

REMUNERATION REPORT

2022

Orphazyme A/S

Company registration no.: 32266355

Ole Maaløes Vej 3, DK-2200

Copenhagen N, Denmark

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Introduction

This Remuneration Report (the Report) provides an overview of the total remuneration received by each member of the Board of Directors (BoD) and of the Executive Management (ExM) of Orphazyme A/S (the Company), CVR no. 32266355, for the financial year ended December 31, 2022 with comparative figures for past financial years where relevant.

This Report has been prepared in accordance with section 139b of the Danish Companies Act.

The information included in this Report has been derived from the audited annual reports of the Company available on the Company's website.

All amounts are presented in DKK unless otherwise stated.

1. The Overall Remuneration Objective

The overall objective of the Company's Remuneration Policy is to align and balance the interests of the Company's Board of Directors, the Executive Management, the Company itself and its shareholders, and to attract, motivate and retain qualified members of the Board of Directors and the Executive Management in order to support the achievement of strategic short-term and long-term goals of the Company as well as to promote value creation for the benefit of the shareholders.

The Board of Directors believes that the composition of remuneration supports both the short-term and long-term goals and sustainability of the Company as well as the interests of the shareholders by ensuring that a part of the remuneration is variable and linked to strategic targets and the development of the Company's share price.

The Remuneration Policy aims to find the appropriate balance between fixed and variable incentive-based remuneration and to reward Executive Management for both company and individual performance.

The remuneration of the Board of Directors and Executive Management during the past financial year is in compliance with the Remuneration Policy of the Company adopted by the annual general meeting on March 25, 2021.

The Remuneration Policy can be found at: <https://orphazyme.gcs-web.com/corporate-governance/governance-documents>.

2. Remuneration Structure

The current remuneration package for the Board of Directors and Executive Management is listed below.

REMUNERATION	BOD	EXM	MAXIMUM ALLOWABLE ACCORDING TO CURRENT REMUNERATION POLICY
Fixed base salary		●	Members of ExM shall receive an annual base salary
Pension contributions		●	Members of ExM may be entitled to pension contributions of up to 20% of the annual base salary
Short-Term Incentive Plan - cash bonus		●	Up to 100% of the annual fixed salary against defined objectives and targets up until and including 2021.
Long-Term Incentive Plan		●	Up to 200% of the annual fixed salary measured at the time of grant
Additional benefits		●	Insurance, computer, telephone, internet access, newspaper subscription, etc., comprising up to 15% of the annual base salary
Severance pay		●	Members of ExM are entitled to receive a severance payment with a value of up to one year's annual fixed salary if the dismissal is not due to circumstances of the Executive
Extraordinary remuneration		●	On a case by case basis, the Board of Directors may grant a member of the Executive Management a one-off cash- or share-based bonus, which may not exceed 100% of the annual fixed salary. The Board of Directors may elect to grant such bonus in the form of sign-on bonus, extraordinary bonus, or as a retention bonus
Fixed board fee	●		Members of the Board of Directors shall receive a fixed annual base fee. The Chairman and Deputy Chairman may receive an additional fee of up to two times the fixed annual base fee
Fee for participation in Board committees	●		Fee for participation in the Audit Committee, Remuneration Committee, Nomination Committee, and Science Committee (discontinued with effect from May 2022). However, at the annual general meeting held on June 29, 2022, it was decided that members of the Board of Directors were not to receive any supplementary fees for their committee work in 2022
Ad hoc task fees	●		If a member of the Board of Directors takes on a specific ad hoc task for the Company outside the scope of ordinary tasks for the Board of Directors, such member may receive a fixed ad hoc fee for the work carried out of up to 100% of the member's annual fee
Short Term Incentive Plan - RSUs	●		Up to 50% of fixed annual base fee including additional base fee to Chairman and Deputy Chairman, but excluding any additional fees for committee participation. New board members are eligible to receive an on-boarding grant in connection with their election to the Board of Directors with a value up to 100% of their fixed annual base fee including additional base fee to Chairman and Deputy Chairman, but excluding any additional fees for committee participation
Travel allowance	●		If members of the Board of Directors have to travel to attend board meetings, such members may receive a fixed travel allowance per physical meeting attended

3. Remuneration of the Board of Directors

The remuneration of the Board of Directors consists of fixed annual fees, a share-based incentive program, and a travel allowance.

3.1 Fixed Annual Fees

Each member of the Board of Directors receives a fixed annual base fee. The Chairman and the Deputy Chairman may receive an additional fee of up to two times the fixed annual base fee for their extended duties.

