Company Announcement no. 19/2015

To: NASDAQ OMX Copenhagen A/S

Hørsholm, Denmark, 26 August, 2015

Veloxis Pharmaceuticals announces financial results for the first six months of 2015 and improves the full year outlook

Highlights:

- On 14 August, 2015 Envarsus® XR was granted Orphan Drug status by the U.S. Food and Drug Administration (FDA) for prophylaxis of organ rejection in patients who convert from immediate-release tacrolimus.

- On 10 July, 2015 Veloxis has received U.S. Food and Drug Administration (FDA) approval of Envarsus® XR (tacrolimus extended-release tablets) for the prophylaxis of rejection in kidney transplant patients who require or desire conversion from other twice-daily tacrolimus products to once-daily Envarsus® XR. Veloxis expects Envarsus® XR to be available to patients in the United States and their physicians by the end of 2015.

- On 12 June, 2015 the U.S. District Court for the District of Columbia ruled in favor of the U.S. Food and Drug Administration (FDA) in the lawsuit filed by Veloxis against FDA. The Court's ruling left intact FDA's 30 October, 2014 tentative approval of Envarsus® XR (tacrolimus extended-release tablets), which delayed full approval for use in newly transplanted kidney transplant recipients ("*de novo*" patients). Veloxis submitted revised labeling to FDA on 12 June, 2015 with the goal of making Envarsus® XR available for kidney transplant patients who wish to convert from twice-daily tacrolimus products to once-daily Envarsus® XR.

- Top-line results of the ASTCOFF study was announced, A STeady-state Pharmacokinetic COmparison Of all FK-506 Formulations, which demonstrated that once-daily Envarsus® XR (tacrolimus extended-release tablets) exhibits a differentiated pharmacokinetic (PK) profile when compared to twice-daily tacrolimus (Prograf®) or the once-daily tacrolimus product (Astagraf XL®).

- Clinical study data was announced which demonstrated that a lower dose of once-daily Envarsus® XR in African-American kidney transplant patients is sufficient to achieve therapeutic tacrolimus blood concentrations, compared to the daily dose required for twice-daily immediate release tacrolimus, and also results in a lower peak concentration and intra-day fluctuation

- Veloxis reported a net loss of DKK 66.1 million for the first half of 2015 compared to a net loss of DKK 53.1 million for the same period in 2014. The reported net loss is in line with expectations.

- For the first half of 2015, Veloxis' sales and marketing costs amounted to DKK 19.5 million compared to DKK 13.7 million during the same period in 2014. Research and development costs amounted to DKK 39.1 million compared to DKK 51.0 million during the same period in 2014.

- On 30 June, 2015, Veloxis had cash and cash equivalents of DKK 191.1 million.

- The full year outlook for 2015 is improved. Veloxis now expects an operating loss in the range of DKK 175 - 205 million, and a net loss in the range of DKK 155 - 185 million. Veloxis' cash position is expected to be in the range of DKK 100 - 130 million at year-end 2015.

Outlook for 2015

The full year outlook for 2015 is improved. Veloxis now expects a net loss in the range of DKK 155 - 185 million. This compares with expectations of DKK 195 - 235 million announced in connection with the annual report for 2014.

The improvement is driven by the granted Orphan Drug status which entitles Veloxis to a waiver of the FDA prescription drug user fees for Envarsus® XR, along with overall cost savings.

Cash and cash equivalents are expected to be in the range of DKK 100 – 130 million at 31 December 2015. This compares with previous expectations of DKK 55 – 95 million.

Conference call

A conference call will be held tomorrow, 27 August, 2015 at 3:00 PM CET (Denmark); 2:00 PM GMT (London), 9:00 AM EST (New York).

To access the live conference call, please dial one of the following numbers:
+45 38 48 75 13 (Denmark)
+44 (0) 20 3427 1909 (UK)
+1 646 254 3360 (USA)
Access code 9488658

Following the conference call, a recording will be available on the company's website http://www.veloxis.com.

