

## Explanatory notes to the agenda for the Annual General Meeting of shareholders of Pharming Group N.V. on 18 May 2022

Annual General Meeting of shareholders (“AGM”) of Pharming Group N.V. (hereafter the “Company” or “Pharming”) to be held on Wednesday 18 May 2022 at 2:00 pm (CEST).

### *Agenda item 2: Annual Report 2021 (voting and discussion items)*

#### *a) Explanation of the business, the operations and the results for the year ending on 31 December 2021 (discussion item)*

The Company's Annual Report over the financial year 2021 has been made available on the Company's website ([www.pharming.com](http://www.pharming.com)) and at the Company's office address.

#### *b) Remuneration Report for 2021 (advisory voting item)*

The implementation of the Company's remuneration policy in 2021 for members of the Board of Directors has been outlined in the section Remuneration Report 2021 of the Company's Annual Report for the financial year 2021.

The submitted remuneration report has been prepared in accordance with the requirements imposed by the revised European Union Shareholder Rights Directive (SRD II) as transposed into Dutch law. In accordance with these requirements, the remuneration report is submitted to the General Meeting of Shareholders for an advisory vote. A vote in favour of the proposal on the agenda means that you are positive about the presented report. If you would vote against the proposal, the report does not meet your expectations.

The result of the vote is not binding, but the Company will duly consider the outcome and will explain in next year's remuneration report how this vote of the General Meeting was taken into account.

#### *c) Corporate Governance (discussion item)*

The Company is subject to the Dutch Corporate Governance Code, which contains principles and best practice provisions on corporate governance, financial reporting, disclosure and compliance that apply to the Company and members of its Board of Directors. The Company explains in the Chapter Dutch Corporate Governance Code in its 2021 Annual Report, how it has applied the provisions of the Dutch Corporate Governance Code over the financial year 2021, including any deviations.

#### *d) Explanation of the dividend policy (discussion item)*

The Company's dividend policy is unchanged, as the Company does not intend to pay dividends for the foreseeable future. Payment of future dividends, if any, to shareholders will effectively be at the discretion of its Board of Directors after taking into account various factors including the Company's business prospects, cash requirements, financial performance and new product development. In addition, payment of future dividends may be made only if the Company's shareholders' equity exceeds the sum of the called up and paid-in share capital plus the reserves required to be maintained by law and by the Company's articles of association.

*e) Proposal to adopt the financial statements (voting item)*

The Company's annual accounts for the financial year 2021 have been made available on the Company's website ([www.pharming.com](http://www.pharming.com)) and at the Company's office address. The financial statements have been audited by our external auditor Deloitte Accountants B.V., in accordance with the assignment given by the General Meeting of shareholders on 19 May 2021. Deloitte has issued an unqualified auditors report for the financial statements 2021 that can be found in the 2021 Annual Report. Deloitte will present the highlights and main findings during the meeting.

It is proposed that the annual accounts for the financial year 2021 be adopted.

*f) Proposal to discharge the members of the Board of Directors (voting item)*

It is proposed that the members of the Board of Directors be discharged and therefore be released from liability for the exercise of their duties during the financial year 2021. The scope of the proposed discharge extends to the exercise of the respective duties insofar as these are reflected in the Company's Annual Report or annual accounts over the financial year 2021, in other public disclosures and in statements during the General Meeting.

***Agenda item 3: Designation of the Board of Directors as the Company's body, authorized to: (i) issue shares, (ii) grant option rights and (iii) restrict or exclude pre-emptive rights (2 voting items)***

*3 a): general authorization for generic corporate purposes, including (i) share issuances to the Board of Directors in accordance with the remuneration policy and the incentive plans for the CEO as approved by our shareholders, and (ii) issuances of shares and/or stock options to staff members under the applicable staff equity incentive plans, for a period of eighteen months up to 10% of the issued share capital*

The AGM is proposed to designate the Board of Directors, for a period of eighteen months starting on 18 May 2022, as the body authorized:

- (i) to issue shares;
  - (ii) to grant rights to acquire shares; and
  - (iii) to limit or exclude pre-emptive rights;
- limited to 10% of the issued share capital at the date of the AGM.

This authority is intended for generic corporate purposes, including the issuances of shares, or rights to acquire shares, for Pharming's financing purposes, including, up to 3% of the issued share capital at the date of the AGM:

- a. share issuances to members of the Board of Directors, in accordance with the remuneration policy and the incentive arrangements for the CEO as approved by our shareholders on 11 December 2020;
- b. issuances of shares and/or stock options to staff members (other than the CEO and the other members of the Board of Directors) under the applicable staff equity incentive plans.

The proposed authorization under this agenda item 3 a) will replace both the current authorization for generic corporate purposes as granted by the General Meeting on 19 May 2021 and the authorization for 18 months for share issuances to the CEO and the Non-Executive Directors as granted by the General Meeting on 11 December 2020.

*3 b): authorization for financing of mergers, acquisitions or strategic alliances*

The AGM is proposed to designate the Board of Directors, for a period of eighteen months starting on 18 May 2022, as the body authorized:

- i. to issue shares;
  - ii. to grant rights to acquire shares; and
  - iii. to limit or exclude pre-emptive rights;
- limited to 10% of the issued share capital at the date of the AGM and to be used for the financing of mergers, acquisitions or strategic alliances only.

Acquiring or in-licensing new programs or companies that have assets that can be commercialized using Pharming's in-house sales and marketing infrastructure is one of the three pillars in our strategy. Therefore, the proposed authority is required to provide the Board of Directors the required flexibility to respond timely and adequately to merger and/or acquisition or other strategic opportunities, in the best interest of the Company and all of its stakeholders.

The proposed authorization under this agenda item 3 b) will replace the current authorization as granted by the General Meeting on 19 May 2021.

Any issue of or grant of rights to acquire shares in excess of the proposed authorizations under agenda items 3 a) and 3 b) will require a resolution or authorization of the General Meeting of shareholders.

*Agenda item 4: Authorization of the Board of Directors to repurchase shares in the Company (voting item)*

The AGM is proposed to designate the Board of Directors, for a period of eighteen months starting on 18 May 2022, as the body authorized to repurchase fully paid-up shares in its own capital, up to 10% of the issued capital, through the stock exchange or otherwise, for a price not less than the nominal value and not exceeding 100% of the average final closing rates for shares as listed in the Official Price Gazette of Euronext Amsterdam N.V. during five consecutive trading days prior to the date of repurchase.

The proposed designation will replace the current authorization as granted by the General Meeting on 19 May 2021.