership interest of more than 33.32% in the Company or, if that is not possible, to ensure that their shareholdings in the Company shall be of exactly the same size after completion of the Offering. Consequently, the Company does not expect that either Lundbeckfond Invest A/S or Novo A/S will obtain a controlling interest in the Company as a consequence of the Offering.

20. FINANCIAL INFORMATION CONCERNING THE COMPANY'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

20.1 Financial information

For financial information concerning the Company, reference is made to Part II "Financial information".

20.2 Dividends

The Company has to date not declared or paid any dividends, and the Company currently intends to retain all available financial resources and any earnings generated by its operations for use in the business and the Company does not anticipate paying any dividends in the foreseeable future. The payment of any dividends in the future will depend on a number of factors, including future earnings, capital requirements, financial condition and future prospects, applicable restrictions on the payment of dividends under Danish law and other factors that the Board of Directors may consider relevant.

The Company's dividends, if declared, will be paid in DKK to the shareholder's account set up through VP Securities. No restrictions on dividends or special procedures apply to holders of the Shares who are not residents of Denmark. Dividends which have not been claimed within three years from the time they are payable are forfeited, and all such dividends will accrue to the Company.

See Part III, Section 4.11 "Taxation" for a summary of certain tax consequences in respect of dividends or distributions to holders of Offer Shares.

20.3 Litigation

IMPAX LABORATORIES, INC.
On 28 April 2010, Shionogi Inc. and the Company jointly filed, in the U.S. District Court for the District of Delaware, a patent infringement lawsuit against Impax Laboratories, Inc. in response to their ANDA for proposed generic Fenoglide (fenofibrate) 40 and 120 mg tablets. Impax Laboratories, Inc. had generic versions approved in the United States of higher doses of fenofibrate products (200 mg capsules and 160 mg tablets). In their ANDA, Impax Laboratories, Inc. requested approval to sell generic Fenoglide tablets following the approval by the FDA. Shionogi Inc. and Veloxis' lawsuit asserted that Impax Laboratories, Inc., if permitted to market generic Fenoglide tablets following a potential approval of the ANDA, would infringe Veloxis' patent covering Fenoglide (patent number U.S. 7,658,944 which expires in 2024) and requested that the Court enter an injunction barring the sale of the Impax Laboratories, Inc. ANDA product until the expiration of the Veloxis patent. This patent infringement lawsuit was settled in December 2011 by granting Impax Laboratories, Inc. a sublicence to begin selling a generic version of Fenoglide on 1 October 2015, or earlier under certain circumstances. The settlement arrangement was reviewed by the U.S. Department of Justice and the Federal Trade Commission, and in February 2012 the U.S. District Court for the District of Delaware terminated the litigation following its stipulation and order of dismissal with prejudice.

SHIONOGI INC.
In February 2012, HRP filed in the New York State Supreme Court in Manhattan a lawsuit against Shionogi Inc., alleging breach of the licence agreement entered into between Veloxis and Shionogi Inc. See Part I, Section 22 "Material agreements" for a description of the licence agreement. Veloxis is not named as party to that lawsuit and has not received any legal process or other communication from the parties about that lawsuit. There can be no assurance that the Company will not be involved in that lawsuit by either party, for example by either or both parties seeking to obtain discovery from Veloxis. Veloxis has a contractual obligation to cooperate with HRP in litigation related to the licence agreement.

Apart from the above, the Company has for the past 12 months neither been a party to any governmental, legal or arbitration proceedings that have had a material effect on the financial position or results of operations of the Company or its subsidiary, nor is the Company aware of any such threatened proceedings that would reasonably be expected to have such an effect.

20.4 Financial position

In October 2012, the Company entered into a partnership agreement with Chiesi in respect of the commercialisation of LCP-Tacro in certain other countries, including Europe, Turkey and CIS Countries. See Part I, Section 22 "Material agreements" for a summary of this agreement.

Except for the above-mentioned agreement with Chiesi, no material changes have occurred to the Company's financial or trading position since the release of the Company's interim report for the six months ended 30 June 2012 on 22 August 2012, other than the expenditure of cash in the ordinary course.

21. ADDITIONAL INFORMATION

21.1 Share capital before and after the Offering

SHARE CAPITAL
Immediately prior to the Offering, the Company's registered share capital is nominally DKK 45,254,248, corresponding to 452,542,480 Shares with a nominal value of DKK 0.10 each. Immediately after the Offering, the Company's registered share capital will be nominally DKK 165,932,242.60, corresponding to 1,659,322,426 Shares with a nominal value of DKK 0.10 each. The Company has no share classes and all shares are issued and fully paid up.

See Part I, Section 21.4 "Description of the Company's Articles of Association" for a description of the authorisation which has been exercised in connection with the Offering.

TREASURY SHARES
At the Company's annual general meeting held on 18 April 2012, the Board of Directors was authorised to let the Company acquire treasury shares with a nominal value of up to 10% of the Company's share capital. As at the Prospectus Date, the Company does not hold any Shares in treasury.

REVERSE SHARE SPLIT
As at the Prospectus Date it is the Company's intention to propose a reverse share split of the Company's Shares at a general meeting, whereby the current nominal share size of DKK 0.10 will be increased. All Shares in the Company will be exchanged at a ratio to be determined. If a shareholder possesses a number of Shares (be it the entire or part of the shareholding) that is not enough to entitle the holder to a whole new Share, such excess Shares may be subject to redemption by the Company. The resolution to reverse share split will require a deciding majority of 9/10 of the votes cast and share capital represented at the general meeting. If the proposal is adopted, the Company will, in accordance with the practice of the Danish Business Authority, allow for the redeemed shareholders to request that the redemption price is valued by experts and allow such notice periods as required by the Danish Business Authority. The above is a description of the Company's intentions as at the Prospectus Date, and there can be no assurance that a reverse share split will be proposed nor adopted at a general meeting at all or in accordance with the description set out above. See "Risk factors - Risks related to the Shares" for a description of the risks related to the reverse Share split.

21.2 Warrant programmes

The Company has established warrant programmes for members of the Board of Directors, the Executive Management, the Senior Management and other employees, consultants and advisers.

The Board of Directors has been authorised to issue additional warrants and to determine the terms and conditions thereof. See Part I, Section 21.4 "Description of the Company's Articles of Association".

See Part I, Section 17.2 "Shareholdings and Warrants for Members of the Board of Directors, the Executive Management and the Senior Management" for information regarding holdings of shares and warrants for the individual members of the Board of Directors, the Executive Management and the Senior Management.

With respect to warrants granted prior to 15 December 2010, certain customary adjustment clauses apply in the event of changes to the Company's share capital at a price which does not correspond to market price. In the Offering, the price per Offer Share is below market price of the Shares prior to the announcement of Interim report for second quarter 2012 in which the intention to obtain further financing through a rights issue below market price and at a price not lower than DKK 0.35 per Share was announced. The number of outstanding warrants as well as the exercise price of these warrants will thus be adjusted following the completion of the Offering. The recalculation of the exercise price and the number of warrants will be based on a comparison between the Offer Price and the closing price listed on NASDAQ OMX on 22 August 2012 of DKK 0.56 prior to the announcement of the Interim report for second quarter 2012. The recalculation will ensure that the value of the outstanding warrants granted prior to 15 December 2010 is not diluted as a result of the Offering being carried out below market value. Table 12 below and the section headed "General terms for the Company's warrant programmes" further below show the number of outstanding warrants and the exercise price of the Company's warrant programmes before and following adjustment as a result of the Offering.

TABLE 12. ISSUED AND OUTSTANDING WARRANTS

Issue date	Number of warrants outstanding (unadjusted for the Offering)	Number of warrants outstanding (adjusted for the Offering)(2)	Exercise price in DKK per Share of nominally DKK 0.10 (unadjusted for the Offering)	Exercise price per Share of nominally DKK 0.10 (adjusted for the Offering)(2)	Percentage of total number of outstanding warrants	Percentage of outstanding Shares on a fully diluted basis following the Offering(2)
5 March 2007	198,312 (1)	272,679	20.80(1)	15.13	1.01%	0.02%
9 May 2007	226,434 (1)	311,347	21.37(1)	15.54	1.15%	0.02%
21 August 2007	142,786 (1)	196,332	19.67(1)	14.30	0.72%	0.01%
27 November 2007	37,019 (1)	50,901	15.69(1)	11.41	0.19%	0.00%
28. February 2008	171,870 (1)	236,321	12.48(1)	9.08	0.87%	0.01%
24 April 2008	715,488 (1)	983,796	12.16(1)	8.84	3.63%	0.05%
14 May 2008	192,529 (1)	264,727	12.43(1)	9.04	0.98%	0.01%
21 August 2008	241,062 (1)	331,460	11.74(1)	8.54	1.22%	0.02%
16 October 2008	- (1)	-	6.68(1)	4.86	0.00%	0.00%
26 November 2008	255,178 (1)	350,869	5.76(1)	4.19	1.29%	0.02%
3 March 2009	1,212,366 (1)	1,667,003	4.83(1)	3.52	6.14%	0.09%
14 May 2009	147,678 (1)	203,057	6.12(1)	4.45	0.75%	0.01%
20 August 2009	133,561 (1)	183,646	4.40(1)	3.20	0.68%	0.01%
11 November 2009	419,143 (1)	576,322	3.22(1)	2.34	2.12%	0.03%
2 December 2009	760,104 (1)	1,045,143	2.69(1)	1.96	3.85%	0.06%
24 February 2010	939,391 (1)	1,291,663	2.79(1)	2.03	4.76%	0.07%
12 May 2010	108,586 (1)	149,306	2.24(1)	1.63	0.55%	0.01%
18 August 2010	421,797 (1)	579,971	1.86(1)	1.36	2.14%	0.03%
28 October 2010	1,945,445 (1)	2,674,987	1.44(1)	1.05	9.86%	0.15%
15 December 2010	11,520,373	11,520,373	1.23	1.23	42.46%	0.64%
1 March 2011	2,612,052	2,612,052	1.23	1.23	9.63%	0.14%
10 May 2011	250,000	250,000	1.16	1.16	0.92%	0.01%
16 November 2011	1,180,122	1,180,122	1.03	1.03	4.35%	0.07%
16 November 2011	200,000	200,000	1.00	1.00	0.74%	0.01%
Total	**24,031,296**	**27,132,077**	**-**	**-**	**100%**	**1.51%**

Notes
(1) Number of warrants and exercise prices shown is adjusted for the rights issues in April 2008, November 2010 and October 2012
(2) The adjustment has been calculated on the basis of the closing price at 22 August 2012 of DKK 0.56

The weighted average subscription price per Share per outstanding warrant is approximately DKK 2.75 (adjusted: DKK 2.44). The outstanding number of warrants represents 5.31% of the Company's registered share capital (calculated immediately prior to the Offering) and 1.51% of the Company's registered share capital on a fully diluted basis following the Offering.

GENERAL TERMS FOR THE COMPANY'S WARRANT PROGRAMMES

VESTING PRINCIPLES GENERALLY

All warrants have been issued by the Board of Directors pursuant to valid authorisations in the Articles of Association, and the terms and conditions have in accordance with applicable legislation been incorporated in the Articles of Association. The description below merely contains a summary of the terms and conditions applicable and does not purport to be complete. Warrants issued vest in general at a rate of 1/36th or 1/48th per month from the date of grant. Some warrants have, however, been deemed vested in full upon grant. The warrants issued are subject to certain restrictions on exercise as more fully described below.

VESTING AND EXERCISE PRINCIPLES FOR THE EXECUTIVE MANAGEMENT AND EMPLOYEES

Warrants cease to vest upon termination of the employment relationship in the event that (i) a warrant holder resigns without this being due to the Company's breach of contract, or (ii) if the Company terminates the employment relationship where the employee has given the Company good reason to do so. For warrants granted on 14 May 2008 and later to employees who are not comprised by the Danish Stock Option Act, warrants cease to vest upon termination of the employment relationship, regardless of the reason for such termination, unless specifically agreed otherwise in connection with the employment. The warrant holder will be entitled to exercise vested warrants in the first coming exercise period after termination. If the first exercise period after termination falls within three months of the termination date, the warrant holder shall, additionally, be entitled to exercise in the following exercise period. In all other instances than (i) and (ii) above, warrants continue to vest as they would

normally have vested had the employee remained employed by the Company. Certain warrants were either vested in full upon grant or are subject to specific provisions on accelerated vesting in the event of mergers, change of control and similar.

EXERCISE PRINCIPLES FOR MEMBERS OF THE BOARD OF DIRECTORS, CONSULTANTS AND ADVISERS

Exercise of warrants issued to members of the Board of Directors, consultants and advisers is conditional upon the warrant holder being connected with the Company as a member of the Board of Directors, consultant or adviser, respectively, on the date of exercise. However, if the warrant holder's position has been terminated without this being attributable to the warrant holder's actions or omissions, the warrant holder shall be entitled to exercise vested warrants in the predetermined exercise periods.

EXERCISE PERIODS

Vested warrants may be exercised in four annual exercise periods that run for 21 days from and including, respectively, the day after the Company's publication of (i) the annual report notification, or if such notification is not published, the annual report, (ii) the interim report (six-month report), (iii) the interim financial report for the first three months of the year, and (iv) the interim financial report for the first nine months of the year. With respect to warrants granted prior to 14 May 2008, the exercise periods are two annual exercise periods that run for 21 days from and including, respectively, the day after the Company's publication of (i) the annual report notification, or if such notification is not published, the annual report, and (ii) the interim report (six-month report). In the event of liquidation, merger, demerger or sale or share exchange of more than 50% of the share capital of the Company, the warrant holders may be granted an extraordinary exercise period immediately prior to the transaction in which warrants may be exercised.

ADJUSTMENTS

With respect to warrants granted prior to 15 December 2010, warrant holders are entitled to an adjustment of the number of warrants issued and/or the exercise price applicable in the event of certain changes to the Company's share capital at a price other than the market price and in the event of payments of dividends in a given year in excess of 10% of the Company's equity capital. Events giving rise to an adjustment include, inter alia, increases or decreases of the share capital at a price below or above market value, respectively, and issuance of bonus Shares.

For the purpose of implementing the capital increases necessary in connection with the exercise of warrants, the Board of Directors has been authorised to increase the Company's share capital by one or more issues of Shares with a total nominal value corresponding to the number of warrants issued upon cash payment of the exercise price without any Preemptive Rights to existing shareholders.

With respect to warrants granted on 15 December 2010 and later, the warrants will not be adjusted, irrespective of whether changes are made in the Company's capital structure, including changes affecting the potential possibility of gain attached to a warrant. However, this does not apply if the nominal value of each share is changed in case of a share split or a reverse share split.

VALUE AND DILUTIVE EFFECT OF WARRANTS

The aggregate value of all outstanding warrants as at 15 October 2012 has been calculated as DKK 1.1 million using the Black-Scholes option pricing model on the assumption of (i) a share price corresponding to the closing price on 12 October 2012, (ii) a volatility at 53%, (iii) no payment of dividends, and (iv) a risk-free interest rate at 0,49% annually.

To the extent that the existing warrants are exercised or any further warrants are issued and exercised, it will result in dilution to the shareholders.

21.3 Historical development of the Company's share capital

Table 13 below sets forth the changes in the Company's share capital since 2009 but before the completion of the Offering:

TABLE 13. CHANGES IN SHARE CAPITAL

Date	Transaction	Share capital before changes in share capital Share capital	Share capital after changes in share capital	Share price in DKK
25 March 2009	Cash contribution[1]	56,287,507	56,438,320	6.40[5]
10 September 2009	Cash contribution[2]	56,438,320	56,567,810	6.48
29 October 2010	Cash contribution[3]	56,567,810	452,542,480	1.2
18 April 2012	Share capital reduction[4]	452,542,480	45,254,248	-

Notes:
[1] Issuance of 150,813 Shares in connection with the subscription through the exercise of warrants
[2] Issuance of 129,490 Shares in connection with the subscription through the exercise of warrants
[3] Issuance of 395,974,670 shares in connection with the rights issue on 29 October 2010
[4] The capital reduction has been carried out by a reduction of the denomination of all of the Shares issued by the Company, as the denomination of all issued Shares was reduced from nominally DKK 1 to nominally DKK 0.10
[5] The share price indicated reflects the weighted average subscription price per Share

21.4 Description of the Company's Articles of Association

Set forth below is a brief description of the Company and certain provisions contained in the Articles of Association of the Company as at the Prospectus Date, as well as a brief description of certain provisions of the Danish Companies Act. Such summary does not purport to be complete and is qualified in its entirety by reference to the Company's Articles of Association and Danish laws.

AUTHORISATIONS TO INCREASE THE COMPANY'S SHARE CAPITAL

SHARE CAPITAL

At the Company's extraordinary general meeting held on 20 September 2012, the Board of Directors was authorised, until 1 September 2013, at its own discretion, to increase the Company's share capital by up to nominally DKK 135,000,000 (corresponding to 1,350,000,000 Shares, each with a nominal value of DKK 0.10) in one issue. The capital increase pursuant to this authorisation shall be carried out through cash contributions with preemptive rights for all shareholders in the Company. Subject to the decision of the Board of Directors, Shares that are not subscribed for within the subscription period by existing shareholders with preemptive rights, may be offered to new investors. This authorisation has been exercised immediately prior to the publication of the Prospectus.

The Board of Directors is also authorised to increase the Company's share capital by up to nominally DKK 79,025,330. The authorisation is valid until 24 October 2015. Capital increases pursuant to this authorisation may be carried out through cash contributions, contributions in kind (including for example takeover of existing businesses) or the conversion of debt. The capital increase may be carried out with or without preemptive rights for existing shareholders at the discretion of the Board of Directors.

In addition, the Board of Directors is authorised to increase the Company's share capital by up to nominally DKK 5,500,000. The authorisation is valid until 23 April 2013. Capital increases pursuant to this authorisation may be carried out through cash contributions, contributions in kind (including for example takeover of existing businesses) or the conversion of debt. The capital increase may be carried out with or without preemptive rights for existing shareholders at the discretion of the Board of Directors. The Board of Directors may also use the authorisation on one or more occasions and without preemptive rights for the existing shareholders to issue Shares to employees of the Company and its subsidiaries by cash payment at market price or at a discount price as well as by the issue of bonus Shares.

WARRANTS

The Board of Directors is authorised to issue up to 27,370,086 warrants (21,355,908 remain following last warrant issue on 16 November 2011) to the members of the Board of Directors, the Executive Management, the Senior Management, employees and consultants and advisers of the Company and the Company's subsidiaries without preemptive rights for the existing shareholders. The authorisation is limited to the extent that the number of Shares that may be subscribed for through the exercise of warrants issued and outstanding in the Company may not exceed 10% of the Company's registered share capital as calculated at the time of issuance of the warrants in question. Each warrant will confer the right to subscribe for one Share with a nominal value of DKK 0.10 at an exercise price of minimum the market price of the Company's Shares at the date of issuance of the relevant warrants. The authorisation to issue warrants is valid until 20 April 2015. The Board of Directors has also been authorised to increase the share capital to the extent that warrants are exercised.

At the Company's extraordinary general meeting held on 20 September 2012, the Board of Directors was authorised to issue up to 144,203,398 warrants to the members of the Board of Directors, the Executive Management and employees of the Company and the Company's subsidiaries without preemptive rights for the existing shareholders. Each warrant will confer the right to subscribe for one Share with a nominal value of DKK 0.10 at an exercise price of minimum the market price of the Company's Shares at the date of issuance of the relevant warrants. The authorisation to issue warrants is valid until 20 September 2017. The Board of Directors has also been authorised to increase the share capital to the extent that warrants are exercised. No resolution has been made to exercise the authorisation as at the Prospectus Date. The Board of Directors will in connection with future grants of new warrants consider cancellation of outstanding warrants in the Company in order to ensure the correct capital structure in the Company.

OBJECTS CLAUSE

The Company's object, as set out in Article 2 of the Articles of Association, is to engage in medical research, production and the sale of such products and related business.

SUMMARY OF PROVISIONS REGARDING THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

Pursuant to the Articles of Association, the part of the Board of Directors elected by the shareholders at the general meeting shall be composed of no less than three and no more than nine members. Board members are elected for a term of one year. Members of the Board of Directors may stand for re-election. Currently, the Board of Directors consists of six members who are elected by the shareholders. Members of the Board of Directors shall retire from the Board of Directors at the annual general meeting following immediately after his attaining the age of 75.

The Board of Directors shall employ an Executive Management consisting of one to five members to attend to the day-to-day management of the Company. The Board of Directors shall determine the terms and conditions of the employment.

21.5 Description of the Company's Shares

VOTING RIGHTS

At general meetings each Share shall carry one vote. There are no limitations under the Articles of Association or under Danish law on the rights of foreigners or non-Danish citizens to hold or to vote on the Company's Shares.

DIVIDEND RIGHTS

Pursuant to the Danish Companies Act, general meetings may resolve distribution of ordinary and extraordinary dividends.

The Offer Shares shall carry the same rights as the Existing Shares to any dividends declared from the date the Offer Shares are registered with the Danish Business Authority.

The Company has to date not declared or paid any dividends, the Company currently intends to retain all available financial resources and any earnings generated by the operations for use in the business and the Company does not anticipate paying any dividends in the foreseeable future. The payment of any

dividends in the future will depend on a number of factors, including future earnings, capital requirements, financial condition and future prospects, applicable restrictions on the payment of dividends under Danish law and other factors that the Board of Directors may consider relevant.

The Company's 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 the Shares who are not residents of Denmark. Dividends which have not been claimed within three years from the time they are payable are forfeited and all such dividends will accrue to the Company.

See Part III, Section 4.11 "Taxation" for a summary of certain tax consequences in respect of dividends or distributions to holders of Offer Shares.

PREEMPTIVE RIGHTS
If the shareholders of the Company at a general meeting resolve to increase the share capital of the Company by a cash contribution, section 162 of the Danish Companies Act will apply. Under that section, shareholders have a preemptive right to subscribe for new shares in proportion to their existing shareholdings. However, the preemptive 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 that the share capital increase takes place at market price.

The Board of Directors may resolve to increase the Company's share capital without preemptive rights for existing shareholders pursuant to authorisations in the Company's Articles of Association as set out in Part I, Section 21.4 "Description of the Company's Articles of Association".

Due to restrictions under applicable legislation and regulations, the Company expects that certain investors in jurisdictions outside Denmark may not be able to exercise their preemptive rights or to subscribe for the Offer Shares.

RIGHTS ON LIQUIDATION
In case of liquidation of the Company shareholders will be entitled to participate in the distribution of excess assets in proportion to their respective nominal shareholdings after payment to the Company's creditors.

OTHER RIGHTS
All Shares have equal rights and the Articles of Association do not include provisions allowing for a conversion of the Shares. No shareholder shall be obliged to have Shares redeemed in whole or in part by the Company or others other than as provided in the Danish Companies Act. There are no limitations on the right to hold Shares under the Articles of Association or Danish law.

21.6 General meetings

The general meeting is the supreme authority in all matters, subject to the limitations provided by Danish law and the Articles of Association. General meetings shall be held in the Greater Copenhagen area. The annual general meeting shall be held within four months after expiry of the financial year.

At the annual general meeting, the audited annual report is submitted for approval together with the proposed appropriations of profit/treatment of loss. Furthermore, elections of the Board of Directors and auditors take place, the Board of Directors submits a report on the Company's activities during the past year and the annual fee to the Board of Directors is submitted for approval.

General meetings shall be convened by the Board of Directors with a minimum of three weeks' notice and a maximum of five weeks' notice by announcement in the Danish Business Authority's information system as well as on the Company's webpage. A convening notice shall also be forwarded to shareholders recorded in the Company's register of owners who have requested such notification.

No later than three weeks before a general meeting (inclusive of the day of the general meeting), the Company shall make the following information and documents available on the Company's website: The convening notice, the total number of Shares and voting rights on the date of the convening notice, the documents that shall be presented at the general meeting, the agenda and the complete proposals, as well as the forms to be used for proxy voting or voting by letter, unless these are sent directly to the shareholders.

Shareholders are entitled to attend general meetings either in person or by proxy. A shareholder's 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. 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 on the basis of the registration of ownership in the Company's register of owners, as well as notifications concerning ownership which the Company has received with a view to updating the ownership in the register of owners. In addition, any shareholder who is entitled to attend a general meeting and who wishes to attend must have requested an admission card from the Company no later than three days in advance of the general meeting. Shareholders who are entitled to vote may also vote by letter. Votes made by letter must be received by the Company no later than 12.00 noon on the business day before the general meeting.

A shareholder is entitled to submit proposals to be discussed at the annual general meeting. However, proposals by the shareholders to be considered at the annual general meeting must be submitted in writing to the Board of Directors no later than six weeks before the annual general meeting, unless the Board of Directors resolves that proposals submitted later were submitted in such timely fashion that the motion can be included on the agenda.

Extraordinary general meetings shall be held at the request of a general meeting, the Board of Directors, the Company's auditors or shareholders representing at least 1/20 of the share capital.

All resolutions made by the general meeting shall be adopted by a simple majority of votes, subject to the mandatory provisions of the Danish Companies Act and the Articles of Association. Resolutions concerning all amendments to the Articles of Association shall be adopted by two-thirds of the votes cast as well as two-thirds of the share capital represented at the general meeting. However, certain resolutions, including resolutions which limit a shareholder's ownership or voting rights, are subject to approval by at least a nine-tenth majority of the votes cast and the share capital represented at the general meeting. Decisions to increase the obligations of the shareholders towards the Company require unanimity.

21.7 Provisions in the Articles of Association or other rules that may lead to a delay of a change of control of the Company

The Articles of Association authorise the Board of Directors to increase the share capital of the Company without preemptive rights for the existing shareholders, see Part I, Section 21.4 "Description of the Company's Articles of Association". One member of the Company's Executive Management and one member of the Company's Senior Management have change of control provisions in their employment contracts, see Part I, Section 16.3 "Information regarding contract terms for the Executive Management and the Senior Management". Depending on the specific circumstances, the Board of Directors' resolution to issue Shares without preemptive rights and/or the applicable change of control provisions may delay, defer or prevent a change of control of the Company.

21.8 Disclosure requirements

See Part III, Section 4.9 "Danish regulations governing mandatory takeover bids, redemption of shares and disclosure requirements" for a description of notifications concerning major shareholdings.

22. MATERIAL AGREEMENTS

As part of the Company's business, the Company has entered into agreements with third parties concerning activities relating to the Company's product or product candidates. The following agreements represent all of the agreements to which the Company is a party which are considered to be material to the Company's business as at the Prospectus Date:

CHIESI - *LICENCE, SUPPLY AND DISTRIBUTION AGREEMENT*
In October 2012 the Company entered into a licence, supply and distribution agreement with Chiesi for the further development and commercialisation of LCP-Tacro in certain other countries, including Europe, Turkey and CIS Countries. Under the terms of the agreement the Company has granted Chiesi an exclusive non-transferable licence to commercialise and distribute LCP-Tacro in this territory. Chiesi will also have the right, subject to Veloxis' agreement, to develop LCP-Tacro for further indications in the territory.

Under the terms of the agreement, Veloxis will receive up-front and milestone payments of up to USD 47.5 million (in aggregate). The milestone payments are subject to the achievement of certain milestone events, including regulatory milestones and sales targets. Chiesi shall be fully responsible for all costs associated with the commercialisation. Veloxis will supply product to Chiesi for sale in the territory at a transfer price at a pre-agreed double-digit percentage of the product's sales price, subject to a minimum transfer price. In addition, Chiesi is committed to certain minimum purchase obligations.

The agreement will expire on a country-by-country basis, upon the later of (i) 10 years from start of commercialisation in at least four of the following countries: France, Germany, Italy, Spain and the United Kingdom, or (ii) expiration of the last valid claim covering LCP-Tacro in each relevant country of the territory.

The agreement may, under certain customary circumstances, be terminated by either Chiesi or Veloxis.

The parties shall indemnify the other party from any claims and losses arising out of certain events, including any theory of product liability or the death, personal injury, or illness of any person in the territory, and arising directly (as the case may be) from Veloxis' development, manufacture or delivery of product to Chiesi, or Chiesi's commercialisation or development of the product in the territory, respectively, but excluding any claim that is covered by the other party's indemnification obligations.

The governing law of the agreement is the substantive law of England. A dispute that can not be resolved shall be submitted to binding arbitration and shall be subject to the rules of the London Court of International Arbitration. The place of arbitration shall be London, England.

ROTTENDORF PHARMA GMBH ("ROTTENDORF")
– MANUFACTURING SERVICES AGREEMENT
In October 2012 the Company entered into a manufacturing services agreement with Rottendorf for the manufacture of LCP-Tacro worldwide. Under the terms of the agreement, Rottendorf is required to manufacture and supply all quantities of LCP-Tacro ordered by the Company. Save in the event of supply failure, the Company is required to purchase its entire requirement of LCP-Tacro from Rottendorf for the first three years of the supply arrangement, and a certain part of its requirement thereafter, and has also committed to certain minimum order quantities. The fees to be charged by Rottendorf for the manufacturing services and the supply of the manufactured product are fixed for the first three years of the agreement, and may only be adjusted in certain circumstances.

The initial term of the agreement is five years, following which the agreement automatically continues for successive terms of two years, unless either party gives at least two years' notice of an intention to terminate. In addition, either party may terminate the agreement in the event of material breach of the agreement by the other party or in the event that the other party commences or becomes subject to any bankruptcy or analogous proceeding. Veloxis may also terminate the agreement in certain additional circumstances, including by giving 12 months' notice for any business reason.

The parties shall indemnify the other party from third party claims which arise out of certain actions, breaches, gross negligence or willful misconduct of the other party as well as any theory of product liability, but excluding any claim that is covered by the other party's indemnification obligations.