Members of the Audit Committee, the Remuneration Committee, the Nomination Committee, and the Science Committee may receive a supplementary fee of up to one quarter of the fixed annual base fee, and the chairman of the Audit Committee, the Remuneration Committee, the Nomination Committee, and the Science Committee, respectively, may receive a supplementary fee of up to one half of the fixed annual base fee.

In light of the Company's current situation and developments, the Science Committee was discontinued with effect from May 2022. Further, at the annual general meeting held on June 29, 2022, it was decided that the members of the Board of Directors were not to receive any supplementary fees for their work in the Audit Committee, Remuneration Committee and Nomination Committee carried out in 2022.

Remuneration of the Board of Directors is denominated in EUR. The following fixed annual fees were approved for 2022 by the shareholders at the Annual General Meeting on June 29, 2022, with effect from January 1, 2022:

	Chairman (DKK)	Deputy Chairman (DKK)	Member (base fee) (DKK)
Board of Directors	300,000	N/A	450,000
Audit Committee ¹	N/A	N/A	N/A
Remuneration Committee ¹	N/A	N/A	N/A
Nomination Committee ¹	N/A	N/A	N/A
Science Committee ²	N/A	N/A	N/A

¹ At the annual general meeting on June 29, 2022, it was decided that the members of the Board of Directors were not to receive any supplementary fees for their work in the Audit Committee, Remuneration Committee and Nomination Committee in 2022.

² The Science Committee was discontinued with effect from May 2022

3.2 Share-based Incentive Program

The Board of Directors may be granted share-based incentives in the form of restricted share units, or RSUs. New board members are eligible to receive an on-boarding grant in connection with their election to the Board of Directors.

Each RSU grants the right to the participants to subscribe for or acquire one share in Orphazyme by payment of an exercise price following a vesting period, as described below.

RSU Incentive Program 2022

No RSUs were granted to members of the Board of Directors in 2022.

RSU Incentive Program 2021

In April 2021, an aggregate of 30,450 RSUs (2021 RSUs) were granted to members of the Board of Directors, including a grant of 4,611 RSUs to the Chairman of the Board as part of the consultancy agreement and an on-boarding grant to a new board member in accordance with the Company's Remuneration Policy. The number of RSUs granted was determined by calculating the value of the RSUs and by applying a reference share price calculated on the basis of the volume weighted average share price of Orphazyme's shares as quoted on Nasdaq Copenhagen during the 10 trading days preceding January 1, 2021. The 2021 RSUs vested on the date of the annual general meeting in 2022. However, none of the vested RSUs were subsequently exercised by board members in 2022.

RSU Incentive Program 2020

In March 2020, an aggregate of 15,177 Restricted Share Units (2020 RSUs) were granted to members of the Board of Directors. The value is calculated on the basis of the volume weighted average share price of the Company's shares as quoted on Nasdaq Copenhagen during the ten trading days preceding January 1, 2020. The 2020 RSUs vested on the date of the following annual general meeting, being March 25, 2021.

In September 2020, a new RSU incentive program was announced (2020-2 RSU program), which comprised 22,993 RSUs in total, including an on-boarding grant to a new board member in accordance with the Company's current Remuneration Policy. The number of RSUs granted was determined by calculating the value of the RSUs and applying a reference share price calculated on the basis of the volume weighted average share price of Orphazyme's shares as quoted on Nasdaq Copenhagen during the 10 trading days preceding January 1, 2020.

The 2020-2 RSU program ran in parallel with the 2020 RSU program and board members could only exercise RSUs under one of the programs.

In December 2020, 4,351 RSUs were granted to the Chairman of the Board as part of a consultancy agreement (2020-3 RSU program) for providing support to Orphazyme during the interim period until a new CEO was hired, following the resignation of Kim Stratton, the former CEO, in December 2020.

In March 2021, the 2020 and 2020-2 RSUs granted to the Board of Directors fully vested but since no board members exercised their 2020 or 2020-2 RSUs, the RSUs expired in March 2022.

