
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO SECTION 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of August, 2019

Commission File Number: 001-36815

Ascendis Pharma A/S

(Exact Name of Registrant as Specified in Its Charter)

Tuborg Boulevard 12
DK-2900 Hellerup
Denmark
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

INCORPORATION BY REFERENCE

Exhibits 99.1 and 99.2 of this report on Form 6-K shall be deemed to be incorporated by reference into the registration statements on Form S-8 (Registration Numbers 333-228576, 333-203040, 333-210810, 333-211512, 333-213412, 333-214843 and 333-216883) and Form F-3 (Registration Numbers 333-209336, 333-211511, 333-216882, 333-223134 and 333-225284) of Ascendis Pharma A/S (the “Company”) (including any prospectuses forming a part of such registration statements) and to be a part thereof from the date on which this report is filed, to the extent not superseded by documents or reports subsequently filed or furnished.

Furnished as exhibits to this Report on Form 6-K is information regarding the Company’s financial results for the fiscal quarter ended June 30, 2019.

Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Unaudited Condensed Consolidated Interim Financial Statements.
99.2	Management’s Discussion and Analysis of Financial Condition and Results of Operations.
99.3	Press Release dated August 28, 2019.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.IAB	XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Ascendis Pharma A/S

Date: August 28, 2019

By: /s/ Michael Wolff Jensen

Michael Wolff Jensen

Chairman and Senior Vice President, Chief Legal Officer

ASCENDIS PHARMA A/S

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**Unaudited Condensed Consolidated Interim Statements of Profit or Loss
and Other Comprehensive Income / (Loss) for the Three and Six Months Ended June 30**

	Notes	Three Months Ended June 30		Six Months Ended June 30	
		2019	2018	2019	2018
		(EUR'000)		(EUR'000)	
Revenue	4	3,211	18	8,625	46
Research and development costs		(43,826)	(40,235)	(95,085)	(70,775)
General and administrative expenses		(10,960)	(5,226)	(21,396)	(9,888)
Operating profit / (loss)		(51,575)	(45,443)	(107,856)	(80,617)
Share of profit / (loss) of associate		(2,262)	—	(4,114)	—
Finance income		3,362	22,573	4,917	16,270
Finance expenses		(8,494)	(6)	(5,623)	(11)
Profit / (loss) before tax		(58,969)	(22,876)	(112,676)	(64,358)
Tax on profit / (loss) for the period		65	99	135	206
Net profit / (loss) for the period		(58,904)	(22,777)	(112,541)	(64,152)
Other comprehensive income / (loss)					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on translating foreign operations		(594)	2	(35)	(7)
Other comprehensive income / (loss) for the period, net of tax		(594)	2	(35)	(7)
Total comprehensive income / (loss) for the period, net of tax		(59,498)	(22,775)	(112,576)	(64,159)
Profit / (loss) for the period attributable to owners of the Company		(58,904)	(22,777)	(112,541)	(64,152)
Total comprehensive income / (loss) for the period attributable to owners of the Company		(58,498)	(22,775)	(112,576)	(64,159)
		EUR	EUR	EUR	EUR
Basic and diluted earnings / (loss) per share		(1.25)	(0.55)	(2.48)	(1.60)
Number of shares used for calculation (basic and diluted) (1)		47,190,717	41,650,907	45,291,688	40,182,701

- (1) A total of 5,199,177 warrants outstanding as of June 30, 2019 can potentially dilute earnings per share in the future, but have not been included in the calculation of diluted earnings per share because they are antidilutive for the periods presented. Similarly, a total of 4,479,691 warrants outstanding as of June 30, 2018 are also considered antidilutive for the periods presented and have not been included in the calculation.

Unaudited Condensed Consolidated Interim Statements of Financial Position

	Notes	June 30, 2019	December 31, 2018
(EUR'000)			
Assets			
Non-current assets			
Intangible assets		3,495	3,495
Property, plant and equipment	7	42,537	4,325
Investment in associate		16,885	17,083
Deposits		1,410	1,158
		<u>64,327</u>	<u>26,061</u>
Current assets			
Trade receivables		—	6
Other receivables		1,451	1,775
Prepayments		9,891	12,415
Income taxes receivable		1,133	849
Cash and cash equivalents		690,355	277,862
		<u>702,830</u>	<u>292,907</u>
Total assets		<u>767,157</u>	<u>318,968</u>
Equity and liabilities			
Equity			
Share capital	8	6,384	5,659
Distributable equity		668,691	274,391
Total equity		<u>675,075</u>	<u>280,050</u>
Non-current liabilities			
Lease liabilities	2, 7	31,461	—
		<u>31,461</u>	<u>—</u>
Current liabilities			
Lease liabilities	2, 7	4,841	—
Contract liabilities		2,156	6,902
Trade payables		21,235	19,740
Other payables		32,337	12,267
Income taxes payable		52	9
		<u>60,621</u>	<u>38,918</u>
Total liabilities		<u>92,082</u>	<u>38,918</u>
Total equity and liabilities		<u>767,157</u>	<u>318,968</u>

Unaudited Condensed Consolidated Interim Statements of Changes in Equity

	Distributable Equity					Total
	Share Capital	Share Premium	Foreign Currency Translation Reserve	Share-based Payment Reserve	Accumulated Deficit	
	(EUR'000)					
Equity at January 1, 2019	5,659	625,250	3	42,445	(393,307)	280,050
Loss for the period	—	—	—	—	(112,541)	(112,541)
Other comprehensive income / (loss), net of tax	—	—	(35)	—	—	(35)
Total comprehensive income / (loss)	—	—	(35)	—	(112,541)	(112,576)
Share-based payment (Note 6)	—	—	—	18,130	—	18,130
Capital increase	725	520,447	—	—	—	521,172
Cost of capital increase	—	(31,701)	—	—	—	(31,701)
Equity at June 30, 2019	6,384	1,113,996	(32)	60,575	(505,848)	675,075

	Distributable Equity					Total
	Share Capital	Share Premium	Foreign Currency Translation Reserve	Share-based Payment Reserve	Accumulated Deficit	
	(EUR'000)					
Equity at January 1, 2018	4,967	422,675	(14)	22,793	(263,210)	187,211
Loss for the period	—	—	—	—	(64,152)	(64,152)
Other comprehensive income / (loss), net of tax	—	—	(7)	—	—	(7)
Total comprehensive income / (loss)	—	—	(7)	—	(64,152)	(64,159)
Share-based payment (Note 6)	—	—	—	8,901	—	8,901
Capital increase	652	212,738	—	—	—	213,390
Cost of capital increase	—	(13,118)	—	—	—	(13,118)
Equity at June 30, 2018	5,619	622,295	(21)	31,694	(327,362)	332,225