The governing law of the agreement is the law of Switzerland. A dispute that can not be resolved shall be submitted to binding arbitration and shall be subject to the Rules of Arbitration Procedure of the International Chamber of Commerce. The venue of arbitration shall be London, England

HRP – *PURCHASE AND LICENCE AGREEMENTS*
In April 2007, the Company entered into a licence agreement, as amended, with Shionogi Inc. to develop and commercialise Fenoglide in the United States, Canada and Mexico. Under this licence agreement, Shionogi Inc. began marketing Fenoglide in the United States in February 2008 under the brand name Fenoglide. Under the terms of the licence agreement Shionogi Inc. agreed to use commercially reasonable efforts to commercialise Fenoglide in the United States, Canada and Mexico. Shionogi Inc. terminated the licence agreement with the Company, effective November 2010.

In August 2008, the Company entered into a purchase agreement with HRP. According to the terms of the purchase agreement, all future royalty and potential milestone payments on or after 1 July 2008 related to Fenoglide in North America due to the Company from Shionogi Inc. (or any other licensee of Fenoglide) shall be made to HRP. In connection with its purchase agreement with HRP, the Company also granted HRP an exclusive, royalty-free licence with the right to sublicense, develop, manufacture and sell Fenoglide in the United States, Canada and Mexico, which licence is subject to the prior rights granted by the Company to Shionogi Inc.

In consideration for the sale and assignment of the future royalty stream from the future sales of Fenoglide and for the intellectual property rights, HRP made an up-front, irrevocable, non-refundable and non-deductible payment to the Company of USD 29 million (DKK 152 million). In addition to the up-front payment, under the terms of the purchase agreement with HRP the Company may be entitled to additional payments totalling USD 76 million (DKK 397 million) upon the realisation of certain sales milestones, but subject to certain conditions. The Company does not expect to receive any such additional payments.

Under the terms of the purchase agreement, the Company remains responsible for fulfilling all obligations under the Shionogi Inc. licence agreement. In addition, the Company remains obligated to prosecute, defend and assert certain patent rights related to Fenoglide. Furthermore, the Company is obligated to inform HRP of any action, claim, investigation, proceeding etc. relating to the Shionogi Inc. licence agreement, the royalty stream or the intellectual property rights, and the Company is obligated to cooperate and provide reasonable assistance to HRP with any litigation, arbitration or other proceedings relating to the purchase agreement, the royalty stream or the intellectual property rights. Except for certain exceptions, the Company has agreed not to, directly or indirectly, license or commercialise rights to a competing fenofibrate monotherapy product in North America. In connection with the agreement the Company has signed a U.S. law security agreement and a Danish law mortgage deed whereby the Company provides HRP with a first priority pledge of the patent applications, patents, know-how and commercial use relating to Fenoglide.

HRP can terminate the purchase agreement in the event that the licence agreement regarding the production and sale of Fenoglide is terminated without the written consent of HRP. The Company's obligations under the purchase agreement with HRP may terminate under certain circumstances in the event that any payment due to the Company under the purchase agreement is not made in full on the agreed payment date and HRP fails to correct this within a certain time frame.

As a result of Shionogi Inc.'s notice in 2010 to terminate the licence agreement regarding Fenoglide, the parties transferred the NDA for Fenoglide to Shore Therapeutics, Inc. Under the purchase agreement, the Company and HRP have agreed that, in the event any licence agreement regarding Fenoglide is terminated, they shall each use commercially reasonable efforts, at each party's own cost and expense, to locate and secure a replacement licensee to develop, make, use and sell Fenoglide. Under the purchase agreement, at the reasonable direction of HRP, the Company also has the obligation to take all actions necessary to enforce its rights and the rights of HRP under any such licence agreement.

The HRP purchase agreement is governed by the laws of the State of New York, United States.

In the first quarter of 2012, the NDA for Fenoglide was transferred from Shore Therapeutics, Inc. to Santarus, Inc. as the new licensee to develop, make, use and sell Fenoglide, including responsibility for commercial, manufacturing and regulatory activities for Fenoglide. The Company undertakes obligations and liabilities towards the new licensee similar to those of the Company set forth in the terminated licence agreement with Shionogi Inc. These obligations include:

- The granting of an exclusive royalty-bearing licence to certain intellectual property rights of the Company to develop and commercialise Fenoglide in the United States, Canada and Mexico.
- The indemnification for the losses arising out of third party claims resulting from the Company's negligent or wilful misconduct in the performance of the Company's obligations under the terms of the licence agreement as well as from breach of the representations, warranties, covenants or obligations pursuant to the licence agreement.
- The Company shall also indemnify the licensee for losses arising out of third party claims resulting from the development or commercialisation, including the manufacture, sale and use, of Fenoglide in or outside the United States, Canada and Mexico by the Company or the Company's affiliates, sublicensees or customers (excluding the licensee), including product liability claims.

ATHENA DRUG DELIVERY SOLUTIONS PVT. LTD. ("ATHENA") – *ATORFEN TRANSFER AND LICENCE AGREEMENT*
In December 2011, the Company entered into a transfer and licence agreement with Athena, pursuant to which Athena is granted an exclusive right to seek to obtain rights in certain emerging market territories to manufacture and, with third parties, develop, register and commercialise the Company's AtorFen (fenofibrate atorvastatin fixed dose combination). Under this agreement, Athena will seek to establish and fund AtorFen manufacturing capabilities in India and through partnerships with regional and country level pharmaceutical companies develop and, once approved, commercialise the product. The Company undertook to transfer its technology for the manufacturing of AtorFen to Athena, with all expenses funded by Athena, and the Company will retain 70% of all revenues generated (subject to a minimum royalty rate). The Company will retain the right to reclaim major territories or regions where third party distributors are not established by Athena within certain time intervals. The agreement is governed by the laws of Switzerland, Canton of Zürich. Any dispute, apart from actions for injunctive relief arising out of any claim or disputes arising out of or in connection with all actions and proceedings relating to infringement of patents and non-disclosure, non-use and maintenance of confidential information, shall be submitted to binding arbitration held in the City of Zürich, Switzerland, under the rules of the International Chamber of Commerce.

H. LUNDBECK A/S – *MELTDOSE TRANSFER AND LICENCE AGREEMENT*
In June 2002, the Company entered into a transfer and licence agreement with H. Lundbeck A/S, pursuant to which H. Lundbeck A/S irrevocably transferred the full title to all of its patent and know-how rights to the MeltDose technology to the Company in consideration for Shares and a non-exclusive, perpetual, worldwide, royalty-free licence from the Company back to H. Lundbeck A/S of rights to develop and commercialise therapeutic or prophylactic MeltDose treatments of central or peripheral nervous system diseases. H. Lundbeck A/S agreed to make certain milestone payments to the Company if certain regulatory milestones are achieved with respect to H. Lundbeck A/S products utilising the MeltDose technology. Subject to applicable Danish mandatory bankruptcy provisions, H. Lundbeck A/S is entitled to purchase the transferred patents and know-how rights in the event that the Company enters into any kind of liquidation or files for bankruptcy or any kind of protection under applicable bankruptcy laws, if the Company is declared bankrupt or insolvent or undergoes comparable procedures. H. Lundbeck A/S' purchase price is agreed at DKK 2.5 million, with an added annual interest of 15% from the date of the agreement and until exercise of the purchase option. The transfer and licence agreement is governed by Danish law.

PPD DEVELOPMENT, LP AND PPD GLOBAL LIMITED (TOGETHER, "PPD") – *MASTER SERVICES AGREEMENT FOR CLINICAL STUDIES*

In October 2008, the Company entered into a master services agreement with PPD regarding the performance by PPD of clinical development services for the Company. The Company's Phase III study of LCP-Tacro in stable kidney transplant patients, which was initiated in the second half of 2008 and the Company's Phase III clinical study of LCP-Tacro in *de novo* kidney transplant patients are covered by this master services agreement. The agreement was amended in July 2012.

Under the terms of the agreement and the accompanying project addenda, PPD has undertaken to provide certain fee-based services relating to the above-mentioned studies. In addition, the Company has undertaken to reimburse PPD for any outlays and other expenses. The studies are being conducted at a number of clinics, including in the European Union and North America, and PPD's services include consulting assistance for the administration and co-ordination of the study activities at the clinics. Further, PPD is providing a number of services in connection with the clinical studies, including preparation of protocols, regulatory filings, recruitment of clinical investigators, monitoring, data management, reporting and quality assurance and drafting, negotiation, closing and administration of clinical trial agreements and related parties contracts. PPD has undertaken to exercise all commercially reasonable efforts to meet site enrolment as set forth in the applicable study plan.

The Company is entitled to all inventions, technology, know-how or other intellectual property rights related to the study or LCP-Tacro or the applicable protocol, where such intellectual property results from the services provided by PPD.

The Company has undertaken broad indemnification obligations to indemnify PPD for losses, liabilities, etc. relating to claims relating to the agreement or the studies, except for claims arising from the negligence or intentional misconduct of PPD. PPD has undertaken to indemnify the Company for losses, liabilities, etc. arising from the negligence or intentional misconduct of PPD. With the exception of each party's indemnification obligations, each party's liability excludes indirect, special, incidental or consequential damage or loss.

The agreement expires upon completion of agreed services. The Company may terminate the agreement without cause at any time subject to 30 days' notice. Either party may further terminate the agreement in the event of material breach by the other party or the other party's insolvency.

The agreement is governed by the laws of the State of New York, United States. Any dispute shall be submitted to binding arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association.

23. THIRD PARTY INFORMATION AND STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

There are no expert statements or declarations included in this Prospectus.

For further information on market and industry information, see "General Information – Market and industry information".

24. DOCUMENTATION MATERIAL

The following documents are available for inspection during normal business hours at Veloxis Pharmaceuticals A/S' registered office, Kogle Allé 4, 2970 Hørsholm, Denmark:

- Articles of Association of Veloxis Pharmaceuticals A/S;
- Memorandum of association of Veloxis Pharmaceuticals A/S;
- Audited annual reports for the years 2009, 2010 and 2011 of Veloxis Pharmaceuticals A/S;
- Audited annual reports for the years 2009, 2010 and 2011 of Veloxis Pharmaceuticals, Inc.;
- Interim reports for the six months ended 30 June 2011 and 30 June 2012 of Veloxis Pharmaceuticals A/S;
- Interim reports for the six months ended 30 June 2011 and 30 June 2012 of Veloxis Pharmaceuticals Inc.;
- The Board of Directors' resolution to increase the share capital of Veloxis Pharmaceuticals A/S dated 15 October 2012;
- The report from the Board of Directors pursuant to section 156(2)(ii) of the Danish Companies Act with the corresponding declaration from PricewaterhouseCoopers pursuant to section 156(2)(iii) of the Danish Companies Act; and
- the Prospectus.

In addition, the International Prospectus will also be made available on the Company's website www.veloxis.com.

25. INFORMATION ON CAPITAL HOLDINGS

For information on material investments held by Veloxis in other companies, see Part I, Section 7 "Organisational structure".

26. DEFINITIONS

Allocation Time	22 October 2012 at 12:30 p.m. CET. The time when each holder of Shares who is registered with VP Securities as a shareholder of the Company will be allocated eight (8) Preemptive Rights for each Existing Share held
Alta Partners	Alta Partners III, Inc., including the funds affiliated herewith Alta BioPharma Partners III, L.P., Alta BioPharma Partners III, GmbH & Co. Beteiligungs KG and Alta Embarcadero BioPharma Partners III, LLC.
Articles of Association	Articles of Association of Veloxis Pharmaceuticals A/S dated 20 September 2012
Athena	Athena Drug Delivery Solutions Pvt. Ltd.
Banking Day	A day on which banks in Denmark are open for business
Board of Directors	The Board of Directors of Veloxis Pharmaceuticals A/S, whose members currently are Kim Bjørnstrup, Thomas P. Dyrberg, Kurt Anker Nielsen, Anders Götzsche, Mette Kirstine Agger and Edward Etienne Penhoet
Chiesi	Chiesi Farmaceutici S.p.A., Via Palermo 26/A, 43122 Parma, Italy
CIS Countries	Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan and Uzbekistan
Clearstream	Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg
Company	Veloxis Pharmaceuticals A/S, company reg. (CVR) no. 26527767, Kogle Allé 4, 2970 Hørsholm, Denmark or depending on the context Veloxis Pharmaceuticals A/S and its wholly-owned subsidiary Veloxis Pharmaceuticals Inc.
Danish Companies Act	Consolidated act no. 322 of 11 April 2011 on Public and Private Limited Companies
Danish Prospectus Order	Executive Order no. 643 of 19 June 2012 issued by the Danish Financial Supervisory Authority on prospectuses for securities admitted to trading on a regulated market and for public offerings of securities of at least EUR 5,000,000
Danish Securities Trading Act	Consolidated Act no. 855 of 17 August 2012 on Securities Trading
Euroclear	Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium
Executive Management	William J. Polvino (President and Chief Executive Officer) and Johnny Stilou (Executive Vice President and Chief Financial Officer)
Existing Shareholders	Each holder of shares registered with VP Securities as shareholders of Veloxis Pharmaceuticals A/S as at 22 October 2012 at 12:30 p.m. CET
Existing Shares	452,542,480 Shares with a nominal value of DKK 0.10 each in Veloxis Pharmaceuticals A/S immediately prior to the Offering
Global Coordinator	Handelsbanken Capital Markets
Group	Veloxis Pharmaceuticals A/S together with Veloxis Pharmaceuticals Inc.
Handelsbanken Capital Markets	Handelsbanken Capital Markets (a division of Svenska Handelsbanken AB (publ))
International Prospectus	The Prospectus prepared in the English language for the offering in Denmark, and the private placement of securities outside Denmark and the United States
HRP	Healthcare Royalty Partners LP (formerly Cowen Healthcare Royalty Partners LP)
IFRS	International Financial Reporting Standards

Major Shareholders	Lundbeckfond Invest A/S, Novo A/S and Alta Partners
NASDAQ OMX	NASDAQ OMX Copenhagen A/S
NASDAQ Rules	Rules for issuers of shares on NASDAQ OMX dated 1 October 2011
Offering	Offering of 1,206,779,946 Offer Shares with Preemptive Rights for the Existing Shareholders
Prospectus	This prospectus dated 15 October 2012
Prospectus Date	15 October 2012
Offer Price	DKK 0.35 per Share
Offer Shares	The new Shares being offered in connection with the Offering
PFIC	Passive foreign investment company, as defined under the rules and regulations of the U.S. International Revenue Service
PPD	PPD Development, LP and PPD Global Limited
Preemptive Rights	Preemptive rights allocated to Existing Shareholders to subscribe for Offer Shares on the terms set out in this Prospectus
QIBs	Qualified institutional buyers, as defined in Rule 144A under the U.S. Securities Act
Recommendations	The recommendations on corporate governance published by the Committee on Corporate Governance in August 2011
Remaining Shares	Offer Shares which have not been subscribed for by the Company's Existing Shareholders through the exercise of their allocated or acquired Preemptive Rights or by other investors through the exercise of their acquired Preemptive Rights before the expiry of the Subscription Period
Rights Issue Agreement	The agreement dated 15 October 2012 between the Company and the Global Coordinator
Rottendorf	Rottendorf Pharma GmbH, Ostenfelder Str. 51 – 61, D-59320 Ennigerloh, Germany
Rule 144A Offering	The private placement to QIBs to be made pursuant to the U.S. Prospectus
Senior Management	John D. Weinberg (Executive Vice President and Chief Commercial Officer), Lars Bjørn-Christensen (Senior Vice President, Global Technical Operations), Ronald Guido (Senior Vice President, Global Regulatory Affairs & Quality) and Christina Sylvest (Senior Vice President, Global Clinical Development & Operations)
Shares	The total of outstanding shares of Veloxis Pharmaceuticals A/S at any time
Shionogi Inc.	Shionogi Inc. (formerly Shionogi Pharma, Inc., and prior to that Sciele Pharma, Inc.)
Subscription Period	23 October 2012 at 9:00 a.m. CET to 5 November 2012 at 5:00 p.m. CET
U.S. Holder	A beneficial owner of Preemptive Rights or Offer Shares who is (i) an individual citizen or resident of the United States for U.S. federal income tax purposes (ii) a U.S. domestic corporation or other entity treated as a domestic corporation for U.S. federal income tax purposes, (iii) an estate whose income is subject to U.S. federal income tax regardless of its source, or (iv) a trust if (1) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorised to control all substantial decisions of the trust or (2) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person
U.S. Prospectus	The Prospectus prepared in the English language for the private placement of securities in the United States
U.S. Securities Act	The U.S. Securities Act of 1933, as amended
Veloxis	Veloxis Pharmaceuticals A/S, company reg. (CVR) no. 26527767, Kogle Allé 4, 2970 Hørsholm, Denmark or, depending on the context, Veloxis Pharmaceuticals A/S and its wholly-owned subsidiary Veloxis Pharmaceuticals Inc.
VP Securities	VP Securities A/S

27. ACRONYMS AND GLOSSARY

27.1 Acronyms

ANDA	Abbreviated New Drug Application	Document submitted to the FDA for the review and ultimate approval of a generic drug product. Generic drug applications are called "abbreviated" because they are generally not required to include preclinical (animal) and clinical (human) data to establish safety and effectiveness. Instead, a generic applicant must scientifically demonstrate that its product is bioequivalent (i.e., performs in the same manner as the innovator drug). Once approved, an applicant may manufacture and market the generic drug product in the United States.
BPAR	Biopsy-Proven Acute Rejection	Acute rejection of a graft in a transplant patient, e.g. a kidney transplant, confirmed by biopsy.
cGMP	Current Good Manufacturing Practice	The part of pharmaceutical quality assurance which ensures that products are consistently produced and controlled in conformity with current good manufacturing practices and quality standards appropriate for their intended use and as required by the product specification.
CNI	Calcineurin Inhibitor	A class of drugs targeting calcineurin, which is a protein phosphatase activating the T cells of the immune system. Examples of CNIs are cyclosporine, tacrolimus and pimecrolimus.
EMA	European Medicines Agency	A decentralised body of the European Union responsible for the scientific evaluation of applications for European regulatory approval for medicinal products.
FDA	Food and Drug Administration	The U.S. federal agency responsible for enforcing the Food and Drug laws enacted by U.S. Congress regarding the research, manufacture and safety of food, biologics, devices, drugs and cosmetics.
FDCA	Federal Food, Drug and Cosmetic Act	U.S. federal legislation on food, cosmetics and drug safety.
GCP	Good Clinical Practices	Describes the practices, responsibilities and actions that must be followed in any clinical study to ensure the safety of study participants and the quality of the data.
GDP	Gross Domestic Product	The market value of all officially recognised final goods and services produced within a country in a given year.
HDL	High Density Lipoprotein	A lipoprotein that contains relatively small amounts of cholesterol and triglycerides. Also sometimes referred to as the "good" cholesterol.
LDL	Low Density Lipoprotein	A lipoprotein that contains relatively high amounts of cholesterol. Also sometimes referred to as the "bad" cholesterol.
MAA	Marketing Authorisation Application	A complete dossier of information including chemical, pharmaceutical, biological and clinical data which is sent to a regulatory authority to support a request for regulatory approval in the European Union.
NDA	New Drug Application	Document submitted to the FDA as a request for approval to market the drug. It is submitted after the sponsor has significant proof of the safety and efficacy of the drug; mandatory under the Federal Food, Drug and Cosmetic Act.
SPA	Special Protocol Assessment	A sponsor of a clinical study may submit a request to the FDA for special protocol assessment of a protocol, e.g. for a clinical study that will form the primary basis of an efficacy claim in an NDA. The sponsor and FDA may reach agreement to the effect, e.g., that the FDA will not later alter its perspective on the issues of the agreed design, execution or analyses proposed in the protocol(s) unless public health concerns unrecognised at the time of protocol assessment under this process are evident.
STRATO	Switching kidney TRAnsplant patients with Tremor to LCP-tacrO	A study of LCP-Tacro in kidney transplant patients experiencing tremors on sustained release tacrolimus.

27.2 Glossary

30-month stay	The automatic prohibition of FDA action on an ANDA or a 505(b)(2) NDA with a Paragraph IV certification if the holder of the patent or the holder of the NDA files a patent infringement lawsuit against the applicant within 45 days after being notified of the certifications.
AB-rated	Drug products that are AB-rated are considered by the FDA to be therapeutically equivalent, and health care providers may confidently substitute the generic product for the reference-listed drug, relying on the fact that their safety and effectiveness should be the same.
Bioavailability	The speed at which a drug substance is absorbed in the bloodstream and the fraction of dose that reaches the blood circulation. Often expressed as the relative bioavailability as the area under the plasma concentration curve relative to a reference formulation, e.g. oral formulation, vs. a formulation administered intravenously directly in the bloodstream (absolute bioavailability).
Bioequivalent	A drug is bioequivalent to another drug if the efficacy and side effects of the two drugs are more or less identical, and it is absorbed in the body in the same manner and to the same degree as the drug to which it is compared.
***de novo* patients**	Patients who for the first time receive a therapy, e.g. *de novo* kidney transplant patients are patients who very recently received a kidney transplant.
Food Effect	Intake of food has an effect on the body's absorption of drugs and therefore interacts with the bioavailability.
Hatch-Waxman Act	Legislation that allows manufacturers of generic drugs to file abbreviated applications for approval by the FDA. Also known as the Drug Price Competition and Patent Term Restoration Act of 1984.
Immunosuppression	Suppression of the immune response as by drugs or radiation in order to prevent the rejection of transplants or to control autoimmune diseases.
Late stage	Describes a stage of clinical development of Phase II or later.
LCP-Tacro	The Company's once-daily, sustained release tablet tacrolimus product candidate.
Narrow therapeutic index	Narrow therapeutic index describes cases in which there is a small difference between an efficacious dose and a toxic dose.
Orange Book	Orange Book is the common name of the FDA publication "Approved Drug Products with Therapeutic Equivalence Evaluations", which lists, among other things, patents protecting the active ingredient, formulation and method of use of a drug product, as well as the therapeutic equivalence ratings for reference-listed drugs and their generic copies.
Paragraph IV certification	Paragraph IV certification is a declaration that a patent listed in the Orange Book is invalid, unenforceable and/or will not be infringed by the generic drug in an ANDA or in the non-generic drug in a 505(b)(2) NDA.
Pharmacokinetics	Science that studies the actions of the body on the drug, including parameters such as absorption, distribution, metabolism and elimination of drugs (ADME).
Phase I study	Clinical study involving the initial introduction of a compound into healthy human subjects prior to introduction into patients who have the disease which the investigational drug is being studied to treat.
Phase I/II study	Initial clinical study involving the use of patients rather than healthy human subjects.
Phase II study	Clinical study typically involving a small sample of the intended patient population to assess the efficacy of the compound for a specific indication, to determine dose tolerance and the optimal dose range as well as to gather additional information relating to safety and potential adverse effects.
Phase III study	Extensive clinical study in a large number of patients. The drug is tested against placebos and existing treatments, if available. The study is often double-blinded and requires detailed statistical evaluations.
Phase IIIb/IV study	Clinical study undertaken to determine if a drug or a treatment is safe over time or to see if a treatment or medication can be used in other circumstances, typically undertaken after a drug has already been approved by the FDA.

II. FINANCIAL INFORMATION

II. FINANCIAL INFORMATION

Pursuant to paragraph 20.1 of Annex I of Commission Regulation (EC) no. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (the Prospectus Regulation), audited financial information for the past three financial years must be included in the Prospectus. In accordance with article 28 of the Prospectus Regulation and section 18(2) of the Prospectus Order, the following information is incorporated in the Prospectus by reference to the Company's website: www.veloxis.com.

The following cross reference table refers to information in the annual reports for the financial years ended 31 December 2009, 2010 and 2011 and to the Company's interim announcements for the six months ended 30 June 2011 and 2012, as published via NASDAQ OMX and available at the Company's website: www.veloxis.com. Reference is made to all pages of the annual and interim reports, as the pages set out in the cross reference table do not limit the historical information contained in the annual and interim reports.

TABLE 14. CROSS REFERENCE TABLE

	Reference to Veloxis' Annual Report 2011	**Reference to Veloxis' Annual Report 2010**	**Reference to Veloxis' Annual Report 2009**	**Reference to Veloxis' Interim Report H1 2012**	**Reference to Veloxis' Interim Report H1 2011**
	Page	**Page**	**Page**	**Page**	**Page**
Management review	3-20	3-20	3-18	1-9	1-8
Highlights and outlook	4	4	4	1-2	1-2
Financial highlights/key figures	13	13	13	5 and 10-11	3 and 9-10
Organisation	14	14	14	n/a[1]	n/a[1]
Corporate governance	15-17	15-17	15-16	n/a[1]	n/a[1]
Corporate social responsibility	16-17	16-17	16	n/a[1]	n/a[1]
Risk management	17	17	16	n/a[1]	n/a[1]
Shareholder information	18	18	17	n/a[1]	n/a[1]
Executive Management's and Board of Directors' statement	20	20	18	9	8
Independent auditors' report – audit opinion	21	21	19	n/a[1]	n/a[1]
Income statement (for 2009, referred to as "Statement of Comprehensive Income")	23	23	21	12	11
Balance sheet	24-25	24-25	22-23	13-14	12-13
Cash flow statement	26	26	24	15	14
Statement of changes in equity	27	27	25	16	15
Notes	28-46	28-45	26-42	17	n/a[1]
Summary of significant accounting policies	28-32	28-32	26-31	17	5
Staff	33-34	33-34	32-33	n/a[1]	n/a[1]
Changes in share capital	39	37-38	36-37	n/a[1]	n/a[1]
Warrants	42-43	40-43	38-40	n/a[1]	n/a[1]

Note:
[1] Not included in the interim reports of Veloxis

Consolidated financial statements for 2009, 2010 and 2011

BOARD OF DIRECTORS' AND EXECUTIVE MANAGEMENT'S STATEMENT

The Board of Directors and the Executive Management have considered and adopted the consolidated financial statements of Veloxis Pharmaceuticals A/S for the financial years 2009, 2010 and 2011 on 24 February 2010, 1 March 2011 and 7 March 2012, respectively.

The consolidated financial statements for 2009, 2010 and 2011 are incorporated by reference in Part II "Financial information".

The consolidated financial statements for 2009, 2010 and 2011 have been prepared in accordance with IFRS as adopted by the European Union and additional Danish disclosure requirements for the annual reports of listed companies.

We consider the applied accounting policies to be appropriate and, in our opinion, the consolidated financial statements present fairly, in all material aspects, the assets and liabilities, financial position, results of the operation and cash flow of Veloxis for the financial years 2009, 2010 and 2011.

Hørsholm, 15 October 2012

BOARD OF DIRECTORS

Kim Bjørnstrup
Chairman

Thomas P. Dyrberg
Deputy chairman

Kurt Anker Nielsen

Anders Götzsche

Mette Kirstine Agger

Edward Etienne Penhoet

EXECUTIVE MANAGEMENT

William J. Polvino
President and Chief Executive Officer

Johnny Stilou
Executive Vice President and Chief Financial Officer

Interim consolidated financial statements for the six months ended 30 June 2011 and 2012

BOARD OF DIRECTORS' AND EXECUTIVE MANAGEMENT'S STATEMENT

The Board of Directors and the Executive Management have considered and adopted the interim consolidated financial statements for the six months ended 30 June 2011 and 30 June 2012 for Veloxis Pharmaceuticals A/S on 17 August 2011 and 22 August 2012, respectively.

The interim consolidated financial statements for the six months ended 30 June 2011 and 30 June 2012 are incorporated by reference in Part II "Financial information".

The interim consolidated financial statements are prepared in accordance with IFRS as adopted by the European Union, IAS 34 and additional Danish disclosure requirements for listed companies.

We consider the applied accounting policies to be appropriate and, in our opinion, the interim consolidated financial statements give a true and fair view of the assets and liabilities, financial position, results of the operation and cash flows of Veloxis for the six months ended 30 June 2011 and 30 June 2012.

Hørsholm, 15 October 2012

BOARD OF DIRECTORS

Kim Bjørnstrup
Chairman

Thomas P. Dyrberg
Deputy chairman

Kurt Anker Nielsen

Anders Götzsche

Mette Kirstine Agger

Edward Etienne Penhoet

EXECUTIVE MANAGEMENT

William J. Polvino
President and Chief Executive Officer

Johnny Stilou
Executive Vice President and Chief Financial Officer

Independent Auditors' Report on the consolidated financial statements for 2009, 2010 and 2011

TO THE READERS OF THIS PROSPECTUS

We have audited the consolidated financial statements for the financial years 2009, 2010 and 2011 of Veloxis Pharmaceuticals A/S prepared and published by the Board of Directors and the Executive Management, which all have been provided with an Auditors' Report without any qualifications or emphasis of matters. The consolidated financial statements for 2009, 2010 and 2011 are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and additional Danish disclosure requirements for listed companies.

The consolidated financial statements for 2009, 2010 and 2011 are included by reference in Part II "Financial information".

Our audits for the financial years 2009, 2010 and 2011 were completed at 24 February 2010, 1 March 2011 and 7 March 2012. We have not performed any audit procedures after 7 March 2012.

BOARD OF DIRECTORS' AND EXECUTIVE MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors and the Executive Management are responsible for the preparation and fair presentation of the consolidated financial statements for 2009, 2010 and 2011 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and additional Danish disclosure requirements for listed companies. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements, that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the consolidated financial statements for 2009, 2010 and 2011 based on our audit. We conducted our audit in accordance with International standards on Auditing and additional requirements under Danish regulation. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the historical consolidated financial statements for 2009, 2010 and 2011 are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Executive Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position at 31 December 2009, 31 December 2010 and 31 December 2011 of the Group and of the results of the Group's operations and cash flows for the financial years 2009, 2010 and 2011 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and additional Danish disclosure requirements for listed companies.

