

Company announcement
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Company Registration No. 32266355

New share-based incentive program

Copenhagen, Denmark, 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 new share-based incentive program (the “LTIP”). The LTIP has been implemented in accordance with Orphazyme’s Remuneration Policy, including the guidelines for incentive pay adopted at Orphazyme’s annual general meeting on March 27, 2019.

Under the LTIP, the Executive Management as well as certain key employees of Orphazyme have subscribed for or acquired a number of shares (“Investment Shares”). The Board of Directors may decide to offer other current or new employees of Orphazyme to participate in the LTIP.

The participants 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 up to four (4) years from the date of grant (the “Performance Shares Holding Period”). The number of Performance Shares shall be proportional to a potential increase in the price of Orphazyme’s shares at the time of vesting compared to the price at the date of the grant. The potential increase in the price of Orphazyme’s shares will be calculated as the volume weighted average share price as quoted on Nasdaq Copenhagen during the 10 trading days preceding the date of expiry of the Performance Shares Holding Period and the date of the grant, respectively. Performance Shares will be allocated on a linear scale with maximum allocation triggered by an 80% increase in share price, whereas no Performance Shares will be allocated, if the price of Orphazyme’s shares has increased 20% or less at the date of 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 at the time of vesting. Based on the number of Investment Shares held by the participants, a total maximum of up to 125,000 Performance Shares may be granted at the time of vesting.

Further, the participants may also be allocated a number of shares in Orphazyme (“Matching Shares”) at a price per Matching Share of DKK 1 after a period of up to one (1) year from the grant of the Matching Shares. The number of Matching Shares shall be equal to the number of Investment Shares held by the participant and vesting will be subject to the participants having maintained ownership of their Investment Shares and continued employment at the time of vesting. Based on the number of Investment Shares held by the participants, a total maximum of up to 31,250 Matching Shares may be granted at the time of vesting.

The theoretical market value of the LTIP has been estimated at approximately DKK 5.5 million based on a Monte Carlo model with a four-year volatility estimate of 53% and an expected dividend yield of 0%. This implies an expected number of Performance Shares to be allocated of 22,638.

For additional information, please contact**Orphazyme A/S**

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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.