

Company Announcement no. 7/2015

To: NASDAQ OMX Copenhagen A/S

Hørsholm, Denmark, 4 March, 2015

Notice to Convene Annual General Meeting

The board of directors of Veloxis Pharmaceuticals A/S, CVR no. 26 52 77 67 ("the Company"), hereby convenes the annual general meeting in the Company which will be held on

Thursday 26 March 2015 at 1 pm.

at Søhuset, Venlighedsvej 10, 2970 Hørsholm, Denmark.

Agenda

- 1 Report by the Company's board of directors on the Company's activities during the past financial year
- 2 Presentation of the audited annual report for approval
- 3 Resolution on covering of losses as per the approved annual report
- 4 Election of members to the board of directors
- 5 Election of auditor
- 6 Proposal by the board of directors on authorization to the board of directors to issue warrants and amendment of the articles of association in accordance therewith
- 7 Proposal by the board of directors for approval of updated remuneration policy including general guidelines for incentive-based remuneration to members of the board of directors and executive management and amendment of the articles of association in accordance therewith
- 8 Approval of fee to the board of directors for the financial year 2015
- 9 Proposal by the board of directors on authorization to the Company to acquire own shares
- 10 Proposal by the board of directors on authorization to the chairman of the annual general meeting

Complete proposals

Re item 2:

The board of directors proposes that the presented audited annual report is approved.

Re item 3:

The board of directors proposes that the year's net loss of DKK 36.3 million be carried forward by transfer to accumulated deficit.

Re item 4:

All board members elected by the general meeting are up for election.

The current chairman of the board of directors, Kim Bjørnstrup, does not stand for re-election.

The board of directors proposes that the following members of the board of directors are re-elected, i.e.:

- Thomas Dyrberg
- Anders Götzsche
- Mette Kirstine Agger

Further, the board of directors proposes that Michael Heffernan is elected as new member of the board of directors.

For a description of the qualifications of the nominated candidates, see [Exhibit 1](#) to the notice.

Re item 5:

The board of directors proposes re-election of PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab as the Company's auditor.

Re item 6:

The board of directors proposes that the general meeting approves an authorisation to the board of directors to issue warrants in accordance with the following provisions to be inserted in the Company's articles of association as section 5B:

"Article 5B

The Board of Directors is until 26 March 2020 authorised, at one or more times, to issue up to 16,629,973 warrants, 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 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 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."

Re item 7:

The board of directors proposes that the general meeting approves draft updated remuneration policy including general guidelines for incentive-based remuneration to members of the board of directors and executive management enclosed as Exhibit 2 to this notice.

Provided that the proposal is approved, section 16 of the Company's articles of association will have the following wording:

"On the general meeting held on 26 March 2015, the Company adopted general guidelines for incentive pay to the members of the board of directors and executive management."

Re item 8:

The board of directors proposes that the general meeting approves the fee to the board of directors for the financial year 2015. The board of directors proposes that the board of directors receives the following remuneration:

The board of directors proposes that board members receive a fixed cash fee of USD 25,000 each and that the chairman receives USD 75,000.

In addition, the chairman of a board sub-committee receives an additional USD 25,000 USD per year. In addition to the current audit committee and remuneration committee, the board of directors expects to set up a nomination committee in accordance with the Danish Corporate Governance Recommendations.

Further, members of the board of directors may receive incentive-based remuneration under the Company's general guidelines for incentive pay to its members of the board of directors and executive management, ref. article 16 of the articles of association.

The board of directors proposes that each board member is granted warrants equal to the value of USD 150,000 calculated at the share price on the day of grant.

Re item 9:

The board of directors requests the general meeting to grant an authorisation until the next annual general meeting for the Company to acquire the Company's own shares for up to 10 per cent of the Company's share capital at any time, provided that the acquisition, in accordance with the Danish Companies Act section 197, can be financed by the funds that may be distributed as ordinary dividends. The payment may not divide from the stock price at NASDAQ OMX Copenhagen A/S with more than 10 per cent at the time of purchase.

Re item 10:

The board of directors proposes that the chairman of the annual general meeting, with the right of substitution, be authorized to file the resolutions passed by the general meeting for registration with the Danish Business Authority and to make such alterations or amendments as the Danish Business Authority may require for registration.

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Language

In accordance with section 8 of the articles of association the general meeting is held in English without simultaneous interpretation.

Resolution requirements

The following adoption requirements apply to adopt the resolutions which shall be fulfilled in order for the proposals to be adopted:

The proposals under items 2, 3, 4, 5, 7, 8, 9 and 10 are adopted by simple majority of votes. The adoption of the proposal under item 6 requires that the proposal is adopted by at least two-thirds of the votes cast as well as at least two-thirds of the share capital represented at the general meeting.

General information

The share capital of the Company amounts to nominally DKK 166,299,731.40. The nominal amount of each share is DKK 0.1. Each share of DKK 0.1 has one vote at the general meeting.