Copenhagen, 15 October 2012

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Torben Jensen
State Authorised Public Accountant

Henrik Jensen
State Authorised Public Accountant

Independent Auditors' review report on the interim condensed consolidated financial statements for the six months ended 30 June 2011 and 30 June 2012

TO THE READERS OF THIS PROSPECTUS

We have reviewed the interim condensed consolidated financial statements for the periods 1 January – 30 June 2011 and 1 January – 30 June 2012 of Veloxis Pharmaceuticals A/S. The Board of Directors and Executive Management are responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with IAS 34 and additional Danish disclosure requirements applying to interim reports of listed companies.

The interim condensed consolidated financial statements for the periods 1 January – 30 June 2011 and 1 January – 30 June 2012 are included by reference in Part II "Financial information" of this Prospectus.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity' and additional requirements under Danish regulation. A review of the interim condensed consolidated financial statements consists of making inquiries, primarily to employees responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than that of an audit performed in accordance with International Standards on Auditing and additional requirements under Danish regulation and therefore provides less assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 and additional Danish disclosure requirements applying to interim reports of listed companies.

Copenhagen, 15 October 2012

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Torben Jensen
State Authorised Public Accountant

Henrik Jensen
State Authorised Public Accountant

III. THE OFFERING

1. RESPONSIBILITY STATEMENTS

For an overview of persons responsible, reference is made to Part I, Section 1 “Persons responsible”.

2. RISK FACTORS RELATED TO THE OFFERING

For a description of risk factors in connection with the Offering, reference is made to "Risk factors".

3. KEY INFORMATION

3.1 Working capital

If the Offering is not completed and no other measures are taken, the Company's capital resources will not be sufficient to finance the Company's operations for the next 12 months as from the Prospectus Date. Historically, the Company has been financed by capital injections from the Company's shareholders.

The Company believes that the net proceeds from the Offering, approximately DKK 405 million, together with the existing cash balances, will be sufficient to fund the Company's operations beyond anticipated launch of LCP-Tacro in Europe and the United States in the fourth quarter of 2014. Whether the Company will require additional capital to bridge the period from initial sales to profitability will depend on the future sales prices, sales volumes, cost prices, timing and success of the commercialisation of LCP-Tacro.

Developments in the Company's working capital are generally affected by a number of factors, including the clinical and regulatory progress in the Company's clinical programmes, the obligations to existing and new collaboration partners, the ability to establish commercial relations and licence agreements, building up an organisation of sales representatives, the investments in non-current assets, market developments, milestone payments and any future acquisitions that the Company may undertake. Hence, the Company may need additional funds and the Company may seek to obtain additional funding by way of equity or debt financing, collaborative agreements with commercial partners or from other sources.

3.2 Capitalisation and debt

The following table sets out the Company's capitalisation as at 31 August 2012.

	As at 31 August 2012 (DKK millions)
Cash and cash equivalents	104
Finance lease obligations, current portion[(1)]	4
Finance lease obligations, long-term portion[(1)]	1
Equity	
Share capital	45
Special reserve	407
Retained earnings/losses	-391
Total equity, net	61
Total capitalisation[(2)(3)]	66

Notes:

(1) Financial lease obligations primarily relate to leasehold improvements and laboratory equipment. Financial lease obligations, current portion, consist of lease payments payable within a period of 12 months as from 31 August 2012. Financial lease obligations, long-term portion, consist of lease payments payable after 31 August 2013

(2) There has been no material change in the Company's capitalisation since 31 August 2012, other than expenditures in the ordinary course of business

(3) Excludes cash and cash equivalents

As at 31 August 2012, the Company had cash and cash equivalents of DKK 104 million.

The Company has no secured and no guaranteed debt.

3.3 Interest of natural and legal persons involved in the Offering

As set forth in Part I, Section 14.1 "Board of Directors" and Section 14.5 "Statement of kinship and statement of conflict of interest", some of the members of the Board of Directors have direct interest in/are related to a Major Shareholder. As set forth in Part I, Section 17.2 "Shareholdings and warrants of members of the Board of Directors, the Executive Management and the Senior Management", some of the members of the Board of Directors and the Executive Management hold Shares and warrants to subscribe for Shares in the Company. The Company is not aware of any interests or potential conflicts of interest in relation to the Offering that are material to the Company, other than the above.

3.4 Reasons for the Offering and use of proceeds

The Offering is intended to provide additional capital resources for the development, regulatory approval and commercialisation of LCP-Tacro, which is the only product candidate Veloxis is developing as at the Prospectus Date.

The Company expects to receive net proceeds from the Offering of approximately DKK 405 million.

The Company intends to use the net proceeds from the Offering and existing cash balances to fund the Company's ongoing operations in order to:

- Conclude the Phase III clinical studies required to obtain regulatory approval of LCP-Tacro in the United States and the European Union. The Company is currently executing the last remaining planned Phase III study (Study 3002, kidney transplant study in *de novo* patients), successful completion of which is expected to be sufficient to obtain regulatory approval for the LCP-Tacro product in the United States and the European Union. Veloxis expects that the results from study 3002 will be available in mid-2013.

- Apply for regulatory approvals of LCP-Tacro in the United States and the European Union. Veloxis expects to submit an NDA with the FDA in the second half of 2013 and an MAA with

the EMA in 2013, assuming that positive results are obtained in the *de novo* kidney transplant study. It is expected that it will take approximately one year from the submission of the NDA and the MAA, respectively, in order to obtain regulatory approval in the respective regions.

- Commence commercialisation of the LCP-Tacro product. Veloxis expects to build an internal sales organisation of approximately 20 sales representatives to market the LCP-Tacro product in the United States, and has concluded an agreement with a partner regarding the commercialisation of LCP-Tacro in certain other countries, including Europe, Turkey and CIS Countries. Veloxis expects that the U.S. sales organisation will be in place in the second half of 2014 and that the LCP-Tacro product will be launched in the fourth quarter of 2014.

On the assumption that the above timeline is realised, the Company believes that the net proceeds from the Offering, approximately DKK 405 million, together with the existing cash balances, will be sufficient to fund the Company's operations beyond anticipated launch of LCP-Tacro in Europe and the United States in the fourth quarter of 2014. Whether the Company will require additional capital to bridge the period from initial sales to profitability will depend on the future sales prices, sales volumes, cost prices, timing and success of the commercialisation of LCP-Tacro.

The amount as well as the timing of the actual revenue from and expenditures in relation to LCP-Tacro cannot be predicted with certainty, and the specific use of the net proceeds of the Offering will depend upon numerous factors. Pending utilisation of such net proceeds, the Company intends to invest such funds in cash deposits, short-term, interest-bearing securities and other similar low-risk investments in and outside Denmark.

4. INFORMATION CONCERNING THE SECURITIES TO BE OFFERED

4.1 Type of securities, Allocation Time and ISIN codes

PREEMPTIVE RIGHTS
The allotment of the Preemptive Rights, free of charge, will be made to the Existing Shareholders who are registered as shareholders with VP Securities on 22 October 2012 at 12:30 p.m. CET. Shares traded after 17 October 2012 will be traded without Preemptive Rights, provided that Shares are traded with customary three-day settlement.

The Preemptive Rights will have the ISIN code DK0060449130.

The Preemptive Rights have been approved for trading and official listing on NASDAQ OMX and may be traded on NASDAQ OMX during the period from 18 October 2012 at 9:00 a.m. CET to 31 October 2012 at 5:00 p.m. CET.

The Subscription Period for the Offer Shares commences on 23 October 2012 at 9:00 a.m. CET and closes on 5 November 2012 at 5:00 p.m. CET.

The Offering is being made at the ratio of 8:3, which means that each Existing Shareholder will be allocated eight (8) Preemptive Rights per Existing Share held and that three (3) Preemptive Rights will be required to subscribe for one (1) Offer Share at the Offer Price.

OFFER SHARES
The Offer Shares issued by the Company upon registration of the capital increase with the Danish Business Authority shall be of the same class as the Existing Shares.

The Offer Shares will be issued and registered under the temporary ISIN code DK0060449213. The Offer Shares will not be traded and officially listed on NASDAQ OMX under the temporary ISIN code. The temporary ISIN code will be merged with the permanent ISIN code for the Existing Shares, and the Offer Shares will be admitted to trading and official listing on NASDAQ OMX directly under the ISIN code of the Existing Shares (DK0060048148) following registration of the capital increase with the Danish Business Authority, which is expected to take place on 13 November 2012. Admission to trading and official listing of the Offer Shares on NASDAQ OMX under the existing ISIN code is expected to take place on 15 November 2012.

4.2 Applicable law and jurisdiction

This Prospectus has been prepared in compliance with Danish legislation and regulations, including the Danish Securities Trading Act and the Danish Prospectus Order. The Offering is subject to Danish law, and any dispute which may arise as a result of the Offering shall be brought before the Danish courts of law.

4.3 Registration

All Preemptive Rights and Offer Shares will be delivered in book entry form through allocation to accounts with VP Securities through a Danish bank or other institution authorised as the custodian institution for such shares. VP Securities is located at Weidekampsgade 14, 2300 Copenhagen S, Denmark. The Preemptive Rights and the Offer Shares are issued in non-certificated bearer form. The Offer Shares will be issued to the bearer but may be registered in the name of the holder in the Company's register of owners through the holder's custodian bank.

4.4 Currency

The Offering will be carried out and trading of the Preemptive Rights and the Offer Shares will be effected in DKK.

The Offer Shares are denominated in DKK.

EXCHANGE CONTROL REGULATION IN DENMARK
There are no governmental laws, decrees or regulations in Denmark that restrict the export or import of capital (except for certain investments in areas in accordance with applicable resolutions adopted by the United Nations and the European Union), including, but not limited to, foreign exchange controls, or that affect the remittance of dividends, interest or other payments to non-resident holders of the Offer Shares. As a measure to prevent money laundering and financing of terrorism, persons travelling into and out of Denmark carrying amounts of money (including, but not limited to, cash and travellers cheques) worth the equivalent of EUR 10,000 or more must declare such amounts with the Danish tax authorities when travelling into or out of Denmark.

4.5 Rights attached to the Preemptive Rights and the Offer Shares

PREEMPTIVE RIGHTS
The Offering is being made at the ratio of 8:3, which means that each Existing Shareholder will be allocated eight (8) Preemptive Rights per Existing Share held and that three (3) Preemptive Rights will be required to subscribe for one (1) Offer Share at the Offer Price. The Preemptive Rights may be traded on NASDAQ OMX during the period from 18 October 2012 at 9:00 a.m. CET to 31 October 2012 at 5:00 p.m. CET and exercised in the period from 23 October 2012 at 9:00 a.m. CET to 5 November 2012 at 5:00 p.m. CET (the latter period is the Subscription Period).

The Preemptive Rights may be exercised only by using such number of Preemptive Rights as allows subscription for a whole

number of Offer Shares. If a holder of Preemptive Rights does not have a sufficient number of Preemptive Rights to subscribe for a whole number of Offer Shares, such holder wishing to subscribe for Offer Shares may either (i) acquire in the market, during the trading period for the Preemptive Rights, the number of Preemptive Rights necessary to subscribe for a whole number of Offer Shares, (ii) sell the Preemptive Rights during the same period or (iii) allow the Preemptive Rights to lapse. Preemptive Rights that are not exercised by the end of the Subscription Period will lapse with no value, and a holder of Preemptive Rights at such time will not be entitled to compensation. The Subscription Period will end on 5 November 2012 at 5:00 p.m. CET.

Existing shareholders (who were shareholders in the Company as at the Prospectus Date) may subscribe for Remaining Shares without compensation to the holders of unexercised Preemptive Rights. See Part III, Section 5.13 "Procedure for subscription of Remaining Shares" for more details.

If the Offering is not completed, the exercise of Preemptive Rights that has already taken place will automatically be cancelled, the subscription price for Offer Shares will be refunded (less any brokerage fees), all Preemptive Rights will be null and void, and no Offer Shares will be issued. However, trades of Preemptive Rights executed during the trading period for Preemptive Rights will not be affected. As a result, investors who acquired Preemptive Rights will incur a loss corresponding to the purchase price of the Preemptive Rights and any brokerage fees. Any withdrawal will be notified immediately through NASDAQ OMX.

OFFER SHARES
The Offer Shares will, when fully paid up and after registration of the capital increase with the Danish Business Authority, have the same rights as the Existing Shares. See Part I, Section 21.5 "Description of the Company's Shares".

4.6 Resolutions, authorisations and approvals to proceed with the Offering

BOARD MEETING APPROVING THE CAPITAL INCREASE
Pursuant to an authorisation granted at an extraordinary general meeting held on 20 September 2012, the Board of Directors passed a resolution on 15 October 2012 to increase the Company's share capital by nominally DKK 120,677,994.60 (corresponding to 1,206,779,946 Offer Shares with a nominal value of DKK 0.10 each). See Part I, Section 21.4 "Description of the Company's Articles of Association" for a description of the authorisation. The Offer Shares will be issued pursuant to this authorisation.

4.7 Allocation date for Preemptive Rights and issue date of Offer Shares

DATE SET FOR ALLOCATION OF PREEMPTIVE RIGHTS
On 22 October 2012 at 12:30 p.m. CET, any person who is registered with VP Securities as a shareholder of the Company will be allocated Preemptive Rights. Shares traded after 17 October 2012 will be traded without Preemptive Rights, provided that Shares are traded with customary three-day settlement.

DATE SET FOR ISSUE OF OFFER SHARES
Subscription for the Offer Shares may be made from 23 October 2012 at 9:00 a.m. CET to 5 November 2012 at 5:00 p.m. CET. Accordingly, during the Subscription Period the Offer Shares will be allocated through VP Securities by exercise of Preemptive Rights. The Offer Shares are expected to be issued by the Company and the capital increase to be registered with the Danish Business Authority on 13 November 2012. The Offering may be withdrawn and cancelled until the capital increase relating to the Offer Shares has been registered with the Danish Business Authority. See Part III, Section 5.6 "Withdrawal of the Offering". Admission to trading and official listing of the Offer Shares is expected to take place on 15 November 2012.

4.8 Negotiability and transferability of Shares and Offer Shares

The Existing Shares of the Company are and the Offer Shares will be negotiable under Danish law and freely transferable.

4.9 Danish regulations governing mandatory takeover bids, redemption of shares and disclosure requirements

MANDATORY TAKEOVER BIDS
Section 31 of the Danish Securities Trading Act includes rules concerning public offers for the acquisition of shares in companies admitted to trading on a regulated market (including NASDAQ OMX) or an alternative market place.

If a shareholding is transferred, directly or indirectly, in a company with one or several 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 shall enable all shareholders of the company to dispose of their shares on identical terms if such transfer involves that the acquirer obtains a controlling influence on the company.

Control is deemed to exist if the acquirer directly or indirectly holds more than half of the voting rights in a company unless, in special cases, it can be clearly demonstrated that such holding does not constitute a controlling interest. Control is also deemed to exist if an acquirer who does not hold more than half of the voting rights in a company has:

- the power to control more than half of the voting rights by virtue of an agreement with the other investors;
- the authority to manage the company's financial and operational affairs in accordance with its articles of association or an agreement;
- the right to appoint or dismiss a majority of the members of the company's supreme governing body, for example the board of directors, and such supreme governing body has a controlling influence on the company; or
- more than one-third of the voting rights in the company and the actual majority of the votes at the general meeting or a comparable governing body, thus having the actual controlling influence on 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 an acquirer has a controlling influence. If special conditions apply, the Danish Financial Supervisory Authority may grant an exemption from the obligation to make a mandatory takeover bid.

MANDATORY REDEMPTION OF SHARES
Pursuant to section 70 (also see section 71 if the acquisition is the result of a takeover bid) of the Danish Companies Act, shares in a company may be redeemed in whole or in part by a shareholder holding more than nine-tenths of the shares and the corresponding voting rights in the company. Furthermore, pursuant to section 73 of the Danish Companies Act, a minority shareholder may require the majority shareholder holding more than nine-tenths of the shares and the corresponding voting rights to redeem the minority shareholder's shares.

MAJOR SHAREHOLDINGS
Pursuant to section 29 of the Danish Securities Trading Act, a shareholder in a listed company is required to notify the listed company and the Danish Financial Supervisory Authority as soon as possible if 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 of a holding already notified entails that the limits of 5%, 10%, 15%, 20%, 25%, 50% or 90% or the limits of one-third and two-thirds of the voting rights or the nominal value are reached or are no longer reached.

The notifications must comply with the requirements for the contents thereof set out in sections 15 and 16 of the Danish executive order on major shareholders, including the identity of the shareholder and the date when a limit is reached or is no longer reached. Failure to comply with the notification requirements is punishable by a fine. When the company has received such notification, it must publish the contents of such notification as soon as possible.

In addition, the general duty of notification pursuant to the Danish Companies Act applies.

4.10 Public takeover bids by third parties for the Company's Shares during the previous or current financial years

No takeover bids by third parties for the Company's Shares have been presented during the previous or current financial years.

4.11 Taxation

The following is a summary of certain Danish income tax and U.S. federal income tax considerations relating to an investment in the Preemptive Rights and the Offer Shares. The summary is for general information only and does not purport to constitute tax or legal advice. It is specifically noted that the summary does not address all possible tax consequences relating to an investment in the Preemptive Rights and the Offer Shares. The summary is based solely upon the tax laws of Denmark and the United States in effect on the Prospectus Date. Both the Danish and U.S. tax laws may be subject to change, possibly with retroactive effect.

The summary does not cover investors to whom special tax rules apply, including professional investors, and therefore, for example, may not be relevant to certain institutional investors, insurance companies, banks, stock brokers and investors liable for tax on return on pension investments.

Investors in the Preemptive Rights and the Offer Shares are advised to consult their tax advisers regarding the applicable tax consequences of acquiring, holding, exercising and disposing of the Preemptive Rights and the Offer Shares based on their particular circumstances. Investors who may be affected by the tax laws of other jurisdictions should consult their tax advisers with respect to the tax consequences applicable to their particular circumstances.

DANISH TAXATION

DIVIDENDS

SHAREHOLDERS WHO ARE SUBJECT TO FULL TAXATION IN DENMARK
Dividends received by individuals, who are subject to full taxation in Denmark, are taxed as share income. For the income year 2012, share income is taxed at the rate of 27% for share income up to DKK 48,300 (for married couples DKK 96,600) and at the rate of 42% for share income exceeding DKK 48,300 (for married couples DKK 96,600). The relevant thresholds apply for the income years 2010-2013 and are subject to annual adjustment from 2014. They include all share income derived by the individual or married couple respectively.

Dividends paid to individuals, who are subject to full taxation in Denmark, are generally subject to a withholding tax of 27%. Accordingly, provided that the amount of dividends received together with other share income does not exceed DKK 48,300 (for married couples DKK 96,600 in total), individuals are not subject to any further taxation beyond the withholding tax.

Companies which hold less than 10% of the share capital in a company that is not subject to Danish or international joint taxation within the same group and which declares dividends are in 2012 liable to pay tax on the dividends received at a flat rate of 25% and such dividends are generally subject to a withholding tax of 25%. There are specific rules that apply with regard to dividend payments to companies holding at least 10% of the share capital in the dividend-paying company in which case the dividend is generally tax exempt and exempt from any withholding tax obligations. Special rules also apply with respect to dividend payments when the receiving company is jointly taxed with the dividend-paying company or meets the conditions of section 31A of the Danish Corporate Income Tax Act for international joint taxation with the dividend-paying company. In these cases the dividend is also generally tax exempt and exempt from any withholding obligations.

Distribution of additional shares in connection with an increase of the share capital made as part of a pro rata distribution to all shareholders of a company (bonus shares as well as the allocation of Preemptive Rights) will generally not be subject to Danish tax.

SHAREHOLDERS WHO ARE NOT SUBJECT TO FULL TAXATION IN DENMARK
Under Danish law, dividends paid in respect of shares are generally subject to Danish withholding tax at the rate of 27%.

There are specific rules that apply with regard to dividend payments to companies holding at least 10% of the shares in the Danish company paying the dividends if the taxation of dividends is waived or reduced pursuant to Directive 90/435/EEC or a double taxation treaty. It is however a requirement for applicability of a reduced rate or exemption from withholding tax under double taxation treaties that the non-resident shareholder is the beneficial owner of the dividend in question, while for the protection right under the directive to apply, the generally applicable anti-abuse principles shall not have been violated.

Non-resident shareholders (both individuals and companies) holding less than 10% of the share capital which are tax resident in a jurisdiction where the taxation of dividends is waived or reduced pursuant to Directive 90/435/EEC or pursuant to a double taxation treaty with Denmark may be eligible for a refund of a part of the withholding tax. Eligible shareholders who comply with certain certification procedures may thus claim a partial refund of the withholding tax from the Danish tax authorities, which will reduce the effective withholding tax rate to 15% or a lower rate set forth in the applicable double tax treaty. The claim for refund must be certified by the shareholder's local tax authorities on special forms prepared by the Danish tax authorities. The certified form must then be submitted to the Danish tax authorities.

Denmark has concluded double taxation treaties with approximately 80 countries, including the United States, Switzerland, Norway, Japan, Australia and all members of the European Union (excluding France and Spain). Under the current income tax convention between Denmark and the United States (the "Treaty"), dividends are subject to Danish withholding tax at a maximum rate of 15%. This rate may be reduced to 5% if the dividends are paid to a company holding more than 10% of the share capital in the company paying the dividends. However, Danish tax is withheld at a rate of 27% and the recipient must request a refund of Danish tax withheld in excess of the lower rate set forth in the applicable double tax treaty. In both cases, the beneficial owners must be U.S. Holders eligible for Treaty benefits in compliance with the procedures for claiming benefits as briefly described above.

A separate regime for the reduction of withholding tax to the applicable tax treaty rate is available to residents of certain jurisdictions, such as the United States. In order to qualify for this regime, an eligible holder of shares must deposit his shares with a Danish bank, and the shareholding must be registered and administered through VP Securities. In addition, such shareholders must provide documentation from the relevant foreign tax authority as to the shareholder's tax residence and eligibility under the relevant treaty. A special form prepared by the Danish Tax Authorities must be used. The shareholder can agree with the relevant custodian bank that the bank procures the relevant form.

Distribution of additional shares in connection with an increase of the share capital made as part of a pro rata distribution to all shareholders of a company (bonus shares as well as the allocation of Preemptive Rights) will generally not be subject to Danish tax.

DISPOSAL OF SHARES

SHAREHOLDERS WHO ARE SUBJECT TO FULL TAXATION IN DENMARK

Individuals are taxed on share income from the sale of shares at the rate of 27% for the first DKK 48,300 in 2012 (for married couples DKK 96,600) and at the rate of 42% for income exceeding DKK 48,300 (for married couples DKK 96,600 in total). The relevant thresholds apply for the income years 2010-2013 and are subject to annual adjustment from 2014. Losses for individuals will be offset against share income from listed shares for the year. Any residual loss will be offset against the share income from listed shares of a cohabiting spouse. Any losses not utilised will be carried forward for set-off against share income from listed shares for future years.

Offset of losses on listed shares is subject to the Danish tax authorities having received relevant information on the shareholder's holding, which is usually done automatically if the shareholder's stockbroker is Danish.

In the event that shares have been acquired by individuals at different dates and different prices, the purchase price will, for the purposes of calculating the capital gain in the event of a partial sale, be determined as the average purchase price.

For individuals, if a Preemptive Right is sold, a gain or loss is taxable as share income. The preemptive right will be considered to have been acquired for DKK 0, and thus the entire gain or loss will be taxed as share income.

Capital gains or losses realised by companies on the sale of shares are taxable if the company holds less than 10% of the share capital. Furthermore, companies holding less than 10% of the share capital are subject to tax on gains and losses on the shares based on the mark-to-market principle. Consequently, a gain or a loss is calculated as the difference between the value of the shares at the beginning and the end of the income year, beginning with the difference between the acquisition sum of the shares and the value of the shares at the end of the same income year. Upon realisation of the shares, i.e. redemption or disposal, the taxable income of that income year equals the difference between the value of the shares at the beginning of the income year and the value of the shares at realisation. If the shares have been acquired and realised in the same income year, the taxable income equals the difference between the acquisition sum and the price at realisation.

Capital gains and losses realised by companies from the sale of shares are generally tax exempt, if the company holds at least 10% of the share capital or if the company is or can be jointly taxed with the company pursuant to section 31 or 31A of the Danish Corporate Income Tax Act. Losses are not deductible and cannot be offset against other taxable gains.

Distributions in connection with a reduction of share capital will be taxed as dividends. It is possible to apply for an exemption from the Danish tax authorities allowing such dividends to be taxed as capital gains on shares.

Preemptive Rights allocated to companies will be deemed to have been acquired at DKK 0. Upon the sale of allocated Preemptive Rights, a company's gain or loss is taxed at the rate of 25% if the company holds less than 10% of the share capital.

Any gains or losses arising on the sale of listed shares to the issuing company will generally be taxed pursuant to the above rules on taxation of capital gains.

SHAREHOLDERS WHO ARE NOT SUBJECT TO FULL TAXATION IN DENMARK

A non-resident of Denmark will generally not be subject to Danish tax on the allocation of preemptive rights or on the sale or other disposition of preemptive rights or shares unless the preemptive rights or shares can be allocated to a permanent establishment in Denmark.

Distributions in connection with a reduction of share capital will generally be taxed as dividends and not as capital gains. It is possible to apply for an exemption from the Danish tax authorities allowing such dividends to be taxed as capital gains.

TRANSFER TAXES/STAMP DUTIES

Transfer of shares is not subject to any Danish share transfer tax or Danish stamp duty.

U.S. TAXATION

Internal Revenue Service Circular 230 Notice. **To ensure compliance with Internal Revenue Service Circular 230, prospective investors are hereby notified that: (a) any discussion of United States federal tax issues contained or referred to in this Prospectus is not intended or written to be used, and cannot be used, by prospective investors for the purpose of avoiding penalties that may be imposed on them under the Internal Revenue Code; (b) such discussion is written in connection with the promotion or marketing of the transaction or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax adviser.**

The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of Preemptive Rights or Offer Shares by a U.S. Holder. This summary deals only with persons that are U.S. Holders and that will hold the Offer Shares as capital assets (generally, for investment). The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Preemptive Rights or Offer Shares by particular investors, and does not address state, local, foreign or other tax laws. In particular, this summary does not address the tax considerations applicable to investors that own (directly or indirectly) 5% or more of the Company's voting shares, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws, such as certain financial institutions, insurance companies, partnerships or other entities classified as partnerships for U.S. federal income tax purposes, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Offer Shares as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes or investors whose functional currency is not the U.S. dollar.

This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), existing and proposed U.S. Treasury Department income tax regulations issued under the Code, legislative history, and judicial and administrative interpretations thereof, as well as on the income tax treaty between the United States and Denmark (the "Treaty"), all as at the date hereof. All of the foregoing is subject to change at any time, and any change could be retroactive and could affect the accuracy of this discussion. In addition, the application and interpretation of certain aspects of the passive foreign investment company rules, referred to below, require the issuance of regulations which in many instances have not been promulgated and which may have retroactive effect. There can be no assurance that any of these regulations will be enacted or promulgated, and if so, the form they will take or the effect that they may have on this discussion. This discussion is not binding on the U.S. Internal Revenue Service ("IRS") or the courts. No ruling has been or will be sought from the IRS with respect to the positions and issues discussed herein, and there can be no assurance that the IRS or a court will not take a different position concerning the U.S. federal income tax consequences of the Preemptive Rights or an investment in the Offer Shares or that any such position would not be sustained.

You are a "U.S. Holder" if you are a beneficial owner of Preemptive Rights or Offer Shares and you are:

- an individual citizen or resident of the United States for U.S. federal income tax purposes;
- a U.S. domestic corporation, or other entity treated as a domestic corporation for U.S. federal income tax purposes;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust if (1) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorised to control all substantial decisions of the trust or (2) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

In addition, this discussion is limited to U.S. Holders who are not resident in Denmark for purposes of the Treaty.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of the Preemptive Rights or Offer Shares, the U.S. tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. A holder of the Preemptive Rights or Offer Shares that is a partnership and partners in such a partnership should consult their own tax advisers concerning the U.S. federal income tax consequences of purchasing, owning and disposing of Preemptive Rights or Offer Shares.

A "non-U.S. Holder" is a beneficial owner of Preemptive Rights or Offer Shares that is not a U.S. Holder for U.S. federal income tax purposes.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR OWN TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE SECURITIES, INCLUDING THEIR ELIGIBILITY FOR THE BENEFITS OF THE TREATY, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

PREEMPTIVE RIGHTS

The allocation of the Preemptive Rights to U.S. Holders will be treated for U.S. federal income tax purposes as a distribution of a stock right with respect to the Shares held by each shareholder. The receipt of the Preemptive Rights will not be included in the gross income of a U.S. Holder. Under proposed Treasury regulations, the distribution will not be treated as a distribution under the PFIC rules discussed below.

If the fair market value of the Preemptive Rights at the time of the distribution equals 15% or more of the fair market value of the Shares at such time, the U.S. Holder will be required to allocate the adjusted basis of the Shares immediately before the distribution of the Preemptive Rights between the Shares and the Preemptive Rights in proportion to their relative fair market values immediately after the distribution. If the fair market value of the Preemptive Rights at the time of the distribution is less than 15% of the fair market value of the Shares at such time, the U.S. Holder will have a basis of zero in the Preemptive Rights received unless the U.S. Holder makes an election to allocate the adjusted basis of the Shares between the Shares and the

Preemptive Rights as described above. Such election must be made by the U.S. Holder on the tax return for the year in which the distribution occurs and must satisfy the requirements of the Treasury regulations.

