



Annual General Meeting 2019

Wednesday, April 03, 2019

Copenhagen, Denmark

Confidential





Welcome

By Chair of the Board of Directors
Michael T. Heffernan

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. Approval of fee to the Board of Directors for the financial year 2019
7. 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

Agenda

8. 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
9. Proposal from the Board of Directors to authorize the Board of Directors to increase the share capital at market price by cash payment with up to nominally DKK 17,181,953.50 with or without pre-emptive subscription rights for the shareholders, including the proposal for amendment of the Company's Articles of Association in accordance therewith
10. Proposal by the Board of Directors on authorization to the Company to acquire own shares
11. Proposal by the Board of Directors on authorization to the Chairman of the Annual General Meeting, with a right of substitution, to file the resolutions passed at the General Meeting for registration with the Danish Business Authority

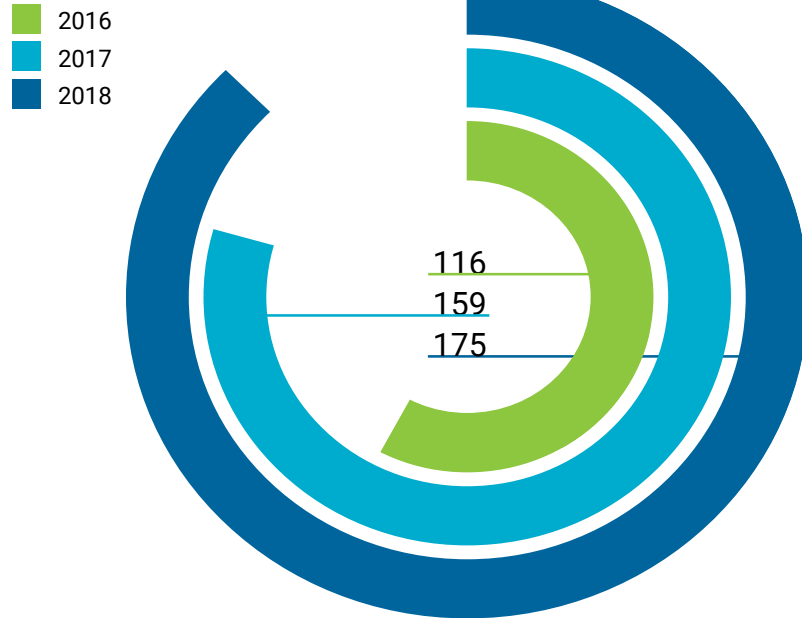


Item 1.

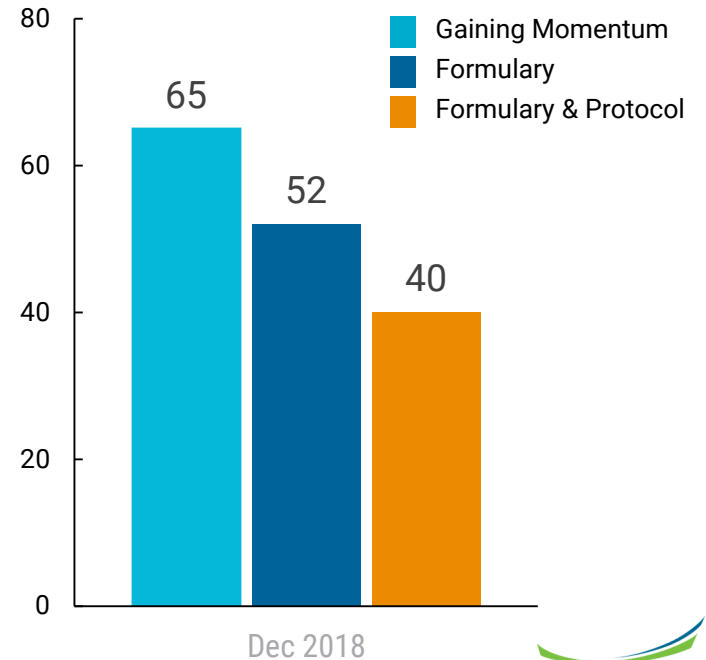
Report by the Company's Board of Directors on the Company's activities during the past financial year

Envarsus Total Transplant Center penetration has reached 90% in the U.S. signaling wide spread adoption by the transplant community