Directors's holding of shares

	Number of shares owned Dec 31, 2022	Number of shares owned Dec 31, 2021	Number of unvested RSUs Dec 31, 2022	Number of unvested RSUs Dec 31, 2021
Current members of the Board of Directors				
Bo Jesper Hansen	143,234	143,234	2,849	2,849
John Sommer Schmidt	-	-	-	-
Anders Vadsholt	159,517	-	-	-
Former members of the Board of Directors				
Georges Gemayel ¹	-	100,809	9,222	9,222
Martin Bonde ²	-	47,936	-	2,042
Carrolee Barlow ²	-	-	-	2,042
Stephanie Okey ²	-	-	-	6,127
Andrew Mercieca ¹	-	-	-	-
	302,751	291,979	12,071	22,282

¹ Resigned effective as of June 29, 2022

² Resigned effective as of May 23, 2022

3.3 Travel Allowance and similar expenses

Members of the Board of Directors may receive a fixed travel allowance, as determined by the Board of Directors, per physical board meeting attended. For 2022, the travel allowance per physical meeting was EUR 1,500 for travels from the USA and EUR 2,000 for travels within Europe. In addition, board members are reimbursed for travel expenses such as transportation and accommodations. Travel allowances may not exceed a total annual value of 25% of the fixed annual base fee. Furthermore, the Company may cover or reimburse social security duties and similar taxes imposed by public authorities in relation to board fees.

3.4 Extraordinary Remuneration

If a member of the Board of Directors takes on a specific ad hoc task for the Company outside the scope of ordinary tasks for the Board of Directors, such member may receive a fixed ad hoc fee for the work carried out. Any ad hoc tasks are subject to the prior or subsequent approval of the Board of Directors. An ad hoc fee may not exceed 100% of the annual fee. For the year ended December 31, 2022, no member of the Board of Directors received such ad hoc fee.

3.5 Composition of the Board of Directors

All current members of the Board of Directors were elected or re-elected at the Annual General Meeting on June 29, 2022.

As of the date of this Report, the Company's Board of Directors is comprised of three members elected at the general meeting, and consists of the Chairman, the Deputy Chairman, and one board member. The following table presents an overview of the current composition of the Board of Directors:

Orphazyme's Board of Directors

Name	Position	Independent	Year of first appointment	Expiration of term
Bo Jesper Hansen	Chairman	Non-independent	2010	2023
John Sommer Schmidt	Deputy Chairman	Independent	2022	2023
Anders Vadsholt	Member	Non-independent	2022	2023

Orphazyme Board of Directors - Board Committee Composition

	Audit Committee	Remuneration Committee	Nomination Committee
Bo Jesper Hansen			
John Sommer Schmidt			
Anders Vadsholt			

 = Chairperson  = Member

3.6 Total Remuneration of the Board of Directors

The following table shows the remuneration to the Board of Directors per individual board member and per remuneration component for 2022:

	Board fee	Committee fee	Share based compensation	Ad hoc board fees	Travel allowance	Total remuneration	Proportion of fixed/variable remuneration
(DKK'000)							
Current members							
Bo Jesper Hansen	606	-	-50	-	33	589	100 % / 0 %
John Sommer Schmidt	231	-	-	-	-	231	100 % / 0 %
Anders Vadsholt	231	-	-	-	-	231	100 % / 0 %
Former members							
						0	
Georges Gemayel	370	-	-161	-	-	209	100 % / 0 %
Andrew Mercieca	198	13	-	-	-	211	100 % / 0 %
Sten Verland		-	-	-	-	0	
Martijn Kleijwegt		-	-	-	-	0	
Rémi Droller		-	-	-	-	0	
Anders Hedegaard		-	-	-	-	0	
Martin Bonde	176	-	-24	-	-	152	100 % / 0 %
Carrolee Barlow	176	-	-24	-	-	152	100 % / 0 %
Stephanie Okey	176	-	-72	-	-	104	100 % / 0 %
Catherine Moukheibir		-				0	
Total	2,164	13	-331	0	33	1,880	

The following table shows the total remuneration to the Board of Directors per individual board member for the years ended December 31, 2022, 2021, 2020 and 201