**Unaudited Condensed Consolidated Interim Cash Flow Statements for the
Six Months Ended June 30**

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
		(EUR'000)	
Operating activities			
Net profit / (loss) for the period		(112,541)	(64,152)
Reversal of non-cash consideration relating to revenue		(3,876)	—
Reversal of share of profit/(loss) of associate		4,114	—
Reversal of finance income		(4,917)	(16,270)
Reversal of finance expenses		5,623	11
Reversal of tax charge		(135)	(206)
Adjustments for:			
Share-based payment		18,130	8,901
Depreciation and amortization		2,800	397
Changes in working capital:			
Deposits		(252)	(822)
Trade receivables		6	171
Other receivables		324	(416)
Prepayments		2,523	973
Contract liabilities (deferred income)		(4,746)	—
Trade payables and other payables		21,490	12,839
Cash flows generated from / (used in) operations		(71,457)	(58,574)
Finance income received		4,917	2,004
Finance expenses paid		(109)	(11)
Income taxes received / (paid)		(106)	(270)
Cash flows from / (used in) operating activities		(66,755)	(56,851)
Investing activities			
Acquisition of property, plant and equipment		(2,780)	(437)
Cash flows from / (used in) investing activities		(2,780)	(437)
Financing activities			
Payment of finance lease liabilities		(2,264)	—
Capital increase		521,172	213,390
Cost of capital increase		(31,701)	(13,118)
Cash flows from / (used in) financing activities		487,207	200,272
Increase / (decrease) in cash and cash equivalents		417,672	142,984
Cash and cash equivalents at January 1		277,862	195,351
Effect of exchange rate changes on balances held in foreign currencies		(5,179)	14,266
Cash and cash equivalents at June 30		690,355	352,601
Restricted cash included in cash and cash equivalents		7,063	5,468

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Note 1—General Information

Ascendis Pharma A/S, together with its subsidiaries, is a biopharmaceutical company applying its innovative TransCon technologies to build a leading, fully integrated biopharmaceutical company. Ascendis Pharma A/S was incorporated in 2006 and is headquartered in Hellerup, Denmark. Unless the context otherwise requires, references to the “Company,” “we,” “us” and “our” refer to Ascendis Pharma A/S and its subsidiaries.

The address of the Company’s registered office is Tuborg Boulevard 12, DK-2900, Hellerup, Denmark.

On February 2, 2015, the Company completed an initial public offering, or IPO, which resulted in the listing of American Depositary Shares, or ADSs, representing the Company’s ordinary shares, under the symbol “ASND” in the United States on The Nasdaq Global Select Market.

The Company’s Board of Directors approved these unaudited condensed consolidated interim financial statements on August 28, 2019.

Note 2—Summary of Significant Accounting Policies

Basis of Preparation

The unaudited condensed consolidated interim financial statements of the Company are prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting”. Certain information and disclosures normally included in the consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) have been condensed or omitted. Accordingly, these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s annual consolidated financial statements for the year ended December 31, 2018 and accompanying notes, which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board, and as adopted by the European Union.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the unaudited condensed consolidated interim financial statements are disclosed in Note 3.

Changes in Accounting Policies

As of January 1, 2019, the Company has adopted IFRS 16, “Leases” (“IFRS 16”). IFRS 16 requires, with a few exceptions, lessees to recognize assets (“right-of-use assets”) and liabilities for most leases. Accordingly, lease payments under contracts previously classified as operating leases, will be recognized over the non-cancellable lease period as depreciation included in research and development costs and general and administrative expenses, and as interest expenses included in finance expenses. Previously, lease payments under operating leases were recognized as research and development costs and general and administrative expenses.

Impact from IFRS 16 “Leases”

The Company primarily leases office- and laboratory facilities, and equipment. Lease arrangements are typically entered into for fixed periods but may have extension options, and options to terminate the lease within the enforceable lease term. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions.

We have implemented IFRS 16 by applying the modified retrospective approach. Accordingly, no comparative information is restated. The lease liability and corresponding right-of-use assets is measured at the present value of the remaining lease payments, discounted using an estimated incremental borrowing rate at January 1, 2019.

In connection with the transition to IFRS 16, we have reviewed our operating lease agreements’ contractual terms including lease payment structure. Fixed payments, and variable lease payments that depend on an index or a rate, are included in lease payments, whereas variable lease payments are excluded. Additionally, payments related to non-lease components are excluded, and thus treated as either research and development costs, or general and administrative expenses.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

For lease arrangements other than those relating to short-term leases and leases of low value assets, lease liabilities have been determined according to the fixed lease payments and variable lease payments that depend on an index or a rate in the non-cancellable periods, discounted by the incremental borrowing rate. Accordingly, at January 1, 2019, we have recognized a lease liability of €17.7 million.

Operating lease commitments under IAS 17 “Leases”, and as disclosed for the annual reporting period ended December 31, 2018 was €19.6 million. The transition to the lease liabilities recognized in the unaudited condensed consolidated interim financial position at January 1, 2019, in accordance with IFRS 16, is summarized below:

	(EUR ‘000)
Operating lease commitments as per December 31, 2018	19,627
Short-term contracts, and low value assets	(169)
Undiscounted, operating lease commitments as per January 1, 2019	19,458
Lease liabilities discounted by incremental borrowing rates as per January 1, 2019	17,700

At January 1, 2019, right-of-use assets of €18.4 million, which include prepaid leases, were recognized as property, plant and equipment.

The transition to IFRS 16 had no impact on retained earnings.

Separate note disclosures on right-of-use assets, and lease liabilities and payments for the six months ended June 30, 2019, are included in Note 7.

Several other amendments to and interpretations of IFRS apply for the first time in 2019, but do not have an impact on the accounting policies applied by the Company. Thus, except for the adoption of IFRS 16, the accounting policies applied when preparing these unaudited condensed consolidated interim financial statements have been applied consistently to all the periods presented, unless otherwise stated, and are consistent with those of the Company’s most recent audited annual consolidated financial statements.

A description of our accounting policies is provided in the Accounting Policies section of the audited consolidated financial statements as of and for the year ended December 31, 2018.

Note 3—Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of our accounting policies, we are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments made in the process of applying our accounting policies and that have the most significant effect on the amounts recognized in our unaudited condensed consolidated interim financial statements relate to revenue recognition, share-based payment, internally generated intangible assets, joint arrangements / collaboration agreements, and to our investment in associate.

The key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year relate to recognition of accruals for manufacturing and clinical trial activities. No significant adjustments to accruals have been recognized during the first six months of 2019 or 2018, due to conditions that existed at December 31, 2018, or 2017. Additionally, there have been no changes to the application of significant accounting estimates, and no impairment losses have been recognized during the first six months of 2019 or 2018.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

In connection with adopting IFRS 16, the following are assessed as key assumptions concerning estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amount of right-to-use assets and lease liabilities within the next financial year.

Determining Lease Term

Certain lease arrangements provide us with a contractual right (not obligation) to either extend the lease after the initial term, or to terminate the lease within the enforceable lease term, i.e. periods where lessor cannot terminate the lease. Those options cover periods in the range from 1-6 years in addition to the non-cancellable periods. Based on our assessment at June 30, 2019, the lease terms reflect only the non-cancellable periods.

Incremental Borrowing Rate

Lease payments are discounted over the non-cancellable periods, applying each contract's incremental borrowing rate. In determining incremental borrowing rates, we have considered the contracts' specific repayment profiles and relevant currencies, and thus applied a corresponding risk-free interest rate, credit spread and eventual asset specific adjustment. The incremental borrowing rates applied are 2.5% and 4.25-5.0% for lease contracts denominated in EUR or Danish Kroner, and US Dollars, respectively.

The unaudited condensed consolidated interim financial statements do not include all disclosures for critical accounting estimates and judgments that are required in the annual consolidated financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2018.

Note 4—Revenue

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	(EUR'000)		(EUR'000)	
Revenue from the rendering of services	1,873	18	7,287	46
License income	1,338	—	1,338	—
Total revenue (1)	3,211	18	8,625	46
Revenue from external customers (geographical)				
North America	3,211	18	8,625	46
Total revenue (1)	3,211	18	8,625	46

(1) For the three and six months ended June 30, 2019, "Total revenue" includes deferred revenue from associate of €2,295 thousand, and €3,876 thousand, respectively.

Note 5—Segment Information

We are managed and operated as one business unit. No separate business areas or separate business units have been identified in relation to product candidates or geographical markets. Accordingly, we do not disclose information on business segments or geographical markets, except for the geographical information on revenue included in Note 4.