The holding period of the Preemptive Rights will include the period for which the U.S. Holder has held the Shares with respect to which the Preemptive Rights are distributed. The holding period of a purchaser of the Preemptive Rights will commence on the date of purchase. If a U.S. Holder of Preemptive Rights exercises the right to purchase Offer Shares, the holding period of the Offer Shares will commence on the date of the exercise and will not include any period for which the holder of the Preemptive Rights held the Shares with respect to which the Preemptive Rights were distributed or the period for which the holder held the Preemptive Rights.

The exercise of Preemptive Rights to purchase Offer Shares will not cause a U.S. Holder to recognise income. The U.S. Holder's basis in the Offer Shares purchased by exercise of the Preemptive Rights will equal the sum of the basis, if any, in the Preemptive Rights exercised to purchase the Offer Shares and the amount paid for the Offer Shares.

A sale of the Preemptive Rights generally will be taxed in the same manner as described for a sale of Offer Shares under "Sale or other disposition" below.

DIVIDENDS

GENERAL
Subject to the PFIC rules discussed below, distributions paid by the Company out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), before reduction for any Danish withholding tax paid by the Company with respect thereto, generally will be taxable to a U.S. Holder as foreign source dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a return of capital to the extent of the U.S. Holder's basis in the Offer Shares and thereafter as capital gain. However, the Company does not expect to determine earnings and profits in accordance with U.S. federal income tax principles. Therefore, U.S. Holders should expect that a distribution with respect to the Offer Shares will be reported as a dividend.

For taxable years beginning before 1 January 2013, certain dividends paid by a foreign corporation are taxable to non-corporate U.S. Holders at the rate normally applicable to long-term capital gains, provided the foreign corporation qualifies for the benefits of a comprehensive income tax treaty with the United States which meets certain requirements, such as the Treaty, and the non-corporate U.S. Holders satisfy certain holding period requirements. The Company believes that it qualifies for the benefits of the Treaty. Non-corporate U.S. Holders should consult their tax advisers to determine whether they are eligible to be taxed at this favourable rate. The favourable rate does not apply to a foreign corporation which is a PFIC in the taxable year the dividend is paid or in the preceding taxable year and, therefore, may not apply to the company. The favourable rate is scheduled to expire as at 31 December 2012, and therefore dividends paid on the Offer Shares after 31 December 2012 will be taxable at the rates generally applicable to ordinary income or at such other rates as may be prescribed by future legislation.

FOREIGN CURRENCY DIVIDENDS
Dividends paid in Danish Kroner will be included in income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the U.S. Holder receives the dividends, regardless of whether the U.S. Holder converts the Danish Kroner into U.S. dollars. If dividends received in Danish Kroner are converted into U.S. dollars on the day they are received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income. A U.S. Holder may have foreign currency gain or loss if it does not convert the amount of such dividend into U.S. dollars on the date of its receipt.

EFFECT OF DANISH WITHHOLDING TAXES
As discussed in "Danish Taxation - Dividends - Shareholders who are not subject to full taxation in Denmark", under current law, payments of dividends to foreign investors are subject to a 27% Danish withholding tax. The rate of withholding tax applicable to U.S. Holders that are eligible for benefits under the Treaty is reduced to a maximum of 15%. For U.S. federal income tax purposes, U.S. Holders will be treated as having received the amount of Danish taxes withheld by the Company, and as then having paid over the withheld taxes to the Danish taxing authorities. As a result of this rule, the amount of dividend income included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of dividends will be greater than the amount of cash actually received (or receivable) by the U.S. Holder from the Company with respect to the payment.

Subject to certain limitations, a U.S. Holder will generally be entitled to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for Danish income taxes withheld by the Company. U.S. Holders that are eligible for benefits under the Treaty will not be entitled to a foreign tax credit for the amount of any Danish taxes withheld in excess of the 15% maximum rate, with respect to which the holder can obtain a refund from the Danish taxing authorities. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. The rules governing foreign tax credits are complex and, therefore, you should consult your own tax advisers regarding the availability of foreign tax credits in your particular circumstances. Instead of claiming a credit, you may, at your election, deduct such otherwise creditable Danish taxes in computing your taxable income, subject to generally applicable limitations under U.S. law.

U.S. Holders that are accrual basis taxpayers must convert Danish taxes into U.S. dollars at a rate equal to the average exchange rate for the taxable year in which the taxes accrue. All U.S. Holders must convert taxable dividend income into U.S. dollars at the spot rate on the date received. This exchange difference may reduce the U.S. dollar value of the credits for Danish taxes relative to the U.S. Holder's federal income tax liability attributable to a dividend.

Prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of the payment of Danish taxes.

SALE OR OTHER DISPOSITION
Subject to the PFIC rules discussed below, upon a sale or other disposition of Shares, a U.S. Holder generally will recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realised on the sale or other disposition and the U.S. Holder's adjusted tax basis in the Shares, each determined in U.S. dollars. This capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the Shares exceeds one year. For a non-corporate U.S. Holder, the maximum long-term capital gains rate is 15% prior to 1 January 2013 and is scheduled to increase to 20% thereafter unless future legislation prescribes otherwise. Any gain or loss generally will be U.S. source.

MEDICARE TAX

For taxable years beginning after 31 December 2012, a United States person that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, is subject to an additional 3.8% tax on the lesser of (1) the United States person's "net investment income" for the relevant taxable year and (2) the excess of the United States person's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between $125,000 and $250,000, depending on the individual's circumstances). A holder's net investment income will generally include its gross dividend income and its net gains from the disposition of Shares, unless such dividends or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a United States person that is an individual, estate or trust, you are urged to consult your tax advisers regarding the applicability of the Medicare tax to your income and gains in respect of your investment in the Shares.

PASSIVE FOREIGN INVESTMENT COMPANY CONSIDERATIONS

The Company expects that it will be a PFIC for U.S. federal income tax purposes for the 2012 taxable year and possibly for future years. A foreign corporation will be a PFIC in any taxable year in which, after taking into account the nature of the income and assets of the corporation and certain subsidiaries pursuant to the applicable "look-through rules", either (i) 75% or more of its gross income is "passive income", such as dividends, interest, rents and royalties (the "income test"), or (ii) 50% or more of the average quarterly value of its assets is attributable to assets that produce passive income ("passive assets") or are held for the production of passive income (the "asset test").

Whether the Company meets the income test for the current taxable year or any future year will depend on a number of factors, including the Company's ability to earn milestone payments, licence fees, royalties and other income from the Company's operations and the timing and amounts of the Company's investments in assets that are not passive assets. The Company expects that its book assets will consist largely of cash and cash equivalents (which are passive assets) for the current tax year and the foreseeable future. Consequently, whether the Company meets the asset test will depend largely on the value of its goodwill, which is considered part of the operating assets that are not held for the production of passive income. The value of the Company's goodwill may be determined based upon the price at which the Shares trade on NASDAQ OMX. Due to the possibility of substantial fluctuations in the price of the Shares, the Company cannot provide any assurance whether the Company will meet the asset test in any given year. Accordingly, the Company cannot offer any assurance that the Company will or will not be a PFIC for any taxable year, including 2012, even if the Company meets the income test with respect to any such year.

If the Company is a PFIC in any year during which a U.S. Holder owns Shares, and the U.S. Holder has not made a mark to market or qualified electing fund election (each as described below), the U.S. Holder generally will be subject to special rules (regardless of whether the Company continues to be a PFIC) with respect to (i) any "excess distribution" (generally, any distributions received by the U.S. Holder on the Shares in a taxable year that are greater than 125% of the average annual distributions received by the U.S. Holder in the three preceding taxable years or, if shorter, the U.S. Holder's holding period for the Shares before the taxable year) and (ii) any gain realised on the sale or other disposition of Shares. Under these rules (a) the excess distribution or gain will be allocated rateably over the U.S. Holder's holding period, (b) the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which the Company is a PFIC will be taxed as ordinary income, and (c) the amount allocated to each taxable year other than the current taxable year will be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year and an interest charge will be applied. If the Company ceases to be a PFIC, a U.S. Holder may make an election (a "deemed sale election") to be treated for U.S. federal income tax purposes as having sold its Shares on the last day of the last taxable year during which the Company was a PFIC. A U.S. Holder that makes a deemed sale election will cease to be treated as owning stock in a PFIC. However, gain recognised by a U.S. Holder as a result of making the deemed sale election will be taxed as ordinary income and will be subject to the interest charge rules described above. Any loss realised on the deemed sale will not be recognised.

If the Company is a PFIC, a U.S. Holder generally will be subject to similar rules with respect to distributions to the Company by, and dispositions by the Company of the shares of, any direct or indirect subsidiaries the Company may have in the future that are also PFICs ("Lower-tier PFICs").

U.S. Holders can avoid the treatment described above by making a mark to market election with respect to the Shares (but not with respect to the stock of any lower-tier PFIC), provided that the Shares are "marketable". Shares will be marketable if they are regularly traded on certain U.S. stock exchanges, or on a foreign stock exchange if (i) the foreign exchange is regulated or supervised by a governmental authority of the country in which the exchange is located; (ii) the foreign exchange has trading volume, listing, financial disclosure, and other requirements designed to prevent fraudulent and manipulative acts and practices, remove impediments to, and perfect the mechanism of, a free and open market, and to protect investors; (iii) the laws of the country in which the exchange is located and the rules of the exchange ensure that these requirements are actually enforced; and (iv) the rules of the exchange effectively promote the active trading of listed stocks. The IRS has not identified specific foreign exchanges that meet these criteria. The Company believes that NASDAQ OMX, on which the Shares are traded, satisfies these four requirements. For these purposes, the Shares generally will be considered regularly traded during any calendar year during which they are traded, other than in de minimis quantities, on at least 15 days during each calendar quarter (or on at least 1/6 of the days remaining in the quarter in which an initial public offering occurs). Any trades that have as their principal purpose meeting this requirement will be disregarded.

A U.S. Holder that makes a mark to market election must include as ordinary income for each year an amount equal to the excess, if any, of the fair market value of the Shares at the close of the taxable year over the U.S. Holder's adjusted basis in the Shares. An electing holder may also claim an ordinary loss deduction for the excess, if any, of the U.S. Holder's adjusted basis in the Shares over the fair market value of the Shares at the close of the taxable year, but this deduction is allowable only to the extent of any net mark to market gains for prior years. The U.S. Holder's basis in the Shares will be adjusted each year to reflect any such income or loss amounts. Gains from an actual sale or other disposition of the Shares will be treated as ordinary income, and any losses incurred on a sale or other disposition of the Shares will be treated as an ordinary loss to the extent of any net mark to market gains for prior years. Once made, the election cannot be revoked without the consent of the IRS unless the Shares cease to be marketable. If the Company is a PFIC for any year in which the U.S. Holder owns the Shares but before a mark to market election is made, the interest charge rules described above will apply to any mark to market gain recognised in the year the election is made.

Alternatively, a timely election to treat the Company as a qualified electing fund (a "QEF Election") under the Internal Revenue Code could be made to avoid the foregoing rules with respect to excess distributions and dispositions. The Company will comply with all reporting requirements necessary for you to make a QEF Election and will, as promptly as practicable following the end of any taxable year in which the Company determines that it is a PFIC, provide to registered holders of Shares with U.S. addresses, and to other shareholders upon request, information necessary for such an election. If a U.S. Holder makes a QEF Election, a U.S. Holder would be currently taxable on its pro rata share of the Company's ordinary earnings and net capital gain (at ordinary income and capital gains rates, respectively) for each taxable year of the Company for which the Company is classified as a PFIC, regardless of whether dividend distributions were received. For the purposes of determining gain or loss on the disposition (including redemption or retirement) of Shares, a U.S. Holder's initial tax basis in the Shares will be increased by the amount so included in gross income with respect to the Shares and decreased by the amount of any non-taxable distributions on the Shares. In general, a U.S. Holder making a timely QEF Election will recognise, on the sale or disposition (including redemption and retirement) of Shares, capital gain or loss equal to the difference, if any, between the amount realised upon such sale or disposition and that U.S. Holder's adjusted tax basis in those Shares. Such gain will be long-term if the U.S. Holder held the Shares for more than one year on the date of disposition.

Each U.S. Holder who desires to make a QEF Election must individually make the QEF Election. The QEF Election is effective for the U.S. Holder's taxable year for which it is made and all subsequent taxable years and may not be revoked without the consent of the IRS. In general, a U.S. Holder must make a QEF Election on or before the due date for filing its income tax return for the first year to which the QEF Election will apply.

Based on the nature of the Company's expected income, the expected composition of the Company's assets and the business prospects, the Company does not expect to have significant ordinary earnings or net capital gain in any taxable year in which the Company may be classified as a PFIC. Accurate predictions of the nature of the Company's income and the composition of assets, however, are particularly difficult in view of the volatile nature of the earnings patterns in technological industries such as emerging pharmaceutical and biotechnology industries and available interest rates. Accordingly, there can be no assurance that the Company's expectations described above will be fulfilled. Investors should consult their own tax advisers concerning the applicability of the PFIC rules and the merits of making a QEF Election if the Company is a PFIC for any taxable year.

If the Company is a PFIC with respect to any taxable year, each U.S. Holder must file IRS Form 8621, reporting distributions received and gains realised with respect to each PFIC in which it holds a direct or indirect interest. Prospective purchasers should consult their tax advisers regarding the Company's status as a PFIC and the potential application of the PFIC regime.

BACKUP WITHHOLDING AND INFORMATION REPORTING

Payments of dividends and other proceeds with respect to Shares in the United States by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of foreign or other exempt status or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. Certain U.S Holders (including, among others, corporations) are not subject to backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

A non-U.S. Holder generally may eliminate the requirement for information reporting and backup withholding by providing certification of its foreign status to the payor, under penalties of perjury, on IRS Form W-8BEN. You should consult your own tax adviser as to the qualifications for exemption from backup withholding and the procedures for obtaining the exemption.

INFORMATION WITH RESPECT TO FOREIGN FINANCIAL ASSETS

Individuals that own "specified foreign financial assets" with an aggregate value in excess of $50,000 are generally required to file IRS Form 8938 with respect to such assets with their tax returns. "Specified foreign financial assets" include any financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons, (ii) financial instruments and contracts held for investment that have non-U.S. issuers or counterparties and (iii) interests in foreign entities. U.S. Holders that are individuals are urged to consult their tax advisers regarding the application of this requirement to their ownership of Shares.

NON-U.S. HOLDERS

If you are a non-U.S. Holder, you will not be subject to U.S. federal income tax on gain recognised on the sale, exchange or other disposition of your Shares unless:

- the gain is "effectively connected" with your conduct of a trade or business in the United States, and the gain is attributable to a permanent establishment (or in the case of an individual, a fixed place of business) that you maintain in the United States if that is required by an applicable income tax treaty as a condition for subjecting you to U.S. taxation on a net income basis; or

- you are an individual, you are present in the United States for 183 or more days in the taxable year of such sale, exchange or other disposition and certain other conditions are met.

In the first case, the non-U.S. Holder will be taxed in the same manner as a U.S. Holder. In the second case, the non-U.S. Holder will be subject to U.S. federal income tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty between the U.S. and the non-U.S. Holder's country of residence) on the amount by which such non-U.S. Holder's U.S.-source capital gains exceed such non-U.S. Holder's U.S.-source capital losses.

If you are a corporate non-U.S. Holder, "effectively connected" gains that you recognise may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

5. TERMS AND CONDITIONS OF THE OFFERING

5.1 Terms of the Offering, subscription ratio and allocation of Preemptive Rights

On 22 October 2012 at 12:30 p.m. CET (Allocation Time), each holder of Shares registered with VP Securities as a shareholder of the Company will be allocated eight (8) Preemptive Rights for each Existing Share held.

Three (3) Preemptive Rights will entitle the holder to subscribe for one (1) Offer Share. Accordingly, the holder will have the right, upon payment of the Offer Price, to subscribe for one (1) Offer Share for every three (3) Preemptive Rights. No fractional Offer Shares will be issued. The Offer Shares are offered at DKK 0.35 per Share. No brokerage fees will be incurred by investors.

Shares traded after 17 October 2012 will be traded without Preemptive Rights, provided that Shares are traded with customary three-day settlement.

The Preemptive Rights and the Offer Shares will be available for delivery by allocation to accounts through the book-entry facilities of VP Securities.

The Preemptive Rights will be admitted to trading and official listing on NASDAQ OMX under the ISIN code DK0060449130.

The Offer Shares will be issued and registered under the temporary ISIN code DK0060449213. The Offer Shares will not be traded and officially listed on NASDAQ OMX under the temporary ISIN code. The temporary ISIN code will be merged with the permanent ISIN code for the Existing Shares, and the Offer Shares will be admitted to trading and official listing on NASDAQ OMX directly under the ISIN code of the Existing Shares (DK0060048148) following registration of the capital increase with the Danish Business Authority, which is expected to take place on 13 November 2012. Admission to trading and official listing of the Offer Shares on NASDAQ OMX under the existing ISIN code is expected to take place on 15 November 2012.

Upon trading and official listing of the Offer Shares, the Offer Shares will be accepted for clearance through Euroclear and Clearstream.

5.2 Offering and proceeds

The Offering comprises 1,206,779,946 Offer Shares.

The gross proceeds of the Offering will total DKK 422 million (estimated net proceeds of DKK 405 million).

5.3 Completion of the Offering

The Offering will only be completed if and when the Offer Shares subscribed for are issued by the Company upon registration of the capital increase with the Danish Business Authority, which is expected to take place on 13 November 2012.

An announcement concerning the results of the Offering is expected to be made on 8 November 2012. See Part III, Section 5.11 "Publication of the results of the Offering".

5.4 Subscription Period

The Subscription Period for the Offer Shares commences on 23 October 2012 at 9:00 a.m. CET and closes on 5 November 2012 at 5:00 p.m. CET.

See Part III, Section 5.12 "Procedure for exercise of and dealings in Preemptive Rights and treatment of Preemptive Rights" and Section 5.13 "Procedure for subscription of Remaining Shares" for a description of the procedure for exercise of Preemptive Rights and subscription for Offer Shares.

5.5 Expected timetable of principal events

Last day of trading of Existing Shares with Preemptive Rights:	17 October 2012
First day of trading of Existing Shares without Preemptive Rights:	18 October 2012
Trading period for Preemptive Rights commences on NASDAQ OMX:	18 October 2012
Allocation Time of Preemptive Rights:	22 October 2012 at 12:30 p.m. CET through the computer system of VP Securities
Subscription Period for Offer Shares begins:	23 October 2012
Trading period for Preemptive Rights ends:	31 October 2012 at 5:00 p.m. CET
Subscription Period for Offer Shares ends:	5 November 2012 at 5:00 p.m. CET
Publication of the results of the Offering:	Not later than three Banking Days after the end of the Subscription Period (expected to be on 8 November 2012)
Completion of the Offering:	The Offering will only be completed if and when the Offer Shares subscribed for are issued by the Company upon registration of the capital increase with the Danish Business Authority, which is expected to take place on 13 November 2012
Official listing of and trading in Offer Shares under existing ISIN code:	15 November 2012

5.6 Withdrawal of the Offering

The Offering may be withdrawn at any time prior to registration of the capital increase relating to the Offering with the Danish Business Authority. The Rights Issue Agreement provides that the Global Coordinator may require the Company to withdraw the Offering at any time prior to the registration of the capital increase relating to the Offer Shares upon notification of termination of the Rights Issue Agreement. The Global Coordinator is entitled to terminate the Rights Issue Agreement upon the occurrence of certain exceptional and/or unpredictable circumstances, such as *force majeure*. The Company may also terminate the Rights Issue Agreement and withdraw the Offering prior to the expiry of the Subscription Period upon the occurrence of certain exceptional and/or unpredictable circumstances. The Rights Issue Agreement also contains closing conditions which the Company believes are customary for offerings such as the Offering, and the closing of the Offering is dependent on compliance with all of the closing conditions set forth in the Rights Issue Agreement. If one or more closing conditions are not met, the Global Coordinator may, at its discretion, also terminate the Rights Issue Agreement and thereby require the Company to withdraw the Offering.

If the Offering is not completed, the exercise of Preemptive Rights that has already taken place will automatically be cancelled, the subscription price for Offer Shares will be refunded (less any brokerage fees), all Preemptive Rights will be null and void, and no Offer Shares will be issued, potentially causing investors who may have acquired Preemptive Rights and/or Offer Shares (in an off-market transaction) to incur a loss. In relation to the withdrawal of the Offering, see the section entitled "Risk factors – Risks related to the Company's Shares and the Offering". However, trades of Preemptive Rights executed during the trading period for Preemptive Rights will not be affected. As a result, investors who acquired Preemptive Rights will incur a loss corresponding to the purchase price of the Preemptive Rights and any brokerage fees. Any withdrawal will be notified immediately through NASDAQ OMX.

5.7 Reduction of subscription

Not applicable.

5.8 Minimum and/or maximum subscription amounts

The minimum number of Offer Shares that a holder of Preemptive Rights may subscribe for will be one (1) Offer Share, requiring the exercise of three (3) Preemptive Rights and the payment of the Offer Price. The number of Offer Shares that a holder of Preemptive Rights may subscribe for is not limited.

5.9 Revocation of subscription orders

Instructions to exercise Preemptive Rights are irrevocable.

5.10 Payment

Upon exercise of the Preemptive Rights, the holder must pay DKK 0.35 per Offer Share.

Payment for the Offer Shares subscribed through the exercise of the Preemptive Rights shall be made in Danish Kroner on the date of subscription, however, not later than on 5 November 2012 at 5:00 p.m. CET, against registration of the Offer Shares in the investor's account with VP Securities. Holders of Preemptive Rights are required to adhere to the account agreement with their Danish custodian or other financial intermediaries through which they hold Existing Shares. Financial intermediaries through whom a holder may hold Preemptive Rights may require payment by an earlier date.

Payment for the Remaining Shares shall be made in Danish Kroner on 13 November 2012 at 9:00 a.m. CET, against registration of the Offer Shares in the investor's account with VP Securities.

5.11 Publication of the results of the Offering

The results of the Offering will be communicated in a company announcement which is expected to be released through NASDAQ OMX not later than three Banking Days after the end of the Subscription Period (expected to be on 8 November 2012).

5.12 Procedure for exercise of and dealings in Preemptive Rights and treatment of Preemptive Rights

The Preemptive Rights have been approved for and will be admitted to trading and official listing on NASDAQ OMX.

Holders of Preemptive Rights wishing to subscribe for Offer Shares must do so through their own custodian institution, in accordance with the rules of such institution. The deadline for notification of exercise depends on the holder's agreement with and the rules and procedures of the relevant custodian institution or other financial intermediary and may be earlier than the end of the Subscription Period. Once a holder has exercised his Preemptive Rights, the exercise may not be revoked or modified.

Upon exercise of Preemptive Rights and payment of the Offer Price, the Offer Shares will be delivered through VP Securities at the close of any Banking Day. The Offer Shares subscribed through the exercise of the Preemptive Rights will in any event be delivered no later than 7 November 2012. The Offer Shares will not be issued or admitted to trading and official listing on NASDAQ OMX until registration of the capital increase has taken place with the Danish Business Authority. The admission to trading and official listing of the Offer Shares under the existing ISIN code on NASDAQ OMX is expected to take place on 15 November 2012.

Exercise instructions without the required supporting documentation sent from a person located in the United States or any other jurisdiction in which it would not be permissible to subscribe for the Offer Shares will be deemed to be invalid, and no Offer Shares will be credited to institutions with addresses in the United States or such other jurisdictions. The Company and the Global Coordinator will reject any exercise of Preemptive Rights in the name of any person who, without providing the required supporting documentation such as the investor letter applicable to persons located in the United States, (i) provides for acceptance or delivery of Offer Shares to an address in the United States or any other jurisdiction in which it would not be permissible to subscribe for the Offer Shares, (ii) is unable to represent or warrant that such person is not in the United States or such other jurisdiction, (iii) is acting for persons in the United States or such other jurisdiction other than on a discretionary basis, or (iv) appears to the Company or its agents to have executed its exercise instructions or certifications in or dispatched them from the United States or such other jurisdiction.

See Part III, Section 5.14 "Jurisdictions in which the Offering will be made and restrictions applicable to the Offering''.

Account holders who exercise their Preemptive Rights shall be deemed to have represented that no Preemptive Rights are being exercised by or for the account or benefit of persons located in the United States (subject to certain exceptions in accordance with procedures established by the Company pursuant to applicable law) or such other jurisdictions in which it would not be permissible to make an offer of the Offer Shares.

Any holder who exercises its Preemptive Rights shall be deemed to have represented that it has complied with all applicable laws. Custodian banks exercising Preemptive Rights on behalf of beneficial holders shall be deemed to have represented that they have complied with the offering procedures set forth in this Prospectus. Neither the Preemptive Rights nor the Offer Shares have been registered under the Securities Act.

Upon expiry of the Subscription Period, the Preemptive Rights will lapse without value, and the holders will not be entitled to any compensation. Holders of Preemptive Rights who do not wish to exercise their Preemptive Rights to subscribe for Offer Shares may sell their Preemptive Rights during the trading period for the Preemptive Rights, and the transferee may use the acquired Preemptive Rights to subscribe for Offer Shares. Holders wishing to sell their Preemptive Rights should instruct their custodian banks accordingly.

Due to the subscription ratio of 8:3, there will be an excess of two (2) Preemptive Rights even if all Offer Shares are subscribed for.

5.13 Procedure for subscription of Remaining Shares

Existing shareholders (who were shareholders in the Company as at the Prospectus Date) wishing to subscribe for Remaining Shares must do so by making binding undertakings to subscribe for Remaining Shares at the Offer Price through their own custodian institution before the end of the Subscription Period. Existing shareholders in Denmark may use the subscription form that accompanies the International Prospectus. Existing shareholders outside Denmark should contact their own custodian institution.

In the event that binding undertakings made by existing shareholders (who were shareholders in the Company as at the Prospectus Date) exceed the number of Remaining Shares, the Remaining Shares will be allocated pro rata based on the Shares each existing shareholder held at the Prospectus Date.

Existing shareholders (who were shareholders in the Company as at the Prospectus Date) who wish to be considered when the Remaining Shares are allocated must, before the expiry of the Subscription Period and through their own custodian institution, send documentation to the Global Coordinator which clearly documents the number of Shares held by the existing shareholder as at the Prospectus Date. In the event that the documentation for the number of Shares held by the existing shareholder as at the Prospectus Date is not sent through the existing shareholder's custodian institution to the Global Coordinator before expiry of the Subscription Period, the existing shareholder will not be taken into consideration when the Remaining Shares are allocated. Subscription for the Remaining Shares will take place without compensation to holders of Preemptive Rights that have not been exercised. Neither the Company nor the Global Coordinator can guarantee that existing shareholders who wish to subscribe for Remaining Shares will be allocated any Remaining Shares. Only shareholders and investors who acquire and exercise Preemptive Rights are guaranteed allocation of Offer Shares in the Company and only in the event that the Offering is completed. Accordingly, Remaining Shares will only be available for allocation if the Offer Shares have not been subscribed for by the Company's shareholders through the exercise of allocated Preemptive Rights or by investors through the exercise of Preemptive Rights.

Any Remaining Shares allocated to existing shareholders will be delivered through VP Securities on 13 November 2012.

5.14 Jurisdictions in which the Offering will be made and restrictions applicable to the Offering

WHERE THE OFFERING WILL BE MADE

The Offering comprises a public offering in Denmark and private placements in certain other jurisdictions.

RESTRICTIONS APPLICABLE TO THE OFFERING

GENERAL RESTRICTIONS

The Offering will be implemented under Danish law, and neither the Company nor the Global Coordinator has taken any action or will take any action in any jurisdictions, with the exception of Denmark, which may result in a public offering of the Preemptive Rights and/or the Offer Shares.

The distribution of this Prospectus and the Offering as well as the marketing of Preemptive Rights or Offer Shares may be restricted by law in certain jurisdictions, and this Prospectus may not be used for the purpose of or in connection with any offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. This Prospectus does not constitute an offer or an invitation to acquire any Preemptive Rights or to subscribe for Offer Shares in any jurisdiction in which such offer or invitation would be unlawful. Persons into whose possession this Prospectus comes shall inform themselves of and observe all such restrictions. Each investor is advised to investigate through such investor's own advisers the tax consequences of an investment in Offer Shares. Neither the Company nor the Global Coordinator accepts any legal responsibility for any violation by any person, irrespective of whether such person is an Existing Shareholder or a potential purchaser of Preemptive Rights and/or a subscriber for or a purchaser of the Offer Shares.

The Preemptive Rights and the Offer Shares are subject to transfer and selling restrictions in certain jurisdictions. By purchasing or subscribing for the Preemptive Rights or the Offer Shares, purchasers of or subscribers for the Preemptive Rights or Offer Shares will be deemed to have confirmed that the Company and the Global Coordinator and their respective affiliates and other persons may rely on the accuracy of the representations, acknowledgements, guarantees and agreements contained herein.

Each prospective purchaser of or subscriber for the Preemptive Rights and/or the Offer Shares must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, subscribes for, offers or sells Preemptive Rights and/or Offer Shares or possesses or distributes this Prospectus and must obtain any applicable consent, approval or permission for acquiring Preemptive Rights and/or Offer Shares.

This Prospectus may not be distributed in or otherwise be made available, and the Offer Shares may not be directly or indirectly offered, sold or subscribed for, and the Preemptive Rights may not be directly or indirectly offered, sold, acquired or exercised in the United States, Canada, Australia or Japan, unless such distribution, offering, sale, acquisition, exercise or subscription is permitted under applicable laws of the relevant jurisdiction and the Company and the Global Coordinator receive satisfactory documentation to that effect. Due to such restrictions under applicable legislations and regulations, the Company expects that certain investors residing in the United States, Canada, Australia, Japan and other jurisdictions outside Denmark may not be able to receive this Prospectus and may not be able to exercise their Preemptive Rights or to subscribe for the Offer Shares.