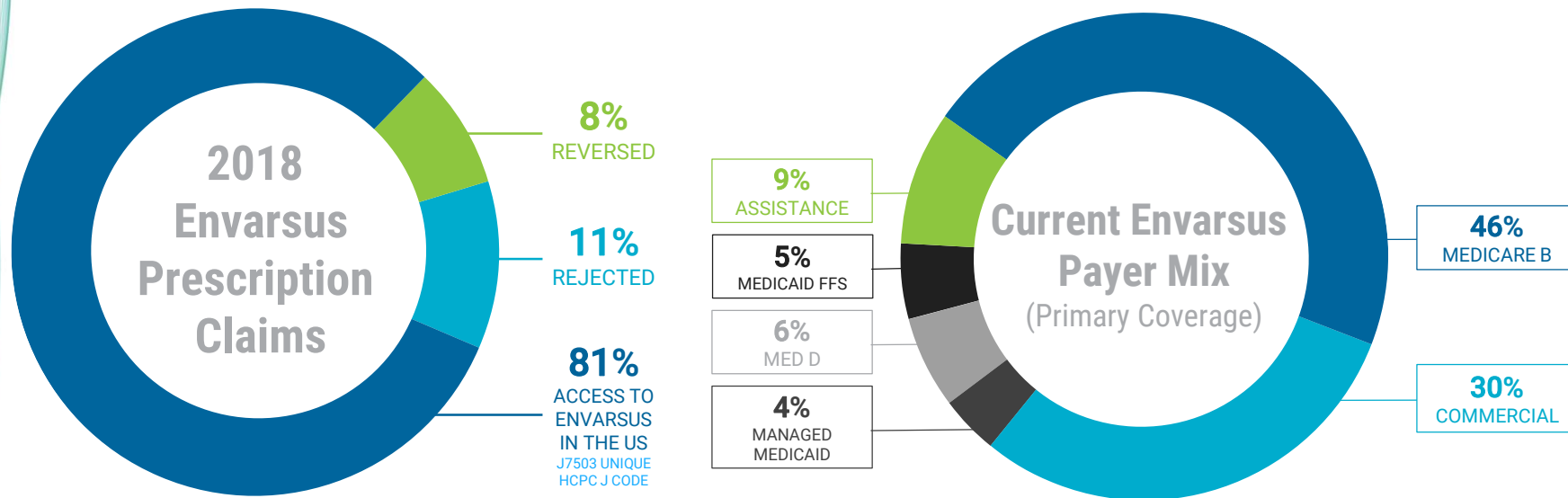
Envarsus Total Transplant Centers



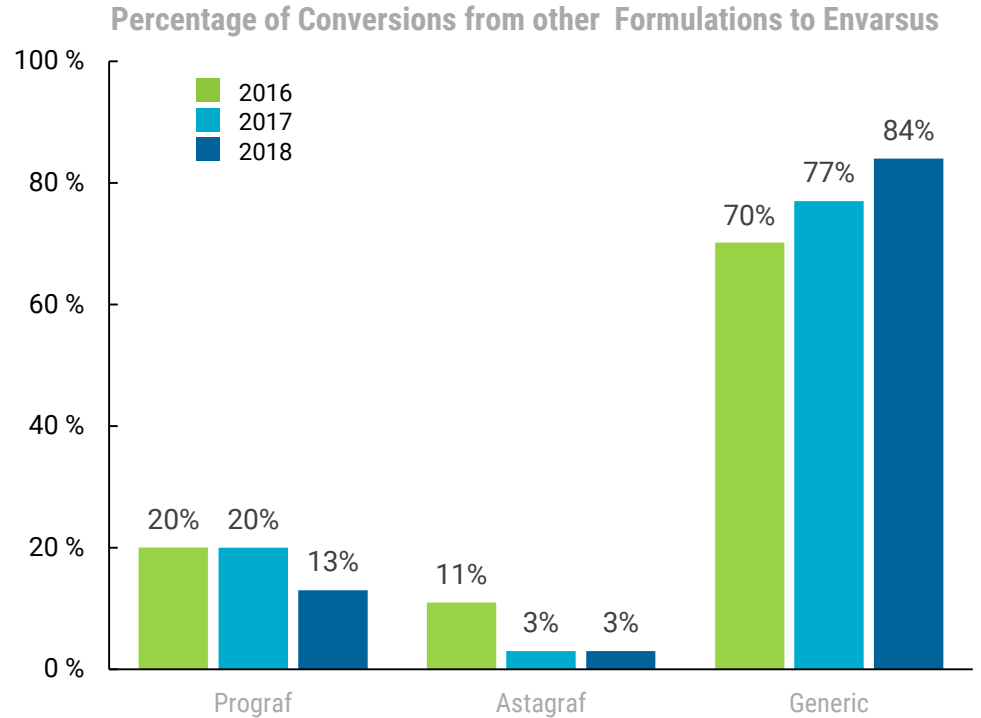
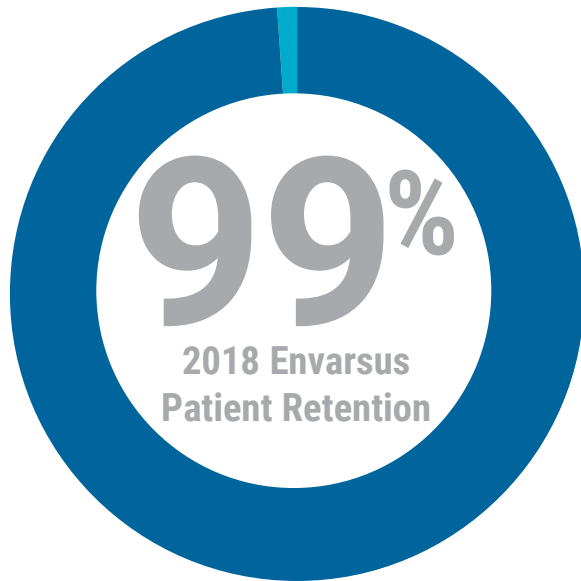
Envarsus Total Transplant Centers