Note 6—Warrants and Share-based Payment**Share-based payment**

Ascendis Pharma A/S has established warrant programs, equity-settled share-based payment transactions, as an incentive for all of our employees, members of our Board of Directors and select external consultants.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

Warrants are granted by the Board of Directors in accordance with authorizations given to it by the shareholders of Ascendis Pharma A/S. As of June 30, 2019, 8,304,687 warrants had been granted, of which 19,580 warrants have been cancelled, 2,830,617 warrants have been exercised, 2,168 warrants have expired without being exercised, and 253,145 warrants have been forfeited. As of June 30, 2019, our Board of Directors was authorized to grant up to 2,311,625 additional warrants to our employees, board members and select consultants without pre-emptive subscription rights for the shareholders of Ascendis Pharma A/S. Each warrant carries the right to subscribe for one ordinary share of a nominal value of DKK 1. The exercise price is fixed at the fair market value of our ordinary shares at the time of grant as determined by our Board of Directors. The exercise prices of outstanding warrants under our warrant programs range from €6.48 to €107.14 depending on the grant dates. Vested warrants may be exercised in two or four annual exercise periods. Apart from exercise prices and exercise periods, the programs are similar.

Warrant Activity

The following table specifies the warrant activity during the six months ended June 30, 2019:

	Total Warrants	Weighted Average Exercise Price EUR
Outstanding at January 1, 2019	5,611,629	29.03
Granted during the period	226,500	95.34
Exercised during the period	(618,089)	15.08
Forfeited during the period	(20,863)	44.38
Expired during the period	—	—
Outstanding at June 30, 2019	5,199,177	33.52
Vested at the balance sheet date	2,482,458	20.46

Warrant Compensation Costs

Warrant compensation costs are determined with basis in the grant date fair value of the warrants granted and recognized over the vesting period.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	(EUR'000)		(EUR'000)	
Research and development costs	5,244	1,964	10,179	4,349
General and administrative expenses	3,451	2,258	7,951	4,552
Total warrant compensation costs	8,695	4,222	18,130	8,901

Note 7—Leases

The following sections summarize the disclosures of the Company's lease arrangements for the six months ended June 30, 2019. Additional information on the exposure from the Company's lease arrangements is included in Note 2 and 3.

Right-of-use Assets

As of June 30, 2019, the total balance of property, plant and equipment of €42.5 million includes right-of-use-assets of €36.0 million. For the six months ended June 30, 2019, additions to right-of-use assets was €19.8 million and relates to office- and laboratory facilities.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

As of June 30, 2019, depreciation on right-of-use assets amounts to €2.2 million, recognized as research and development costs, and general and administrative expenses, by €1.7 million and €0.5 million, respectively.

Lease Liabilities and Payments

In the unaudited condensed consolidated interim statement of financial position as of June 30, 2019, the carrying amount of lease liabilities of €36.3 million is presented as non-current and current liabilities by €31.5 million and €4.8 million, respectively.

The table below summarizes the maturity profile of the Company's lease liabilities based on contractual undiscounted payments:

	Carrying amount	< 1 year	1-5 years (EUR'000)	>5 years	Total contractual cashflows
June 30, 2019					
Lease liabilities	36,302	4,931	19,603	18,440	42,974

For the six months ended June 30, 2019, interest on lease liabilities amounts to €0.3 million, which is recognized as finance expenses.

Payments relating to short-term leases and leases of low value assets are recognized either as research and development costs or general and administrative expenses, respectively, on a straight-line basis according to their lease term. Additionally, lease payments classified as variable, that do not depend on an index or a rate, are expensed as incurred.

As of June 30, 2019, the Company's commitments for short-term leases, and leases of low-value assets, are deemed immaterial for the unaudited condensed consolidated interim financial statements.

Note 8—Share Capital

The share capital of Ascendis Pharma A/S consists of 47,545,204 shares at a nominal value of DKK 1, all in the same share class.

On March 14, 2019, the Company completed the sale and issuance of 4,791,667 ADSs in a public offering, increasing the Company's share capital from 42,135,448 shares to 46,927,115 shares.

In April and June 2019, an aggregate of 618,089 warrants were exercised, increasing the Company's share capital from 46,927,115 shares to 47,545,204 shares.

Note 9—Subsequent Events

No events have occurred after the balance sheet date that would have a significant impact on the results or financial position of the Company.

ASCENDIS PHARMA A/S

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our unaudited condensed consolidated interim financial statements, including the notes thereto, included with this report and the section contained in our Annual Report on Form 20-F for the year ended December 31, 2018 – “Item 5. Operating and Financial Review and Prospects”. The following discussion is based on our financial information prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting.” Certain information and disclosures normally included in the consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) have been condensed or omitted. IFRS as issued by the International Accounting Standards Board, and as adopted by the European Union, might differ in material respects from generally accepted accounting principles in other jurisdictions.

Special Note Regarding Forward-Looking Statements

This report contains forward-looking statements concerning our business, operations and financial performance and conditions, as well as our plans, objectives and expectations for our business operations and financial performance and conditions. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “aim,” “anticipate,” “assume,” “believe,” “contemplate,” “continue,” “could,” “due,” “estimate,” “expect,” “goal,” “intend,” “may,” “objective,” “plan,” “predict,” “potential,” “positioned,” “seek,” “should,” “target,” “will,” “would,” and other similar expressions that are predictions or indicate future events and future trends, or the negative of these terms or other comparable terminology. These forward-looking statements include, but are not limited to, statements about:

- our ongoing phase 3 pediatric study of TransCon Growth Hormone, or hGH, our ongoing phase 2 study of TransCon Parathyroid Hormone, or PTH, and our ongoing phase 2 study of TransCon C-Type Natriuretic Peptide, or CNP;
- our pursuit of oncology as our second of three independent therapeutic areas of focus, and our development of a pipeline of product candidates in this therapeutic area;
- our receipt of future milestone or royalty payments from our collaboration partners, and the expected timing of such payments;
- our expectations regarding the potential market size and the size of the patient populations for our product candidates, if approved for commercial use;
- our expectations regarding the potential advantages of our product candidates over existing therapies;
- our ability to enter into new collaborations;
- our expectations with regard to the ability to develop additional product candidates using our TransCon technologies and file Investigational New Drug Applications, or INDs, or equivalents for such product candidates;
- our expectations with regard to the ability to seek expedited regulatory approval pathways for our product candidates, including the potential ability to rely on the parent drug’s clinical and safety data with regard to our product candidates;
- our expectations with regard to our current and future collaboration partners to pursue the development of our product candidates and file INDs or equivalents for such product candidates;
- our development plans with respect to our product candidates;
- our ability to develop, acquire and advance product candidates into, and successfully complete, clinical trials;
- the timing or likelihood of regulatory filings and approvals for our product candidates;
- the commercialization of our product candidates, if approved;
- our commercialization, marketing and manufacturing capabilities of our product candidates and associated devices;
- the implementation of our business model and strategic plans for our business, product candidates and technology;

- the scope of protection we are able to establish and maintain for intellectual property rights covering our product candidates;
- estimates of our expenses, future revenue, capital requirements, our needs for additional financing and our ability to obtain additional capital;
- our financial performance; and
- developments and projections relating to our competitors and our industry.