NOTICE TO UNITED STATES RESIDENTS

The Preemptive Rights and the Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Preemptive Rights may not be offered, sold, purchased or exercised in the United States, and the Offer Shares may not be subscribed for, offered or sold in the United States unless they are registered under the U.S. Securities Act or an exemption from such registration requirements is available. The Offer Shares are being offered or sold in the United States to QIBs in connection with the Rule 144A Offering, or otherwise pursuant to an exemption from registration. The Offer Shares are being offered outside the United States in reliance on Regulation S. Prospective investors are hereby notified that sellers of the Offer Shares may be relying on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A or Regulation S.

The Preemptive Rights and the Offer Shares have neither been approved nor disapproved by the U.S. Securities and Exchange Commission (the "Securities and Exchange Commission" or the "SEC"), any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

Internal Revenue Service Circular 230 Notice: **To ensure compliance with Internal Revenue Service Circular 230, prospective investors are hereby notified that: (i) any discussion of federal tax issues contained or referred to in this Prospectus is not intended or written to be used, and cannot be used, by prospective investors for the purpose of avoiding penalties that may be imposed on them under the Internal Revenue Code; (ii) such discussion is written in connection with the promotion or marketing of the transactions or matters addressed herein; and (iii) prospective investors should seek advice based on their particular circumstances from an independent tax adviser.**

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a "Relevant Member State") no offering of Preemptive Rights or Offer Shares to the public will be made in any Relevant Member State prior to the publication of a prospectus concerning the Preemptive Rights and the Offer Shares, which has been approved by the competent authority in such Relevant Member State or, where relevant, approved in another Relevant Member State and notified to the competent authority in such Relevant Member State, all pursuant to the Prospectus Directive, except that with effect from and including the date of implementation of the Prospectus Directive in such Relevant Member State, an offering of Preemptive Rights and Offer Shares may be made to the public at any time in such Relevant Member State under the following exemptions under the Prospectus Directive:

- to any qualified investor as defined in the Prospectus Directive;

- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior written consent of the Company and the Global Coordinator; or

- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Offer Shares shall result in a requirement for the publication by the Company or the Global Coordinator of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of the above, the expression "an offer of Preemptive Rights and Offer Shares to the public" in relation to any Preemptive Rights and Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering, the Preemptive Rights and the Offer Shares so as to enable an investor to decide whether to exercise or acquire Preemptive Rights or to subscribe for the Offer Shares or not, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

NOTICE TO INVESTORS IN THE UNITED KINGDOM
This document is only being distributed to, and is only directed at, (i) persons outside the United Kingdom, or (ii) persons reasonably believed by the Company to be investment professionals within the meaning of article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), or high net worth companies or unincorporated associations within the meaning of article 49(2) of the Order, or (iii) persons to whom this document may otherwise lawfully be distributed (all such persons being referred to collectively as "Relevant Persons"). The Preemptive Rights and the Offer Shares are only available to, and any invitation, offer or agreement to subscribe for, purchase or otherwise acquire such Preemptive Rights or Offer Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.

NOTICE CONCERNING CANADA, AUSTRALIA AND JAPAN
This Prospectus may not be distributed or otherwise be made available, and the Offer Shares may not be directly or indirectly offered, sold or subscribed for, and the Preemptive Rights may not be directly or indirectly offered, sold, acquired or exercised in Canada, Australia, or Japan, or Japan or any other jurisdiction in which such distribution, offering, sale, subscription, acquisition or exercise would not be permitted under applicable laws of such jurisdiction, and the Company and the Global Coordinator receive satisfactory documentation to that effect.

Due to such restrictions under applicable legislation and regulations, the Company expects that certain investors residing in Canada, Australia, Japan and other jurisdictions outside Denmark may not be able to receive this Prospectus and may not be able to exercise their Preemptive Rights or to subscribe for the Offer Shares.

5.15 Intentions of Major Shareholders of the Company, the Board of Directors, the Executive Management or the Senior Management to participate in the Offering

Two of the Company's major shareholders, Lundbeckfond Invest A/S and Novo A/S, have each made a conditional advance undertaking to exercise the Preemptive Rights allocated to them in the Offering to subscribe for Offer Shares.

In addition, Lundbeckfond Invest A/S and Novo A/S have made conditional advance undertakings to subscribe for up to all of the Remaining Shares. If and to the extent other existing shareholders (who were shareholders in the Company as at the Prospectus Date) have submitted binding commitments to subscribe for Remaining Shares, such other existing shareholders and Lundbeckfond Invest A/S and Novo A/S will be allocated Remaining Shares on a pro rata basis based on the Shares they each held on the Prospectus Date and subject to any maximum indicated by other existing shareholders.

The two major shareholders have agreed to sell and transfer such number of Offer Shares, if relevant, amongst them in connection with completion of the Offering as are necessary to ensure that neither of them reach an ownership interest of more than 33.32% in the Company or, if that is not possible, to ensure that their shareholdings in the Company shall be of exactly the same size after completion of the Offering. Consequently, the Company does not expect that either Lundbeckfond Invest A/S or Novo A/S will obtain a controlling interest in the Company as a consequence of the Offering.

The advance undertakings as at the Prospectus Date are made on condition that no fact or circumstance will occur during the Subscription Period which Lundbeckfond Invest A/S or Novo A/S deem likely to have a material adverse effect on the Company's business, financial condition or prospects for future operations. Should any of the aforesaid occur, Lundbeckfond Invest A/S and/or Novo A/S may cancel their advance subscription undertakings. If either of Lundbeckfond Invest A/S or Novo A/S does not fullfil their obligations under the advance undertakings, the other major shareholder shall not be obliged to fullfil its obligation either.

The Company has been informed that Lundbeckfond Invest A/S and Novo A/S have obtained a non-binding statement from the Danish Financial Supervisory Authority confirming that no mandatory public offer to the other shareholders of the Company will have to be submitted by Lundbeckfond Invest A/S and/or Novo A/S as a result of them subscribing for Offer Shares through exercise of the Preemptive Rights allocated to or acquired by them in connection with the Offering or as result of them subscribing for Remaining Shares pursuant to the binding conditional commitments given by them.

Due to the binding advance undertakings described above and subject to the fulfilment of the conditions attached to the advance undertakings and the completion of the Offering, the total gross proceeds of the Offering will be DKK 422 million.

The Company has received indications from the members of the Board of Directors and the Executive Management holding Shares in the Company as at the Prospectus Date that they intend to participate in the Offering by exercising the Preemptive Rights allocated to them.

5.16 Plan of distribution

The Offering takes place with Preemptive Rights for the Existing Shareholders.

See Part III, Section 5.1 "Terms of the Offering, subscription ratio and allocation of Preemptive Rights" for a description of the terms of the Offering, Section 5.13 "Procedure for subscrip-

tion of Remaining Shares" for a description of the subscription for Remaining Shares and Section 5.15 "Intentions of Major Shareholders of the Company, the Board of Directors, the Executive Management or the Senior Management to participate in the Offering" and Section 5.23 "Undertakings to subscribe" for a description of the advance intentions and undertakings to subscribe for Offer Shares.

5.17 Pre-allotment information

There is no pre-allotment of Offer Shares.

5.18 Over-allotment information

There is no over-allotment of Offer Shares.

5.19 Offer Price

The Offer Shares are offered at DKK 0.35 per Share. No brokerage fees will be incurred by investors.

5.20 Price disparity

All Existing Shareholders will be granted the right to subscribe for Offer Shares at the Offer Price and, consequently, there is no price disparity.

5.21 Payment intermediaries

Euroclear Bank S.A./N.V.
1 Boulevard du Roi Albert II
B-1210 Brussels
Belgium

Clearstream Banking S.A.
42 Avenue JF Kennedy
L-1855 Luxembourg
Luxembourg

5.22 Placing

Handelsbanken Capital Markets (a division of Svenska Handelsbanken AB (publ)) is acting as Global Coordinator.

ADDRESS OF THE GLOBAL COORDINATOR
The address of the Global Coordinator is Handelsbanken Capital Markets (Organisation no. 202007-7862), Havneholmen 29, 1561 Copenhagen V, Denmark.

RIGHTS ISSUE AGREEMENT
In connection with the Offering, the Company and the Global Coordinator have entered into the Rights Issue Agreement.

The Company has given certain representations and warranties to the Global Coordinator. The Company has furthermore undertaken to indemnify the Global Coordinator for certain matters related to the Offering. The Rights Issue Agreement provides that the Global Coordinator may require the Company to withdraw the Offering at any time prior to the registration of the capital increase relating to the Offer Shares upon notification of termination of the Rights Issue Agreement. The Global Coordinator is entitled to terminate the Rights Issue Agreement upon the occurrence of certain exceptional and/or unpredictable circumstances, such as *force majeure*. The Company may also terminate the Rights Issue Agreement and withdraw the Offering prior to the expiry of the Subscription Period upon the occurrence of certain exceptional and/or unpredictable circumstances. The Rights Issue Agreement contains closing conditions which the Company believes are customary for offerings such as the Offering and the closing of the Offering is dependent on compliance with all of the closing conditions set forth in the Rights Issue Agreement. If one or more of the closing conditions are not met, the Global Coordinator may also, at its discretion, terminate the Rights Issue Agreement and thereby require the Company to withdraw the Offering. See Part III, Section 5.6 "Withdrawal of the Offering".

5.23 Undertakings to subscribe

Two of the Company's major shareholders, Lundbeckfond Invest A/S and Novo A/S, have each made a conditional advance undertaking to exercise the Preemptive Rights allocated to them in the Offering to subscribe for Offer Shares.

In addition, Lundbeckfond Invest A/S and Novo A/S have made conditional advance undertakings to subscribe for up to all of the Remaining Shares. If and to the extent other existing shareholders (who were shareholders in the Company as at the Prospectus Date) have submitted binding commitments to subscribe for Remaining Shares, such other existing shareholders and Lundbeckfond Invest A/S and Novo A/S will be allocated Remaining Shares on a pro rata basis based on the Shares they each held on the Prospectus Date and subject to any maximum indicated by other existing shareholders.

The two major shareholders have agreed to sell and transfer such number of Offer Shares, if relevant, amongst them in connection with completion of the Offering as are necessary to ensure that neither of them reach an ownership interest of more than 33.32% in the Company or, if that is not possible, to ensure that their shareholdings in the Company shall be of exactly the same size after completion of the Offering. Consequently, the Company does not expect that either Lundbeckfond Invest A/S or Novo A/S will obtain a controlling interest in the Company as a consequence of the Offering.

The advance undertakings as at the Prospectus Date are made on condition that no fact or circumstance will occur during the Subscription Period which Lundbeckfond Invest A/S or Novo A/S deem likely to have a material adverse effect on the Company's business, financial condition or prospects for future operations. Should any of the aforesaid occur, Lundbeckfond Invest A/S and/or Novo A/S may cancel their advance subscription undertakings. If either of Lundbeckfond Invest A/S or Novo A/S does not fulfil their obligations under the advance undertakings, the other major shareholder shall not be obliged to fulfil its obligation either.

The Company has been informed that Lundbeckfond Invest A/S and Novo A/S have obtained a non-binding statement from the Danish Financial Supervisory Authority confirming that no mandatory public offer to the other shareholders of the Company will have to be submitted by Lundbeckfond Invest A/S and/or Novo A/S as a result of them subscribing for Offer Shares through ex-

ercise of the Preemptive Rights allocated to or acquired by them in connection with the Offering or as result of them subscribing for Remaining Shares pursuant to the binding conditional commitments given by them.

Due to the binding advance undertakings described above and subject to the fulfilment of the condition attached to the advance undertakings and the completion of the Offering, the total gross proceeds of the Offering will be DKK 422 million.

Lundbeckfond Invest A/S and Novo A/S are not entitled to a commission for their undertakings to subscribe for additional shares.

As at the Prospectus Date, the Company has no knowledge that any of its Major Shareholders have entered into or anticipate entering into a shareholders' agreement concerning their shareholdings in the Company, that they otherwise coordinate their interests in the Company or that they are otherwise acting in concert.

6. ADMISSION TO TRADING AND OFFICIAL LISTING

The Preemptive Rights have been approved for and will be admitted to trading and official listing on NASDAQ OMX. The trading period for the Preemptive Rights will commence on 18 October 2012 at 9:00 a.m. CET and will close on 31 October 2012, at 5:00 p.m. CET under the ISIN code DK0060449130.

Upon registration of the capital increase relating to the Offer Shares with the Danish Business Authority, which is expected to take place on 13 November 2012, the Offer Shares will be issued and admitted to trading and official listing on NASDAQ OMX. Admission to trading and official listing of the Offer Shares is expected to take place on 15 November 2012 in the ISIN code of the Existing Shares (DK0060048148). See Part III, Section 5.1 "Terms of the Offering, subscription ratio and allocation of Preemptive Rights".

6.1 Market maker agreement

The Company has not entered into any market maker agreement.

6.2 Price stabilisation and short positions

The Global Coordinator will not affect transactions which stabilise or maintain the market price of the Preemptive Rights, the Offer Shares or the Existing Shares at levels above those which might otherwise prevail in the open market.

7. SELLING SECURITY HOLDERS AND LOCK-UP AGREEMENTS

7.1 Shareholders that have indicated that they expect to sell their Shares or Preemptive Rights

The Company has not received any indications from shareholders that they intend to sell their Shares or Preemptive Rights.

7.2 Lock-up agreements in connection with the Offering

The Company, its Board of Directors and the Executive Management have entered into lock-up agreements with the Global Coordinator.

LOCK-UP AGREEMENTS WITH THE COMPANY

The Company has undertaken that for a period of 180 days counted from the date of completion of the Offering (expected to take place on 13 November 2012) it will not issue, sell, offer for sale, enter into any agreement regarding the sale of, pledge or in any other way directly or indirectly transfer the Shares in the Company or other securities exchangeable into Shares in the Company, including warrants or other options to acquire Shares in the Company (together "Company Securities") or announce the intention to make any such act without the prior written consent of the Global Coordinator. Such consent is not to be unreasonably withheld or delayed if the transaction is motivated by reasonable business considerations attributable to the Company. The above-mentioned obligation of the Company shall not apply to transfers or issues of Company Securities to the Company's and its subsidiary's employees, the members of the Executive Management or the Board of Directors in relation to granting, allocation or issue of Company Securities to such persons as part of or in accordance with the existing or future general or individual employee shareholding and/or warrant programmes, the exercise by such persons of their rights in accordance with the existing or future general or individual employee shareholding and/or warrant programmes or cancellation of existing warrants.

LOCK-UP AGREEMENT WITH THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

The members of the Board of Directors and of the Executive Management have each agreed that for a period of 180 days counted from the date of completion of the Offering (expected to take place on 13 November 2012) they will not sell, offer for sale, enter into any agreement regarding the sale of, pledge or in any other way directly or indirectly transfer Company Securities or announce the intention to make any such act without the prior written consent of the Global Coordinator. Such consent is not to be unreasonably withheld or delayed. The above-mentioned obligation shall not apply to the acquisition, subscription for or disposal of Company Securities in relation to the exercise by the shareholder of its rights in accordance with existing or future general or individual employee shareholdings and/or warrant programmes, or any cancellation of existing warrants made in agreement with the Company, and the obligation does not cover Preemptive Rights and Shares or warrants acquired by the shareholder after the Prospectus Date.

8. NET PROCEEDS AND AGGREGATE COSTS

The gross proceeds of the Offering will total DKK 422 million.

The estimated total expenses (fixed and discretionary) payable by the Company in connection with the Offering are DKK 17 million, provided that the Offering is fully subscribed for.

The estimated net proceeds of the Offering will total DKK 405 million.

The Company has undertaken to pay a subscription commission of 0.125% per Offer Share to the custodian banks. Fees and commission to the Global Coordinator and subscription commission to custodian banks are variable, and the actual costs will therefore depend on the result of the Offering.

9. DILUTION

The Company's equity value as at 31 August 2012 was DKK 61 million or DKK 0.13 per Share. The equity per Share is determined by dividing the equity value by the total number of Shares. After giving effect to the issue of the Offer Shares at the Offer Price of DKK 0.35 per Share, and deducting commissions and estimated expenses, the pro forma equity value as at 31 August 2012 would have been approximately DKK 466 million or DKK 0.28 per Share. This represents an immediate increase in equity value per Share of DKK 0.15, for the Company's Existing Shareholders, and an immediate dilution in adjusted equity per Share of DKK 0.07, corresponding to a dilution of 20% for subscribers for Offer Shares. The following table illustrates the per Share dilution that investors in the Offer Shares will experience:

Offer Price per Share	DKK 0.35
Equity per Share as at 31 August 2012	DKK 0.13
Increase in equity value per Share attributable to new investors	DKK 0.15
Equity value per Share after the Offering[(1)(2)]	DKK 0.28
Dilution per Share to new investors	DKK 0.07
Percentage dilution	20%

Notes:

(1) Dilution is determined by subtracting equity value per Share after the Offering from the Offer Price per Share.

(2) Further dilution will occur upon exercise of outstanding warrants. Upon completion of the Offering, the number of warrants will increase and the exercise price thereof will decrease as the Offer Price is lower than the closing price at 22 August 2012 of DKK 0.56 which is the basis for the adjustment of the number of warrants. See Part I, Section 21.2 "Warrant programmes".

10. ADDITIONAL INFORMATION

10.1 Advisers

- Danish legal counsel to the Company:

  Plesner, Amerika Plads 37, 2100 Copenhagen Ø, Denmark

- U.S. legal counsel to the Company:

  WilmerHale, Alder Castle, 10 Noble Street, London, EC2V 7QJ, UK

- Independent Auditor to the Company:

  PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, Strandvejen 44, 2900 Hellerup, Denmark

- Global Coordinator:

  Handelsbanken Capital Markets (division of Svenska Handelsbanken AB (publ)), Havneholmen 29, 1561 Copenhagen V, Denmark

- Danish legal counsel to the Global Coordinator:

  Kromann Reumert, Sundkrogsgade 5, 2100 Copenhagen Ø, Denmark

10.2 Availability of the Prospectus

Requests for copies of this Prospectus may be addressed to:

Handelsbanken Capital Markets
Havneholmen 29
1561 Copenhagen V
Tel. 46 79 16 14
E-mail: prospekt@handelsbanken.dk

The International Prospectus can also, with certain exceptions, including prohibition on access by persons located in the United States, Canada, Australia and Japan be downloaded from the Company's website: www.veloxis.com.

The distribution of this Prospectus and the Offering as well as the marketing of Preemptive Rights or Offer Shares, may be restricted by law in certain jurisdictions, and this Prospectus may not be used for the purpose of, or in connection with any offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. This Prospectus does not constitute an offer or an invitation to acquire any Preemptive Rights or to subscribe for Offer Shares in any jurisdiction in which such offer or invitation would be unlawful. Persons into whose possession this Prospectus comes shall inform themselves of and observe all such restrictions.

IV. APPENDICES

APPENDIX A – ARTICLES OF ASSOCIATION

OF VELOXIS PHARMACEUTICALS A/S

(Registration no 26 52 77 67)

NAME, REGISTERED OFFICE AND OBJECTS OF THE COMPANY:
ARTICLE 1

The Company's name is Veloxis Pharmaceuticals A/S.

The Company's secondary name is LifeCycle Pharma A/S.

ARTICLE 2

The objects of the Company are to engage in medical research, production and sale of such products and related business.

THE COMPANY'S SHARE CAPITAL:
ARTICLE 3

The Company's share capital is nominal DKK 45,254,248 divided into shares of DKK 0.1 each and multiples hereof. The share capital has been fully paid up.

WARRANTS:
ARTICLE 4

Pursuant to authorisation from the general meeting, the Board of Directors has issued in total 50,238,228 warrants (numbers as adjusted following the Rights Issue in April 2008 and November 2010 and after the issue of bonus shares in July, 2006) to the Company's employees, board members, consultants and advisors, and determined the terms and conditions as follows (all numbers adjusted after where stated following the Rights Issue in April 2008 and November 2010):

On 5 March 2007 the Board of Directors resolved to exercise the authorisation under article 5 hereof to issue 160,000 (adjusted following the Rights Issue in April 2008 and November 2010: 423,067) warrants and resolved simultaneously, at one or more times, to increase the share capital with minimum nominal DKK 1,000 and maximum nominal DKK 160,000 (adjusted following the Rights Issue in April 2008 and November 2010: 423,067). The authorisation under article 5 hereof is therefore reduced from a denomination of 371,619 (adjusted following the Rights Issue in April 2008 and November 2010: 982,623) to a denomination of 211,619 (adjusted following the Rights Issue completed in April 2008 and November 2010: 559,556). The terms and conditions of the issued warrants have been adopted as Appendix 1 to the articles of association and shall form an integral part hereof. The exercise price has been determined to DKK 55 (adjusted following the Rights Issue in April 2008 and November 2010: DKK 20,80) and 1 warrant therefore confers the right to subscribe nominal DKK 1 share against cash contribution of DKK 55 (adjusted following the Rights Issue in April 2008 and November 2010: DKK 20,80) and the warrants vest with 1/48 per month from 5 March 2007. Further, the first exercise period shall be 21 days from the publication of the Company's preliminary annual financial report for 2007. The last exercise period shall be 21 days after publication of the Company's interim financial report for the first 6 months of 2013.

On 9 May 2007 the Board of Directors resolved to exercise the authorisation under article 5 hereof to issue 248,000 (adjusted following the Rights Issue in April 2008 and November 2010: 655,753) warrants and resolved simultaneously, at one or more times, to increase the share capital with minimum nominal DKK 1,000 and maximum nominal DKK 248,000 (adjusted following the Rights Issue in April 2008 and in November 2010:655,753)). The authorisation under article 5 hereof is therefore reduced from a denomination of 811,619 (adjusted following the Rights Issue in April 2008 and November 2010: 2,146,055) to a denomination of 563,619 (adjusted following the Rights Issue in April 2008 and November 2010: 1,490,302). The terms and conditions of the issued warrants have been adopted as Appendix 1 to the articles of association and shall form an integral part hereof. The exercise price has been determined to DKK 56.50 (adjusted following the Rights Issue in April 2008 and in November 2010: DKK 21.37) and 1 warrant therefore confers the right to subscribe nominal DKK 1 share against cash contribution of DKK 56.50 (adjusted following the Rights Issue in April 2008 and November 2010: DKK 21.37) and the warrants vest with 1/48 per month from 9 May 2007. Further, the first exercise period shall be 21 days from the publication of the Company's preliminary annual financial report for 2007. The last exercise period shall be 21 days after publication of the Company's interim financial report for the first 6 months of 2013.

On 21 August 2007 the Board of Directors resolved to exercise the authorisation under article 5 hereof to issue 237,000 (adjusted following the Rights Issue in April 2008 and November 2010: 626,668) warrants and resolved simultaneously, at one or more times, to increase the share capital with minimum nominal DKK 1,000 and maximum nominal DKK 237,000 (adjusted following the Rights Issue in April 2008 and November 2010: 626,668). The authorisation under article 5 hereof is therefore reduced from a denomination of 563,619 (adjusted following the Rights Issue in April 2008 and November 2010: 1,490,302) to a denomination of 326,619 (adjusted following the Rights Issue in April 2008 and November 2010: 863,634). The terms and conditions of the issued warrants have been adopted as Appendix 1 to the articles of association and shall form an integral part hereof. The exercise price has been determined to DKK 52 (adjusted following the Rights Issue in April 2008 and November 2010: DKK 19.67) and 1 warrant therefore confers the right to subscribe nominal DKK 1 share against cash contribution of DKK 52 (adjusted following the Rights Issue in April 2008 and November 2010: DKK 19.67) and the warrants vest with 1/48 per month from 21 August 2007. Further, the first exercise period shall be 21 days from the publication of the Company's interim report for the first 6 months of 2008. The last exercise period shall be 21 days after publication of the Company's preliminary annual financial report for 2013.

On 27 November 2007 the Board of Directors resolved to exercise the authorisation under article 5 hereof to issue 58,500 (adjusted following the Rights Issue in April 2008 and November 2010: 154,684) warrants and resolved simultaneously, at one or more times, to increase the share capital with minimum nominal DKK 1,000 and maximum nominal DKK 58,500 (adjusted follow-

ing the Rights Issue in April 2008: 154,684). The authorisation under article 5 hereof is therefore reduced from a denomination of 326,619 (adjusted for the Rights Issue in April 2008 and November 2010: 863,634) to a denomination of 268,119 (adjusted following the Rights Issue in April 2008 and November 2010: 708,950). The terms and conditions of the issued warrants have been adopted as Appendix 1 to the articles of association and shall form an integral part hereof. The exercise price has been determined to DKK 41.50 (adjusted following the Rights Issue in April 2008 and November 2010: 15.69) and 1 warrant therefore confers the right to subscribe nominal DKK 1 share against cash contribution of DKK 41.50 (adjusted following the Rights Issue in April 2008 and November 2010: DKK 15.69) and the warrants vest with 1/48 per month from 27 November 2007. Further, the first exercise period shall be 21 days from the publication of the Company's preliminary annual financial report for 2008. The last exercise period shall be 21 days after publication of the Company's interim report for the first 6 month of 2014.

On 28 February 2008 the Board of Directors resolved to exercise the authorisation under article 5 hereof to issue 185,000 (adjusted following the Rights Issue in April 2008 and November 2010: 489,171) warrants and resolved simultaneously, at one or more times, to increase the share capital with minimum nominal DKK 1,000 and maximum nominal DKK 185,000 (adjusted following the Rights Issue in April 2008 and November 2010: 489,171). The authorisation under article 5 hereof is therefore reduced from a denomination of 268,119 (adjusted following the Rights Issue in April 2008 and November 2010: 708,950) to a denomination of 83,119 (adjusted following the Rights Issue completed in April 2008 and November 2010: 219,779). The terms and conditions of the issued warrants have been adopted as Appendix 1 to the articles of association and shall form an integral part hereof. The exercise price has been determined to DKK 33.00 (adjusted following the Rights Issue in April 2008 and November 2010: DKK 12.48) and 1 warrant therefore confers the right to subscribe nominal DKK 1 share against cash contribution of DKK 33.00 (adjusted following the Rights Issue in April 2008 and November 2010: DKK 12.48) and the warrants vest with 1/48 per month from 28 February 2008. Further, the first exercise period shall be 21 days from the publication of the Company's preliminary annual financial report for 2008. The last exercise period shall be 21 days after publication of the Company's interim report for the first 6 month of 2014.

On 24 April 2008 the Board of Directors resolved to exercise the authorisation under article 5 hereof (as amended on the general meeting held on 24 April 2008) to issue 1,036,906 (adjusted following the Rights Issue in November 2010: 2,251,876) warrants and resolved simultaneously, at one or more times, to increase the share capital with minimum nominal DKK 1,000 and maximum nominal DKK 1,036,906 (adjusted following the Rights Issue in November 2010: 2,251,876). The authorisation under article 5 hereof is therefore reduced from a denomination of 3,885,381 (adjusted following the Rights Issue in November 2010: 8,437,984) to a denomination of 2,848,475 (adjusted following the Rights Issue in November 2010:6,186,108) . The terms and conditions of the issued warrants have been adopted as Appendix 1 to the articles of association and shall form an integral part hereof. The exercise price has been determined to DKK 26.40 (adjusted following the Rights Issue in November 2010: DKK 12.16) and 1 warrant therefore confers the right to subscribe nominal DKK 1 share against cash contribution of DKK 26.40 (adjusted following the Rights Issue in November 2010: DKK 12.16).

550,415 (adjusted following the Rights Issue in November 2010: 1,195,351) of the warrants granted vest with 1/36 per month of employment/affiliation from the date of grant. The first exercise period shall be 21 days from the publication of the Company's interim report for the first 6 month of 2009. The last exercise period shall be 21 days after publication of the Company's preliminary annual financial report for 2014.

486,491 (adjusted following the Rights Issue in November 2010: 1,056,525) of the warrants granted are fully vested at the time of grant. The first exercise period shall be 21 days from the publication of the Company's interim report for the first 6 months of 2008. The last exercise period shall be 21 days after publication of the Company's preliminary annual financial report for 2013.

On 14 May 2008 the Board of Directors resolved to exercise the authorisation under article 5 hereof (as amended on the general meeting held on 24 April 2008) to issue 350,600 (adjusted following the Rights Issue in November 2010: 761,407) warrants and resolved simultaneously, at one or more times, to increase the share capital with minimum nominal DKK 1,000 and maximum nominal DKK 350,600 (adjusted following the Rights Issue in November 2010: 761,407). The authorisation under article 5 hereof is therefore reduced from a denomination of 2,848,475 (adjusted following the Rights Issue in November 2010: 6,186,108) to a denomination of 2,497,875 (adjusted following the Rights Issue in November 2010: 5,424,701). The terms and conditions of the issued warrants have been adopted as Appendix 1 to the articles of association and shall form an integral part hereof. The exercise price has been determined to DKK 27 (adjusted following the Rights Issue in November 2010: DKK 12.43) and 1 warrant therefore confers the right to subscribe nominal DKK 1 share against cash contribution of DKK 27(adjusted following the Rights Issue in November 2010: DKK 12.43).

270,600 (adjusted for the Rights Issue in November 2010: 587,669) of the warrants granted vest with 1/36 per month of employment/affiliation from the date of grant. The first exercise period shall be 21 days from the publication of the Company's interim report for the first 6 month of 2009. The last exercise period shall be 21 days after publication of the Company's preliminary annual financial report for 2014.

The 80,000 (adjusted for the Rights Issue in November 2010: 173,738) warrants granted to Michael Beckert are fully vested on 31 December 2008 provided he is employed with the Company on the 31 December 2008. The first exercise period shall be 21 days from the publication of the Company's interim report for the first 6 months of 2009. The last exercise period shall be 21 days after publication of the Company's preliminary annual financial report for 2014.

