

Orphazyme A/S

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CVR No.: 32266355

Interim Report First Half 2024

Orphazyme A/S (the "Company"), today announces its Interim Report First Half 2024 for the period January 1 – June 30, 2024.

Financial highlights First Half 2024

Operating expenses for the six months ended June 30, 2024 totaled DKK 1.5 million compared to DKK 12.8 million for the same period in 2023.

In June 2024, the Company finalized a dispute with Zevra resulting in a settlement payment to the Company of DKK 3.4 million leaving the relationship fully settled with Zevra. The settlement is reported as other income.

The strategic partnership with CombiGene AB has contributed with a net loss of DKK 0.2 million in the first six months of 2024 and financial items has contributed with an income of DKK 0.2 million.

The total comprehensive profit/loss for the first half 2024 was hereafter a net profit of DKK 1.7 million compared to a total comprehensive loss of DKK 12.8 million for the same period in 2023.

As of June 30, 2024, Orphazyme held cash totaling DKK 14.0 million compared to DKK 11.3 million as of December 31, 2023.

The Company is in the final process to liquidate its subsidiaries in US and Switzerland and expect that the liquidation will be finalized in 2024. Following these liquidations, the Company will only consist of the Danish parent company.

Management's review and Business update

The first half of 2024 was focusing on finalizing the US court case, the relationship with Zevra as well as pursuing partnerships and investments in biotech companies.

The Company works actively with the Company's first partnership in the listed Swedish company CombiGene AB and the company is still in the process of finding further suitable companies to enter strategic partnerships with.

The Company announced on 10 January 2024 (Company Announcement 2/2024) that throughout 2023 it had held a number of meetings with various companies with a view to establish strategic partnerships in other biotech companies, where the company could become strategic co-owners and use its skills.

In continuation of this, the Company announced in February 2024 (Company Announcement 4/2024) that it had entered into its first strategic partnership, when it acquired 10% of the listed Swedish company CombiGene AB (www.combigene.se), which works with research in gene therapy with two concrete products in the pipeline.

In continuation of the strategy, it is still the Company's wish to continue investing and adding competences in new partnerships in order to create added value for the Company's investors, as well as to attract additional capital to the company via capital raisings or the purchase of companies/assets via the issue of new shares in order to gain a greater critical mass.

Based on the meetings that have been held with investors and companies over the past 12 months, the board has concluded that a broader strategy/purpose would benefit the Company's opportunities to use its capital and skills to create value-generating activities.

The Company has therefore concluded that it will be possible to add greater value for the Company's shareholders by expanding the Company's purpose clause in order to attract a wider field of both investors/capital as well as companies with which strategic partnerships can be entered into.

As announced in June 2024 (Company Announcement 13/2024), the Company has thus notified Nasdaq that the Company currently is exploring the possibility of expanding its existing purpose clause to include other industries and asset classes and Nasdaq is currently reviewing this change in identity.

The Company will inform the market as soon as the process with Nasdaq is completed - and in extension of this it is expected that it will call for an extraordinary general meeting to be convened, where the proposal for a broader purpose clause will be proposed. An adoption of the intended change in purpose will consequently mean that the Company will continue to be able to enter into strategic partnerships with biotech companies as it is now, but in addition also be able to raise capital, invest, finance and/or enter into partnerships with industrial, commercial, property or asset management companies.

Risk and uncertainties

For information on risks and uncertainties relating to Orphazyme's business please refer to our Statutory Annual Report 2023. Additional risks and uncertainties, including risks that are not known to the Company at present or that its management currently deems immaterial or non-specific to the Company, may also arise or become material or specific to the Company in the future, which could, if such risks were to materialize, have a material and adverse effect on the Company's business, financial condition, and/or results of operations.

Subsequent Events

Management is not aware of any events subsequent to 30 June 2024 which could be expected to have a significant impact on the group's financial position.

Outlook

The initial financial outlook for the year was an operating loss in the range DKK -3 to -4 million. An upward adjustment was announced in June 2024 (see company announcement 12/2024). For the full-year 2024 we expect an operating result in the range of DKK -1 to +1 million.

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.

Condensed Key Figures

DKK (000)	As of and for the six- months ended Jun 30, 2024	As of and for the six-months ended Jun 30, 2023	As of and for the year ended Dec 31, 2023
Statement of profit or loss			
General and administrative expenses	(1,492)	(12,834)	(27,041)
Other income and expenses	3,186	-	-
Operating profit/(loss)	1,694	(12,834)	(27,041)
Net financial items	154	50	993
Total comprehensive income (loss)	1,848	(12,784)	25,165
Profit / (loss) per share, basic (DKK)	52	(360)	(738)
Profit / (loss) per share, diluted (DKK)	52	(360)	(733)
Statement of financial position			
Cash	13,973	30,340	11,269
Securities	3,781	-	6,944
Other current assets	97	5,841	1,099
Total assets	17,850	36,181	19,312
Share capital	5,297	35,312	12,283
Total equity	16,089	28,883	14,242
Current liabilities	1,761	7,298	5,070
Cash flow statement			
Net cash from operating activities	(289)	(12,124)	(20,021)
Net cash from investing activities	2,993	-	(6,944)
Net cash from financing activities	-	-	(685)
Other			
Share price (DKK)	968	1,670	1,330
Total outstanding shares	35,312	35,312	35,312
Market capitalization (DKK million)	34.2	59.0	47.0
Equity ratio	85%	80%	74%
Equity per share (DKK)	427	818	403