These forward-looking statements are based on senior management's current expectations, estimates, forecasts and projections about our business and the industry in which we operate and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. As a result, any or all of our forward-looking statements in this report may turn out to be inaccurate. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under the section in our Annual Report on Form 20-F for the year ended December 31, 2018 — "Item 3.D. Risk Factors". You are urged to consider these factors carefully in evaluating the forward-looking statements. These forward-looking statements speak only as of the date of this report. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future. Given these risks and uncertainties, you are cautioned not to rely on such forward-looking statements as predictions of future events.

You should read this report and the documents that we reference in this report and have filed as exhibits to this report completely and with the understanding that our actual future results may be materially different from what we expect. You should also review the factors and risks we describe in the reports we will file or submit from time to time with the Securities and Exchange Commission (the "SEC") after the date of this report. We qualify all of our forward-looking statements by these cautionary statements.

Overview

We are applying our innovative TransCon technologies to build a leading, fully integrated biopharmaceutical company and develop a pipeline of product candidates with potential best-in-class profiles to address unmet medical needs. We have created a portfolio of potential best-in-class endocrinology rare disease product candidates to address unmet medical needs by utilizing our TransCon technologies with clinically validated parent drugs. We currently have three product candidates in clinical development in endocrinology rare diseases and we are working to apply our TransCon technology platform in additional therapeutic areas, including oncology. We recently established oncology as our second therapeutic area and are developing a pipeline of systemic and localized prodrug product candidates to address unmet medical needs in this therapeutic area. Additionally, we have developed a pipeline of long-acting prodrug product candidates through strategic collaborations and we are working with these collaboration partners in the areas of ophthalmology and diabetes.

Our most advanced product candidate, TransCon hGH, is in development as a once-weekly long-acting prodrug of recombinant human growth hormone, also referred to as hGH, as a potential treatment for growth hormone deficiency, or GHD. Our phase 3 program for TransCon hGH consists of the heiGHt, fliGHt and enliGHten Trials.

In March 2019, we announced top-line results from the pivotal, phase 3 heiGHt Trial, in which TransCon hGH was observed to have superior efficacy and comparable safety and tolerability to that of daily hGH. Results from the trial indicate that TransCon hGH was generally safe and well-tolerated, with adverse events consistent with the type and frequency observed with daily hGH therapy and comparable between arms of the trial. No serious adverse events related to study drug were observed in either arm. No treatment-emergent adverse events leading to discontinuation of study drug were observed in either arm.

In May 2019, we announced results from the single arm phase 3 fliGHt Trial of TransCon hGH, which was designed to expand the safety database on TransCon hGH in pediatric subjects. The results indicated treatment with TransCon hGH was safe and well-tolerated in subjects with pediatric GHD who were previously treated with commercially-available daily growth hormone therapies. In the trial, the adverse event profile of TransCon hGH was similar to the published safety profile of daily growth hormone therapies. Results from the fliGHt Trial also support safety of TransCon hGH in subjects under three years of age.

Nearly all subjects who completed the heiGHt or fliGHt Trials have enrolled in the open-label extension study, the enliGHten Trial, which is designed to provide long-term safety data to support the planned regulatory filings for TransCon hGH. We initiated the enliGHten Trial in 2017 as the first subjects began to roll over from the heiGHt Trial, and we have enrolled approximately 300 subjects, which will form a safety database consistent with input from regulatory authorities.

We expect the last subject visit forming the two-year follow up for the TransCon hGH phase 3 program in pediatric GHD will occur during the third quarter of 2019. These data, including results from approximately 300 subjects treated with TransCon hGH (approximately 300 for six months, 120 for 12 months and 45 for 24 months), will form the safety database to support a Biologics License Application, or BLA, to the U.S. Food and Drug Administration, or the FDA, for TransCon hGH to treat pediatric GHD in the first half of 2020.

We believe that TransCon hGH may offer a once-weekly therapy for GHD with the potential to improve outcomes compared to currently approved daily hGH. We have also conducted a phase 2 clinical trial in adult subjects with GHD that will form the basis of designing future clinical research in adult GHD. If approved, TransCon hGH may reduce the burden of daily treatment by requiring significantly fewer injections, which may improve compliance and treatment outcomes.

We are also using our TransCon technology platform to develop TransCon PTH, a once-daily long-acting prodrug of parathyroid hormone, or PTH, as a potential treatment for hypoparathyroidism, a rare endocrine disorder of calcium and phosphate metabolism. We completed a phase 1 trial in healthy subjects in May 2018, the results of which were consistent with our target product profile for TransCon PTH as a true replacement therapy. In this trial, TransCon PTH showed the predicted pharmacokinetic and pharmacodynamic response, suggesting the ability to normalize serum and urinary calcium levels in patients with hypoparathyroidism. We believe TransCon PTH may provide patients suffering from hypoparathyroidism with a PTH replacement therapy that is designed to fully address all aspects of the disease more than standard of care or currently approved therapies. In June 2018, we were granted Orphan Drug Designation, or ODD, by the FDA for TransCon PTH. ODD is provided to drugs that are intended for the safe and effective treatment, diagnosis, or prevention of rare diseases or disorders that affect fewer than 200,000 people in the United States. We initiated the phase 2 PaTH Forward Trial in adult subjects with hypoparathyroidism in the first quarter of 2019 with the goal of evaluating different fixed doses of TransCon PTH and a titration regimen for complete withdrawal of standard of care (i.e., calcium and active Vitamin D supplementation), using a ready-to-use prefilled pen device. Our plan for our phase 3 program for TransCon PTH includes incorporating trial sites in the United States, Europe, Australia, Canada, Japan and possibly other Asian countries.

We are also developing TransCon CNP, a long-acting prodrug of C-type natriuretic peptide, or CNP, as a potential therapeutic option for achondroplasia, the most common form of dwarfism. Currently, there are no medical therapies for achondroplasia approved by the FDA. TransCon CNP utilizes our TransCon technology platform to create a long-acting CNP prodrug as a potential therapeutic option for achondroplasia and potentially other skeletal disorders. CNP as a therapeutic approach is supported by extensive preclinical and clinical data. In May 2019, we completed a phase 1 clinical trial in healthy adult subjects, which supported our target product profile for TransCon CNP and was consistent with preliminary data reported in November 2018. The phase 1 results demonstrated that TransCon CNP provided continuous exposure to CNP with a pharmacokinetic profile designed to maximize efficacy with once-weekly dosing. In February 2019, we were granted ODD by the FDA for TransCon CNP. Following successful submission of an IND application in July 2019, we initiated the phase 2 ACcomplisH Trial, a global phase 2 trial designed to evaluate the safety and efficacy of TransCon CNP in children with achondroplasia. Our goal is to develop TransCon CNP as a safe and effective therapeutic option for achondroplasia and potentially other related growth disorders.

In addition to our pipeline of endocrinology rare disease candidates, in June 2019, we introduced our pipeline of oncology product candidates, our second independent therapeutic area of focus for our TransCon technologies. Our goal is to improve treatment efficacy while limiting or reducing toxicity by applying TransCon technologies to clinically validated drugs, using our unique algorithm for product innovation. We are conducting preclinical studies within the field of oncology to explore multiple potential product candidates and evaluate systemic as well as localized delivery systems using our TransCon platform.

In November 2018, we announced the formation of VISEN Pharmaceuticals, or Visen, a company established to develop and commercialize our endocrinology rare disease therapies in the People's Republic of China, Hong Kong, Macau, and Taiwan, or Greater China. In connection with the formation of Visen, we granted Visen exclusive rights to develop and commercialize certain product candidates based on our proprietary TransCon technologies, including TransCon hGH, TransCon PTH and TransCon CNP, in Greater China for use in all human indications, subject to certain exceptions. As consideration for the rights granted to Visen, we received 50% ownership in the outstanding shares of Visen and concurrently with the rights we granted to Visen, entities affiliated with Vivo Capital and Sofinnova Ventures purchased shares in Visen for an aggregate purchase price of \$40 million in cash. We believe Visen supports our strategy to extend our endocrinology rare disease portfolio globally and establish a presence in China in partnership with collaborators who have significant experience and knowledge of the biopharmaceutical opportunity in China. In part because Visen was established in China, we believe Visen will be able to effectively develop and, if approved, market our innovative technologies to address the needs of the local markets in Greater China.