On 21 August 2008 the Board of Directors resolved to exercise the authorisation under article 5 hereof (as amended on the general meeting held on 24 April 2008) to issue 409,000 (adjusted following the Rights Issue in November 2010: 888,236) warrants and resolved simultaneously, at one or more times, to increase the share capital with minimum nominal DKK 1,000 and maximum nominal DKK 409,000 (adjusted following the Rights Issue in November 2010: 888,236). The authorisation under article 5 hereof is therefore reduced from a denomination of 2,497,875(adjusted following the Rights Issue in November 2010: 5,242,701) to a denomination of 2,088,875 (adjusted following the Rights Issue in November 2010: 4,536,465). Unless other terms are stipulated below, the terms and conditions of the issued warrants have been adopted as Appendix 1 to the articles of association and shall form an integral part hereof. The exercise price has been determined to DKK 25.5 (adjusted following the Rights Issue in November 2010: DKK 11.74) and 1 warrant therefore confers the right to subscribe nominal DKK 1 share against cash contribution of DKK 25.5(adjusted following the Rights Issue in November 2010: DKK 11.74).

232,000 (adjusted following the Rights Issue in November 2010: 503,840) of the warrants granted vest with 1/36 per month of employment/affiliation from the date of grant. The first exercise period shall be 21 days from the publication of the Company's interim report for the first 6 month of 2009. The last exercise period shall be 21 days after publication of the Company's preliminary annual financial report for 2014.

Of the 177,000 (adjusted following the Rights Issue in November 2010: 384,396) warrants granted to consultant 27,000 (adjusted following the Rights Issue in November 2010: 58,637) shall vest by 3,000 (adjusted following the Rights Issue in November 2010: 6,515) warrants per month of affiliation with the Company. The remaining 150,000 (adjusted following the Rights Issue in November 2010: 325,759) shall vest on the occurrence of certain events as determined by the board of directors. The first exercise period shall be 21 days from the publication of the Company's interim report for the first 6 months of 2009. The last exercise period shall be 21 days after publication of the Company's preliminary annual financial report for 2014, provided however that before any warrant may be exercised it shall have vested.

On 16 October 2008 the Board of Directors resolved to exercise the authorisation under article 5 hereof (as amended on the general meeting held on 24 April 2008) to issue 500,000 (adjusted following the Rights Issue in November 2010:1,085,863) warrants and resolved simultaneously, at one or more times, to increase the share capital with minimum nominal DKK 1,000 and maximum nominal DKK 500,000(adjusted following the Rights Issue in November 2010: 1,085,863). The authorisation under article 5 hereof is therefore reduced from a denomination of 2,088,875 (adjusted following the Rights Issue in November 2010: 4,536,465) to a denomination of 1,588,875 (adjusted following the Rights Issue in November 2010: 3,450,602). Unless other terms are stipulated below, the terms and conditions of the issued warrants have been adopted as Appendix 1 to the articles of association and shall form an integral part hereof. The exercise price has been determined to DKK 14.5 (adjusted following the Rights Issue in November 2010: DKK 6.68) and 1 warrant therefore confers the right to subscribe nominal DKK 1 share against cash contribution of DKK 14.5 (adjusted following the Rights Issue in November 2010: DKK 6.68). The warrants granted vest with 1/36 per month of employment/affiliation from the date of grant. The first exercise period shall be 21 days from the publication of the Company's interim report for the first 6 month of 2009. The last exercise period shall be 21 days after publication of the Company's preliminary annual financial report for 2014.

On 26 November 2008 the Board of Directors resolved to exercise the authorisation under article 5 hereof (as amended on the general meeting held on 24 April 2008) to issue 196,500 (adjusted following the Rights Issue in November 2010: 426,744) warrants and resolved simultaneously, at one or more times, to increase the share capital with minimum nominal DKK 1,000 and maximum nominal DKK 196,500 (adjusted following the Rights Issue in November 2010: 426,744). The authorisation under article 5 hereof is therefore reduced from a denomination of 1,588,875 (adjusted following the Rights Issue in November 2010: 3,450,602) to a denomination of 1,392,375 (adjusted following the Rights Issue in November 2010: 3,023,858). Unless other terms are stipulated below, the terms and conditions of the issued warrants have been adopted as Appendix 1 to the articles of association and shall form an integral part hereof. The exercise price has been determined to DKK 12.5 (adjusted following the Rights Issue in November 2010: DKK 5.76) and 1 warrant therefore confers the right to subscribe nominal DKK 1 share against cash contribution of DKK 12.5(adjusted following the Rights Issue in November 2010: DKK 5.76).

The warrants granted vest with 1/36 per month of employment/affiliation from the date of grant.

The first exercise period is 21 days after publication of the preliminary annual report for 2009 and the last exercise period is 21 days from publication of the interim financial report for the first half of 2015.

On 3 March 2009 the Board of Directors resolved to exercise the authorisation under article 5 hereof (as amended on the general meeting held on 24 April 2008) to issue 876,250 (adjusted following the Rights Issue in November 2010: 1,902,975) warrants and resolved simultaneously, at one or more times, to increase the share capital with minimum nominal DKK 1,000 and maximum nominal DKK 876,250 (adjusted following the Rights Issue in November 2010: 1,902,975). The authorisation under article 5 hereof is therefore reduced from a denomination of 1,392,375 (adjusted following the Rights Issue in November 2010: 3,023,858) to a denomination of 516,125 (adjusted following the Rights Issue in November 2010: 1,120,883). Unless other terms are stipulated below, the terms and conditions of the issued warrants have been adopted as Appendix 1 to the articles of association and shall form an integral part hereof. The exercise price has been determined to DKK 10.5(adjusted following the Rights Issue in November 2010: DKK 4.83) and 1 warrant therefore confers the right to subscribe nominal DKK 1 share against cash contribution of DKK 10.5(adjusted following the Rights Issue in November 2010: DKK 4.83).

The warrants granted vest with 1/36 per month of employment/affiliation from the date of grant.

The first exercise period is 21 days from publication of the interim financial report for the first half of 2009 and the last exercise period is 21 days after publication of the preliminary annual report for 2015.

On 14 May 2009 the Board of Directors resolved to exercise the authorisation under article 5 hereof (as amended on the general meeting held on 23 April 2009) to issue 128,000 (adjusted following the Rights Issue in November 2010: 277,982) warrants and resolved simultaneously, at one or more times, to increase the share capital with minimum nominal DKK 1,000 and maximum nominal DKK 128,000 (adjusted following the Rights Issue in November 2010: 277,982). The authorisation under article 5 hereof is therefore reduced from a denomination of 2,500,000 (adjusted following the Rights Issue in November 2010: 5,429,336) to a denomination of 2,372,000 (adjusted following the Rights Issue in November 2010: 5,151,354). Unless other terms are stipulated below, the terms and conditions of the issued warrants have been adopted as Appendix 1 to the articles of association and shall form an integral part hereof. The exercise price has been determined to DKK 13.30 (adjusted following the Rights Issue in November 2010: DKK 6.12) and 1 warrant therefore confers the right to subscribe nominal DKK 1 share against cash contribution of DKK 13.30 (adjusted following the Rights Issue in November 2010: DKK 6.12).

The warrants granted vest with 1/36 per month of employment/affiliation from the date of grant.

The first exercise period is 21 days from publication of the interim financial report for the first half of 2010 and the last exercise period is 21 days after publication of the preliminary annual report for 2015.

On 20 August 2009 the Board of Directors resolved to exercise the authorisation under article 5 hereof (as amended on the general meeting held on 23 April 2009) to issue 135,000 (adjusted following the Rights Issue in November 2010: 293,183) warrants and resolved simultaneously, at one or more times, to increase the share capital with minimum nominal DKK 1,000 and maximum nominal DKK 135,000 (adjusted following the Rights Issue in November 2010: 293,183). The authorisation under article 5 hereof is therefore reduced from a denomination of 2,372,000 (adjusted following the Rights Issue in November 2010: 5,151,354) to a denomination of 2,237,000 (adjusted following the Rights Issue in November 2010: 4,858,171) . Unless other terms are stipulated below, the terms and conditions of the issued warrants have been adopted as Appendix 1 in the articles of association and shall form an integral part hereof. The exercise price has been determined to DKK 9.55 (adjusted following the Rights Issue in November 2010: 4.40) and 1 warrant therefore confers the right to subscribe nominal DKK 1 share against cash contribution of DKK 9.55 (adjusted following the Rights Issue in November 2010: 4.40).

85,000 (adjusted following the Rights Issue in November 2010: 184,597) of the warrants granted vest with 1/36 per month of employment/affiliation from the date of grant. 50,000 (adjusted following the Rights Issue in November 2010: 108,586) warrants vest immediately from the date of grant.

The exercise periods are determined as 21 days from the company's announcements of its preliminary annual report and the interim financial report for the each quarter of a year, respectively. The first exercise period is 21 days from publication of the interim financial report for the first half of 2010 and the last exercise period is 21 days after publication of the preliminary annual report for 2015.

On 11 Nov 2009 the Board of Directors resolved to exercise the authorisation under article 5 hereof (as amended on the general meeting held on 23 April 2009) to issue 218,000 (adjusted following the Rights Issue in November 2010: 473,436) warrants and resolved simultaneously, at one or more times, to increase the share capital with minimum nominal DKK 1,000 and maximum nominal DKK 218,000 (adjusted following the Rights Issue in November 2010: 473,436). The authorisation under article 5 hereof is therefore reduced from a denomination of 2,372,000 (adjusted following the Rights Issue in November 2010: 4,858,171) to a denomination of 2,019,000 (adjusted following the Rights Issue in November 2010: 4,384,735). Unless other terms are stipulated below, the terms and conditions of the issued warrants have been adopted as Appendix 1 in the articles of association and shall form an integral part hereof. The exercise price has been determined to DKK 7.00 (adjusted following the Rights Issue in November 2010: DKK 3.22) and 1 warrant therefore confers the right to subscribe nominal DKK 1 share against cash contribution of DKK 7.00 (adjusted following the Rights Issue in November 2010: DKK 3.22).

The warrants granted vest with 1/36 per month of employment/affiliation from the date of grant.

The exercise periods are determined as 21 days from the company's announcements of its preliminary annual report and the interim financial report for the each quarter of a year, respectively. The first exercise period is 21 days from publication of the interim financial report for the first half of 2010 and the last exercise period is 21 days after publication of the preliminary annual report for 2015.

On 2 December 2009 the Board of Directors resolved to exercise the authorisation under article 5 hereof (as amended on the general meeting held on 23 April 2009) to issue 350,000 (adjusted following the Rights Issue in November 2010: DKK 760,104) warrants and resolved simultaneously, at one or more times, to increase the share capital with minimum nominal DKK 1,000 and maximum nominal DKK 350,000 (adjusted following the Rights Issue in November 2010: 760,104). The authorisation under article 5 hereof is therefore reduced from a denomination of 2,019,000 (adjusted following the Rights Issue in November 2010: 4,384,735) to a denomination of 1,669,000 (adjusted following the Rights Issue in November 2010: 3,624,631). Unless other terms are stipulated below, the terms and conditions of the issued warrants have been adopted as Appendix 1 to the articles of association and shall form an integral part hereof. The exercise price has been determined to DKK 5.85 (adjusted following the Rights Issue in November 2010: DKK 2.69) and 1 warrant therefore confers the right to subscribe nominal DKK 1 share against cash contribution of DKK 5.85 (adjusted following the Rights Issue in November 2010: DKK 2.69).

The warrants granted vest with 1/36 per month of employment/affiliation from the date of grant. The first exercise period shall be 21 days from the publication of the Company's interim report for the first 6 month of 2010. The last exercise period shall be 21 days after publication of the Company's preliminary annual financial report for 2015.

On 24 February 2010 the Board of Directors resolved to exercise the authorisation under article 5 hereof (as amended on the general meeting held on 23 April 2009) to issue 588,000 (adjusted following the Rights Issue in November 2010: 1,276,975) warrants and resolved simultaneously, at one or more times, to increase the share capital with minimum nominal DKK 1,000 and maximum nominal DKK 588,000 (adjusted following the Rights Issue in November 2010: 1,276,975). The authorisation under article 5 hereof is therefore reduced from a denomination of 1,669,000 (adjusted following the Rights Issue in November 2010: 3,624,631) to a denomination of 1,081,000 (adjusted following the Rights Issue in November 2010: 2,347,656). Unless other terms are stipulated below, the terms and conditions of the issued warrants have been adopted as Appendix 1 to the articles of association and shall form an integral part hereof. The exercise price has been determined to DKK 6.05 (adjusted following the Rights Issue in November 2010: DKK 2.79) and 1 warrant therefore confers the right to subscribe nominal DKK 1 share against cash contribution of DKK 6.05 (adjusted following the Rights Issue in November 2010: DKK 2,79).

The warrants granted vest with 1/36 per month of employment/affiliation from the date of grant. The first exercise period shall be 21 days after publication of the Company's preliminary annual financial report for 2010. The last exercise period shall be 21 days from the publication of the Company's interim report for the first 6 month of 2016.

On 12 May 2010 the Board of Directors resolved to exercise the authorisation under article 5 hereof (as amended on the general meeting held on 21 April 2010) to issue 150,000 (adjusted following the Rights Issue in November 2010: 325,759) warrants and resolved simultaneously, at one or more times, to increase the share capital with minimum nominal DKK 1,000 and maximum nominal DKK 150,000 (adjusted following the Rights Issue in November 2010: 325,759). The authorisation under article 5 hereof is therefore reduced from a denomination of 3,000,000 (adjusted following the Rights Issue in November 2010: 6,515,180) to a denomination of 2,850,000 (adjusted following the Rights Issue in November 2010: 6,189,421). Unless other terms are stipulated below, the terms and conditions of the issued warrants have been adopted as Appendix 1 in the articles of association and shall form an integral part hereof.

The exercise price has been determined to DKK 4.87 (adjusted following the Rights Issue in November 2010: DKK 2.24) and 1 warrant therefore confers the right to subscribe nominal DKK 1 share against cash contribution of DKK 4.87 (adjusted following the Rights Issue in November 2010: DKK 2.24).

The warrants granted vest with 1/36 per month of employment/ affiliation from the date of grant.

The exercise periods are determined as 21 days from the company's announcements of its preliminary annual report and the interim financial report for the each quarter of a year, respectively. The first exercise period is 21 days from publication of the preliminary annual report for 2010 and the last exercise period is 21 days after publication of the interim financial report for the first half of 2016.

On 18 August 2010 the Board of Directors resolved to exercise the authorisation under article 5 hereof (as amended on the general meeting held on 21 April 2010) to issue 372,000 (adjusted following the Rights Issue in November 2010: 807,882) warrants and resolved simultaneously, at one or more times, to increase the share capital with minimum nominal DKK 1,000 and maximum nominal DKK 372,000 (adjusted following the Rights Issue in November 2010: 807,882). The authorisation under article 5 hereof is therefore reduced from a denomination of 2,850,000 (adjusted following the Rights Issue in November 2010: 6,189,421) to a denomination of 2,478,000 (adjusted following the Rights Issue in November 2010: 5,381,539). Unless other terms are stipulated below, the terms and conditions of the issued warrants have been adopted as Appendix 1 in the articles of association and shall form an integral part hereof. The exercise price has been determined to DKK 4.05 (adjusted following the Rights Issue in November 2010: DKK 1.86) and 1 warrant therefore confers the right to subscribe nominal DKK 1 share against cash contribution of DKK 4.05 (adjusted following the Rights Issue in November 2010: DKK 1.86).

The warrants granted vest with 1/36 per month of employment/ affiliation from the date of grant.

The exercise periods are determined as 21 days from the company's announcements of its preliminary annual report and the interim financial report for the each quarter of a year, respectively. The first exercise period is 21 days from publication of the preliminary annual report for 2010 and the last exercise period is 21 days after publication of the interim financial report for the first half of 2017.

On 28 October 2010 the Board of Directors resolved to exercise the authorisation under article 5 hereof (as amended on the general meeting held on 25 October 2010) to issue 1,151,197 (adjusted following the Rights Issue in November 2010: 2,500,084) warrants and resolved simultaneously, at one or more times, to increase the share capital with minimum nominal DKK 1,000 and maximum nominal DKK 1,151,197 (adjusted following the Rights Issue in November 2010: 2,500,084). The authorisation under article 5 hereof is therefore reduced from a denomination of 44,000,000 to a denomination of 42,848,803 (adjusted following the Rights Issue in November 2010: 41,499,916). Unless other terms are stipulated below, the terms and conditions of the issued warrants have been adopted as Appendix 1 in the articles of association and shall form an integral part hereof. The exercise price has been determined to DKK 3.13 (adjusted following the Rights Issue in November 2010: DKK 1.44) and 1 warrant therefore confers the right to subscribe nominal DKK 1 share against cash contribution of DKK 3.13 (adjusted following the Rights Issue in November 2010: DKK 1.44).

The warrants granted vest with 1/36 per month of employment/ affiliation from the date of grant.

The exercise periods are determined as 21 days from the company's announcements of its preliminary annual report and the interim financial report for the each quarter of a year, respectively. The first exercise period is 21 days from publication of the preliminary annual report for 2010 and the last exercise period is 21 days after publication of the interim financial report for the first half of 2017.

On 15 December 2010 the Board of Directors resolved to exercise the authorisation under article 5 hereof (as amended at the general meeting held on 25 October 2010) to issue 15,478,717 warrants, and it also resolved to increase, at one or more times, the share capital with minimum nominal DKK 1,000 and maximum nominal DKK 15,478,717. The authorisation under article 5 hereof is therefore reduced from a denomination of 41,499,916 to a denomination of 26,021,199. Unless other terms are stipulated below, the terms and conditions of the issued warrants have been adopted as Appendix 2 to the Articles of Association and shall form an integral part hereof. The exercise price has been determined to DKK 1.23 and 1 warrant therefore confers the right to subscribe nominal DKK 1 share against a cash contribution of DKK 1.23.

The warrants granted vest with 1/36 per month of employment/ affiliation from the date of grant.

The exercise periods are determined as 21 days from the company's announcements of its preliminary annual report and the interim financial report for the each quarter of a year, respectively. The first exercise period is 21 days from publication of the preliminary annual report for 2010 and the last exercise period is 21 days after publication of the interim financial report for the first half of 2017.

On 1 March 2011 the Board of Directors resolved to exercise the authorisation under Article 5 (as amended at the general meeting of 25 October 2010) to issue 2,612,052 warrants, and it also resolved to increase, at one or more times, the share capital of the company by a minimum of nominally DKK 1 and a maximum of nominally DKK 2,612,052. The authorisation under Articles 5 is consequently reduced from DKK 26,021,199 to 23,409,147. Unless other terms are stipulated below, the terms and conditions for the issued warrants follow from Appendix 2 to the articles of association and form an integral part hereof . The exercise price has been determined to DKK 1.23 and 1 warrant therefore confers the right to subscribe nominal DKK 1 share against a cash contribution of DKK 1.23.

The granted warrants vest with 1/36 per month of employment/ affiliation as from the date of the grant.

The exercise period is determined as 21 days from the company's preliminary announcement of the annual report and the interim financial report for each quarter of the year, respectively. The first exercise period is 21 days as from publication of the annual report for 2011 and the last exercise period is 21 days after publication of the interim financial report for the first half of 2017.

On 10 May 2011 the Board of Directors resolved to exercise the authorisation under article 5 (as amended at the general meeting of 25 October 2010) to issue 250,000 warrants, and it also resolved to increase, at one or more times, the share capital of the company by a minimum of nominally DKK 1 and a maximum of nominally DKK 250,000. The authorisation under article 5 is consequently reduced from DKK 23,409,147 to DKK

23,159,147. Unless other terms are stipulated below, the terms and conditions for the issued warrants follow from Appendix 2 to the articles of association and form an integral part hereof . The exercise price has been determined to DKK 1.16 and 1 warrant therefore confers the right to subscribe nominal DKK 1 share against a cash contribution of DKK 1.16.

The granted warrants vest with 1/36 per month of employment/ affiliation as from the date of the grant.

The exercise period is determined as 21 days from the company's preliminary announcement of the annual report and the interim financial report for each quarter of the year, respectively. The first exercise period is 21 days as from publication of the annual report for 2011 and the last exercise period is 21 days after publication of the interim financial report for the first half of 2018.

On 16 November 2011 the Board of Directors resolved to exercise the authorisation under article 5 hereof (as amended at the general meeting of 25 October 2010) to issue 1,803,239 warrants, and it also resolved to increase, at one or more times, the share capital of the company by a minimum of nominally DKK 1.00 and a maximum of nominally DKK 1,803,239. The authorisation under article 5 hereof is consequently reduced from 42,848,803 to 25,566,847. Unless other terms are stipulated below, the terms and conditions for the issued warrants follow from Appendix 2 to the Articles of Association and form an integral part hereof.

The exercise price has been determined at DKK 1.03 for 1,603,239 of the warrants and DKK 1.00 for the remaining 200,000 warrants.

The granted warrants vest with 1/36 per month of employment/ affiliation as from the date of grant.

The exercise period is determined as 21 days from the company's preliminary announcement of the annual report and the interim financial report for each quarter of the year, respectively. The first exercise period is 21 days as from publication of the annual report for 2011 and the last exercise period is 21 days after publication of the interim financial report for the first half of 2018.

ARTICLE 4A

CHANGES IN THE WARRANT TERMS

A total of 16,856,790 warrants are either cancelled or expired. 27,638,230 unexercised warrants remain as adjusted for the rights issue in April 2008 and in November 2010.

At the general meeting of the company held on 18 April 2012 it was resolved to reduce the share capital of the company by decrease of the denomination of all shares with nominally DKK 0.9 from nominally DKK 1 to nominally DKK 0.1, and consequently, the nominal value of the shares which may be subscribed for pursuant to warrants has changed to DKK 0.1. In the event there are any warrants which have not been exercised the nominal value of the capital increase, which may be resolved by exercise of warrants, shall be reduced by 90 per cent as a consequence of the resolution made at the general meeting held on 18 April 2012.

Warrants issued prior to 15 December 2010 are adjusted (number and exercise price) in accordance with Appendix 1 to the articles of association following the rights issue in April 2008 and the rights issue in November 2010.

At the board meeting on 15 December 2010 the Board of Directors resolved to change the terms and conditions applicable to future grants and issues of options (warrants) to the company's management, other employees, consultants, advisors and board members. The specific terms and conditions applicable to the warrants issued are attached hereto as Appendix 2 and form an integral part hereof.

At the board meeting on 30 December 2009 the board of directors resolved to change the terms and conditions applicable to grants of warrants made in the years 2007 – 2009 to employees in the company, with the effect that the vesting and exercise of warrants in the event of death shall continue as if the deceased was still employed. Rights and obligations regarding warrants in the event of death shall be transferred to the death estate respectively the heirs. All specific provisions in Appendix 1 to the articles of association regarding vesting and exercise of warrants in the event of death shall hereafter be deemed null and void in respect to warrants issued in the years 2007 – 2009.

ARTICLE 5

The Board of Directors is until 20 April 2015 authorised, at one or more times, to issue up to 27,370,086 warrants (21,355,908 warrants remain following the last issue on 17 November 2011), each conferring a right to subscribe for 1 share of nominal DKK 0.1 in the Company, and to implement the corresponding increase(s) of the share capital.

The number of warrants that may be issued pursuant to this authorisation is limited to the extent that the number of shares that may be subscribed through the exercise of warrants issued and outstanding in the Company may not exceed 10% of the Company's registered share capital as calculated at the time of issuance of the warrants in question.

The warrants can be issued to employees, executive directors, board members, consultants and advisors to the Company and its subsidiaries without pre-emptive subscription rights for the Company's shareholders.

The exercise price for warrants, which are issued pursuant to the authorisation, shall at a minimum correspond to the market price of the Company's shares on the date of issuance of the warrants. The other terms for the warrants issued pursuant to this authorisation, including payment for the warrants, duration, exercise periods, vesting periods, adjustments as a result of corporate changes etc. shall be determined by the Board of Directors. The shares subscribed for on the basis of the issued warrants shall be negotiable shares issued to bearer, but may be recorded on name. The shares shall not have any restrictions as to their transferability and no shareholder shall be obliged to have their shares redeemed fully or partly.

The Board of Directors is entitled to make such amendments to the Articles of Association which are connected with the issuance of warrants comprised by this clause or the exercise thereof.

ARTICLE 5A

The Board of Directors is until 20 September 2017 authorised, at one or more times, to issue up to 144,203,398 warrants, each conferring a right to subscribe for 1 share of nominally DKK 0.1 in the company, and to implement the corresponding increase(s) of the share capital.

The warrants can be issued to employees, executive directors and board members in the company and its subsidiaries without pre-emptive subscription rights for the company's shareholders.

The exercise price for warrants, which are issued pursuant to the authorisation, shall at a minimum correspond to the market price of the Company's shares on the date of issuance of the warrants. The other terms for the warrants issued pursuant to this authorisation, including payment for the warrants, duration, exercise periods, vesting periods, adjustments as a result of corporate changes etc. shall be determined by the board of directors. The shares subscribed for on the basis of the issued warrants shall be negotiable shares issued to the bearer, but may be recorded on name. The shares shall not have any restrictions as to their transferability and no shareholder shall be obliged to have their shares redeemed fully or partly.

The board of directors is entitled to make such amendments to the articles of association which are connected with the issuance of warrants comprised by this clause or the exercise thereof.

AUTHORISATION TO INCREASE THE SHARE CAPITAL:
ARTICLE 6

The Board of Directors is in the period up until 24 October 2015 authorized, at one or more times, to increase the Company's share capital with up to nominal DKK 79,025,330.

Capital increases according to this authorisation can be carried out by the Board of Directors by way of contributions in kind (including e.g. take over of existing businesses), conversion of debt and/or cash capital contributions and can be carried out with or without pre-emptive subscription rights for the Company's shareholders at the discretion of the Board of Directors. The new shares shall be negotiable shares issued to bearer, but may be recorded on name. The new shares shall not have any restrictions as to their transferability and no shareholder shall be obliged to have the shares redeemed fully or partly. The shares shall be with the same rights as the existing share capital on the date of the capital increase. 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.

ARTICLE 6A

The Board of Directors is in the period up until 23 April 2013 authorized, at one or more times, to increase the Company's share capital with up to nominal DKK 5,500,000.

Capital increases according to this authorization can be carried out by the Board of Directors by way of contributions in kind (including e.g. takeover of existing businesses), conversion of debt and/or cash capital contributions and can be carried out with or without pre emptive subscription rights for the Company's shareholders at the discretion of the Board of Directors. The Board of Directors also use the authorization to on one or more occasions and without pre-emption rights for the existing shareholders of the Company to issue shares to employees of the Company and its subsidiaries by cash payment at market price or at a discount price as well as by the issue of bonus shares.

The new shares shall be negotiable shares issued to bearer, but may be recorded on name. The new shares shall not have any restrictions as to their transferability and no shareholder shall be obliged to have the shares redeemed fully or partly. The shares shall be with the same rights as the existing share capital on the date of the capital increase. 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.

ARTICLE 6B

The board of directors is authorised until 1 September 2013, at one time, to increase the share capital by up to nominally DKK 135,000,000.

The capital increase pursuant to this authorisation shall be carried out by the board of directors by cash capital contributions with pre-emption rights for all shareholders in the company. Shares that are not subscribed for within the subscription period by existing shareholders with pre-emption rights might, if the board of directors so decides, be offered to new investors.

The new shares shall be negotiable shares issued to the bearer, but may be recorded on name. The new shares shall not have any restrictions as to their transferability and no shareholder shall be obligated to have their shares redeemed fully or partly. The shares shall carry the same rights to dividends and other rights in the company from the time which is decided by the board of directors in connection with the decision to increase the share capital.

THE COMPANY'S SHARES:
ARTICLE 7

The Company's shares shall be bearer shares, but may be recorded on name in the Company's Register of Owners. The Company's Register of Owners shall be kept and maintained by Computershare A/S, Kongevejen 418, 2840 Holte.

The Company's shares are issued through a central securities depository and dividends are in accordance with the rules applicable from time to time for such central securities depository paid by way of transfer to accounts designated by the shareholders.

The Company's shares are negotiable instruments.

No shares carry special rights.

No shareholder shall be obliged to have shares redeemed in whole or in part by the Company or others.

GENERAL MEETINGS:
ARTICLE 8

General Meetings of the Company shall be held in Greater Copenhagen.

General Meetings shall be convened with a notice of minimum 3 weeks and maximum 5 weeks by announcement on the Danish Business Authority's IT information system and on the Company's webpage. A convening notice shall, furthermore, be forwarded in writing by e-mail or ordinary mail to all shareholders recorded in the Register of Owners who have requested such notification. The convening notice shall contain the agenda for the General Meeting. If the agenda contains proposals, the adoption of which require a qualified majority, the convening notice shall contain a specification of such proposals and their material contents.

ARTICLE 9

The Annual General Meeting shall be held within 4 months after the expiry of the financial year. Motions from shareholders shall, in order to be considered at the Annual General Meeting, be filed in writing with the Board of Directors at the latest 6 weeks before the Annual General Meeting unless the Board of Directors

resolves that motions filed later were filed in such timely fashion that the motion can be included on the agenda.

Extraordinary General Meetings shall be held according to resolutions by the General Meeting or the Board of Directors or upon written request to the Board of Directors from one of the elected auditors and if a request is presented by shareholders representing in aggregate at least 1/20 of the share capital. A request from shareholders representing at least 1/20 of the share capital shall specify the motion to be considered by the General Meeting. The General Meeting shall in this case be convened within 2 weeks from the date the motion has been presented to the Board of Directors.