(DKK'000)	Total remuneration				Proportion of fixed/variable remuneration			
	2022	2021	2020	2019	2022	2021	2020	2019
Current members								
Bo Jesper Hansen	606	612	669	462	100 % / 0 %	73 % / 27 %	63 % / 37 %	85 % / 15 %
John Sommer Schmidt	231				100 % / 0 %			
Anders Vadsholt	231				100 % / 0 %			
Former members	0							
Georges Gemayel	264	2,165	939	562	100 % / 0 %	30 % / 70 %	60 % / 40 %	84 % / 16 %
Andrew Mercieca	211	24	-	-	100 % / 0 %	100 % / 0 %	-	-
Sten Verland	0	106	401	325		76 % / 24%	82% / 18 %	95 % / 5 %
Martijn Kleijwegt	0	186	411	347		87 % / 13 %	74% / 26 %	82 % / 18 %
Rémi Droller	0	-1,007	386	332		82 % / 18 %	75 % / 25 %	81 % / 19 %
Anders Hedegaard	0	178	375	332		87 % / 14 %	77 % / 23 %	81 % / 19 %
Martin Bonde	152	366	349	275	100 % / 0 %	87 % / 13 %	79% / 21 %	94 % / 6 %
Carrolee Barlow	152	400	222	-	100 % / 0 %	80 % / 20 %	35% / 65 %	-
Stephanie Okey	104	426	-	-	100 % / 0 %	58 % / 42 %	-	-
Catherine Moukheibir	0	378	563	398		93 % / 7 %	63 % / 37 %	84 % / 16 %
Total	1,951	3,834	4,315	3,033				

4. Remuneration of the Executive Management

Executive Management consists of Anders Vadsholt, who is the Company's Chief Executive Officer and Chief Financial Officer. Up until February 28, 2022, Christophe Bourdon was the Chief Executive Officer, which is reflected in the schedule below.

The remuneration to the Executive Management aims to attract, motivate, and retain competent members of the Executive Management. The remuneration composition seeks to align the interests of the members of the Executive Management with those of the Company's shareholders by linking a part of the remuneration to the development in the Company's share price and corporate performance. Further seeking to align the long-term development and sustainability of the Company with the interests of the Executive Management, each member of Executive Management is required to build and maintain a shareholding in the Company.

The remuneration to the Executive Management consists of both fixed remuneration, including fixed salaries, pension contributions and benefits, and variable remuneration including short-term and long-term incentives, as determined by the Board of Directors.

4.1 Fixed base salary and pension contributions

Members of the Executive Management receive an annual base salary that was determined based on a benchmark exercise for similar European and U.S.-based biotech and biopharmaceutical companies of comparable size and development stage. In addition, members of the Executive Management may be entitled to pension contributions of up to 20% of the annual base salary.

4.2 Short-term cash incentive program

The Executive Management was up until an including 2021 eligible to receive an annual performance-based cash bonus subject to certain predefined corporate and individual goals as determined by the Board of Directors on an annual basis. As the Executive Management is no longer eligible to receive such bonus, no bonus was paid out in 2022.

4.3 Share-based incentive programs

Incentive Program 2019

In July 2019, the Company initiated a 2019 long-term incentive program (2019 LTIP) for the Executive Management and certain Key Employees that were offered to subscribe for Offer Shares ("Investment Shares") at the Offer Price for a maximum amount corresponding to approximately 15% (CMO) and 20% (former CEO, CFO, and CSO) of their respective current annual base salaries.

The participants in the 2019 LTIP may be allocated a number of shares in Orphazyme ("Performance Shares") at a price per Performance Share of DKK 1 at the end of a vesting period of four years from the grant of Performance Shares. The entitlement to receive Performance Shares is subject to the satisfaction of an increase of the quoted price of the Company's shares on Nasdaq Copenhagen of no less than 20% at the expiry of the Performance Shares Holding Period compared to the quoted price of the Company's shares on Nasdaq Copenhagen at the date of the grant. Maximum allocation of Performance Shares will be triggered by an increase of 80% in the quoted price of the Company's shares on Nasdaq Copenhagen at the expiry of the Performance Shares Holding Period. Among other things, vesting is also subject to the participants having maintained ownership of their Investment Shares and continued employment. Based on the number of

Investment Shares subscribed for, a total maximum of Performance Shares may be issued to the Executive Management at the end of the vesting period.

In July 2020, 6,250 Matching Shares fully vested for the Executive Management and were issued against a nominal payment of DKK 1 per share. The maximum number of Performance Shares that can vest for the Executive Management in July 2023 as part of the 2019 LTIP is 25,000.

Incentive Program 2020

In December 2020, the Company initiated a 2020 long-term incentive program (2020 LTIP) for the Executive Management and certain Key Employees with similar terms and conditions as the 2019 LTIP. In addition, Executive Management was granted an extraordinary bonus following the US listing, whereby the former CEO was granted 8,192 Matching Shares and the CFO was granted 5,399 Matching Shares, and Performance Shares with a multiplier of 6 and 4, respectively. As a result, an aggregate of 52,865 Matching Shares were granted to the Executive Management under the 2020 LTIP. In January 2021, the Matching Shares fully vested for the Executive Management and were issued against a nominal payment of DKK 1 per share. The maximum number of Performance Shares that can vest for the Executive Management in January 2024 as part of the 2020 LTIP is 123,200.