The shareholders may exercise their financial rights through their own depository bank.

The website of the Company

Further information will be available from 4 March 2015 to 26 March 2015 on the website of the Company, www.veloxis.com, concerning the general meeting, including the total number of shares and voting rights on the date of the notice, the notice with agenda and the complete proposals, proxy form, postal vote form and registration form to be used when ordering admission card as well as the annual report and draft revised articles of association.

Publication of notice

The notice has also been made public via the IT system of the Danish Business Authority, forwarded to the shareholders registered in the register of shareholders of the Company who have made such request and made public at the Company's website.

Questions

Shareholders may ask questions concerning the agenda and the rest of the material for the purpose of the general meeting both before and during the actual general meeting.

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In order to attend the general meeting and to vote the following applies:

Date of registration

The shareholders' right to vote at the general meeting, or to vote by post in relation to the shareholders' shares, is determined based on the shares which the shareholders hold on the date of registration.

The date of registration is Thursday 19 March 2015.

Only persons who are shareholders in the Company on the date of registration, i.e. 19 March 2015, may attend and vote at the general meeting. However, see below regarding the shareholders' request for admission card in due time.

When the date of registration expires, the shares held by each shareholder of the Company on the date of registration will be calculated. The calculation is based on the registration of shares in the register of shareholders as well as duly documented notifications to the Company of acquisition of shares which have not yet been registered in the register of shareholders but which have been received by the Company before the expiry of the date of registration.

Disposals or acquisitions of shares which take place in the period between the date of registration and the general meeting do not affect the right to vote at the general meeting or the right to vote by post in connection with the general meeting.

Admission card

In order to be able to attend the general meeting the shareholder must order an admission card no later than Friday 20 March 2015 at 11.59 pm. Admission cards can be acquired by contacting Computershare A/S, Kongevejen 418, 2840 Holte, Denmark, fax no. +45 45 46 09 98, or via the shareholder portal on the Company's website www.veloxis.com/agm.cfm. The registration form to be used when ordering admission cards is attached to the notice and is also available on the website of the Company, www.veloxis.com.

Proxy

A shareholder may be represented by proxy. Computershare A/S must receive the proxy form no later than Friday 20 March 2015 at 11:59 pm. either by sending the form to Computershare A/S, Kongevejen 418, 2840 Holte, Denmark, fax no. +45 45 46 09 98, or via the shareholder portal on the Company's website www.veloxis.com/agm.cfm. The proxy form is attached to the notice and is available on the website of the Company, www.veloxis.com. It is also possible, before expiry of the deadline, to submit an electronic proxy at www.veloxis.com.

Postal vote

Instead of casting their vote at the actual general meeting the shareholders may vote by post, i.e. vote in writing before the general meeting is held. The shareholders who decide to vote by post must submit their vote by post so that it has been received no later than 12 am. CET on Wednesday 25 March 2015, to Computershare A/S, Kongevejen 418, 2840 Holte, Denmark, fax no. +45 45 46 09 98, or via the shareholder portal on the Company's website www.veloxis.com/investors/corporate-governance/general-meetings. The form to be used for voting by post is attached to the notice and is available on the website of the Company, www.veloxis.com. It is also possible to vote by post electronically at www.veloxis.com. A vote by post that has been received cannot be revoked. Please note that letters may be in the mail for several days.

For more information, please contact:

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Exhibit 1

Thomas Dyrberg

Dr. Dyrberg has been a Board Member of Veloxis since September 2003. Dr. Dyrberg, Senior Partner, has served at Novo Ventures, Novo A/S, a Danish firm that provides capital for life science companies, since December 2000.

Prior to joining Novo A/S, he served in various positions at Novo Nordisk A/S, a health care company specializing in the treatment of diabetes. Prior to that, he held research positions at the Hagedorn Research Institute, Gentofte, Denmark, and the Scripps Research Institute, La Jolla, California, US.

Dr. Dyrberg received both an MD and a DMSc degree from the University of Copenhagen.

Dr. Dyrberg is board member of Ophthotech Corp, Panoptica Inc, Theia Inc and Delenex Therapeutics AG.

Dr. Dyrberg is an independent board member.

Anders Götzsche

Mr. Götzsche has been a Board Member of Veloxis since April 2008. Mr. Götzsche is Executive Vice President and Chief Financial Officer at H. Lundbeck. He joined Lundbeck on 1 September 2007.

After finishing his education in 1991, he joined PricewaterhouseCoopers in Denmark. From 1998 through 2001, Mr. Götzsche was a Sales Manager with the SAS Institute Inc. He became Director of Group Accounting and Reporting for Group 4 Falck A/S. Before joining Lundbeck, Mr. Götzsche held the post of Chief Financial Officer for the Berlingske Officin A/S from 2005.

Mr. Götzsche holds a Master of Science in Accounting from the University of Southern Denmark and became a state authorized public accountant in 1997.