ARTICLE 10

At the latest 3 weeks before a General Meeting (inclusive of the day of the General Meeting), the Company shall make the following information and documents available on the Company's webpage: the convening notice, the total number of shares and voting rights on the date of the convening, the documents that shall be presented at the General Meeting, the agenda and the complete proposals as well as the forms to be used for proxy voting or voting by letter unless these are sent directly to the shareholders. If said forms cannot be made available for technical reasons on the internet, the Company shall on its webpage inform how the form can be obtained in hardcopy; in which case the Company shall send the forms to any shareholders who requests this.

The agenda of the Annual General Meeting shall include:

1. Report on the Company's activities during the past year.
2. Presentation of audited annual report with auditor's statement for approval.
3. Resolution on application of profits or covering of losses as per the adopted annual report.
4. Approval of Fee to the Board of Directors.
5. Election of board members.
6. Election of auditor.
7. Any motions from the Board of Directors and/or shareholders.

ARTICLE 11

At General Meetings, each share of DKK 0.1 shall carry one vote.

A shareholder's 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. The registration date shall be 1 week before the General Meeting is held. The shares which the individual shareholder owns are calculated on the registration date on the basis of the registration of ownership in the Register of Owners as well as notifications concerning ownership which the Company has received with a view to update the ownership in the Register of Owners.

In addition, any shareholder who is entitled to attend a General Meeting and who wishes to attend must have requested an admission card from the Company no later than 3 days in advance of the General Meeting.

Any shareholder is entitled to attend in person or be represented by proxy and both the shareholder and the proxy holder may attend together with an advisor. A shareholder may vote by proxy. It is a condition that the representative presents a written power of attorney, which is dated. A power of attorney cannot be given to the company's board of directors or management for a period in excess of 1 year and must be given to a specific general meeting with an agenda known in advance.

Members of the press shall have access to the General Meetings, provided that they can present press cards.

Shareholders who are entitled to vote cf. article 11 (2) may vote by letter. Votes made by letter must be received by the Company no later than 12.00 noon the business day before the general meeting

ARTICLE 12

Decisions at General Meetings shall be adopted by a simple majority of votes unless mandatory legislation or the Articles of Association provide otherwise.

In case of equality of votes the motion shall be deemed annulled.

A Chairman appointed by the Board of Directors shall preside over the General Meeting. The Chairman shall settle all matters relating to the legality of the General Meeting, the business conducted at the meeting and the voting. Minutes of the proceedings at the General Meeting shall be entered in a Minute Book and the minutes shall be signed by the Chairman.

BOARD OF DIRECTORS:
ARTICLE 13

The Company shall be governed by the Board of Directors, consisting of no less than 3 and no more than 9 board members, elected by the General Meeting. The Board of Directors is elected for one year at a time.

A number of alternate board members corresponding to the number of board members may be elected. Alternate board members shall also be elected for one year at a time.

Any board member shall retire from the Board of Directors at the Annual General Meeting following immediately after his attaining the age of 75.

ARTICLE 14

The Board of Directors shall elect their Chairman from their own number.

The Board of Directors shall adopt its own Rules of Procedure and ensure that the Company conducts its activities in conformity with the Articles of Association and the legislation in force at any time.

The Board forms a quorum when more than half of the board members are present. Board resolutions require simple majority. In case of parity of votes the Chairman's vote shall be casting.

The Chairman shall convene board meetings whenever he finds it necessary, or when any board member or member of management so requests.

Minutes of the proceedings at board meetings shall be entered into a Minute Book, which shall be signed by all present board members.

MANAGEMENT:
ARTICLE 15

The Board of Directors shall employ a management consisting of 1-5 members to attend to the day-to-day management of the Company, and the Board of Directors shall determine the terms and conditions of the employment. The management shall perform its duties in accordance with the guidelines and directions issued by the Board of Directors.

GUIDELINES FOR INCENTIVE PAY
ARTICLE 16

On the general meeting held on April 12, 2011, the Company adopted general guidelines for incentive pay to the members of the board of directors and executive management.

AUTHORISATION TO BIND THE COMPANY:
ARTICLE 17

The Company shall be bound by the joint signatures of a member of the Board of Directors and a registered manager or by the signatures of the entire Board of Directors.

AUDIT:
ARTICLE 18

One or more state-authorised public accountants, elected by the General Meeting for one year at a time, shall audit the Company's annual reports.

ACCOUNTING YEAR/ANNUAL REPORT:
ARTICLE 19

The Company's accounting year shall be the calendar year.

The Company's annual report shall present a true and fair view of the Company's assets and liabilities, its financial position and results.

ELECTRONIC COMMUNICATION
ARTICLE 20

The Company may make use of electronic document exchange and electronic mail (electronic communication) in its communications with shareholders cf. section 92 of the Danish Companies Act. The Company may at any time elect to communicate by ordinary mail but is not obligated to do so.

All announcements and documents that pursuant to the Company's Articles of Association, the Danish Companies Act as well as stock exchange legislation and regulations must be exchanged between the Company and the shareholders, including, by example, notices to convene annual or extraordinary general meetings along with agendas and full wordings of proposed resolutions, proxies, interim reports, annual reports, stock exchange announcements, financial calendar and prospectuses, as well as general information from the Company to the shareholders may be sent as an attached file by e-mail or by including in an e-mail exact information as to where the document may be downloaded (a link).

The Company shall request its name-registered shareholders to forward an electronic address which may be used for electronic notices. It is the responsibility of the individual shareholder to ensure that the Company is informed of the correct address.

Information about system requirements and about the procedure for electronic communications can be found on the Company's webpage www.veloxis.com.

LANGUAGE
ARTICLE 21

The corporate language shall be English.

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As adopted latest at the Extraordinary General Meeting held on 20 September 2012.

APPENDIX 1

TO THE ARTICLES OF ASSOCIATION OF VELOXIS PHARMACEUTICALS A/S

Pursuant to authorization granted by the shareholders of Veloxis Pharmaceuticals A/S (hereinafter "Veloxis Pharmaceuticals") the Board of Directors of Veloxis Pharmaceuticals has resolved that the following terms and conditions shall apply to warrants granted to employees, consultants, advisors and board members during 2003, 2004, 2005, 2006, 2007 and 2008:

1. GENERAL

1.1 Veloxis Pharmaceuticals A/S (hereinafter "Veloxis Pharmaceuticals") has decided to introduce an incentive scheme for Veloxis Pharmaceuticals' employees, consultants, advisors and board members (hereinafter collectively referred to as "Warrant Holders"). The scheme is based on issuance of options, also called warrants (hereinafter only referred to as "warrants"), which are not subject to payment.

1.2 A warrant is a right, but not an obligation, during fixed periods (exercise periods) to subscribe for new shares in Veloxis Pharmaceuticals at a price fixed in advance (the exercise price). The exercise price, which shall correspond to the market price at the date of issuance, shall be determined by the board of directors in connection with the grant of warrants. Each warrant carries the right to subscribe for nominal DKK 1 share in Veloxis Pharmaceuticals at the subscription price determined by the board of directors at the date of issuance.

At the general meeting of the company held on 18 April 2012 it was resolved to reduce the share capital of the company by decrease of the denomination of all shares with nominally DKK 0.9 from nominally DKK 1 to nominally DKK 0.1, and consequently, the nominal value of the shares which may be subscribed for pursuant to warrants has changed to DKK 0.1.

1.3 Warrants will be offered to employees, consultants, advisors and board members in Veloxis Pharmaceuticals at the discretion of the Board of Directors after suggestion from the management. The number of warrants offered to each individual shall be based on an individual evaluation of the Warrant Holder's duties. It shall appear from the individual Warrant Holder's warrant certificate how many warrants have been granted to the Warrant Holder and what the exercise price for the warrant is.

2. GRANTING/SUBSCRIPTION OF WARRANTS

2.1 Warrant Holders who wish to subscribe the offered warrants shall sign a Warrant Certificate with this Appendix attached.

2.2 The granting of warrants shall not be subject to payment from the Warrant Holders.

2.3 Veloxis Pharmaceuticals shall keep records of granted warrants and update the records at suitable intervals.

3. VESTING

3.1 The warrants shall be vested with 1/36 per month from the date of grant of the warrants. The board may have determined a different vesting period in its decision to issue warrants.

727,364 warrants, which are issued to Veloxis Pharmaceuticals' employees, consultants, advisors and board members on board meetings of respectively 4 April 2003, 3 October 2003 and 19 December 2003, shall, however, be vested with 1/36 per month from the date of employment.

554,580 warrants, which are issued to JMM Invest ApS on board meetings of respectively 4 April 2003, 29 August 2003 and 22 March 2004 shall be fully vested as from the time of the issuance.

227,636 warrants which are isued to JMM Invest ApS and 83,244 warrants which are issued to Veloxis Pharmaceuticals' Chief Financial Officer Michael Wolff Jensen on the board meeting of 22 March 2004 vest fully and may, in addition to the ordinary exercise periods, (in case they have not lapsed before then) be exercised immediately before one of the events described in clauses 5.10, 5.11 and/or 6.1 below.

3.2 If the stipulated fraction does not amount to a whole number of warrants, the number shall be rounded down to the nearest whole number.

3.3 Warrants shall only be vested to the extent the Warrant Holder is employed by Veloxis Pharmaceuticals, cf. however clause 3.4 to 3.6 below.

3.4 In the event that the Warrant Holder terminates the employment contract and the termination is not a result of breach of the employment terms by Veloxis Pharmaceuticals, and in the event that Veloxis Pharmaceuticals terminates the employment contract and the Warrant Holder has given Veloxis Pharmaceuticals good reason to do so, then the vesting of warrants shall cease from the time the employment is terminated, meaning from the first day when the Warrant Holder is no longer entitled to salary from Veloxis Pharmaceuticals, notwithstanding that the Warrant Holder has actually ceased to perform his/her duties at an earlier date. In addition hereto the Warrant Holder's right, if any, to receive warrants granted after termination of the employment shall cease. With respect to warrants issued to employees of Veloxis Pharmaceuticals on the board meetings of 4 April 2003, 3 October 2003, 19 December 2003, 22 March 2004, 28 April 2004 and on the General Meeting on 16 June 2004 (previous Appendices A, B and D) excluding warrants granted to JMM Invest ApS on the board meetings held on 4 April 2003 and 22 March 2004 (previous Appendix C) the foregoing clause 3.4 applies regardless of the reason for termination of the employment contract.

3.5 In the event that the Warrant Holder terminates the employment contract and the termination is a result of breach of the employment terms by Veloxis Pharmaceuticals, or in the event that Veloxis Pharmaceuticals terminates the employment contract and the Warrant Holder having not given Veloxis Pharmaceuticals good reason to due so, then warrants shall continue to vest as if the Warrantholder was still employed by Veloxis Pharmaceuticals. This clause 3.5 only applies to warrants issued to employees of Veloxis Pharmaceuticals on the board meetings held on 20 June 2005, 21 September 2005, 17 October 2005 og 12 December 2005 as well as the General Meetings held on 16 December 2004, 17 March 2005, as well as 7 November 2005(previous Appendices E and F) as well as on board meetings or General Meetings held after 7 November 2005 cf. however clause 3.6 below.

3.6 Regardless of clauses 3.4 and 3.5 the following shall apply to grants of warrants made on 14 May 2008 and later to Warrant Holders who are employees and receive the warrants as part of a employment relationship but who are not comprised by the (Danish) law no. 309 of 5 May 2004 (the Stock Option Act): Regardless of the reason for the termination of the employment relationship the vesting of warrants shall cease from the time the employment is terminated, meaning from the first day when the Warrant Holder is no longer entitled to salary from Veloxis Pharmaceuticals of its subsidiary, notwithstanding that the Warrant Holder has actually ceased to perform his/her duties at an earlier date. In addition hereto the Warrant Holder's right, if any, to receive warrants granted after termination of the employment shall cease. It is noted that employees whose employment relationship is not governed by Danish law cannot by reference to clause 11.1 below be able to claim any rights pursuant to provisions of Danish mandatory legislation and that no such provisions are included in this warrant scheme. The aforesaid cannot be used as basis for *e contrario* interpretation with respect to warrant grants made prior to 14 May 2008.

3.7 Should the Warrant Holder materially breach the terms of the employment, the vesting of warrants shall cease from the date when the Warrant Holder is dismissed due to the material breach.

3.8 Warrants issued to consultants, advisors and board members only vest to the extent that the consultant, advisor or board member acts on behalf of Veloxis Pharmaceuticals as a consultant, advisor or board member.

3.9 If the Warrant Holder takes leave – other than maternity leave – and the leave exceeds 60 days, the dates when the warrants shall be vested shall be postponed by a period corresponding to the duration of the leave.

4. EXERCISE

4.1 When a warrant has been vested, it may be exercised during the exercise periods. The exercise periods run for 21 days from and including respectively the day after the Company's publication of i) the annual report notification – or if such notification is no published – the annual report and ii) the interim report (6 months report). The last exercise period shall run for 21 days following the date of the publication of the interim report for the first 6 months of 2012. With respect to warrants granted 14 May 2008 or later, the exercise periods shall (in addition to i) and ii) above) run for 21 days from and including respectively the day after the Company's publication of its interim financial report for the first 3 months and the Company's publication of its interim financial report for the first 9 months of the year.

As concerns 2,145,820 warrants, which are issued to JMM Invest ApS and to Veloxis Pharmaceuticals' employees, consultants, advisors and board members on board meetings of respectively 4 April 2003, 29 August 2003, 3 October 2003, 19 December 2003, 22 March 2004, 28 April 2004 and on the General Meeting on 16 June 2004, the last exercise period is, however, 21 days following the date of the publication of the interim report for the first 6 months of 2011.

4.2 If the last day of an exercise period is Saturday or Sunday, the exercise period shall also include the first weekday following the stipulated period.

4.3 When warrants have been vested, the Warrant Holder shall be free to choose, which exercise period to apply for the vested warrants, cf. however, clause 4.5 below regarding material breach. It is, however, a condition for exercise that the Warrant Holder in a given exercise period exercises warrants, which give a right to subscribe minimum nominal DKK 1,000 shares. *At the general meeting of the company held on 18 April 2012 it was resolved to reduce the share capital of the company by decrease of the denomination of all shares with nominally DKK 0.9 from nominally DKK 1 to nominally DKK 0.1, and consequently, the minimum amount for subscription has been decreased from nominally DKK 1,000 to nominally DKK 100.*

4.4 Warrants not exercised by the Warrant Holder during the last exercise period shall become null and void without further notice or compensation or payment of any kind to the Warrant Holder.

4.5 The Warrant Holder's exercise of warrants is in principle conditional upon the Warrant Holder being employed in Veloxis Pharmaceuticals at the time when warrants are exercised. In case of termination of the employment the following shall apply:

a. In the event that the Warrant Holder is terminating the employment contract and the termination is not a result of breach of the employment by Veloxis Pharmaceuticals, and in the event that Veloxis Pharmaceuticals terminates the employment contract and the Warrant Holder having given Veloxis Pharmaceuticals good reason to do so,, the Warrant Holder is ony entitled to exercise the warrants vested at the time of termination. Exercise shall take place during the first coming exercise period after termination of the employment, however the Warrant Holder shall always have minimum 3 months from the date of termination to decide if warrants shall be exercised. To the extent that the first coming exercise period commences within 3 months from the date of actual termination the Warrant Holder shall be entitled to exercise the warrants in the exercise period following the first coming exercise period. All vested warrants not exercised by the Warrant Holder according to this clause shall become null and void without further notice or compensation or payment of any kind.

   With respect to warrants issued to employees of Veloxis Pharmaceuticals on the board meetings of 4 April 2003, 3 October 2003, 19 December 2003, 22 March 2004, 28 April 2004 and on the General Meeting on 16 June 2004 (previous Appendices A, B and D)

excluding warrants granted to JMM Invest ApS on the board meetings held on 4 April 2003 and 22 March 2004 (previous Appendix C), clause 4.5 (a) above applies in all instance where the employment of the warrantholder by Veloxis Pharmaceuticals ceases including also as a result of illness, death, disability, retirement or death, cf. however, clause 4.5(d) in fine, below.

As concerns 554,580 warrants, which are issued to JMM Invest ApS on the board meetings held on 4 April 2003, 29 August 2003 and 22 Marts 2004 (previous Appendix C), clause 4.5(b) above does not apply. Rather, Clause 4.5(a) as written below applies:

In the event that the CEO's employment is terminated by Veloxis Pharmaceuticals due to a material breach by the CEO of the employment contract or in the event that the CEO should terminate the employment contract without this being due to a breach of the employment contract by the Veloxis Pharmaceuticals, the Warrant Holder shall (irrespective of clauses 4.1 – 4.3.), to the extent that it wishes to exercise warrants, exercise the warrants in the first coming exercise period after the date of the CEO's actual cessation of the employment. If warrants are not exercise accordingly the warrant shall automatically be deemed null and void without any compensation or payment of any kind to the Warrant Holder.

b. In the event that the Warrant Holder terminates the employment contract and the termination is a result of breach of the employment by Veloxis Pharmaceuticals, or in the event that Veloxis Pharmaceuticals terminates the employment contract and the Warrant Holder have not given Veloxis Pharmaceuticals good reason to do so, the Warrant Holder is entitled to exercise the warrants as if the Warrant Holder were still employed with Veloxis Pharmaceuticals. Exercise shall take place in accordance with the general terms and conditions regarding exercise of warrants stipulated in clause 4.1 – 4.5. This provision shall apply if the employment contract is terminated due to your retirement This clause 4.5(b) only applies to warrants issued to employees of Veloxis Pharmaceuticals on the board meetings held on 20 June 2005, 21 September 2005, 17 October 2005 og 12 December 2005 as well as the General Meetings held on 16 December 2004, 17 March 2005 and 7 November 2005 (previous Appendices E and F) as well as on board meetings or General Meetings held after 7 November 2005 cf. however clause 4.5(c) below.

c. Regardless of clause 4.5 (b) the following shall apply to grants of warrants made on 14 May 2008 and later to Warrant Holders who are employees and receive the warrants as part of a employment relationship but who are not comprised by the (Danish) law no. 309 of 5 May 2004 (the Stock Option Act): the Warrant Holder is only entitled to exercise the warrants vested at the time of termination. Exercise shall take place during the first coming exercise period after termination of the employment, however the Warrant Holder shall always have minimum 3 months from the date of termination to decide if warrants shall be exercised. To the extent that the first coming exercise period commences within 3 months from the date of actual termination the Warrant Holder shall be entitled to exercise the warrants in the exercise period following the first coming exercise period. All vested warrants not exercised by the Warrant Holder according to this clause shall become null and void without further notice or compensation or payment of any kind. It is noted that employees whose employment relationship is not governed by Danish law cannot by reference to clause 11.1 below be able to claim any rights pursuant to provisions of Danish mandatory legislation and that no such provisions are included in this warrant scheme. The aforesaid cannot be used as basis for *e contrario* interpretation with respect to warrant grants made prior to 14 May 2008.

d. If the employment is terminated as a consequence of summary dismissal of the Warrant Holder on grounds of material breach, all warrants not exercised at that time shall become null and void without notice or compensation.As concerns warrants issued to employees of Veloxis Pharmaceuticals on the board meetings held on 20 June 2005, 21 September 2005, 17 October 2005 og 12 December 2005 as well as the Geneal Meetings held on 16 December 2004, 17 March 2005, and 7 November 2005 (previous appendices E and F) as well as on board meetings or General Meetings held after 7 November 2005 then if the material breach is committed prior to the dismissal the vesting and the right to exercise warrants shall be deemed to have ceased at the time of the material breach. The Warrant Holder shall in this case, after demand from Veloxis Pharmaceuticals, be obligated to sell to Veloxis Pharmaceuticals shares which have been subscribed though exercise of warrants, after the date of the material breach. The shares shall be sold at a price corresponding to the subscription price paid by the Warrant Holder.

e. As concerns warrants issued to employeesof Veloxis Pharmaceuticals on the board meetings held on 20 June 2005, 21 September 2005, 17 October 2005 og 12 December 2005 as well as the Geneal Meetings held on 16 December 2004, 17 March 2005, and 7 November 2005 (previous appendices E and F) as well as on board meetings or General Meetings held after 7 November 2005 then if the employment is terminated due to the death of the Warrant Holder all warrants not exercised by the Warrant Holder shall become null and void. For all warrants issued during 2003 – 2005 as well as on board meetings or General Meetings held after 7 November 2005, however, the Veloxis Pharmaceuticals Board of Directors may decide to enable the estate of the Warrant Holder to exercise the issued warrants whether they have been vested at the time of the death or not on the condition that exercise be effected during the first exercise period commencing after the death.

4.6 If the Warrant Holder is a consultant, advisor or board member the exercise of warrants is in principle conditional upon the Warrant Holder being connected to Veloxis Pharmaceuticals in this capacity at the time when warrants are exercised. In case that the consultant's, advisor's or board member's relationship with Veloxis Pharmaceuticals should cease without this being attributable to the Warrant Holder's actions or omissions the Warrant Holder shall be entitled to exercise vested warrants in the exercise periods set forth in clause 4.1 above.

Veloxis Pharmaceuticals' board of directors is in the event of a listing of the company's shares on a stock exchange entitled at its discretion to change the exercise periods in order to coordinate these with applicable rules for insider trading.

5. ADJUSTMENT OF WARRANTS

5.1 Changes in Veloxis Pharmaceuticals' capital structure causing a change of the potential possibility of gain attached to a warrant shall require an adjustment of the warrants.

5.2 Adjustments shall be made so that the potential possibility of gain attached to a warrant in so far as possible shall remain the same before and after the occurrence of an incident causing the adjustment. The adjustment shall be carried out with the assistance of Veloxis Pharmaceuticals' external advisor. The adjustment may be effected either by increase or reduction of the number of shares that can be issued in accordance with a warrant and/or an increase or reduction of the exercise price.

5.3 Warrants shall not be adjusted as a result of Veloxis Pharmaceuticals' issue of employee shares, share options and/or warrants as part of employee share option schemes (including options to Directors, advisors and consultants) as well as future exercise of such options and/or warrants. Warrants shall, furthermore, not be adjusted as a result of capital increases following the Warrant Holders' and others' exercise of warrants in Veloxis Pharmaceuticals.

5.4 Bonus shares

If it is decided to issue bonus shares in Veloxis Pharmaceuticals, warrants shall be adjusted as follows:

The exercise price for each warrant not yet exercised shall be multiplied by the factor:

$$\propto = \frac{A}{(A+B)}$$

and the number of warrants not yet exercised shall be multiplied by the factor:

$$\frac{1}{\propto}$$

where:

A = the nominal share capital before issue of bonus shares, and
B = the total nominal value of bonus shares.

If the adjusted exercise price and/or the adjusted number of shares does not amount to whole numbers, each number shall be rounded down to the nearest whole number.

5.5 Changes of capital at a price different from the market price:

If it is decided to increase or reduce the share capital in Veloxis Pharmaceuticals at a price below the market price (in relation to capital decreases also above the market price), warrants shall be adjusted as follows:

The exercise price for each non-exercised warrant shall be multiplied by the factor:

$$\propto = \frac{(A \times K) + (B \times T)}{(A+B) \times K}$$

and the number of non-exercised warrants shall be multiplied by the factor:

$$\frac{1}{\propto}$$

where:

A = nominal share capital before the change in capital
B = nominal change in the share capital
K = market price of the share prior to change in the share capital, and
T = subscription price/reduction price in relation to the change in the share capital

If the adjusted exercise price and/or the adjusted number of shares does not amount to whole numbers, each number shall be rounded down to the nearest whole number.

5.6 Changes in the nominal value of each individual share:

If it is decided to change the nominal value of the shares, warrants shall be adjusted as follows:

The exercise price for each non-exercised warrant shall be multiplied by the factor:

$$\propto = \frac{A}{B}$$

and the number of non-exercised warrants shall be multiplied by the factor:

$$\frac{1}{\propto}$$

where:

A = nominal value of each share after the change, and
B = nominal value of each share before the change

If the adjusted exercise price and/or the adjusted number of shares does not amount to whole numbers, each number shall be rounded down to the nearest whole number.

5.7 Payment of dividend:

If it is decided to pay dividends, the part of the dividends exceeding 10 per cent of the equity capital shall lead to adjustment of the exercise price according to the following formula:

$$E2 = E1 - \frac{U - Umax}{A}$$

where:

E2 = the adjusted exercise price
E1 = the original exercise price
U = dividends paid out
Umax = 10 per cent of the equity capital, and
A = total number of shares in Veloxis Pharmaceuticals

If the adjusted exercise price does not amount to a whole number, it shall be rounded down to the nearest whole number.

The equity capital that shall form the basis of the adjustment above is the equity capital stipulated in the Annual Report to be adopted at the General Meeting where dividends shall be approved before allocation hereof has been made in the Annual Report.

5.8 Other changes in Veloxis Pharmaceuticals' capital position:

In the event of other changes in Veloxis Pharmaceuticals' capital position causing changes to the financial value of warrants, warrants shall (save as provided above) be adjusted in order to ensure that the changes do not influence the financial value of the warrants.

The calculation method to be applied to the adjustment shall be decided by an external advisor appointed by the Board of Directors.

It is emphasized that increase or reduction of Veloxis Pharmaceuticals' share capital at market price does not lead to an adjustment of the subscription price or the number of shares to be subscribed.

5.9 Winding-up:

Should Veloxis Pharmaceuticals be liquidated, the vesting time for all non-exercised warrants shall be changed so that the Warrant Holder may exercise his/her warrants in an extraordinary exercise period immediately preceding the relevant transaction.

5.10 Merger and split:

If Veloxis Pharmaceuticals merges as the continuing company, warrants shall remain unaffected unless, in connection with the merger, the capital is increased at a price other than the market price and in that case warrants shall be adjusted in accordance with clause 5.5.

If Veloxis Pharmaceuticals merges as the terminating company or is split, the continuing company may choose one of the following possibilities:

- The Warrant Holder may exercise all non-exercised warrants (inclusive of warrants not yet vested) immediately before the merger/split, or
- New share instruments in the continuing company/companies of a corresponding financial pre-tax value shall replace the warrants. On split the continuing companies may decide in which company/companies the Warrant Holders shall receive the new share instruments.

5.11 Sale and exchange of shares:

If more than 50 per cent of the share capital in Veloxis Pharmaceuticals is sold or is part of a share swap, Veloxis Pharmaceuticals may choose one of the following possibilities:

- The warrant scheme shall continue unchanged.
- The Warrant Holder may exercise all non-exercised warrants that are not declared null and void (inclusive of warrants not yet vested) immediately before the sale/swap of shares. Furthermore, the Warrant Holder shall undertake an obligation to sell the acquired shares on the same conditions as the other shareholders (when selling).
- Share instruments in the acquiring company of a corresponding pre-tax value shall replace the issued warrants.

5.12 Common provisions regarding 5.9-5.11:

If one of the transactions mentioned above is made, Veloxis Pharmaceuticals shall inform the Warrant Holder hereof by written notice. Upon receipt of the written notice, the Warrant Holder shall have 2 weeks – in cases where the Warrant Holder may extraordinarily exercise warrants, see 5.9-5.11 – to inform Veloxis Pharmaceuticals in writing whether he/she will make use of the offer. If the Warrant Holder has not answered Veloxis Pharmaceuticals in writing within the limit of 2 weeks or fails to pay within the fixed time, warrants shall become null and void without further notice or compensation.

The warrant holder's rights in connection with decisions made by any competent company body, see 5.9-5.11, shall be contingent on subsequent registration of the relevant decision with the Danish Business Authority provided that registration is a condition of its validity.

6. TRANSFER, PLEDGE AND ENFORCEMENT

6.1 Issued warrants shall not be subject to charging orders, transfer of any kind, including in connection with division of property on divorce or legal separation, for ownership or as security without the consent of the Board of Directors. The Warrant Holder's warrants may, however, be transferred to the Warrant Holder's spouse/cohabitant and/or issue in the event of the Warrant Holder's death.

7. SUBSCRIPTION FOR NEW SHARES BY EXERCISE OF WARRANTS

7.1 Subscription for new shares by exercise of issued warrants must be made through submission by the Warrant Holder no later than the last day of the relevant exercise period at 16:00 to Veloxis Pharmaceuticals of an exercise notice drafted by Veloxis Pharmaceuticals. The exercise notice shall be filled in with all information. The company must have received the exercise price for the new shares, payable as a cash contribution, by the last day of the relevant exercise period.

7.2 If the limitation period set forth in clause 7.1 expires as a result of Veloxis Pharmaceuticals not having received the filled-in exercise notice or the payment by 16:00 of the last day of the exercise period, the subscription shall be deemed invalid, and in this situation the Warrant Holder shall not be considered as having exercised his/her warrants for a possible subsequent exercise period.

7.3 Warrants not exercised by the Warrant Holder during the last exercise period, cf. above, shall become null and void without notice or compensation.

7.4 When the capital increase caused by exercise of warrants has been registered with the Danish Business Authority, the Warrant Holder shall receive proof of his shareholding in Veloxis Pharmaceuticals.

8. THE RIGHTS OF NEW SHARES

New shares subscribed for by exercise of issued warrants shall in every respect have the same rights as the present shares in Veloxis Pharmaceuticals in accordance with the Articles of Association for Veloxis Pharmaceuticals in force from time to time. For the time being, the following shall apply:

- the value of each share shall be DKK 1 or multiples hereof,
- the shares are bearer shares, but may be recorded on name in the Company's share register,
- the shares shall be negotiable instruments,
- the shares are issued through the VP Securities Services
- no shares shall carry special rights.
- no shareholder shall be obliged to have his shares redeemed in whole or in part by the Company or others.
- Veloxis Pharmaceuticals' shareholders shall hold no pre-emptive rights to subscribe for warrants;
- Veloxis Pharmaceuticals' shareholders shall hold no pre-emptive rights to subscribe for new shares issued on the basis of warrants;
- new shares issued as a result of exercise of warrants shall carry the right to dividend and other rights in Veloxis Pharmaceuticals from the time of registration of the capital increase with the Danish Business Authority.