In addition, we have strategic collaborations for TransCon anti-VEGF in the field of ophthalmology, which is partnered with Genentech, and the TransCon peptide program for the treatment of diabetes, which is partnered with Sanofi. We are eligible to receive up to an aggregate of €200 million in development and regulatory milestone payments for products currently being developed under our collaboration agreements, as well as sales-based milestone payments and royalties on future net sales of products.

We believe that the effectiveness of our TransCon technologies is supported by data from our preclinical research and the ongoing clinical programs, including our TransCon hGH, TransCon PTH and TransCon CNP programs, as well as findings from our ongoing development of other product candidates, including our multi-product collaborations with Sanofi and Genentech. We have applied the TransCon technologies in combination with parent drugs with clinical proof of concept using our algorithm for creating products with the potential to be best-in-class in endocrinology rare diseases, and we will continue to apply this algorithm for product selection in new therapeutic areas. We believe this approach may reduce the risks associated with traditional drug development.

Our TransCon technologies enable us to create long-acting prodrug therapies with potentially significant advantages over existing marketed drug products. Our TransCon technologies transiently link an unmodified parent drug to a TransCon carrier via our proprietary TransCon linkers. Our TransCon linkers predictably release an unmodified active parent drug at predetermined rates governed by physiological pH and temperature conditions, supporting administration frequencies from daily to more than every six months. Depending upon the type of TransCon carrier we employ, we can design our TransCon prodrugs to act systemically or locally in areas that are difficult to treat with conventional therapies.

We commenced operations in December 2007 in connection with the acquisition of the company that invented our TransCon technologies, Complex Biosystems GmbH. Since we commenced operations in 2007, we have devoted substantially all of our efforts to developing our product candidates, including conducting preclinical studies and clinical trials and providing general and administrative support for these operations. We do not have any approved products and have never generated any revenue from product sales.

We had a net loss of €112.5 million for the six months ended June 30, 2019 and a net loss of €130.1 million for the year ended December 31, 2018. Our total equity was €675.1 million as of June 30, 2019 compared to €280.1 million as of December 31, 2018. The increase in equity reflects the follow-on public offering of ADSs in March 2019.

Results of Operations

Comparison of the three months ended June 30, 2019 and 2018 (unaudited):

	Three Months Ended	
	June 30,	
	2019	2018
	(EUR'000)	
Revenue	3,211	18
Research and development costs	(43,826)	(40,235)
General and administrative expenses	(10,960)	(5,226)
Operating profit / (loss)	(51,575)	(45,443)
Share of profit / (loss) of associate	(2,262)	—
Finance income	3,362	22,573
Finance expenses	(8,494)	(6)
Profit / (loss) before tax	(58,969)	(22,876)
Tax on profit / (loss) for the period	65	99
Net profit / (loss) for the period	(58,904)	(22,777)

Revenue

Total revenue for the three months ended June 30, 2019 was €3.2 million compared to total revenue of €18 thousand for the three months ended June 30, 2018. This change was due to recognition of revenue related to our investment in Visen.

As of June 30, 2019, we had deferred income of €2.2 million under the agreement with Visen, which will be recognized as revenue as we advance the projects that are subject to our collaborations with Visen.

Research and Development Costs

Research and development costs were €43.8 million for the three months ended June 30, 2019, an increase of €3.6 million, or 9%, compared to €40.2 million for the three months ended June 30, 2018. External development costs related to our TransCon hGH product candidate, decreased by €5.7 million compared to the same period last year, reflecting lower manufacturing costs as well as lower clinical trials costs, following the completion of the phase 3 heiGHt Trial in the first quarter of 2019. External development costs related to our TransCon PTH product candidate decreased by €0.3 million, reflecting lower preclinical costs and costs to develop our pen device, partially offset by higher clinical trial costs due to initiation of our phase 2 PaTH Forward clinical trial. External development costs related to our TransCon CNP product candidate increased by €0.1 million, primarily reflecting an increase in clinical trial costs related to the ACHieve study and preparation for the phase 2 ACcomplisH Trial which was initiated in the third quarter of 2019, partly offset by a reduction in preclinical costs.

Other research and development costs increased by €9.5 million, primarily driven by an increase in personnel costs of €3.6 million and non-cash share-based payment of €3.2 million due to a higher number of employees in research and development functions, but also reflecting increases of €0.4 million in travel costs and €0.7 million in IT costs allocated to research and development functions. Costs related to laboratory operations and early stage development activities increased by €0.3 million compared to the same period of last year. Research and development costs included non-cash share-based payment of €5.2 million for the three months ended June 30, 2019, compared to €2.0 million for the three months ended June 30, 2018.

General and Administrative Expenses

General and administrative expenses were €11.0 million for the three months ended June 30, 2019, an increase of €5.8 million, or 110%, compared to general and administrative expenses of €5.2 million for the three months ended June 30, 2018. The increase is primarily due to an increase in personnel costs of €1.6 million and non-cash share-based payment of €1.2 million for additional administrative personnel. Other general and administrative expenses increased by €2.9 million, reflecting a general increase in operating activities. General and administrative expenses included non-cash share-based payment of €3.5 million for the three months ended June 30, 2019, compared to €2.3 million for the three months ended June 30, 2018.

Net Profit / (Loss) in Associate

Net loss in associate was €2.3 million which represent the Company's share of net result from Visen. As Visen was established in November 2018, no comparative figures are presented.

Finance Income and Finance Expenses

Finance income was €3.4 million for the three months ended June 30, 2019, a decrease of €19.2 million compared to €22.6 million for the three months ended June 30, 2018. Finance expenses were €8.5 million for the three months ended June 30, 2019, an increase of €8.5 million compared to the same period of 2018. The €27.7 million decrease in net finance income was due to negative exchange rate fluctuations, primarily between the U.S. Dollar and Euro in the three months ended June 30, 2019, primarily affecting our cash position maintained in U.S. Dollars, compared to favorable exchange rate fluctuations for the three months ended June 30, 2018.

We did not hold any interest-bearing debt for any of the periods presented.

Tax for the Period

Tax for the three months ended June 30, 2019 was a net tax credit of €65 thousand compared to a net tax credit of €99 thousand for the three months ended June 30, 2018. Taxes for the three months ended June 30, 2019 comprised an estimated tax credit of €184 thousand in the group of Danish companies, partly offset by tax payments of €119 thousand in our U.S. and German subsidiaries.

Comparison of the six months ended June 30, 2019 and 2018 (unaudited):

	Six Months Ended June 30,	
	2019	2018
	(EUR'000)	
Revenue	8,625	46
Research and development costs	(95,085)	(70,775)
General and administrative expenses	(21,396)	(9,888)
Operating profit / (loss)	(107,856)	(80,617)
Share of profit / (loss) in associates	(4,114)	—
Finance income	4,917	16,270
Finance expenses	(5,623)	(11)
Profit / (loss) before tax	(112,676)	(64,358)
Tax on profit / (loss) for the period	135	206
Net profit / (loss) for the period	(112,541)	(64,152)

Revenue

Total revenue for the six months ended June 30, 2019 was €8.6 million compared to total revenue of €46 thousand for the six months ended June 30, 2018. This change was due to recognition of revenue related to our investment in Visen.