Incentive Program 2021

In April 2021, the Company initiated a 2021 long-term incentive program (2021 LTIP) for the Executive Management and certain key employees comprising Restricted Share Units (“RSUs”) and Performance Share Units (“PSUs”) which entitle the participants, subject to vesting occurring, to be allocated a number of shares in the Company, equivalent to the number of vested RSUs and/or PSUs, against payment of the par value of each share. The RSUs have a total vesting period of three years calculated from January 1 or July 1 in the grant year and with one third of the granted RSUs vesting on each January 1 or July 1 in the following three financial years. Vesting of RSUs is not conditional upon achieving any financial or non-financial targets. However, vesting is conditional upon the participant remaining employed with a group member throughout the total vesting period for RSUs or the participant becoming a good leaver, and the participant having complied in all respects with the general terms and conditions as determined by the Board of Directors.

The PSUs have a total vesting period of three years calculated from January 1 or July 1 in the grant year and with the granted PSUs vesting, in whole or in part, on January 1 or July 1 in the third year following the date of the grant. Vesting of PSUs is conditional upon the participant remaining employed with a group member throughout the vesting period for PSUs or the participant becoming a good leaver, and the participant having complied in all respects with the general terms and conditions as determined by the Board of Directors. Vesting of the PSUs is also conditional upon an increase in the quoted share price of the Company’s shares of no less than 60% during the vesting period based on the volume-weighted average share price as quoted on Nasdaq Copenhagen during the 10 trading days preceding 1 January in the grant year compared to the volume-weighted average share price as quoted on Nasdaq Copenhagen during the 10 trading days preceding 1 January in the vesting year. Further, during the 3 months preceding 1 January in the calendar year in which the PSUs are vesting, the share price must remain stable, reflecting an increase in the volume weighted average share price of the Company’s shares as quoted on Nasdaq Copenhagen of no less than 60%.

Any vested RSUs and PSUs under the 2021 LTIP can be exercised within four months after the expiration of the total vesting period for RSUs and PSUs, respectively. However, the RSU and PSU delivery period may be extended to the next open trading window in certain circumstances.

In October 2021, the Company initiated a modified 2021 LTIP, which comprised RSUs and PSUs. The terms of the modified 2021 LTIP are the same as the LTIP that was initiated in April 2021, however, the number of RSUs and PSUs and the applicable performance target for the PSUs was reset and calculated based on a share

price equal to the volume weighted average share price of the Company's shares as quoted on Nasdaq Copenhagen during the 10 trading days from September 1, 2021.

The exercise of the RSUs and PSUs granted under the modified 2021 LTIP is conditional upon the participant not exercising the RSUs and PSUs granted in April 2021, which will subsequently lapse and no longer be exercisable.

Incentive Program 2022

The Company has not initiated any long-term incentive program in 2022. For the year ended December 31, 2022, DKK 1.9 million (2021: DKK 17.1 million) was recognized as compensation expense related to the LTIP awards. Of the total expense, DKK 0.3 million (2021: DKK 6.8 million) is attributed to the Executive Management.

LTIP Programs of Executive Management

Name and position	Program/Tranche	Performance Period	Grant Date	Vesting date	Value of award at Grant Date	Max no. of shares	Value at time of vesting
Anders Fink Vadsholt, Chief Executive Officer and Chief Financial Officer	2019 LTIP/Matching Shares	Jul 2019 - Jul 2020	Jul 2019	Jul 2020	384,950	6,250	590,000
	2019 LTIP/Performance Shares	Jul 2019 - Jul 223	Jul 2019	Jul 2023	857,844	25,000	-
	2020 LTIP/Performance share	Jan 2020 - Dec 2023	Aug 2020	Jan 2024	3,507,767	70,244	-
	2021/Performance Share Units	Oct 2021 – Dec 2023	Oct 2021	Jan 2024	513,855	40,912	-
Christophe Bourdon, former Chief Executive Officer (until February 28, 2022)*	2021/Restricted Share Units	Oct 2021 – Dec 2023	Oct 2021	Jan 2024	3,962,140	160,340	1,809,571
	2021/Performance Share Units	Oct 2021 – Dec 2023	Oct 2021	Jan 2024	1,093,670	87,078	-
Kim Stratton, former Chief Executive Officer	2020/PerformanceShares	Jan 2020 - Dec 2023	Aug 2020	Jan 2024	10,9073,67	211,824**	-
	2020 LTIP/Matching Shares	Jan 2020 - Dec 2020	Aug 2020	Jan 2021	3,003,943	35,304	2,344,186
	2020/PerformanceShares	Jan 2020 - Dec 2023	Aug 2020	Jan 2024	10,9073,67	211,824***	-