8.a *At the general meeting of the company held on 18 April 2012 it was resolved to reduce the share capital of the company by decrease of the denomination of all shares with nominally DKK 0.9 from nominally DKK 1 to nominally DKK 0.1, and consequently, the nominal value of the shares which may be subscribed for pursuant to warrants has changed to DKK 0.1.*

8.1 Veloxis Pharmaceuticals shall pay all costs connected with granting of warrants and later exercise thereof. Veloxis Pharmaceuticals' costs in connection with issue of warrants and the related capital increase are estimated to DKK 45,000.

9. OTHER PROVISONS

9.1 The value attached to the subscription right shall not be included in the Warrant Holder's salary, and any agreement made between the Warrant Holder and Veloxis Pharmaceuticals regarding pension or the like shall therefore not include the value of the Warrant Holder's warrants.

9.2 If a relevant authority should establish that the issuance and/or exercise of warrants shall be considered a salary allowance with the consequence that Veloxis Pharmaceuticals shall pay holiday allowance or the like to the Warrant Holder on the basis of the value of warrants, the subscription price shall be increased in order to compensate Veloxis Pharmaceuticals for the amounts that have been paid to the Warrant Holder in the form of holiday allowance or the like.

9.3 The fact that Veloxis Pharmaceuticals offers warrants to Warrant Holders shall not in any way obligate Veloxis Pharmaceuticals to maintain the employment.

10. TAX IMPLICATIONS

10.1 The tax implications connected to the Warrant Holder's subscription for or exercise of warrants shall be of no concern to Veloxis Pharmaceuticals.

11. GOVERNING LAW AND VENUE

11.1 Acceptance of warrants, the terms and conditions thereto and the exercise, and terms and conditions for future subscription for shares in Veloxis Pharmaceuticals shall be governed by Danish law.

11.2 Any disagreement between the Warrant Holder and Veloxis Pharmaceuticals in relation to the understanding or implementation of the warrant scheme shall be settled amicably by negotiation between the parties.

11.3 If the parties fail to reach consensus, any disputes shall be settled in accordance with "Rules for hearing of cases in the Copenhagen Arbitration". The Copenhagen Arbitration shall appoint one arbitrator who shall settle the dispute according to Danish law.

11.4 In the event of discrepancies between the English and the Danish text the Danish text shall prevail.

28.02.2008

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APPENDIX 2

TO THE ARTICLES OF ASSOCIATION OF VELOXIS PHARMACEUTICALS A/S

Pursuant to authorization granted by the shareholders of Veloxis Pharmaceuticals A/S (hereinafter "Veloxis Pharmaceuticals" or the "Company") the Board of Directors of Veloxis Pharmaceuticals has resolved that the following terms and conditions shall apply to warrants that are issued and granted to the Company's management, other employees, consultants, advisors and board members as from 15 December 2010. The terms and conditions applicable to previous issues and grants of warrants, cf. articles 4 and 4A in the Articles of Association of Veloxis Pharmaceuticals A/S, are set out in Appendix 1 to the Articles of Association of Veloxis Pharmaceuticals A/S.

1. GENERAL

1.1 Veloxis Pharmaceuticals has decided to introduce an incentive scheme for Veloxis Pharmaceuticals' management, other employees, consultants, advisors and board members (hereinafter collectively referred to as "Warrant Holders"). The scheme is based on issuance of options, also called warrants (hereinafter only referred to as "warrants"), which are not subject to payment.

1.2 A warrant is a right, but not an obligation, during fixed periods (exercise periods) to subscribe for new shares in Veloxis Pharmaceuticals at a price fixed in advance (the exercise price). The exercise price, which shall correspond to the market price at the date of issuance, shall be determined by the board of directors in connection with the grant of warrants. Each warrant carries the right to subscribe for nominal DKK 1 share in Veloxis Pharmaceuticals at the subscription price determined by the board of directors at the date of issuance. *At the general meeting of the company held on 18 April 2012 it was resolved to reduce the share capital of the company by decrease of the denomination of all shares with nominally DKK 0.9 from nominally DKK 1 to nominally DKK 0.1, and consequently, the nominal value of the shares which may be subscribed for pursuant to warrants has changed to DKK 0.1.*

1.3 Warrants will be offered to Veloxis Pharmaceuticals' management, other employees, consultants, advisors and board members in Veloxis Pharmaceuticals at the discretion of the Board of Directors after suggestion from the management. The number of warrants, if any, offered to each individual shall be based on an individual evaluation of the Warrant Holder's duties. It shall appear from the individual Warrant Holder's warrant certificate how many warrants have been granted to the Warrant Holder and what the exercise price for the warrant is.

2. GRANTING/SUBSCRIPTION OF WARRANTS

2.1 Warrant Holders who wish to subscribe the offered warrants shall sign a Warrant Certificate with this Appendix attached.

2.2 The granting of warrants shall not be subject to payment from the Warrant Holders.

2.3 Veloxis Pharmaceuticals shall keep records of granted warrants and update the records at suitable intervals.

3. VESTING

3.1 The warrants shall be vested with 1/36 per month from the date of grant of the warrants. The board may have determined a different vesting period in its decision to issue warrants.

3.2 If the stipulated fraction does not amount to a whole number of warrants, the number shall be rounded down to the nearest whole number.

3.3 Warrants shall only be vested to the extent the Warrant Holder is employed by Veloxis Pharmaceuticals, cf. however clause 3.4 to 3.6 below.

3.4 In the event that the Warrant Holder terminates the employment contract and the termination is not a result of breach of the employment terms by Veloxis Pharmaceuticals, and in the event that Veloxis Pharmaceuticals terminates the employment contract and the Warrant Holder has given Veloxis Pharmaceuticals good reason to do so, then the vesting of warrants shall cease from the time the employment is terminated, meaning from the first day when the Warrant Holder is no longer entitled to salary from Veloxis Pharmaceuticals, notwithstanding that the Warrant Holder has actually ceased to perform his/her duties at an earlier date. In addition hereto the Warrant Holder's right, if any, to receive warrants granted after termination of the employment shall cease.

3.5 In the event that the Warrant Holder terminates the employment contract and the termination is a result of breach of the employment terms by Veloxis Pharmaceuticals, or in the event that Veloxis Pharmaceuticals terminates the employment contract and the Warrant Holder having not given Veloxis Pharmaceuticals good reason to due so, then warrants shall continue to vest as if the Warrant Holder was still employed by Veloxis Pharmaceuticals.

3.6 Regardless of clauses 3.4 and 3.5 the following shall apply to grants of warrants made to Warrant Holders who are employees and receive the warrants as part of a employment relationship but who are not comprised by the (Danish) law no. 309 of 5 May 2004 (the Stock Option Act): Regardless of the reason for the termination of the employment relationship the vesting of warrants shall cease from the time the employment is terminated, meaning from the first day when the Warrant Holder is no longer entitled to salary from Veloxis Pharmaceuticals or its subsidiary, notwithstanding that the Warrant Holder has actually ceased to perform his/her duties at an earlier date. In addition hereto the Warrant Holder's right, if any, to receive warrants granted after termination of the employment shall cease. It is noted that employees whose employment relationship is not governed by Danish law cannot by reference to clause 11.1 below be able to claim

any rights pursuant to provisions of Danish mandatory legislation and that no such provisions are included in this warrant scheme. The aforesaid cannot be used as basis for *e contrario* interpretation with respect to warrant grants made prior to 15 December 2010.

3.7 Should the Warrant Holder materially breach the terms of the employment, the vesting of warrants shall cease from the date when the Warrant Holder is dismissed due to the material breach.

3.8 Warrants issued to consultants, advisors and board members only vest to the extent that the consultant, advisor or board member acts on behalf of Veloxis Pharmaceuticals as a consultant, advisor or board member.

3.9 If the Warrant Holder takes leave – other than maternity leave – and the leave exceeds 60 days, the dates when the warrants shall be vested shall be postponed by a period corresponding to the duration of the leave.

4. EXERCISE

4.1 When a warrant has been vested, it may be exercised during the exercise periods. The exercise periods run for 21 days from and including, respectively, the day after the Company's publication of i) the annual report notification – or if such notification is not published – the annual report, ii) the interim report (6 months' report), and iii) the interim financial report for the first 3 months and the Company's publication of its interim financial report for the first 9 months of the year.

4.2 If the last day of an exercise period is Saturday or Sunday, the exercise period shall also include the first weekday following the stipulated period.

4.3 When warrants have been vested, the Warrant Holder shall be free to choose, which exercise period to apply for the vested warrants, cf. however, clause 4.5 below regarding material breach. It is, however, a condition for exercise that the Warrant Holder in a given exercise period exercises warrants, which give a right to subscribe minimum nominal DKK 1,000 shares. *At the general meeting of the company held on 18 April 2012 it was resolved to reduce the share capital of the company by decrease of the denomination of all shares with nominally DKK 0.9 from nominally DKK 1 to nominally DKK 0.1, and consequently, the minimum amount for subscription has been decreased from nominally DKK 1,000 to nominally DKK 100.*

4.4 Warrants not exercised by the Warrant Holder during the last exercise period shall become null and void without further notice or compensation or payment of any kind to the Warrant Holder.

4.5 The Warrant Holder's exercise of warrants is in principle conditional upon the Warrant Holder being employed in Veloxis Pharmaceuticals at the time when warrants are exercised. In case of termination of the employment the following shall apply:

b. In the event that the Warrant Holder is terminating the employment contract and the termination is not a result of breach of the employment by Veloxis Pharmaceuticals, and in the event that Veloxis Pharmaceuticals terminates the employment contract and the Warrant Holder having given Veloxis Pharmaceuticals good reason to do so,, the Warrant Holder is only entitled to exercise the warrants vested at the time of termination. Exercise shall take place during the first coming exercise period after termination of the employment, however the Warrant Holder shall always have minimum 3 months from the date of termination to decide if warrants shall be exercised. To the extent that the first coming exercise period commences within 3 months from the date of actual termination the Warrant Holder shall be entitled to exercise the warrants in the exercise period following the first coming exercise period. All vested warrants not exercised by the Warrant Holder according to this clause shall become null and void without further notice or compensation or payment of any kind.

Clause 4.5(a) above applies in all instances where the employment of the Warrant Holder with Veloxis Pharmaceuticals ceases including also as a result of illness, death, disability, retirement or death, cf. however, clause 4.5(e) in fine, below.

f. In the event that the Warrant Holder terminates the employment contract and the termination is a result of breach of the employment by Veloxis Pharmaceuticals, or in the event that Veloxis Pharmaceuticals terminates the employment contract and the Warrant Holder have not given Veloxis Pharmaceuticals good reason to do so, the Warrant Holder is entitled to exercise the warrants as if the Warrant Holder were still employed with Veloxis Pharmaceuticals. Exercise shall take place in accordance with the general terms and conditions regarding exercise of warrants stipulated in clause 4.1 – 4.5. This provision shall also apply if the employment contract is terminated due to the Warrant Holder's retirement.

g. Regardless of clause 4.5(b) the following shall apply to grants of warrants made to Warrant Holders who are employees and receive the warrants as part of a employment relationship but who are not comprised by the (Danish) law no. 309 of 5 May 2004 (the Stock Option Act): the Warrant Holder is only entitled to exercise the warrants vested at the time of termination. Exercise shall take place during the first coming exercise period after termination of the employment, however the Warrant Holder shall always have minimum 3 months from the date of termination to decide if warrants shall be exercised. To the extent that the first coming exercise period commences within 3 months from the date of actual termination the Warrant Holder shall be entitled to exercise the warrants in the exercise period following the first coming exercise period. All vested warrants not exercised by the Warrant Holder according to this clause shall become null and void without further notice or compensation or payment of any kind. It is noted that employees whose employment relationship is not governed by Danish law cannot by reference to clause 11.1 below be able to claim any rights pursuant to provisions of Danish mandatory legislation and that no such provisions are included in this warrant scheme. The aforesaid cannot be used as basis for *e contrario* interpretation with respect to warrant grants made prior to 15. December 2010.

h. If the employment is terminated as a consequence of summary dismissal of the Warrant Holder on grounds of material breach, all warrants not exercised at that time shall become null and void without notice or compensation. If the material breach is committed prior

to the dismissal the vesting and the right to exercise warrants shall be deemed to have ceased at the time of the material breach. The Warrant Holder shall in this case, after demand from Veloxis Pharmaceuticals, be obligated to sell to Veloxis Pharmaceuticals shares which have been subscribed though exercise of warrants, after the date of the material breach. The shares shall be sold at a price corresponding to the subscription price paid by the Warrant Holder.

i. If the employment is terminated due to the death of the Warrant Holder all warrants not exercised by the Warrant Holder shall become null and void. However, the Board of Directors of Veloxis Pharmaceuticals may decide to enable the estate of the Warrant Holder to exercise the issued warrants whether they have been vested at the time of the death or not on the condition that exercise be effected during the first exercise period commencing after the death.

4.6 If the Warrant Holder is a consultant, advisor or board member the exercise of warrants is in principle conditional upon the Warrant Holder being connected to Veloxis Pharmaceuticals in this capacity at the time when warrants are exercised. In case that the consultant's, advisor's or board member's relationship with Veloxis Pharmaceuticals should cease without this being attributable to the Warrant Holder's actions or omissions the Warrant Holder shall be entitled to exercise vested warrants in the exercise periods set forth in clause 4.1 above.

5. ADJUSTMENT OF WARRANTS

5.1 Irrespective of whether changes are made in Veloxis Pharmaceuticals' capital structure, including changes affecting the potential possibility of gain attached to a warrant, the Warrant Holder's warrants will *not* be adjusted. However, this does not apply if the nominal value of each share is changed in case of a share split or a reverse share split, see clause 5.3 below.

5.2 Warrants shall not be adjusted as a result of Veloxis Pharmaceuticals' issue of employee shares, share options and/or warrants as part of employee share option schemes (including options to Directors, advisors and consultants), as well as future exercise of such options and/or warrants, or as a result of capital increases following the Warrant Holders' and others' exercise of warrants in Veloxis Pharmaceuticals.

5.3 Changes in the nominal value of each individual share:

If it is decided to change the nominal value of the shares, either due to a share split or a reverse share split, warrants shall be adjusted as follows:

The exercise price for each non-exercised warrant shall be multiplied by the factor:

$$\propto = \frac{A}{(A+B)}$$

and the number of non-exercised warrants shall be multiplied by the factor:

$$\frac{1}{\propto}$$

where:

A = nominal value of each share after the change, and
B = nominal value of each share before the change

If the adjusted exercise price and/or the adjusted number of shares does not amount to whole numbers, each number shall be rounded down to the nearest whole number.

5.4 Winding-up:

Should Veloxis Pharmaceuticals be liquidated, the vesting time for all non-exercised warrants shall be changed so that the Warrant Holder may exercise his/her warrants in an extraordinary exercise period immediately preceding the relevant transaction.

5.5 Merger and split:

If Veloxis Pharmaceuticals merges as the continuing company, warrants shall remain unaffected unless, in connection with the merger, the capital is increased at a price other than the market price and in that case warrants shall be adjusted as follows:

The exercise price for each non-exercised warrant shall be multiplied by the factor:

$$\propto = \frac{(A \times K) + (B \times T)}{(A+B) \times K}$$

and the number of non-exercised warrants shall be multiplied by the factor:

$$\frac{1}{\propto}$$

where:

A = nominal share capital before the change in capital
B = nominal change in the share capital
K = market price of the share prior to the change in the share capital, and
T = subscription price/reduction price in relation to the change in the share capital

If the adjusted exercise price and/or the adjusted number of shares does not amount to whole numbers, each number shall be rounded down to the nearest whole number.

If Veloxis Pharmaceuticals merges as the terminating company or is split, the continuing company may choose one of the following possibilities:

- The Warrant Holder may exercise all non-exercised warrants (inclusive of warrants not yet vested) immediately before the merger/split, or

- New share instruments in the continuing company/companies of a corresponding financial pre-tax value shall replace the warrants. On split the continuing companies may decide in which company/companies the Warrant Holders shall receive the new share instruments.

5.6 Sale and exchange of shares:

If more than 50 per cent of the share capital in Veloxis Pharmaceuticals is sold or is part of a share swap, Veloxis Pharmaceuticals may choose one of the following possibilities:

- The warrant scheme shall continue unchanged.
- The Warrant Holder may exercise all non-exercised warrants that are not declared null and void (inclusive of warrants not yet vested) immediately before the sale/swap of shares. Furthermore, the Warrant Holder shall undertake an obligation to sell the acquired shares on the same conditions as the other shareholders (when selling).
- Share instruments in the acquiring company of a corresponding pre-tax value shall replace the issued warrants.

5.7 Common provisions regarding 5.4-5.6:

If one of the transactions mentioned above is made, Veloxis Pharmaceuticals shall inform the Warrant Holder hereof by written notice. Upon receipt of the written notice, the Warrant Holder shall have 2 weeks – in cases where the Warrant Holder may extraordinarily exercise warrants, see 5.4-5.6 – to inform Veloxis Pharmaceuticals in writing whether he/she will make use of the offer. If the Warrant Holder has not answered Veloxis Pharmaceuticals in writing within the limit of 2 weeks or fails to pay within the fixed time, warrants shall become null and void without further notice or compensation.

The warrant holder's rights in connection with decisions made by any competent company body, see 5.4-5.6, shall be contingent on subsequent registration of the relevant decision with the Danish Business Authority provided that registration is a condition of its validity.

6. TRANSFER, PLEDGE AND ENFORCEMENT

6.1 Issued warrants shall not be subject to charging orders or transfer of any kind, including in connection with division of property on divorce or legal separation, for ownership or as security without the consent of the Board of Directors. The Warrant Holder's warrants may, however, be transferred to the Warrant Holder's spouse/cohabitant and/or issue in the event of the Warrant Holder's death.

7. SUBSCRIPTION FOR NEW SHARES BY EXERCISE OF WARRANTS

7.1 Subscription for new shares by exercise of issued warrants must be made through submission by the Warrant Holder no later than the last day of the relevant exercise period at 16:00 to Veloxis Pharmaceuticals of an exercise notice drafted by Veloxis Pharmaceuticals. The exercise notice shall be filled in with all information. The Company must have received the exercise price for the new shares, payable as a cash contribution, by the last day of the relevant exercise period.

7.2 If the limitation period set forth in clause 7.1 expires as a result of Veloxis Pharmaceuticals not having received the filled-in exercise notice or the payment by 16:00 of the last day of the exercise period, the subscription shall be deemed invalid, and in this situation the Warrant Holder shall not be considered as having exercised his/her warrants for a possible subsequent exercise period.

7.3 Warrants not exercised by the Warrant Holder during the last exercise period, cf. above, shall become null and void without notice or compensation.

7.4 When the capital increase caused by exercise of warrants has been registered with the Danish Business Authority, the Warrant Holder shall receive proof of his shareholding in Veloxis Pharmaceuticals.

8. THE RIGHTS OF NEW SHARES

New shares subscribed for by exercise of issued warrants shall in every respect have the same rights as the present shares in Veloxis Pharmaceuticals in accordance with the Articles of Association for Veloxis Pharmaceuticals in force from time to time. For the time being, the following shall apply:

- the value of each share shall be DKK 1 or multiples hereof,
- the shares are bearer shares, but may be recorded on name in the Company's share register,
- the shares shall be negotiable instruments,
- the shares are issued through the VP Securities Services
- no shares shall carry special rights.
- no shareholder shall be obliged to have his shares redeemed in whole or in part by the Company or others.
- Veloxis Pharmaceuticals' shareholders shall hold no pre-emptive rights to subscribe for warrants;
- Veloxis Pharmaceuticals' shareholders shall hold no pre-emptive rights to subscribe for new shares issued on the basis of warrants;
- new shares issued as a result of exercise of warrants shall carry the right to dividend and other rights in Veloxis Pharmaceuticals from the time of registration of the capital increase with the Danish Business Authority.

8.a *At the general meeting of the company held on 18 April 2012 it was resolved to reduce the share capital of the company by decrease of the denomination of all shares with nominally DKK 0.9 from nominally DKK 1 to nominally DKK 0.1, and consequently, the nominal value of the shares which may be subscribed for pursuant to warrants has changed to DKK 0.1.*

8.1 Veloxis Pharmaceuticals shall pay all costs connected with granting of warrants and later exercise thereof. Veloxis Pharmaceuticals' costs in connection with issue of warrants and the related capital increase are estimated to DKK 45,000.

9. OTHER PROVISIONS

9.1 The value attached to the subscription right shall not be included in the Warrant Holder's salary, and any agreement made between the Warrant Holder and Veloxis Pharmaceuticals regarding pension or the like shall therefore not include the value of the Warrant Holder's warrants.

9.2 If a relevant authority should establish that the issuance and/or exercise of warrants shall be considered a salary allowance with the consequence that Veloxis Pharmaceuticals shall pay holiday allowance or the like to the Warrant Holder on the basis of the value of warrants, the subscription price shall be increased in order to compensate Veloxis Pharmaceuticals for the amounts that have been paid to the Warrant Holder in the form of holiday allowance or the like.

9.3 The fact that Veloxis Pharmaceuticals offers warrants to Warrant Holders shall not in any way obligate Veloxis Pharmaceuticals to maintain the employment.

10. TAX IMPLICATIONS

10.1 The tax implications connected to the Warrant Holder's subscription for or exercise of warrants shall be of no concern to Veloxis Pharmaceuticals.

11. GOVERNING LAW AND VENUE

11.1 Acceptance of warrants, the terms and conditions thereto and the exercise, and terms and conditions for future subscription for shares in Veloxis Pharmaceuticals shall be governed by Danish law.

11.2 Any disagreement between the Warrant Holder and Veloxis Pharmaceuticals in relation to the understanding or implementation of the warrant scheme shall be settled amicably by negotiation between the parties.

11.3 If the parties fail to reach consensus, any disputes shall be settled in accordance with "Rules of Arbitration Procedure of Danish Arbitration". The Danish Institute of Arbitration shall appoint one arbitrator who shall settle the dispute according to Danish law.

11.4 In the event of discrepancies between the English and the Danish text the Danish text shall prevail.

15 December 2010

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Veloxis Pharmaceuticals A/S **Tegningsblanket** (Kun én blanket pr. depot)	**ISIN kode for Udbudte Aktier: DK0060449213 (midlertidig)**

Tegning af Udbudte Aktier, som ikke er blevet tegnet af Selskabets aktionærer ved udnyttelse af tildelte Tegningsretter eller af andre investorer ved udnyttelse af erhvervede Tegningsretter (Resterende Aktier) i Veloxis Pharmaceuticals A/S

Instruktion om anvendelse af Tegningsretter skal ikke ske ved anvendelse af nærværende blanket, men på sædvanlig vis ved henvendelse til aktionærens/investorens kontoførende institut.

Denne tegningsblanket skal alene anvendes af danske eksisterende aktionærer som pr. Prospektdatoen den 15. oktober 2012 var aktionær i Selskabet.

Denne tegningsblanket skal indleveres til aktionærens/investorens eget kontoførende institut til godkendelse og behandling.

ISIN kode for Udbudte Aktier (midlertidig):	DK0060449213	Tegningskurs:	DKK 0,35
Tegningsperiode:	23. oktober 2012 – 5. november 2012	Første noteringsdag Udbudte Aktier:	15. november 2012
Betalingsdag:	13. november 2012		

Eksisterende aktionærer (som var aktionærer i Selskabet pr. Prospektdatoen), der ønsker at tegne Resterende Aktier, skal gøre dette ved at afgive bindende tilsagn gennem deres eget kontoførende institut eller gennem Global Coordinator. Danske eksisterende aktionærer kan benytte denne tegningsblanket, der er vedhæftet det Internationale Prospekt. Udenlandske eksisterende aktionærer skal kontakte deres kontoførende institut. Tegningsblanketten eller bindende tilsagn i øvrigt skal være kontoførende institut i hænde i så god tid, at de kan behandles og være Handelsbanken Capital Markets i hænde senest den 5. november 2012 kl. 17.00 dansk tid. Ordrer er bindende og kan ikke ændres eller annulleres.

Udbudte Aktier, der ikke er tegnet af Selskabets Eksisterende Aktionærer ved udnyttelse af deres tildelte eller erhvervede Tegningsretter eller af øvrige investorer ved udnyttelse af erhvervede Tegningsretter før Tegningsperiodens udløb (Resterende Aktier), kan, uden kompensation til indehaverne af ikke-udnyttede Tegningsretter, tegnes af eksisterende aktionærer (som var aktionærer i Selskabet pr. Prospektdatoen), der, inden udløbet af Tegningsperioden, har afgivet bindende tilsagn om at tegne Resterende Aktier til Udbudskursen. I det tilfælde, at bindende tilsagn afgivet af eksisterende aktionærer overstiger antallet af Resterende Aktier, vil der blive foretaget allokering af Resterende Aktier pro rata på grundlag af de Aktier hver eksisterende aktionær besad i Selskabet på Tildelingstidspunktet.

Fra hverken Selskabets eller Global Coordinators' side kan der gives nogen sikkerhed for, at investorer eller aktionærer, der ønsker at tegne Udbudte Aktier, vil kunne tildeles Resterende Aktier. Sikkerhed for at modtage Udbudte Aktier i Selskabet kan kun gives til aktionærer og investorer der erhverver og udnytter Tegningsretter, og kun i tilfælde af, at Udbuddet gennemføres. Der vil således kun være Resterende Aktier at tildele, såfremt de Udbudte Aktier ikke er tegnet af Selskabets aktionærer i henhold til deres fortegningsret ved udnyttelse af Tegningsretter eller af investorer i henhold til erhvervede Tegningsretter.

For danske Eksisterende Aktionærer

Jeg/vi bekræfter hermed, at jeg/vi pr. Prospektdatoen den 15. oktober 2012 var aktionær i Selskabet med en beholdning på _____ stk. Aktier.

Jeg/vi afgiver bindende tegningsordre på op til _____ stk. Resterende Aktier à nominelt 0,10 kr. i Veloxis Pharmaceuticals A/S til Tegningskursen DKK 0,35 per Aktie.

Aktionær/investor erklæring

Denne tegningsordre afgives på vilkår som anført i Prospektet dateret den 15. oktober 2012.

Afgivelse af tegningsordre er bindende.

Jeg/vi forpligter mig/os til at betale modværdien af de tildelte aktier til Tegningskursen. Betalingen finder sted den 13. november 2012 i henhold til nota, der tilsendes mig/os, mod registrering af de tildelte aktier i VP Securities.

Oplysninger og underskrift

Navn: _____ VP-depotnr.: _____

Adresse: _____ Kontonr. til afregning: _____

Postnr. og by: _____ Kontoførende institut: _____

Telefon: _____ ☐ Aktierne ønskes noteret på navn (sæt kryds)

Dato: _____ _____

Underskrift

De nye aktier vil blive registreret på den pågældende aktionærs/investors VP-konto i VP Securities.

Udfyldes af kontoførende institut

CD-ident.: _____ _____

Underskrift og stempel

Denne tegningsblanket udgør den i Prospektet beskrevne dokumentation for en eksisterende aktionærs beholdning af Aktier pr. Prospektdatoen. Ved at godkende og videreformidle denne tegningsblanket til Handelsbanken Capital Markets, indestår kontoførende institut for at tegningstilsagnet er afgivet af en eksisterende aktionær, der pr. Prospektdatoen den 15. oktober 2012 var aktionær i Selskabet, samt for rigtigheden af oplysningerne omkring den pågældende eksisterende aktionærs beholdning af aktier i Selskabet pr. Prospektdatoen den 15. oktober 2012.

Tegningsblanketten skal være Handelsbanken Capital Markets i hænde senest den 5. november 2012 kl. 17.00 dansk tid:

Handelsbanken Capital Markets
Business Support & Custody Services
Att.: Mette Bendix (tlf. +45 46 79 12 86) eller Berit Kristensen (+45 46 79 15 02)
Havneholmen 29
DK-1561 København V
Danmark
backoffice.danmark@handelsbanken.dk
CD-ident.: 00880

THE COMPANY

VELOXIS PHARMACEUTICALS A/S
Kogle Allé 4
2970 Hørsholm
Denmark

GLOBAL COORDINATOR

HANDELSBANKEN CAPITAL MARKETS
(division of Svenska Handelsbanken AB (publ))
Havneholmen 29
1561 Copenhagen V
Denmark

LEGAL ADVISERS

TO THE COMPANY

AS TO DANISH LAW
PLESNER
Amerika Plads 37
2100 Copenhagen Ø
Denmark

AS TO U.S. LAW
WILMERHALE
Alder Castle
10 Noble Street
London EC2V 7QJ, UK

TO THE GLOBAL COORDINATOR

AS TO DANISH LAW
Kromann Reumert
Sundkrogsgade 5
2100 Copenhagen Ø
Denmark

AUDITORS

PRICEWATERHOUSECOOPERS
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup
Denmark

REGISTRAR OF SHAREHOLDERS

COMPUTERSHARE A/S
Kongevejen 418
2840 Holte
Denmark

Veloxis Pharmaceuticals A/S

GLOBAL/EU
Veloxis Pharmaceuticals A/S
Kogle Allé 4
DK-2970 Hørsholm
Denmark

Tel.: +45 70 33 33 00
Fax: +45 36 13 03 19

info@veloxis.com
www.veloxis.com
CVR-no. 26 52 77 67

US
Veloxis Pharmaceuticals Inc.
499 Thornall Street, 3rd Floor
Edison, New Jersey 08837
USA

Tel.: +1 732-321-3200
Fax: +1 732-906-7943