As of June 30, 2019, we had deferred income of €2.2 million under the agreement with Visen, which will be recognized as revenue as we advance the projects that are subject to our collaborations with Visen.

Research and Development Costs

Research and development costs were €95.1 million for the six months ended June 30, 2019, an increase of €24.3 million, or 34%, compared to €70.8 million for the six months ended June 30, 2018. External development costs related to our TransCon hGH product candidate increased by €4.8 million, reflecting increasing costs for preparation of the manufacturing of process performance qualification batches, however partly offset by a decrease in costs of clinical trials, as we reported top-line results from the phase 3 heiGHt Trial in the first quarter of 2019. External development costs related to our TransCon PTH product candidate increased by €1.9 million, primarily reflecting increased manufacturing costs and clinical trial costs, whereas preclinical costs decreased compared to the same period of last year. External development costs related to our TransCon CNP product candidate decreased by €0.8 million, primarily reflecting a reduction in preclinical costs, partly offset by an increase in clinical trial costs related to the ACHieve study and preparation for the phase 2 ACcomplish Trial which was initiated in the third quarter of 2019.

Other research and development costs increased by approximately €18.4 million, primarily driven by an increase in personnel costs of €7.6 million and non-cash share-based payment of €5.9 million due to a higher number of employees in research and development functions. Facility and IT costs allocated to research and development functions increased by €2.2 million and travel costs increased by €0.8 million. Costs related to laboratory operations and early stage development activities increased by €1.2 million compared to the same period of last year. Research and development costs included non-cash share-based payment of €10.2 million for the six months ended June 30, 2019, compared to €4.3 million for the six months ended June 30, 2018.

General and Administrative Expenses

General and administrative expenses were €21.4 million for the six months ended June 30, 2019, an increase of €11.5 million, or 116%, compared to general and administrative expenses of €9.9 million for the six months ended June 30, 2018. The increase is primarily due to an increase in personnel costs of €3.6 million and non-cash share-based payment of €3.4 million for additional administrative personnel. IT costs increased by €1.3 million and facility costs increased by €0.4 million. Professional fees including recruitment costs and costs for preparing to build up a commercial organization increased by €2.1 million compared to the same period of last year. General and administrative expenses included non-cash share-based payment of €8.0 million for the six months ended June 30, 2019, compared to €4.6 million for the six months ended June 30, 2018.

Net Profit / (Loss) in Associate

Net loss in associate was €4.1 million which represent the Company's share of net result from Visen. As Visen was established in November 2018, no comparative figures are presented.

Finance Income and Finance Expenses

Finance income was €4.9 million for the six months ended June 30, 2019, a decrease of €11.4 million compared to €16.3 million for the six months ended June 30, 2018. Finance expenses were €5.6 million for the six months ended June 30, 2019, an increase of €5.6 million compared to €11 thousand in the same period of 2018. The €17.0 million decrease in net finance income was due to negative exchange rate fluctuations, primarily between the U.S. Dollar and Euro in the six months ended June 30, 2019, primarily affecting our cash position maintained in U.S. Dollars, compared to favorable exchange rate fluctuations for the six months ended June 30, 2018.

We did not hold any interest-bearing debt for any of the periods presented.

Tax for the Period

Tax for the six months ended June 30, 2019 was a net credit of €0.1 million compared to a net credit of €0.2 million for the six months ended June 30, 2018. Taxes for the six months ended June 30, 2019 were comprised of an estimated tax credit of €0.4 million in the group of Danish companies partly offset by tax expenses of €0.3 million in our U.S. and German subsidiaries.

Liquidity and Capital Resources

As of June 30, 2019, we had cash and cash equivalents totaling €690.4 million compared to €277.9 million as of December 31, 2018. We have funded our operations primarily through issuance of our preference shares, ordinary shares and convertible debt securities and payments to us under our collaboration agreements. Our expenditures are primarily related to research and development activities and general and administrative activities to support research and development. We do not have any debt to third parties.

In February 2015, we announced the closing of our initial public offering, with net proceeds of \$111.5 million (or €101.4 million). In 2016, we completed a follow-on public offering of American Depositary Shares, or ADSs, with net proceeds of \$127.1 million (or €116.6 million) and in 2017, we completed a follow-on public offering of ADSs, with net proceeds of \$145.2 million (or €123.1 million). In February 2018, we completed a follow-on public offering of ADSs, with net proceeds of \$242.5 million (or €196.9 million), and in March 2019, we completed a follow-on public offering of ADSs, with net proceeds of \$539.4 million (or €480.3 million).

Based on our current operating plan, we believe that our existing cash and cash equivalents as of June 30, 2019 will be sufficient to meet our projected cash requirements for at least 12 months from the date of this report. However, our operating plan may change as a result of many factors currently unknown to us, and we may need to seek additional funds sooner than planned. Our future funding requirements will depend on many factors, including, but not limited to:

- our ability to establish and maintain strategic partnerships, licensing or other arrangements and the financial terms of such agreements;
- the achievement of development, regulatory and commercial milestones resulting in the payment to us from our collaboration partners of contractual milestone payments and the timing of receipt of such payments, if any;
- the progress, timing, scope, results and costs of our preclinical studies and clinical trials for our product candidates and manufacturing activities that have not been licensed, including the ability to enroll patients in a timely manner for clinical trials;
- the time and cost necessary to obtain regulatory approvals for our product candidates that have not been licensed and the costs of post-marketing studies that could be required by regulatory authorities;
- the manufacturing, selling and marketing costs associated with product candidates, including the cost and timing of building our sales and marketing capabilities;
- the timing, receipt, and amount of sales of, or royalties on, our future products, if any;
- the sales price and the availability of adequate third-party coverage and reimbursement for our product candidates;
- the cash requirements of any future acquisitions or discovery of product candidates;
- the number and scope of preclinical and discovery programs that we decide to pursue or initiate;
- the potential acquisition and in-licensing of other technologies, products or assets;
- the time and cost necessary to respond to technological and market developments, including further development of our TransCon technologies;
- our progress (and the progress of our collaboration partners, if any) in the successful commercialization and co-promotion of our most advanced product candidates and our efforts to develop and commercialize our other existing product candidates; and
- the costs of filing, prosecuting, maintaining, defending and enforcing any patent claims and other intellectual property rights, including litigation costs and the outcome of such litigation, including costs of defending any claims of infringement brought by others in connection with the development, manufacture or commercialization of our product candidates.

Additional funds may not be available when we need them on terms that are acceptable to us, or at all. If adequate funds are not available to us on a timely basis, we may be required to delay, limit, scale back or cease our research and development activities, preclinical studies and clinical trials for our product candidates for which we retain such responsibility and our establishment and maintenance of sales and marketing capabilities or other activities that may be necessary to commercialize our product candidates.

The following table summarizes our cash flows for each of the unaudited six months periods ended June 30, 2019 and 2018:

	Six Months Ended	
	June 30,	
	2019	2018
	(EUR'000)	
Cash flows from / (used in) operating activities	(66,755)	(56,851)
Cash flows from / (used in) investing activities	(2,780)	(437)
Cash flows from / (used in) financing activities	487,207	200,272
Net increase / (decrease) in cash and cash equivalents	417,672	142,984

Cash Flows From / (Used in) Operating Activities

Net cash used in operating activities for the six months ended June 30, 2019 was €66.8 million compared to €56.9 million for the six months ended June 30, 2018. The net loss for the six months ended June 30, 2019 of €112.5 million included non-cash charges of €20.9 million, primarily comprising share-based payment and depreciation, and other non-cash items, including net financial expenses and taxes, of €5.5 million. The net change in working capital contributed positively to cash flows by €19.3 million, primarily due to a net increase in trade payables and other payables of €21.5 million, a decrease in receivables and prepayments of €2.8 million, partly offset by a decrease in deferred income of €4.7 million and an increase in deposits of €0.3 million.