*Any vested and unvested RSUs and PSUs will lapse as of April 1, 2022

** Value at time of issuance, March 2019

*** Reduced to 52,956 following Ms. Stratton's resignation

4.4 Shareholding requirements

The Executive Management are at all times required to hold a minimum amount of Orphazyme shares with a value equal to 100% of their respective annual fixed salaries at the time of acquisition of the shares. The required shareholding may be built up over a specified period.

Executive Management's holding of shares

	Number of shares owned 2022	Number of shares owned 2021
Anders Vadsholt (CEO and CFO)	159,517	160,717
Christophe Bourdon (former CEO)	-	-

4.5 Extraordinary incentives

In 2022, Anders Vadsholt received three extraordinary retention bonuses of DKK 596,000, DKK 1,072,021 and DKK 1,200,000, respectively.

Further, Anders Vadsholt received a one-time sign-on bonus of gross DKK 1,266,000 for taking up the dual responsibility as both CEO and CFO of the Company.

4.6 Termination and severance payment

In the event Orphazyme terminates the service agreement with the Chief Executive Officer without cause, the Chief Executive Officer will be entitled to receive severance payments with a value of up to one year's annual fixed salary.

4.7 Total Remuneration of the Executive Management

The following table presents remuneration to the Executive Management on an individual level and for each remuneration component for 2022:

	Fixed salary	Other benefits	Cash bonus	Sign-on bonus	Share-based compensation	Total remuneration	Proportion of fixed/variable remuneration
(DKK'000)							
Current members of the Executive Management							
Anders Vadsholt (CEO ¹ and CFO)	2,908	294	2,868	1,266	1,657	8,993	32 % / 68 %
Former members of the Executive Management							
Christophe Bourdon (former CEO) ²	650	209	-	-	231	1,067	61 % / 39 %
Total	3,558	503	2,868	1,266	1,888	10,060	

¹ CEO since 1 March 2022

² CEO from 1 April 2021 until 28 February 2022

The following table presents the total remuneration to the Executive Management on an individual level for the years ending 2019, 2020, 2021 and 2022:

(DKK'000)	Total remuneration				Proportion of fixed/variable remuneration			
	2022	2021	2020	2019	2022	2021	2020	2019
Current member of Executive Management								
Anders Vadsholt (CEO ¹ and CFO)	8,993	5,644	8,603	3,719	32 % / 68 %	42 % / 58 %	27% / 73 %	48 % / 52 %
Former members of Executive Management								
Christophe Bourdon (former CEO) ²	1,067	8,584	-	-	61 % / 39 %	34 % / 66 %	-	-
Kim Stratton (former CEO) ³	-	-	24,402	2,202	-	-	45 % / 55 %	44 % / 56 %
Anders Hinsby (former CEO) ⁴	-	-	-	4,026	-	-	-	60 % / 40 %
Total	10,060	14,228	33,005	9,947				

¹ CEO since 1 March 2022

² CEO from 1 April 2021 until 28 February 2022

³ CEO from 1 October 2019 until 10 December 2020

⁴ CEO from 15 March 2010 until 1 October 2019

5. Executive Management Agreements

Christophe Bourdon (CEO until February 28, 2022)

Christophe Bourdon, former CEO, left the Company on February 28, 2022. In the period March 1, to March 31, 2022, Mr. Bourdon assisted the Company and its management as a full time consultant.

In accordance with the Termination Agreement, Mr. Bourdon was entitled to receive remuneration as usual until February 28, 2022 and was not entitled to receive any separate compensation in respect of the consultancy services provided in the period March 1 to March 31, 2022. Restricted Share Units and Performance Share Units as well as sign-on Restricted Share Units which were not exercised before February 28, 2022, lapsed without further notice or compensation.

Mr. Bourdon's non-competition clause remained in force until and including November 30, 2022. The non-solicitation clause remained in force until and including February 28, 2023. Mr. Bourdon was not entitled to any compensation in this respect.

