

Company announcement
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Orphazyme A/S
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Company Registration No. 32266355

New phantom share-based incentive program

Copenhagen, July 29, 2019 – Orphazyme A/S (ticker: ORPHA.CO), a biopharmaceutical company dedicated to developing treatments for patients living with rare diseases, today announces that the Company introduces a four-year phantom share-based incentive program in July 2019 for, in general, all employees other than the Executive Management team (the “Program”).

The Program is based on phantom shares and entitles the participants to a potential cash bonus if there has been an increase in Orphazyme’s share price of at least 20% compared to the entry price at the introduction of the Program, as further described below. The Program will not have any dilutive effect on the shareholders of Orphazyme as the phantom shares do not constitute or qualify for actual shares in Orphazyme.

The overall objectives of the Program are (i) to retain qualified employees, (ii) to create long-term incentive for the participants of the Program, and (iii) to align the interests of the employees with those of Orphazyme’s shareholders.

Each employee participating in the Program earns the right to a certain number of phantom shares per month (depending on position). Subject to any adjustments to the Program made by the Board of Directors due to e.g. changes in Orphazyme’s share capital structure or other significant events, each employee will be eligible to receive up to a total of 144 or 288 phantom shares under the Program.

By the end of each calendar year 2019-2022, the participants will as of December 31 be granted phantom shares earned during that calendar year free of charge.

The entry price per phantom share is DKK 61 and has been calculated on the basis of the volume-weighted average closing price of Orphazyme’s shares on Nasdaq Copenhagen A/S (“Nasdaq Copenhagen”) during a period of 10 trading days prior to this introduction of the Program.

The phantom shares will automatically be settled in cash at the end of January 2024 by subtracting the entry price per share from the market price per share multiplied with the total number of granted phantom shares, and only if Orphazyme’s market price per share exceeds the entry price per share by at least 20%. The market price per share will be based on the volume-weighted average closing price of Orphazyme’s shares on Nasdaq Copenhagen during a period of 10 trading days prior to the settlement of the phantom shares in January 2024.

The employees’ cash bonuses are capped and cannot for each employee exceed a gross amount of DKK 37,500 or DKK 75,000 in total depending on the number of phantom shares allocated to the specific employee under the Program.

Based on the current number of participants in the Program, the Program will comprise up to 12,885 phantom shares in total. The theoretical market value of each phantom share has been estimated at DKK 22 calculated on the basis of a Monte-Carlo model.

For additional information, please contact

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About Orphazyme A/S

Orphazyme is a biopharmaceutical company focused on bringing novel treatments to patients living with life-threatening or debilitating rare diseases. Our research focuses on developing therapies for diseases caused by misfolding of proteins and lysosomal dysfunction. Arimoclomol, the company's lead candidate, is in clinical development for four orphan diseases: Niemann-Pick disease Type C, Gaucher disease, sporadic Inclusion Body Myositis, and Amyotrophic Lateral Sclerosis. The Denmark-based company is listed on Nasdaq Copenhagen (ORPHA.CO). For more information, please visit www.orphazyme.com.

Forward-looking statement

This press release may contain certain forward-looking statements. Although the Company believes its expectations are based on reasonable assumptions, all statements other than statements of historical fact included in this press release about future events are subject to (i) change without notice and (ii) factors beyond the Company's control. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target," "believe," "expect," "aim," "intend," "may," "anticipate," "estimate," "plan," "project," "will," "can have," "likely," "should," "would," "could" and other words and terms of similar meaning or the negative thereof. Forward-looking statements are subject to inherent risks and uncertainties beyond the Company's control that could cause the Company's actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. Except as required by law, the Company assumes no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.