Net cash used in operating activities for the six months ended June 30, 2018 was €56.9 million. The net loss for the six months ended June 30, 2018 of €64.2 million was adjusted by non-cash charges of €0.4 million for depreciation and €8.9 million for share-based payments. Net finance income of €16.3 million, primarily comprising exchange rate adjustments, and net tax credits of €0.2 million, was reversed. The net change in working capital contributed positively to cash flow by €12.8 million, primarily comprising a €12.8 million increase in trade payables and other payables and a €1.0 million decrease in prepayments, partly offset by an increase of €0.8 million in deposits and a net increase of €0.2 million in trade receivables and other receivables. We received net finance income of €2.0 million and paid income taxes of €0.3 million in the six months ended June 30, 2018.

Cash Flows From / (Used in) Investing Activities

Cash flows used in investing activities for the six months ended June 30, 2019 of €2.8 million were related to acquisition of property, plant and equipment, primarily equipment for use in the laboratories of our German facility.

Cash flows used in investing activities for the six months ended June 30, 2018 of €0.4 million were related to the acquisition of property, plant and equipment, primarily for use in the laboratories of our German facility and in our offices in the United States.

Cash Flows From / (Used in) Financing Activities

Cash flows from financing activities for the six months ended June 30, 2019 of €487.2 million were comprised of €480.3 million in net proceeds from our follow-on public offering of ADSs completed in March 2019 and €9.2 million in net proceeds from warrant exercises in April and June 2019, partly offset by payments on lease liabilities of €2.3 million.

Cash flows from financing activities for the six months ended June 30, 2018 of €200.3 million were comprised of €196.9 million in net proceeds from our follow-on offering completed in February 2018 and €3.4 million in proceeds from exercise of warrants in April and June 2018.

Off-balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements or any holdings in variable interest entities.

Qualitative Disclosures about Market Risk

Our activities primarily expose us to the financial risks of changes in foreign currency exchange rates and interest rates. We do not enter into derivative financial instruments to manage our exposure to such risks.

Foreign Currency Risk

We are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the U.S. Dollar, the British Pound and the Danish Krone. Our functional currency is the Euro, but we have received payments in U.S. Dollars under our collaborations. Further, the proceeds from our series D financing in November 2014, our IPO in February 2015 and our follow-on public offerings in October 2016, September 2017, February 2018 and March 2019 were in U.S. Dollars. We seek to minimize our exchange rate risk by maintaining cash positions in the currencies in which we expect to incur the majority of our budgeted future expenses and we make payments from those positions.

Interest Rate Risk

As we have no interest-bearing debt to third parties, derivatives or financial assets and liabilities measured at fair value, our exposure to interest rate risk primarily relates to the interest rates for our positions of cash and cash equivalents. Our future interest income from interest-bearing bank deposits and short-term investments may fall short of expectations due to changes in interest rates. We do not consider the effects of interest rate fluctuations to be a material risk to our financial position.

We have adopted an investment policy with the primary purpose of preserving capital, fulfilling our liquidity needs and diversifying the risks associated with marketable securities. This investment policy establishes minimum ratings for institutions with which we hold cash, cash equivalents and marketable securities, as well as rating and concentration limits for marketable securities that we may hold.

Credit Risk

We consider all of our material counterparties to be creditworthy. While the concentration of credit risk is significant, we consider the credit risk for each of our individual counterparts to be low. Accordingly, since we had no significant trade receivables at June 30, 2019 or December 31, 2018, and our deposits are held with suppliers that are frequently used in our operations, we have made no provision for trade receivables or deposits.

Our exposure to credit risk primarily relates to our cash and cash equivalents. The credit risk is considered limited because the counterparties holding significant deposits are banks with high credit-ratings assigned by international credit-rating agencies. We have considered the expected credit loss on our cash deposits. Our assessment did not reveal any material impairment loss, and accordingly we have made no provision for bank deposits.

Liquidity Risk

We manage our liquidity risk by maintaining adequate cash reserves and banking facilities, and by continuously monitoring our cash forecasts and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.



Ascendis Pharma A/S Reports Second Quarter 2019 Financial Results

– TransCon hGH moves towards Biologics License Application submission following completion of heiGHt and fliGHt Trials –

– Global reach of endocrinology rare disease programs expands –

– Conference call today at 4:30 p.m. Eastern Time –

COPENHAGEN, Denmark, August 28, 2019 (GLOBE NEWSWIRE) – Ascendis Pharma A/S (Nasdaq: ASND), a biopharmaceutical company that utilizes its innovative TransCon technologies to address unmet medical needs, today announced financial results for the quarter ended June 30, 2019.

“The achievements across our three rare disease endocrinology product candidates during the first half of 2019 show we are on track to fulfill our ‘Vision 3x3’ to become a leading biopharma company,” said Jan Mikkelsen, Ascendis Pharma’s President and Chief Executive Officer. “Based on the integrated, holistic view of our data, we expect TransCon hGH to raise the bar in the treatment of growth hormone deficiency, and we are getting even more confident that we will also set a new standard with TransCon PTH and TransCon CNP.”

Corporate Highlights & Progress

- On track for a planned Biologics License Application (BLA) in the first half of 2020 and a marketing application (MAA) in Europe in the second half of 2020 for TransCon hGH, a long-acting prodrug of human growth hormone (hGH) in development as a once-weekly therapy for pediatric growth hormone deficiency (GHD). Results from the phase 3 program demonstrated statistically significantly greater efficacy (heiGHt Trial) and comparable safety and tolerability to a daily hGH (heiGHt Trial and fliGHt Trial). Additionally, Ascendis is working in collaboration with VISEN Pharmaceuticals to initiate a phase 3 trial later this year in subjects with pediatric GHD in China, and plans to initiate a global program for adult GHD in 2020.
- Introduced the TransCon hGH Auto-Injector and dual-chamber cartridge (DCC) combination product as planned into the enliGHten Trial, a long-term extension trial for TransCon hGH. Data from the enliGHten Trial, including long-term safety data, will support the planned BLA and planned MAA for TransCon hGH.
- Ongoing enrollment in the PaTH Forward Trial, a global, phase 2 trial designed to evaluate the safety and efficacy of TransCon PTH in adult subjects with hypoparathyroidism. TransCon PTH is a long-acting prodrug of parathyroid hormone (PTH) in development for the treatment of adult hypoparathyroidism. TransCon PTH has been designed to provide physiologic levels of PTH for 24 hours a day, seven days a week.
- Completed filing of an Investigational New Drug (IND) application with the U.S. Food and Drug Administration (FDA) for initiation of the ACcomplisH Trial, a global, phase 2, randomized, double-blind, placebo-controlled trial designed to evaluate the safety and efficacy

of TransCon CNP at escalating doses in children with achondroplasia (ACH). TransCon CNP is a long-acting prodrug of C-type natriuretic peptide (CNP) that has been designed to provide continuous exposure to CNP at therapeutic levels with once-weekly dosing. All subjects who complete the ACcomplisH Trial will have the opportunity to receive TransCon CNP in a long-term safety extension trial.

- Introduced the company's oncology vision and programs.
- Ended the second quarter of 2019 with cash and cash equivalents of €690.4 million.