Business update

Envarsus® study program

Veloxis is conducting a series of Phase IIIb/IV studies to further evaluate potential differences in clinical profile provided by Envarsus®' unique PK profile. The first study completed was the STRATO (Switching kidney TRAnsplant patients with Tremor to LCP-tacrO) study of Envarsus® in kidney transplant recipients experiencing drug-induced tremors which demonstrated significant overall improvements following the switch to Envarsus®.

Additionally, the ASERTAA (A Study of Extended Release Tacrolimus in African-Americans) Phase IIIb study of Envarsus® in kidney transplant recipients is ongoing. The ASERTAA primary pharmacokinetic results were presented at the American Transplant Congress in Philadelphia on 3 May, 2015. Final data from this study will be presented at the European Society of Organ Transplantation meeting in September, 2015. The key primary outcomes from this study were:

- The overall PK differences (increased absorption [p<0.0001], lower peak blood concentrations [p<0.0001], less peak-to-tough fluctuation in blood levels [p<0.0001]) between Envarsus XR and IR-Tac capsules seen previously in studies of kidney transplant recipients were also confirmed in this exclusively African-American patient population.
- The optimal conversion ratio for once-daily extended release Envarsus XR was shown to be approximately 20% lower than the total IR-Tac daily dose prior to conversion.
- Peak tacrolimus concentration (Cmax) was reduced 30% for patients on Envarsus while intra-day fluctuation was reduced 50%.
- Envarsus XR's PK parameters were less impacted by CYP3A5 genotype. IR-Tac was more affected by the presence of the *1 allele, driven primarily by the need to increase dose to achieve therapeutic trough levels, which also resulted in an incremental increase in tacrolimus intra-day peak levels.
- Conversion of African-American patients from IR-Tac to Envarsus XR was demonstrated to be readily achieved with a reduction in dose of approximately 20% without concern for genotype status.

In addition, the ASTCOFF (A STeady-state Pharmacokinetic Comparison Of all FK-506 Formulations) Phase IIIb study is ongoing and primary results were announced in June, 2015. This study examines the pharmacokinetic differences between Envarsus and the other two tacrolimus formulations commercially available, namely Astagraf XL and Prograf. Primary results from this study confirmed previously published data for Envarsus and showed greater bioavailability (p<0.0001) and a flatter PK profile characterized by lower peak-to-trough fluctuation (p<0.001) and delayed time to peak concentrations of 6 hrs (p=<0.001) compared to both Prograf and Astagraf. At equivalent exposure, Envarsus achieves at least a 30% dose reduction requirement and a substantively lower peak blood concentration (p=<0.005) compared to the two comparator products. Final data from this study will be presented at the European Society of Organ Transplantation meeting in September, 2015.

Veloxis conducted two Phase III studies of Envarsus® in kidney transplant recipients as the basis for its development programme for Envarsus® as a once-daily agent for the prophylaxis of organ rejection in kidney transplantation, Study 3001 in maintenance conversion kidney transplant aptients and Study 3002 in de novo kidney transplant recipients..

Envarsus® Regulatory Strategy

On 29 April, 2013 a Marketing Authorization Application (MAA) was submitted by Veloxis to the European Medicines Agency (EMA) seeking approval to market Envarsus® for the prevention of organ rejection in transplant patients in the European Union. The MAA submission was based on the favourable results of the Envarsus® Phase III 3001 Study in stable kidney transplant patients and data from an extensive Phase I and II clinical programme and has been accepted

for review by the EMA. On 28 July, 2014, it was announced that the European Commission granted marketing authorization for Envarsus® for the prevention of organ rejection in adult kidney and liver transplant patients in the European Union (EU). Veloxis' marketing and distribution partner Chiesi Farmaceutici launched Envarsus in the EU in late 2014, with launches in Germany and the Netherlands, followed by launch in the UK, Denmark, Austria and Eire in 2015. Additional launches are anticipated for the majority of the major EU countries during 2015, once local requirements such as pricing negotiations have been completed.