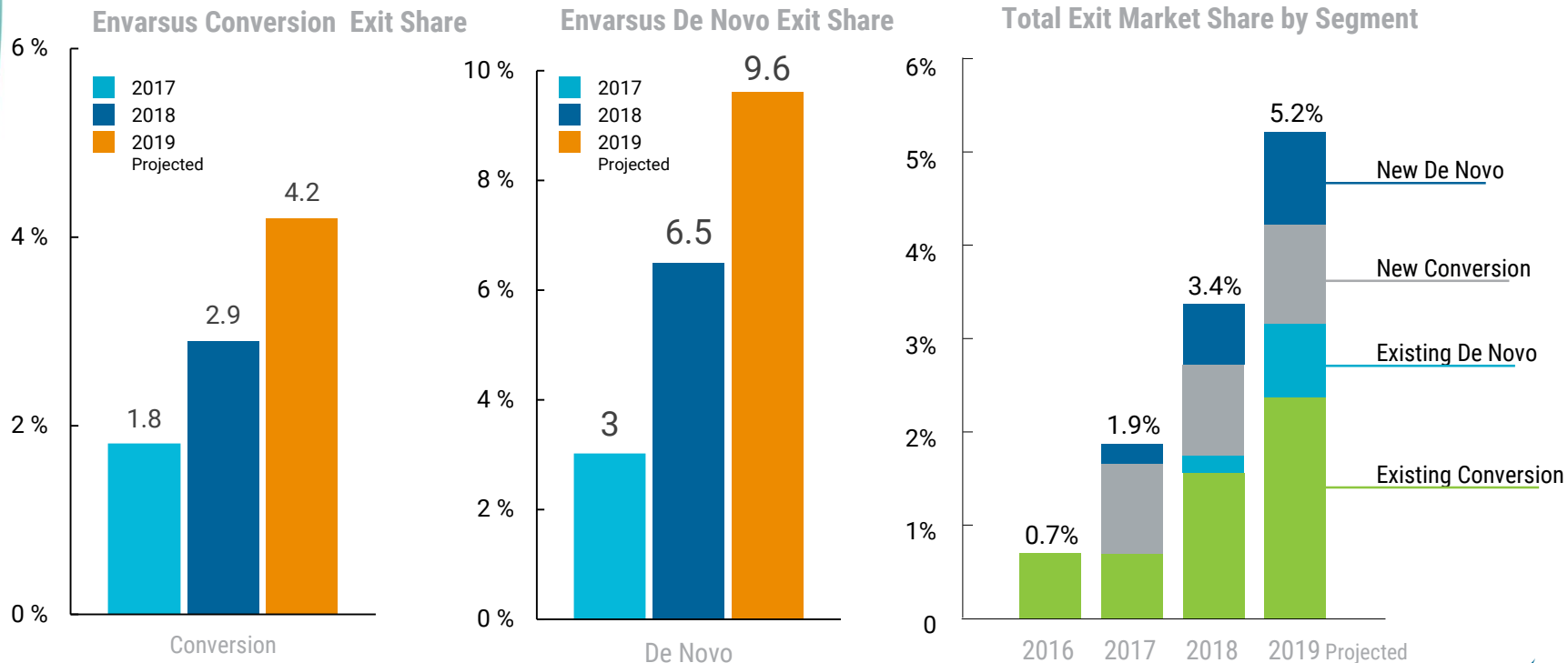
Access to Envarsus in the U.S. continues to be strong