Second Quarter 2019 Financial Results

For the second quarter, Ascendis Pharma reported a net loss of €58.9 million, or €1.25 per share (basic and diluted) compared to a net loss of €22.8 million, or €0.55 per share (basic and diluted) for the same period in 2018.

Revenue for the second quarter was €3.2 million compared to €18 thousand in the same quarter of 2018. The increase reflects recognition of revenue related to our strategic investment in VISEN Pharmaceuticals.

Research and development (R&D) costs for the second quarter were €43.8 million compared to €40.2 million during the same period in 2018. Higher R&D costs in 2019 primarily reflect an increase in personnel-related costs to support development and manufacturing of TransCon hGH, TransCon PTH and TransCon CNP, as well as increased costs for other research programs, partly offset by a decrease in costs associated with TransCon hGH due to completion of the phase 3 heiGHt Trial.

General and administrative expenses for the second quarter were €11.0 million compared to €5.2 million during the same period in 2018. The increase is primarily due to higher personnel-related costs and other increasing costs of preparing to become a commercial organization.

As of June 30, 2019, Ascendis had cash and cash equivalents of €690.4 million compared to €696.7 million as of March 31, 2019. As of June 30, 2019, Ascendis Pharma had 47,545,204 ordinary shares outstanding.

Conference Call and Webcast information

Ascendis Pharma will host a conference call and webcast today at 4:30 p.m. ET to discuss its second quarter 2019 financial results. Details include:

Date	Wednesday, August 28, 2019
Time	4:30 p.m. ET
Dial In (U.S.)	844-290-3904
Dial In (International)	574-990-1036
Access Code	4793306

A live webcast of the conference call will be available on the Investors and News section of the Ascendis Pharma website at www.ascendispharma.com. A webcast replay will also be available on this website shortly after conclusion of the event for 30 days.

About Ascendis Pharma A/S

Ascendis Pharma is applying its innovative platform technology to build a leading, fully integrated biopharma company focused on making a meaningful difference in patients' lives. Guided by its core values of patients, science and passion, the company utilizes its TransCon™ technologies to create new and potentially best-in-class therapies.

Ascendis Pharma currently has a pipeline of three independent endocrinology rare disease product candidates in clinical development and has established oncology as its second therapeutic area of focus. Additionally, Ascendis Pharma has multi-product collaborations with Sanofi in diabetes and Genentech in the field of ophthalmology and continues to expand into additional therapeutic areas for both internal and external development.

Ascendis is headquartered in Copenhagen, Denmark, with offices in Heidelberg, Germany and Palo Alto, California.

For more information, please visit www.ascendispharma.com.

Forward-Looking Statements

This press release contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, included in this press release regarding our future operations, plans and objectives of management are forward-looking statements. Examples of such statements include, but are not limited to, statements relating to (i) our plans to submit a BLA with the FDA in the first half of 2020 and a MAA in Europe in the second half of 2020 for TransCon hGH, (ii) our plans to initiate a phase 3 trial of TransCon hGH in subjects with pediatric GHD in China in collaboration with Visen Pharmaceuticals later this year, and a global TransCon hGH program for adult GHD in 2020; (iii) our phase 2 ACcomplisH Trial of TransCon CNP in children with achondroplasia, (iv) our ability to apply our TransCon platform to build a leading, fully integrated biopharma company, (v) our expectations regarding our ability to create new and potentially best-in-class therapies and (vi) our product pipeline. We may not actually achieve the plans, carry out the intentions or meet the expectations or projections disclosed in the forward-looking statements and you should not place undue reliance on these forward-looking statements. Actual results or events could differ materially from the plans, intentions, expectations and projections disclosed in the forward-looking statements. Various important factors could cause actual results or events to differ materially from the forward-looking statements that we make, including the following: unforeseen safety or efficacy results in our TransCon hGH, TransCon PTH and TransCon CNP or other development programs; unforeseen expenses related to

the development and potential commercialization of TransCon hGH, TransCon PTH and TransCon CNP or other development programs, general and administrative expenses, other research and development expenses and our business generally; delays in the development of TransCon hGH, TransCon PTH and TransCon CNP or other development programs related to manufacturing, regulatory requirements, speed of patient recruitment or other unforeseen delays; dependence on third party manufacturers to supply study drug for planned clinical studies; and our ability to obtain additional funding, if needed, to support our business activities. For a further description of the risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to our business in general, see our current and future reports filed with, or submitted to, the U.S. Securities and Exchange Commission (SEC), including our Annual Report on Form 20-F for the year ended December 31, 2018, which we filed with the SEC on April 3, 2019. Forward-looking statements do not reflect the potential impact of any future in-licensing, collaborations, acquisitions, mergers, dispositions, joint ventures, or investments we may enter into or make. We do not assume any obligation to update any forward-looking statements, except as required by law.

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FINANCIAL TABLES FOLLOW

Unaudited Condensed Consolidated Interim Statements of Profit or Loss and Other Comprehensive Income / (loss)
(In EUR'000s, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenue	3,211	18	8,625	46
Research and development costs	(43,826)	(40,235)	(95,085)	(70,775)
General and administrative expenses	(10,960)	(5,226)	(21,396)	(9,888)
Operating profit / (loss)	(51,575)	(45,443)	(107,856)	(80,617)
Share of profit / (loss) of associate	(2,262)	—	(4,114)	—
Finance income	3,362	22,573	4,917	16,270
Finance expenses	(8,494)	(6)	(5,623)	(11)
Profit / (loss) before tax	(58,969)	(22,876)	(112,676)	(64,358)
Tax on profit / (loss) for the period	65	99	135	206
Net profit / (loss) for the period	(58,904)	(22,777)	(112,541)	(64,152)
Other comprehensive income / (loss)				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translating foreign operations	(594)	2	(35)	(7)
Other comprehensive income / (loss) for the period, net of tax	(594)	2	(35)	(7)
Total comprehensive income / (loss) for the period, net of tax	(59,498)	(22,775)	(112,576)	(64,159)
Profit / (loss) for the period attributable to owners of the Company	(58,904)	(22,777)	(112,541)	(64,152)
Total comprehensive income / (loss) for the period attributable to owners of the Company	(59,498)	(22,775)	(112,576)	(64,159)
	EUR	EUR	EUR	EUR
Basic and diluted earnings / (loss) per share	(1.25)	(0.55)	(2.48)	(1.60)
Number of shares used for calculation (basic and diluted)	47,190,717	41,650,907	45,291,688	40,182,701

Unaudited Condensed Consolidated Interim Statements of Financial Position
(In EUR'000s)

	June 30, 2019	December 31, 2018
Assets		
Non-current assets		
Intangible assets	3,495	3,495
Property, plant and equipment	42,537	4,325
Investment in associate	16,885	17,083
Deposits	1,410	1,158
	64,327	26,061
Current assets		
Trade receivables	—	6
Other receivables	1,451	1,775
Prepayments	9,891	12,415
Income taxes receivable	1,133	849
Cash and cash equivalents	690,355	277,862
	702,830	292,907
Total assets	767,157	318,968
Equity and liabilities		
Equity		
Share capital	6,384	5,659
Distributable equity	668,691	274,391
Total equity	675,075	280,050
Non-current liabilities		
Lease liabilities	31,461	—
	31,461	—
Current liabilities		
Lease liabilities	4,841	—
Contract liabilities	2,156	6,902
Trade payables	21,235	19,740
Other payables	32,337	12,267
Income taxes payable	52	9
	60,621	38,918
Total liabilities	92,082	38,918
Total equity and liabilities	767,157	318,968

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