Veloxis submitted a New Drug Application (NDA) to the U.S. Food and Drug Administration (FDA) seeking approval for the marketing and sale of Envarsus® XR in the US for the prevention of organ rejection in kidney transplant recipients on 30 December, 2013. On 30 October, 2014 the FDA granted Tentative Approval for Envarsus® XR for the prophylaxis of rejection in kidney transplant patients. FDA stated that the final approval of Envarsus® XR would be delayed until expiration of the exclusivity period for Astellas' Astagraf XL®, for the treatment of newly transplanted ('*de novo*') patients.. Veloxis disagrees that exclusivity for Astagraf XL®, which was not identified as a listed drug or relied upon to support approval of Envarsus® XR, should require delay in the formal approval of Envarsus® XR. On 16 December, 2014, Veloxis announced that it had filed an action against the FDA, seeking an order requiring FDA to grant final approval to Envarsus® XR. On 12 June, 2015, Veloxis announced that the U.S. District Court for the District of Columbia had ruled in favor of the FDA in the lawsuit filed by Veloxis against the FDA. The Court's ruling left intact FDA's 30 October, 2014 tentative approval of Envarsus® XR (tacrolimus extended-release tablets), which delayed full approval for use in newly transplanted kidney transplant recipients ("*de novo*" patients). Veloxis submitted revised labeling to FDA with the goal of making Envarsus® XR available for kidney transplant patients who wish to convert from twice-daily tacrolimus products to once-daily Envarsus® XR.

On 10 July, 2015, Veloxis received U.S. FDA approval of Envarsus® XR (tacrolimus extended-release tablets) for the prophylaxis of rejection in kidney transplant patients who require or desire conversion from other twice-daily tacrolimus products to once-daily Envarsus® XR.

The build and hiring of the full commercial infrastructure, including a sales team of approximately 18 individuals to call on the top 180 transplant centres in the US, to support launch of Envarsus XR in the US is ongoing and expected to be in place and operational for product launch. Analyses to support determination of the pricing of Envarsus XR are ongoing.

In addition, Envarsus® XR has been granted Orphan Drug status by the U.S. Food and Drug Administration (FDA) for prophylaxis of organ rejection in patients who convert from immediate-release tacrolimus.

Financial Highlights

	YTD 2015 DKK'000	YTD 2014 DKK'000	Q2 2015 DKK'000	Q2 2014 DKK'000	Year 2014 DKK'000
Income Statement					
Revenue	9,576	24,412	5,292	12,206	123,395
Production costs	(5,798)	-	(1,657)	-	(3,247)
Gross profit	3,778	24,412	3,635	12,206	120,148
Sales and marketing costs	(19,457)	(13,653)	(9,637)	(13,653)	(41,278)
Research and development costs	(39,127)	(51,044)	(18,363)	(24,420)	(90,111)
Administrative expenses	(27,573)	(17,732)	(11,549)	(9,983)	(47,363)
Operating result	(82,379)	(58,017)	(35,914)	(35,850)	(58,604)
Net financial income / (expenses)	13,327	1,905	(4,673)	1,228	20,903
Result before tax	(69,052)	(56,112)	(40,587)	(34,622)	(37,701)
Tax for the period	2,958	2,989	1,478	1,495	1,382
Net result for the period	(66,094)	(53,123)	(39,109)	(33,127)	(36,319)
Balance Sheet					
Cash and cash equivalents	191,064	264,240	191,064	264,240	270,434
Total assets	224,177	276,493	224,177	276,493	293,723
Share capital	166,334	166,252	166,334	166,252	166,300
Total equity	193,526	231,649	193,526	231,649	253,248
Investment in property, plant and equipment	272	117	272	(169)	1,805
Cash Flow Statement					
Cash flow from operating activities	(93,698)	(67,126)	(37,205)	(33,577)	(77,243)
Cash flow from investing activities	(272)	(117)	(272)	169	(2,547)
Cash flow from financing activities	120	684	88	-	989
Cash and cash equivalents at period end	191,064	264,240	191,064	264,240	270,434
Financial Ratios					
Basic and diluted EPS	(0.04)	(0.03)	(0.02)	(0.02)	(0.02)
Weighted average number of shares	1,663,085,535	1,661,684,858	1,663,167,653	1,662,527,283	1,662,266,639
Average number of employees (FTEs)	30	23	31	23	26
Assets/equity	1.16	1.19	1.16	1.19	1.16
Share price	0.86	1.80	0.86	1.80	1.15

The interim report has not been audited or reviewed by the company's independent auditors.

