

**Company announcement**

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Copenhagen N.

**Orphazyme A/S**

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Company Registration No. 32266355

## Interim Report First Half 2023

**Copenhagen, Denmark, September 12, 2023** – Orphazyme A/S (ORPHA.CO) (the “Company”), today announces its Interim Report First Half 2023 for the period January 1 – June 30, 2023.

**Business updates and Financial highlights First Half 2023:**

Unless otherwise stated, comments in this announcement refer to H1 performance from continuing operations. In 2022, the business operations and activities that were part of the Sale of Assets agreement with Zevra Therapeutics Inc. (Previously KemPharm) were reclassified as discontinued operations, but in 2023 all activities and financials are considered related to continuing operations.

- Operating expenses for the six months ended June 30 2023, totaled DKK 12.8 million compared to DKK 27.3 million for continuing operations for the same period in 2022.
- The total comprehensive profit/loss for the first half 2023 was a net loss of DKK 12.8 million compared to a total comprehensive profit of DKK 62.5 million for the same period in 2022.
- As of June 30 2023, Orphazyme held cash totaling DKK 30.3 million compared to DKK 42.5 million as of December 31, 2022.

**Update about the business:**

- In May 2023, Michael Hove was elected Chairman of the Board of Directors and Jakob Have and Jakob Bendtsen were elected to the Board of Directors replacing the former board.
- In May 2023, it was announced that the board of directors and CEO/CFO Anders Fink Vadsholt had entered into a severance agreement pursuant to which Mr. Vadsholt will step down as CEO/CFO of the Company. Regardless, Mr. Vadsholt has remained available for the Company until his replacement is found, but in no event longer than until 30 September 2023.
- In May 2023, Orphazyme agreed with the plaintiffs on the US Security class action case to settle the case by Orphazyme paying a settlement amount. A written settlement document has been filed by the parties to the Court awaiting its approval. When approved there will be a general 100-day objection period, where the consortia behind the class action can object to the settlement amount. We currently expect to receive final approval by the Court in early 2024 and will update the market once the preliminary approval order has been issued by the Court. Our issued guidance on operating loss and cash position at the end of the year includes the expense and payment of the final settlement amount.
- The Group is in process to liquidate its subsidiaries in US and Switzerland and expect the liquidation will be finalized in H1 2024. Following these liquidations, the Group will only consist of the Danish parent company.
- The management and the board are still in the process of handing over the final parts of the remaining activities to Zevra and the process is expected to be finalized before end of 2023.
- The Company is still in the process to optimize the current cost/supplier setup in order to prepare the Company for a new biotech activity/investment.
- Initial conversations at high level regarding a new biotech activity is started, but further steps will await the final outcome of the US Security class action case and the solvent liquidation of the US and Swiss subsidiaries. The board will keep the market updated as soon as there are relevant updates in the process.
- The board is investigating its current capital structure to potentially strengthen the equity and liquidity of the Company. A strengthened equity and liquidity may result in engagement in activities and investments related to biopharmaceutical research and development and/or participate in partnerships or co-operate with other businesses or invest in an asset not related to biotech activity.

**Outlook**

The financial outlook for the year is unchanged.

For the full-year 2023 we still expect an operating loss in the range of DKK 30 – 35 million. We still expect to end 2023 with DKK 6 - 10 million in cash. There are inherent risks and uncertainties in our Outlook for 2023 including the limited nature of our business activities, the class action lawsuit in the United States and our future prospects.

In our financial guidance of expected operating loss in the range of DKK 30 – 35 million, the expected settlement amount for the US Security class action case is included in these guidance numbers. Our guidance of expected cash position of DKK 6 – 10 million by the end of the year does also include the expected settlement amount from the US Security class action case.

The settlement and finalization of the US Security Class action case is depending on a lot of factors outside the control of the board, but having this in mind the board is working with a timeline that all matters and processes described above are settled and finalized during early H1 2024 so all efforts in H2 2024 can be concentrated in searching for a new biotech activity.

Forward-looking statements, in particular relating to future activities, operating income and expenses as well as other key financials, are subject to risks and uncertainties. Various factors, many of which lie outside of the Company's control, may cause the realized results to differ materially from the expectations presented in this earnings release.

Copenhagen N, September 12 2023

The Board of Directors

**For additional information, please contact**

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