99% of patients who start on Envarsus, stay on Envarsus with a majority of them converting from generic tacrolimus

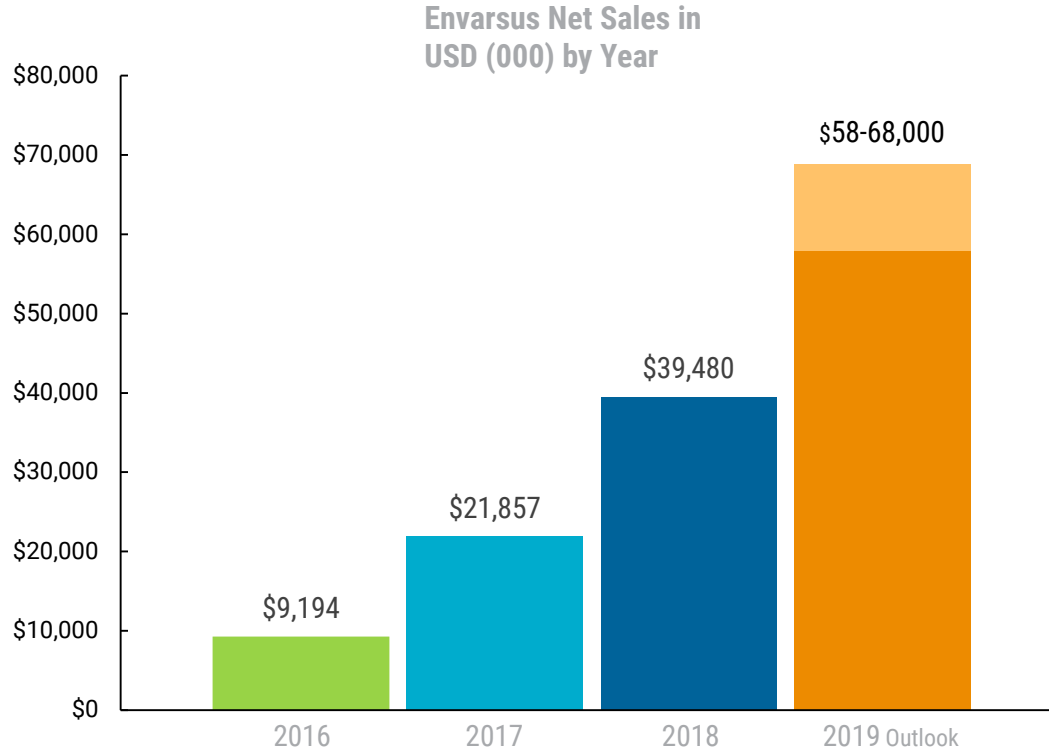


Envarsus Kidney Transplant Market Share growth by Segment



*Estimates using Symphony Health retail data based on Veloxis Pharmaceuticals market definitions for Kidney Transplant Market

Veloxis 2019 Net Revenue guidance to be in the range of \$58 - \$68 Million USD with an operating income of \$4 - \$10 Million USD excluding stock comp



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Item 2.

Presentation of the audited annual report for approval

Financial Results 2018

<u>(USD'000)</u>	<u>2018</u>	<u>2017</u>
Revenue	39,494	30,167
Production costs	(7,918)	(5,202)
Gross profit	31,576	24,965
Selling, general and administrative costs	(35,611)	(32,458)
Research and development costs	(1,801)	(866)
Operating result	(5,836)	(8,359)
Financial income	347	199
Financial expenses	(6,363)	(2,289)
Result before tax	(11,852)	(10,449)
Tax for the year	6,567	907
Net result for the year	(5,285)	(9,542)
Cash Balance	30,520	7,766
Loan Balance	59,905	25,818

- Operating Results in line with previously announced full year outlook of operating loss of \$2 - \$6 million, excluding stock compensation
- Year end loan balance of \$59.9 million offset by cash balance of \$30.5 million
- 2019 total revenues to be in the range of \$58 - \$68 million and operating income of \$4 - \$10 million before accounting for stock compensation



Item 3.