Revenue
For the first half of 2015 Veloxis recognized revenue of DKK 9.6 million compared to DKK 24.4 million in the same period of 2014. Revenue in 2015 consist of commercial sales to Chiesi Farmaceutici S.p.A. Revenue in 2014 consist of up-front and milestone payments under Veloxis' distribution agreement with Chiesi Farmaceutici S.p.A. Envarsus is currently launched in Germany, Netherlands, UK, Denmark, Austria and Eire.

Sales and marketing costs
For the first half of 2015, Veloxis' sales and marketing costs amounted to DKK 19.5 million compared to DKK 13.7 million during the same period in 2014. This reflects the building of the marketing and sales infrastructure in the US.

Research and development costs
For the first half of 2015, Veloxis' research and development costs amounted to DKK 39.1 million compared to DKK 51.0 million during the same period in 2014. The reduction in cost is associated with the overall reduction in study activity as studies are being completed.

Administrative expenses
For the first half of 2015, Veloxis' administrative cost amounted to DKK 27.6 million compared to DKK 17.7 million during the same period in 2014. The increase in cost is mainly attributable to legal fees in connection with legal actions against the FDA.

Compensation costs
For the first half of 2015, a total of DKK 6.5 million was recognized as share-based compensation. The cost is included in S&M, R&D and Admin. The comparable cost for 2014 was DKK 5.0 million.

In the second quarter of 2015, a total of 633,334 warrants have been cancelled, a total of 1,009,775 warrants have expired and a total of 250,000 warrants have been exercised at an exercise price of DKK 0.35.

On 30 June, 2015, there were a total of 126,960,900 warrants outstanding at an average strike price of DKK 0.69. Members of the Board of Directors held 5,107,815 warrants at an average strike price of DKK 0.90. Members of the Executive Management held 76,170,781 warrants at an average strike price of DKK 0.59, while other current and former employees held 45,682,304 warrants at an average strike price of DKK 0.84.

Please refer to Veloxis' latest annual report for additional details on the Company's warrant programs.

Operating loss
Veloxis' operating loss for the first half of 2015 was DKK 82.4 million compared to DKK 58.0 million in the corresponding period of 2014.

Financial income
During the first half of 2015, the Company recognized net financial income of DKK 13.3 million compared to net financial income of DKK 1.9 million in the corresponding period of 2014. The income is mainly due to unrealized currency gains following an increase in the USD / DKK currency rate during the first half of 2015.

Net loss

Veloxis' net loss for the first half of 2015 was DKK 66.1 million compared to DKK 53.1 million in the corresponding period of 2014.

Cash flow

On 30 June, 2015, the balance sheet reflects cash and cash equivalents of DKK 191.1 million compared to DKK 270.4 million on 31 December, 2014. This represents a decrease of DKK 79.3 million primarily related to the Company's operating activities for the period.

Balance sheet

On 30 June, 2015, total assets were DKK 224.2 million compared to DKK 293.7 million at the end of 2014.

Shareholders' equity equalled DKK 193.5 million on 30 June, 2015, compared to DKK 253.2 million at the end of 2014.

Significant risks and uncertainties

Veloxis faces a number of risks and uncertainties related to operations, research and development, commercial and financial activities. For further information about risks and uncertainties, we refer to the Annual Report for 2014. As of the date of this Interim Report, there have been no significant changes to Veloxis' overall risk profile since the publication of the Annual Report for 2014.

For more information, please contact:

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The forward looking statements and targets contained herein are based on the current view and assumptions of the Executive Management and the Board of Directors of Veloxis Pharmaceuticals A/S. Such statements involve known and unknown risks and uncertainties that may cause actual results, performance or events to differ materially from those anticipated herein. Veloxis Pharmaceuticals A/S expressly disclaim any obligation or undertaking to update or revise any forward looking statements, targets or estimates contained in this interim report to reflect any change in events, conditions, assumptions, or circulations on which any such statements are based unless required by applicable law.

