

REMUNERATION REPORT

2023

Orphazyme A/S

Company registration no.: 32266355

Ole Maaløes Vej 3, DK-2200

Copenhagen N, Denmark

Contents

Introduction.....	3
1. The Overall Remuneration Objective.....	3
2. Remuneration Structure.....	4
3. Remuneration of the Board of Directors	5
4. Remuneration of the Executive Management.....	9
5. Executive Management Agreements	12
6. Comparative Overview.....	12

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, 2023 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.com/investors/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
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
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 only the Audit Committee is currently in place consisting of the entire Board of Directors. Further it has been decided that the members of the Board of Directors were not to receive any supplementary fees for their work in the Audit Committee.

The following fixed annual fees were approved for 2023 by the shareholders at the Annual General Meeting on May 17, 2023, with effect from January 1, 2023:

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

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.

In October 2023, the Company initiated a new share-based incentive program for the Board of Directors. The program comprised Restricted Share Units 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, against payment of the nominal value of each share. The RSUs will have a vesting period from the date of grant and until approval of the annual report at the annual general meeting in the following calendar year and is therefore aligned with the one-year election period. Vesting of the RSUs is not conditional on any financial performance criteria, however vesting will be conditional upon the Participant's continued membership of the Board of Directors during the entire Vesting Period. The vested RSUs can only be exercised within twelve months after the expiration of the total vesting period. However, the delivery period may be extended to the next open trading window in certain circumstances. The program comprises up to 825 shares in total.

Executive Management and members of the Board of Directors had the following shareholding in Orphazyme A/S for the year ended December 31, 2023. They had no shares in 2022. All shares owned by the member are owned through controlled companies.

	Number of shares owned	Number of Unvested RSUs 2023
Michael Hove	5,482	375
Jakob Have	5,482	225
Jakob Bendtsen	3,012	225

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 2023, 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. No member of the current Board of Directors received travel allowance and similar expenses for the year ended December 31, 2023.

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, 2023, no member of the Board of Directors received such ad hoc fee.

3.5 Composition of the Board of Directors

At the Annual General Meeting in May 2023, the Board of Directors withdraw their positions and was replaced by Michael Hove (Chairman), Jakob Have and Jakob Bendtsen as board members.

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:

Name	Position	Independent	Year of first appointment	Expiration of term
Michael Hove	Chairman	Independent	2023	2024
Jakob Have	Member, Chairman AC	Independent	2023	2024
Jakob Bendtsen	Member	Not Independent	2023	2024

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 2023 and 2022. All remuneration listed are fixed and no variable remuneration was expensed in 2023 or 2022.

REMUNERATION TO INDIVIDUAL MEMBERS OF THE OF THE BOARD OF DIRECTORS (DKK 000)	2023	2022
Michael Hove (elected in May 2023)		
Board and committee fees	465	—
Share-based compensation	57	—
Total	522	—
Jakob Have (elected in May 2023)		
Board and committee fees	278	—
Share-based compensation	34	—
Total	312	—
Jakob Bendtsen (elected in May 2023)		
Board and committee fees	278	—
Share-based compensation	34	—
Total	312	—
Bo Jesper Hansen (resigned in May 2023)		
Board and committee fees	282	606
Ad hoc board fees	—	—
Travel allowance	83	33
Share-based compensation	—	(50)
Total	365	589
John Sommer Schmidt (resigned in May 2023)		
Board and committee fees	169	231
Total	169	231
Anders Fink Vadsholt (resigned in May 2023)		
Board and committee fees	169	231
Total	169	231
Georges Gemayel (Chairman until June 2022)		
Board and committee fees	—	370
Share-based compensation	—	(161)
Total	—	209
Martin Bonde (resigned in May 2022)		
Board and committee fees	—	176
Travel allowance	—	—
Share-based compensation	—	(24)
Total	—	152
Carolee Barlow (resigned in May 2022)		
Board and committee fees	—	176
Travel allowance	—	—
Share-based compensation	—	(24)
Total	—	152
Stephanie Okey (resigned in May 2022)		
Board and committee fees	—	176
Ad hoc board fees	—	—
Share-based compensation	—	(72)
Total	—	104
Andrew Mercieca (resigned in June 2022)		
Board and committee fees	—	212
Total	—	212
Total remuneration to the Board of Directors	1,849	3,834

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 2019

(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

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 would step down as CEO/CFO of the Company end of September 2023, at which point it was announced that the Company had signed an CEO agreement with Jakob Bendtsen as the new CEO of the company. Jakob Bendtsen is also continuing in his role as board member.

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 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. The current CEO Jakob Bendtsen does not receive any pension contributions.

4.2 Short-term cash incentive program

The Executive Management is not eligible to receive short term cash incentive bonus, and hence no bonus was paid out in 2022 or 2023.

4.3 Share-based incentive programs

The Company has not initiated any long-term incentive program in 2023 separately for the Executive Management.

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. Please see section 3.2. for an overview of shareholdings by the Executive Management.

4.5 Extraordinary incentives

In 2022, the former CEO 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. In 2023, there were no incentives issued.

4.6 Termination and severance payment

In the event Orphazyme terminated the service agreement with the former Chief Executive Officer Anders Vadsholt 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, which was paid in September 2023.

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 2023 and 2022. All remuneration listed are fixed and no variable remuneration was expensed in 2023.

REMUNERATION TO INDIVIDUAL

MEMBERS OF EXECUTIVE MANAGEMENT (DKK 000)

Jakob Bendtsen (CEO from October 1, 2023)

Salary

	2023	2022
Salary	75	—
Total	75	—

Total

Anders Vadsholt (CEO from March 1, 2022 and CFO since 2016 until September 30, 2023)

Salary

Bonus

Share-based compensation ⁽¹⁾

Other employee benefits ⁽³⁾

Total

Salary	4,252	2,908
Bonus	—	4,134
Share-based compensation ⁽¹⁾	—	1,657
Other employee benefits ⁽³⁾	400	294
Total	4,652	8,993

Christophe Bourdon (CEO from April 1, 2021 until February 2022)

Salary

Share-based compensation ^(1,2)

Other employee benefits

Total

Salary	—	650
Share-based compensation ^(1,2)	—	231
Other employee benefits	—	186
Total	—	1,067
Total remuneration to the Executive Management	4,727	10,060

Total remuneration to the Executive Management

(1) Investing expense on grants in prior years measured at fair value at grant date

(2) includes two times share based compensation. Both sign-on bonus and LTIP 2021 program, both described in note 2.6

(3) Board fee shown of DKK 231 thousand not included

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

Jakob Bendtsen (CEO from October 1st, 2023)

The Company entered into a service agreement with Jakob Bendtsen with regard to the appointment as CEO October 1st 2023. Pursuant to the service agreement, Jakob Bendtsen is entitled to an annual base salary of DKK 0.3 million.

Anders Vadsholt (CFO and CEO until September 30th, 2023)

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 would step down as CEO/CFO of the Company end of September 2023.

In accordance with the Termination Agreement, Mr. Vadsholt was entitled to receive remuneration as usual until May 31, 2024, which was paid out end of September 2023.

6. 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					
	2023	2022	2021	2020	2019
Financial Performance					
Net result	(26) million DKK	25 million DKK	(627) million DKK	(633) million DKK	(337) million DKK
Average remuneration of Company employees (FTE)					
Company Employees	4.7 million DKK	2.2 million DKK	1.7 million DKK	1.9 million DKK	1.2 million DKK

Orphazyme A/S
Company registration no.: 32266355
Ole Maaløes Vej 3, DK-2200
Copenhagen N, Denmark