Anders Vadsholt (CFO) (CEO from March 1, 2022)

The Company entered into a service agreement with Anders Vadsholt with regard to the appointment as CFO in October 2017 with an effective date of November 1, 2017, which was later amended to adjust for, among other things, annual salary increases. Further, we entered into an addendum to the service agreement regarding the appointment as CEO effective from March 1, 2022. As of March 1, 2022, Mr. Vadsholt has been acting as CEO and CFO of the Company.

Pursuant to the service agreement, as amended, Mr. Vadsholt was entitled to an annual base salary of approximately DKK 2.3 million, and as of March 1, 2022, Mr. Vadsholt is entitled to receive an annual base salary of DKK 3 million for the dual responsibility as both CEO and CFO of the Company. Further, Mr. Vadsholt is entitled to participate in the Company's incentive programs and standard benefits (such as a mileage allowance, insurance coverage and a company-paid computer).

In accordance with the addendum to the service agreement, Mr. Vadsholt received a one-time sign-on bonus of gross DKK 1,266,000 for taking up the dual responsibility as both CEO and CFO of the Company.

Mr. Vadsholt may terminate his employment with the Company by giving six months' notice and the Company can terminate his employment by giving 12 months' notice.

The service agreement with Mr. Vadsholt provides for the payment of a takeover bonus equaling 12 months' base salary if Mr. Vadsholt is still employed by the Company and not under notice on the date of completion of a takeover. Mr. Vadsholt will still be entitled to this bonus if he is under notice on the date of completion of a takeover if we terminate his employment without a reasonably justifiable cause or if he gives the notice due to a gross breach by the Company. In case of a takeover, the service agreement provides for accelerated vesting of any granted Restricted Share Units and, subject to achievement of the relevant performance target, accelerated vesting of any granted Performance Share Units.

The service agreement with Mr. Vadsholt also provides for the payment of post-employment compensation to his dependents in the event of his death.

Mr. Vadsholt is subject to a non-competition clause and a non-solicitation of customers clause applicable during his employment and for a period of 12 months following expiry of his employment. Mr. Vadsholt is entitled to separate compensation under his non-competition and non-solicitation clauses. Pursuant to mandatory Danish

law, Mr. Vadsholt's non-competition clause lapses if his employment is terminated by the Company for a reason that is not attributable to him.

Kim Stratton (former CEO)

Ms. Stratton resigned from her position as CEO in December 2020 and has not received any salary in 2022. However, Ms. Stratton received 35,304 Matching Shares as part of the 2020 LTIP program and in January 2024 is eligible to receive a maximum of 52,956 Performance Shares, provided that Orphazyme's share price increases between 20-80% per the terms and conditions of the LTIP program.

6. Long-term Incentive

The Orphazyme A/S long-term incentive program, or LTIP, was initially established in connection with the Company's admission to trading and official listing on Nasdaq Copenhagen as a matching share and performance share program under which the Executive Management and certain other key employees may be offered to acquire or subscribe for the Company's shares, or the Investment Shares. The Board of Directors may decide to offer other of the Company's current or new employees to participate in the LTIP.

Under the LTIP, the participants may be allocated a number of the Company's shares, or the Performance Shares, at a price per Performance Share equal to the par value of the Company's shares at the end of a vesting period covering at least three financial years. The number of Performance Shares shall be proportional to the potential increase in share price at the time of vesting compared to a reference date to be determined by the Board of Directors. The potential increase in share price will be calculated as the volume weighted average share price as quoted on Nasdaq Copenhagen during the 10 trading days preceding the relevant vesting date and a reference date to be determined by the Board of Directors. Performance Shares will be allocated on a linear scale with maximum allocation triggered by an 80% increase in share price at the time of vesting, whereas no Performance Shares will be allocated, if the share price has increased 20% or less at the time of vesting.

Additionally, vesting is inter alia subject to the participants having maintained ownership of their Investment Shares (as outlined in individual grant letters) and continued employment at the time of vesting. The maximum allocation of Performance Shares will be up to six times the number of Investment Shares subscribed for or held by the participants. The value of Performance Shares shall be calculated using a recognized valuation model as determined by the Board of Directors. The value shall not exceed 100% of the member of the Executive Management's annual fixed salary at the time of grant.

In order to also promote a short-term share-based incentive for the participants to retain their employment with the company, they may be allocated a number of company shares, or Matching Shares, at a price per Matching Share of DKK 1 with a vesting period shorter than two years to be determined by the Board of Directors. The number of Matching Shares shall at least be equal to the number of Investment Shares subscribed for or held at the time of grant as determined by the Board of Directors and vesting will be subject to the participants having maintained ownership of their Investment Shares and continued employment at the time of vesting. The value of Matching Shares shall be calculated using a recognized valuation model as determined by the Board of Directors. The value may not exceed 50% of the Executive Management's annual fixed salary at the time of grant.