About Envarsus®
Tacrolimus is a leading immunosuppression drug used for the prevention of transplant allograft rejection after organ transplantation. Envarsus® (tacrolimus prolonged-release tablets) has received marketing authorization in the EU for prophylaxis of organ rejection in kidney and liver transplant recipients. In the U.S., Envarsus®, known as Envarsus® XR (tacrolimus extended-release tablets), is approved for the prophylaxis of organ rejection in kidney transplant patients converted from tacrolimus immediate-release formulations. Envarsus® XR has received orphan drug designation in the U.S. Veloxis plans to commercialize Envarsus® XR in the U.S. through its own sales force and in the EU through its partnership with Chiesi Farmaceutici SpA.

About Veloxis Pharmaceuticals
Based in Hørsholm, Denmark, with an office in New Jersey, Veloxis Pharmaceuticals A/S, or Veloxis, is a specialty pharmaceutical company. Veloxis' unique, patented delivery technology, MeltDose®, is designed to enhance the absorption and bioavailability of select orally administered drugs. Veloxis is listed on the NASDAQ OMX Copenhagen under the trading symbol OMX: VELO.

For further information, please visit www.veloxis.com.

Executive Management's and the Board of Directors' Statement on the Interim Report

The Executive Management and the Board of Directors have considered and adopted the Interim Report for the 6 months ended 30 June 2015 of Veloxis Pharmaceuticals A/S.

The Interim Report is prepared in accordance with International Accounting Standard No. 34 (IAS 34), "Interim Financial Reporting" and additional Danish disclosure requirements for financial reporting of listed companies.

We consider the applied accounting policies to be appropriate and, in our opinion, the Interim Report gives a true and fair view of the assets and liabilities, financial position, results of the operation and cash flow of the group for the period under review. Furthermore, in our opinion the management review includes a fair review of the development and performance of the business and the financial position of the group, together with a description of the material risks and uncertainties the group faces.

Hørsholm, 26 August, 2015

Executive Management

Dr. William J. Polvino	Johnny Stilou
President & CEO	Executive Vice President & CFO

Board of Directors

Mette Kirstine Agger	Thomas Dyrberg
(Chairman)	(Deputy Chairman)
Anders Götzsche	Michael Heffernan

Financial Highlights
Quarterly Numbers in DKK

	Q2 2015 DKK'000	Q1 2015 DKK'000	Q4 2014 DKK'000	Q3 2014 DKK'000	Q2 2014 DKK'000	Q1 2014 DKK'000
Income Statement						
Revenue	5,292	4,284	3,214	95,769	12,206	12,206
Production costs	(1,657)	(4,141)	(3,247)	-	-	-
Gross profit	3,635	143	(33)	95,769	12,206	12,206
Sales and marketing costs	(9,637)	(9,820)	(17,246)	(10,378)	(13,653)	-
Research and development costs	(18,363)	(20,764)	(19,677)	(19,391)	(24,420)	(26,624)
Administrative expenses	(11,549)	(16,024)	(19,375)	(10,256)	(9,983)	(7,749)
Operating result	(35,914)	(46,465)	(56,331)	55,744	(35,850)	(22,167)
Net financial income / (expenses)	(4,673)	18,000	5,666	13,332	1,228	677
Result before tax	(40,587)	(28,465)	(50,665)	69,076	(34,622)	(21,490)
Tax for the period	1,478	1,480	1,488	(3,095)	1,495	1,494
Net result for the period	(39,109)	(26,985)	(49,177)	65,981	(33,127)	(19,996)
Balance Sheet						
Cash and cash equivalents	191,064	233,568	270,434	310,571	264,240	296,237
Total assets	224,177	262,656	293,723	330,127	276,493	305,373
Share capital	166,334	166,309	166,300	166,300	166,252	166,252
Total equity	193,526	228,715	253,248	300,456	231,649	261,538
Investment in property, plant and equipment	272	-	1,149	540	(169)	285
Cash Flow Statement						
Cash flow from operating activities	(37,205)	(56,494)	(42,139)	32,023	(33,577)	(33,550)
Cash flow from investing activities	(272)	-	(1,891)	(540)	169	(285)
Cash flow from financing activities	88	33	-	304	-	684
Cash and cash equivalents at period end	191,064	233,568	270,434	310,571	264,240	296,237
Financial Ratios						
Basic and diluted EPS	(0.02)	(0.02)	(0.03)	0.04	(0.02)	(0.01)
Weighted average number of shares	1,663,167,653	1,663,002,504	1,662,997,314	1,662,680,554	1,662,527,283	1,660,833,074
Average number of employees (FTEs)	31	30	31	28	23	22
Assets/equity	1.16	1.15	1.16	1.10	1.19	1.17