Mr. Götzsche is a board member of Rosborg Møbler A/S.

Mr. Götzsche is an independent board member.

Mette Kirstine Agger

Ms. Agger has been a Board Member of Veloxis since April 2010. Ms. Agger is Managing Partner of Lundbeckfond Ventures, a company fully owned by the Lundbeck Foundation. She joined the Company on 1 September 2009.

Prior to this, Ms. Agger was CEO of 7TM Pharma A/S, which she cofounded in late 2000, and from 1996 to 2000 she was part of the management team at NeuroSearch A/S, responsible for business development and licensing.

Ms. Agger has a Master of Science in Biology from Copenhagen University and an MBA from the Henley Business School, UK.

Ms. Agger is a board member of Klifo A/S, PsiOxus Therapeutics Ltd, Cydan LLC, scPharmaceuticals LLC, Thesan Pharmaceuticals Inc and Vtesse Pharma.

Ms. Agger is an independent board member.

Michael Heffernan

Mr. Heffernan is Co-Founder, President & CEO of Collegium Pharmaceutical Inc.

Prior to this, Mr. Heffernan was Founder, President & CEO of Onset Therapeutics Inc. Before this Mr. Heffernan has also held positions as Co-Founder, President & CEO of Clinical Studies Ltd, and as President & CEO of PhyMatrix Inc.

Mr. Heffernan has a B.S. Degree in Pharmacy from the University of Connecticut and is a Registered Pharmacist.

Mr. Heffernan is the chairman of Ocata Therapeutics Inc.

Mr. Heffernan is an independent board member.

Exhibit 2

Remuneration policy including general guidelines for incentive pay to members of the Board of Directors and the Executive Management

1 Introduction

This remuneration policy includes the general guidelines for remuneration of the Board of Directors and the Executive Management of Veloxis Pharmaceuticals A/S, ("the Company"), and for incentive pay to the members of the Board of Directors and the Executive Management. "Executive Management" means the executive officers registered with the Danish Business Authority.

Under section 139 of the Danish Companies Act the board of directors of a listed company must, before it enters into a specific agreement about incentive pay with a member of the board of directors or the executive management of the Company, lay down general guidelines for the Company's incentive pay to members of the board of directors or the executive management.

The guidelines must be discussed and adopted by the Company's general meeting.

2 Board of Directors

Fixed remuneration

Members of the Board of Directors receive a fixed annual fee. The fixed annual fee may be paid in cash or in warrants or in combination thereof. The Chairman of the Board of Directors and the Chairman of the Audit Committee, the Compensation Committee and the Nomination Committee receive a supplement to the fixed annual fee.

The estimated present value of warrants granted in a given financial year to the members of the Board of Directors is calculated in accordance with the International Financial Reporting Standards (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 which has been granted warrants.

3 Executive Management

In order to attract and retain people with excellent management skills the elements of the Executive Management's remuneration package are determined in consideration of its tasks and duties, value creation and terms of other Danish and international businesses. The remuneration package for the Executive Management may include a fixed salary, pension, an annual cash bonus, long-term incentive schemes and other regular benefits. Each element of the remuneration package is ranked on the basis of the wish to ensure the positive development of the Company in the short and long run.

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.

Terms of termination/resignation

The Company may discharge the members of the Executive Management by giving a notice of 12-24 months.

The members of the Executive Management may resign by giving a notice of 1-4 months.

Information about severance payments for the Executive Management is disclosed in the notes of the annual report.

Variable remuneration

The Board of Directors believes that the Company depends on high level management resources. The Board of Directors also believes that incentive pay to the Executive Management is decisive for the creation of an incentive for the management of the Company for ensuring the Company's long-term value creation for the shareholders. Incentive pay to the members of the Executive Management will be established for the purpose of attracting, retaining and motivating the members of the Executive Management.

Elements of the variable remuneration

The members of the Executive Board may receive incentive-based remuneration based on a cash bonus and any type of variable remuneration, including share-based instruments such as warrants.

Bonus

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 comprise primarily of the progress in the Company's development of its product candidates, but they may be changed by the Board of Directors.

In addition to the annual bonus (see above), the Board of Directors is authorised to offer the members of the Executive Management a bonus equal to 24 months' base salary in order to seek that the members of the Executive Management in question remain employed by the Company to ensure continuation of the Company operations.

Warrants

Another element of the variable pay is made up of new 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 at the time of the grant. The estimated present value is calculated in accordance with the International Financial Reporting Standards (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 7 years and the exercise of the new warrants may be subject to a vesting period of up to 4 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.

4 Repayment of variable elements

In case of severe breach or if the annual bonus or long-term grants have taken place on the basis of financial statements that turn out to be seriously flawed the Company may claim repayment in full or in part of excess bonus and/or annul or cancel non-exercised warrants or incentive grants from the Board of Directors or the Executive Board.

5 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.

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Approved by the general meeting held on 26 March 2015.