New phantom share-based incentive program

Copenhagen, June 4, 2018 – Orphazyme A/S, a biopharmaceutical company dedicated to developing treatments for patients living with rare diseases, today announced that the Company introduces a four-year phantom share-based incentive program in June 2018 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 2018-2021, 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 2023 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 2023.

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 7,660 phantom shares in total. The theoretical market value of each phantom share has been estimated at...
DKK 21 calculated on the basis of the Black-Scholes model with a risk-free interest rate of -0.27 % and on the historical volatility of shares in a peer-group. The calculation is based on a market value of the share of DKK 61 per share.

For additional information, please contact

Orphazyme A/S
Anders Vadsholt, CFO +45 28 98 90 55

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, including lysosomal storage diseases. 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.