Income statement and statement of comprehensive income

Income Statement	Consolidated				
(DKK'000)	**YTD 2015**	**YTD 2014**	**Q2 2015**	**Q2 2014**	**Year 2014**
Revenue	9,576	24,412	5,292	12,206	123,395
Production costs	(5,798)	-	(1,657)	-	(3,247)
Gross profit	**3,778**	**24,412**	**3,635**	**12,206**	**120,148**
Sales and marketing costs	(19,457)	(13,653)	(9,637)	(13,653)	(41,278)
Research and development costs	(39,127)	(51,044)	(18,363)	(24,420)	(90,111)
Administrative expenses	(27,573)	(17,732)	(11,549)	(9,983)	(47,363)
Operating result	**(82,379)**	**(58,017)**	**(35,914)**	**(35,850)**	**(58,604)**
Financial income	13,437	5,949	-	2,758	21,098
Financial expenses	(110)	(4,044)	(4,673)	(1,530)	(195)
Result before tax	**(69,052)**	**(56,112)**	**(40,587)**	**(34,622)**	**(37,701)**
Tax for the period	2,958	2,989	1,478	1,495	1,382
Net result for the period	**(66,094)**	**(53,123)**	**(39,109)**	**(33,127)**	**(36,319)**
Basic and diluted EPS	(0.04)	(0.03)	(0.02)	(0.02)	(0.02)
Weighted average number of shares	1,663,085,535	1,661,684,858	1,663,167,653	1,662,527,283	1,662,266,639

Statements of comprehensive income	Consolidated				
(DKK'000)	**YTD 2015**	**YTD 2014**	**Q2 2015**	**Q2 2014**	**Year 2014**
Net result for the period	**(66,094)**	**(53,123)**	**(39,109)**	**(33,127)**	**(36,319)**
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss:					
Currency translation differences, net of tax	(248)	75	11	49	(208)
Other comprehensive income for the period	(248)	75	11	49	(208)
Total comprehensive income for the period	**(66,342)**	**(53,048)**	**(39,098)**	**(33,078)**	**(36,527)**

Balance sheet

Assets	Consolidated		
(DKK'000)	**30 June 2015**	**30 June 2014**	**31 Dec. 2014**
Patent rights and software	1,090	441	1,134
Intangible assets	**1,090**	**441**	**1,134**
Property, plant and equipment	3,929	3,098	4,247
Property, plant and equipment	**3,929**	**3,098**	**4,247**
Non-current assets	**5,019**	**3,539**	**5,381**
Inventories	**10,467**	**2,224**	**4,764**
Trade receivables	1,895	-	25
Tax receivables	9,375	-	6,250
Other receivables	5,288	5,765	2,677
Prepayments	1,069	725	4,192
Receivables	**17,627**	**6,490**	**13,144**
Cash	191,064	264,240	270,434
Cash and cash equivalents	**191,064**	**264,240**	**270,434**
Current assets	**219,158**	**272,954**	**288,342**
Assets	**224,177**	**276,493**	**293,723**

Balance sheet

Equity & Liabilities	Consolidated		
(DKK'000)	**30 June 2015**	**30 June 2014**	**31 Dec. 2014**
Share capital	166,334	166,252	166,300
Special reserve	407,289	407,289	407,289
Translation reserves	1,512	2,043	1,760
Retained earnings/loss	(381,609)	(343,935)	(322,101)
Equity	**193,526**	**231,649**	**253,248**
Trade payables	6,886	17,738	17,875
Tax payables	678	-	470
Deferred revenue	-	12,206	-
Other payables	23,087	14,900	22,130
Current liabilities	**30,651**	**44,844**	**40,475**
Liabilities	**30,651**	**44,844**	**40,475**
Equity and liabilities	**224,177**	**276,493**	**293,723**