Resolution on covering of losses as per the approved annual report



Item 4.

Election of members to the Board of Directors

Election of Members of the Board of Directors

- According to the Company's Articles of Association, the Board of Directors is elected for one year at a time. This means that all Board members are up for election.
- The Board of Directors proposes that all members of the Board of Directors are re-elected, i.e.:
 - Mette Kirstine Agger
 - Anders Götzsche
 - Michael Thomas Heffernan
 - Robert Samuel Radie
 - Lars Kåre Viksmoen
 - Paul Kevin Wotton
- A description of the qualifications of the nominated candidates was included in Exhibit 1 to the notice convening the General Meeting,



Item 5.

Election of auditor



Item 6.

Approval of fee to the Board of Directors for the financial year 2019

Approval of Fee to the Board of Directors for the Financial Year 2019

- No changes from prior year

Remuneration to the board of directors and board sub-committees (USD)	2019
Chairman of the Board of Directors	100,000
Members of the Board of Directors	50,000
Chairman of the Audit Committee	20,000
Members of the Audit Committee	10,000
Chairman of the Compensation Committee	15,000
Members of the Compensation Committee	7,500
Chairman of the Nomination Committee	10,000
Members of the Nomination Committee	5,000

- 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



Item 7.

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

Authorization to Issue Warrants

- **The Board of Directors proposes that the General Meeting approves an authorization 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 Article 5F:**
- **Article 5F**

The Board of Directors is until 03 April 2024 authorised, at one or more times, to issue up to 17,000,000 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 registered holders and shall be recorded in the Company's Register of Owners. 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.



Item 8.

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

Approval of Updated Remuneration Policy

- 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 the convening notice. Compared to the remuneration policy that was approved in 2018 the only amendment is a limit increase of the board of directors' authorisation to offer the members of the executive management a one-time bonus from 3.0 to 3.45 percent in case of change of control.
- Provided that the proposal is approved, Article 16 of the Company's Articles of Association will have the following wording:
- **Article 16**

On the general meeting held on 03 April 2019, the Company adopted general guidelines for incentive pay to the members of the Board of Directors and Executive Management.



Item 9.

Proposal from the Board of Directors to authorize the Board of Directors to increase the share capital at market price by cash payment with up to nominally DKK 17,181,953.50 with or without pre-emptive subscription rights for the shareholders, including the proposal for amendment of the Company's Articles of Association in accordance therewith

Authorization to Increase Share Capital

- **The Board of Directors proposes that the General Meeting approves an authorization to the Board of Directors to increase the Company's share capital at market price by cash payment with up to nominally DKK 17,181,953.50, corresponding to 10% of the Company's current nominal share capital, with or without pre-emptive subscription rights for the shareholders.**
- **As a consequence of the proposed authorization the Board of Directors proposes that the following new provisions are inserted in Article 6 of the Company's Articles of Association:**

- **Article 6**

The Board of Directors is until 03 April 2024 authorised, at one or more times, to increase the share capital by cash payment up to nominally DKK 17,181,953.50 at market price by issuing new shares, each with a nominal value of DKK 0.1, with pre-emptive subscription rights for the Company's shareholders.

The Board of Directors is until 03 April 2024 authorised, at one or more times, to increase the share capital by cash payment up to nominally DKK 17,181,953.50 at market price by issuing new shares, each with a nominal value of DKK 0.1, without pre-emptive subscription rights for the Company's shareholders.

The capital increases which the Board of Directors may decide pursuant to this authorisation cannot exceed a total aggregate nominal amount of DKK 17,181,953.50.

The new shares issued pursuant to this authorisation shall be negotiable shares issued to registered holders and shall be recorded in the Company's Register of Owners. The new 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 new shares shall carry the same rights as the Company's existing shares.

The Board of Directors shall decide on the further conditions for effecting the capital increases pursuant to the authorisation, including decision on when the rights attached to the new shares shall accrue. The Board of Directors is authorised to make the required amendments of the Articles of Association if the authorisation to increase the share capital is exercised.



Item 10.

Proposal by the Board of Directors on authorization to the Company to acquire own shares

Authorization for Company to Acquire Own Shares

- 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 percent 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 deviate from the stock price as NASDAQ Copenhagen A/S with more than 10 percent at the time of purchase.



Item 11.

Proposal by the Board of Directors on authorization to the Chairman of the Annual General Meeting, with a right of substitution, to file the resolutions passed at the General Meeting for registration with the Danish Business Authority



Thank you!