The Matching Shares and Performance Shares may vest on an accelerated basis in connection with a public takeover bid for the Company's shares (subject to the vesting conditions of the LTIP being satisfied at such time).

Furthermore, the Board of Directors may in its sole discretion decide to accelerate vesting under other special circumstances, e.g. in connection with a merger, demerger or delisting. The number of Matching Shares and Performance Shares may be adjusted in connection with certain changes to the Company's capital structure

which may have unintended effects on the value of the Matching Shares or Performance Shares, e.g. capital increases below market value (subject to certain exceptions, including capital increases made in connection with share-based incentive programs).

The Company is under special circumstances entitled to reduce or reclaim, in full or in part, incentives granted or vested under a share-based incentive program if the conditions for vesting are based on fraud, willful misconduct, gross negligence, incorrect or misleading information, or that the conditions have otherwise not been fulfilled.

The Company's obligation to deliver Matching Shares and Performance Shares under the LTIP may be covered by a variety of means, including shares held in treasury by us accumulated through share buy-backs or directed issues of shares and/or bonus shares.

In April 2021, the Company established a new LTIP comprising Restricted Share Units ("RSUs") and Performance Share Units ("PSUs") which entitle the participants, subject to vesting occurring, to be allocated a number of shares in the Company, equivalent to the number of vested RSUs and/or PSUs, against payment of the par value of each share.

The RSUs have a total vesting period of three years calculated from January 1 or July 1 in the grant year and with one third of the granted RSUs vesting on each January 1 or July 1 in the following three financial years. Vesting of RSUs is not conditional upon achieving any financial or non-financial targets. However, vesting is conditional upon the participant remaining employed with a group member throughout the total vesting period for RSUs or the participant becoming a good leaver, and the participant having complied in all respects with the general terms and conditions as determined by the Board of Directors.

The PSUs have a total vesting period of three years calculated from January 1 or July 1 in the grant year and with the granted PSUs vesting, in whole or in part, on January 1 or July 1 in the third year following the date of the grant. Vesting of PSUs is conditional upon the participant remaining employed with a group member throughout the vesting period for PSUs or the participant becoming a good leaver, and the participant having complied in all respects with the general terms and conditions as determined by the Board of Directors.

Vesting of the PSUs is also conditional upon an increase in the quoted share price of the Company's shares of no less than 60% during the vesting period based on the volume-weighted average share price as quoted on Nasdaq Copenhagen during the 10 trading days preceding 1 January in the grant year compared to the volume-weighted average share price as quoted on Nasdaq Copenhagen during the 10 trading days preceding 1 January in the vesting year. Further, during the 3 months preceding 1 January in the calendar year in which the PSUs are vesting, the share price must remain stable, reflecting an increase in the volume weighted average share price of the Company's shares as quoted on Nasdaq Copenhagen of no less than 60%.

Any vested RSUs and PSUs under the 2021 LTIP can be exercised within four months after the expiration of the total vesting period for RSUs and PSUs, respectively. However, the RSU and PSU delivery period may be extended to the next open trading window in certain circumstances.

In October 2021, the Company initiated a modified 2021 LTIP, which comprised RSUs and PSUs. The terms of the modified 2021 LTIP are the same as the LTIP that was introduced in April 2021, however, the number of RSUs and PSUs and the applicable performance target for the PSUs was reset and calculated based on a share price equal to the volume weighted average share price of the Company's shares as quoted on Nasdaq Copenhagen during the 10 trading days from September 1, 2021.

The exercise of the RSUs and PSUs granted under the modified 2021 LTIP is conditional upon the participant not exercising the RSUs and PSUs granted in April 2021, which will subsequently lapse and no longer be exercisable.

The Company did not initiate a LTIP in 2022.

7. Comparative Overview

The development of the financial performance of the Company and the average remuneration of the Company's employees over the past four financial years is summarized in the table below.

Comparison of remuneration and Company performance over the past financial years				
	2022	2021	2020	2019
Financial Performance				
Net result	25 million DKK	(627) million DKK	(633) million DKK	(337) million DKK
Average remuneration of Company employees (FTE)				
Company Employees	2.2 million DKK	1.7 million DKK	1.9 million DKK	1.2 million DKK

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