Cash flow statements

Cash Flow Statement	Consolidated				
(DKK'000)	**YTD 2015**	**YTD 2014**	**Q2 2015**	**Q2 2014**	**Year 2014**
Operating result	**(82,379)**	**(58,017)**	**(35,914)**	**(35,850)**	**(58,604)**
Share-based payment	6,500	4,971	3,822	3,188	9,744
Depreciation and amortization	714	405	360	203	993
Changes in working capital	(18,423)	(14,699)	(5,384)	(1,334)	(26,194)
Cash flow from operating activities before interest	**(93,588)**	**(67,340)**	**(37,116)**	**(33,793)**	**(74,061)**
Interest received	-	214	-	214	350
Interest paid	(110)	-	(89)	-	(195)
Corporate tax received	-	-	-	-	1,250
Corporate tax paid	-	-	-	2	(4,587)
Cash flow from operating activities	**(93,698)**	**(67,126)**	**(37,205)**	**(33,577)**	**(77,243)**
Purchase of property, plant and equipment	(272)	(117)	(272)	169	(2,547)
Cash flow from investing activities	**(272)**	**(117)**	**(272)**	**169**	**(2,547)**
Proceeds from issuance of shares, net	120	684	88	-	989
Cash flow from financing activities	**120**	**684**	**88**	**-**	**989**
Increase/(decrease) in cash	**(93,850)**	**(66,559)**	**(37,389)**	**(33,408)**	**(78,801)**
Cash at beginning of period	270,434	328,652	233,568	296,237	328,652
Exchange gains/(losses) on cash	14,480	2,147	(5,115)	1,411	20,583
Cash at end of period	**191,064**	**264,240**	**191,064**	**264,240**	**270,434**

Statement of changes in equity

Consolidated Equity

	Number of Shares	Share Capital DKK'000	Special Reserves DKK'000	Translation Reserves DKK'000	Retained Earnings DKK'000	Total DKK'000
Equity as of 1 Jan. 2014	**1,660,572,426**	**166,057**	**407,289**	**1,968**	**(296,272)**	**279,042**
Net result for the period					(53,123)	(53,123)
Other comprehensive income for the period				75		75
Total comprehensive income				75	(53,123)	(53,048)
Warrant exercises	1,954,857	195			489	684
Share-based payment					4,971	4,971
Equity as of 30 June 2014	**1,662,527,283**	**166,252**	**407,289**	**2,043**	**(343,935)**	**231,649**
Net result for the period					16,804	16,804
Other comprehensive income for the period				(283)		(283)
Total comprehensive income				(283)	16,804	16,521
Warrant exercises	470,031	48			257	305
Share-based payment					4,773	4,773
Equity as of 31 Dec. 2014	**1,662,997,314**	**166,300**	**407,289**	**1,760**	**(322,101)**	**253,248**
Net result for the period					(66,094)	(66,094)
Other comprehensive income for the period				(248)		(248)
Total comprehensive income				(248)	(66,094)	(66,342)
Warrant exercises	343,416	34			86	120
Share-based payment					6,500	6,500
Equity as of 30 June 2015	**1,663,340,730**	**166,334**	**407,289**	**1,512**	**(381,609)**	**193,526**

Notes

1. Accounting policies

The interim report is prepared in compliance with International Accounting Standard No. 34 (IAS 34), "Interim Financial Reporting" and in accordance with the NASDAQ OMX Copenhagen's financial reporting requirements for listed companies.

There have been no changes in accounting policies used for the interim report compared to the accounting policies used in the preparation of Veloxis Pharmaceuticals' annual report for 2014.

2. Research and development costs

We track research and development costs by activity, as follows: (a) product development and manufacturing, (b) medical and regulatory operations, and (c) direct preclinical and clinical programs. Research and development costs include personnel, manufacturing and quality operations, pharmaceutical and device development, research, clinical, regulatory, other preclinical and clinical activities, medical affairs and other costs including cost of premises, depreciation and amortization related to research and development activities. Research and development costs are charged to operations as incurred.