Statement of Profit or Loss and Other Comprehensive Income

	Six months ended Jun 30, 2024 DKK (000)	Six months ended Jun 30, 2023 DKK (000)	Twelve months ended Dec 31, 2023 DKK (000)
General and administrative expenses	(1,492)	(12,834)	(27,041)
Other income and expenses	3,186	-	-
Operating result	1,694	(12,834)	(27,041)
Financial income	154	50	993
Total comprehensive income (loss)	1,848	(12,784)	(26,048)
Profit/(loss) per share, basic	52	(360)	(738)
Profit/(loss) per share, diluted	52	(360)	(733)

Statement of Financial position

	Jun 30, 2024	Jun 30, 2023	Dec 31, 2023
	DKK (000)	DKK (000)	DKK (000)
ASSETS			
Current assets			
Corporation tax receivable	-	5,500	-
Prepayments and other receivables	96	341	1,099
Securities	3,781	-	6,944
Cash	13,973	30,340	11,269
Total current assets	17,850	36,181	19,312
TOTAL ASSETS	17,850	36,181	19,312
EQUITY & LIABILITIES			
Equity			
Share capital	5,297	35,312	12,283
Share premium	-	2,087,436	-
Other reserves	6,987	(493)	-
Accumulated deficit	3,806	(2,093,372)	1,959
Total equity	16,089	28,883	14,242
Current liabilities			
Trade payable and accruals	1,761	1,788	5,070
Other liabilities	-	5,510	-
Total current liabilities	1,761	7,298	5,070
TOTAL EQUITY AND LIABILITIES	17,850	36,181	19,312

Statement of Changes in Shareholders' Equity

DKK (000)	Share capital	Share premium	Foreign currency translation	Other reserves	Accumulated deficit	Total
Balance as of December 31, 2022	35,312	2,087,436	(493)	2,487	(2,080,588)	41,667
Net loss for the period	-	-	-	-	(12,784)	(12,784)
Balance as of June 30, 2023	35,312	2,087,436	(493)	2,487	(2,093,372)	28,883
Balance as of December 31, 2023	12,283	-	-	-	1,959	14,242
Capital reduction	(6,986)	-	-	6,986	-	-
Net profit for the period	-	-	-	-	1,847	1,847
Balance as of June 30, 2024	5,297	-	-	6,986	3,806	16,089

Cash Flow Statement

	Six months ended Jun 30, 2024 DKK (000)	Six months ended Jun 30, 2023 DKK (000)
Operating activities		
Operating profit / (loss)	1,694	(12,834)
Investment loss	170	-
Change in receivables	1,002	8,078
Change in accruals and other liabilities	(3,309)	(8,972)
Interest received / (paid), net	154	50
Tax refund	-	1,554
Cash flow from operating activities	(289)	(12,124)
Investing activities		
Purchase of securities	(2,963)	-
Sale of securities	5,956	-
Cash flow from investment activities	2,993	-
Changes in cash and cash equivalents	2,704	(12,124)
Cash balance at beginning of period	11,269	42,464
Cash balance at end of period	13,973	30,340

Notes to the Interim Financial Statement

NOTE 1 – CORPORATE INFORMATION

Orphazyme is headquartered in Copenhagen, Denmark and is publicly traded on Nasdaq Copenhagen.

The Company is in the process of the final liquidation of the subsidiaries in US and Switzerland.

There were no material related party transactions during the first half of 2024 other than remuneration to the Executive Management and the Board of Directors.

Basis of preparation

The interim condensed financial statements for the six months ended June 30, 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and as adopted by the EU, and additional Danish disclosure requirements for interim reports of companies listed on the Nasdaq Copenhagen.

The interim condensed financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Company's latest annual financial statements as of December 31, 2023. These interim condensed financial statements have been prepared in accordance with the going concern assumption.

Updates to the Group's accounting policies

The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of Orphazyme's annual financial statements for the year ended December 31, 2023.

The interim financial report has not been reviewed or audited by the Company's independent auditors.

Significant accounting estimates and judgements

The significant accounting estimates and judgements disclosed in note 1.4 of the financial statements for the year ended December 31, 2023 are still applicable.

NOTE 2 – INVESTMENT IN PARTNERSHIPS

The Company has invested DKK 3.9 million in the strategic partnership with the Swedish listed company CombiGene AB. In the first six months of 2024 the Company realized a loss of DKK 0.2 million on the investment which is included in other income and expenses.

NOTE 3 – DEFERRED TAX ASSETS

The Company's tax losses can be carried forward infinitely subject to the general rules on limited deductibility due to ownership changes.

For the period ended June 30, 2024, the Company has unrecognized net tax loss carry-forwards in the Danish entity in the amount of DKK 2,211 million which is equal to a deferred tax asset of DKK 487 million as of June 30, 2024.

Statement by the Board of Directors and the Executive Management

The Board of Directors and the Executive Management have today reviewed and approved the interim financial report of Orphazyme A/S for the period January 1 - June 30, 2024. The interim financial report has not been reviewed or audited by the Company's independent auditors.

The interim financial report for the period January 1 - June 30, 2024 has been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies used in the interim financial report are consistent with those accounting policies used in Orphazyme's 2023 Annual Report with the additions described and additional Danish disclosure requirements for interim reports of listed companies.

In our opinion, the interim condensed financial statements give a true and fair view of Orphazyme's assets, liabilities, and financial position at June 30, 2024 and of the results of its operations and cash flows for the period January 1 - June 30, 2024.

We furthermore consider that the management's review gives a true and fair view of the development in the Group's activities and financial affairs, the profit for the period and the Group's financial position as a whole, as well as a description of the most significant risks and uncertainties to which the Group is subject.

Copenhagen, August 20th, 2024.

Board of Directors

Michael Hove

Chairman of the Board

Jakob Have

Jakob Færch Bendtsen

Executive Management

Jakob Færch Bendtsen

Chief Executive Officer