

MINUTES OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF PHARMING GROUP N.V.

DATED 22 MAY 2019

These are the minutes of the 2019 annual general meeting of shareholders (**Annual General Meeting**) of **Pharming Group N.V.**, a public company (*naamloze vennootschap*) under the laws of the Netherlands, having its official seat (*statutaire zetel*) in Leiden, the Netherlands, and its registered office address at Darwinweg 24, 2333 CR Leiden, the Netherlands (**Company** or **Pharming**), held at Holiday Inn Leiden, Haagse Schouwweg 10, 2332 KG Leiden, the Netherlands, on 22 May 2019 at 14:00 CEST (**Meeting**).

Chairman: Mr. Paul Sekhri (Chairman of the Company's board of supervisory directors (**Board of Supervisory Directors**))

Secretary: Mr. J.J. van de Winckel (associated with NautaDutilh N.V.)

1. OPENING AND ANNOUNCEMENTS

The Chairman opened the Meeting at 14:00 CET, welcomed the attendees and briefly highlighted the course of events of this Meeting.

The Chairman communicated that the entire board of management of the Company (**Board of Management**) as well as the entire Board of Supervisory Directors were present.

The agenda for this Meeting was included in the notice to convene and the relevant documentation for this Meeting has been published and made available, as per statutory requirements. This Meeting was convened by means of an announcement on Pharming's website on 10 April 2019, on or prior to the statutory term. The Chairman established that during this Meeting binding resolutions could be adopted on all announced voting items.

The Chairman communicated that the number of present or represented shareholders and the numbers of votes that can be cast by these shareholders were being counted, and the exact numbers would be announced during this Meeting, once the counting was completed. At each agenda point, the attendees would be offered the opportunity to ask questions or provide any comments. To enable a clear and efficient Meeting, the Chairman requested to please only ask questions and make comments which are related to the topics being discussed at hand or presented at that moment. During the final agenda point, under 'any other business' there will be an opportunity to ask questions or make comments on any other matters.

Additionally, the Chairman requested the attendees to state their name clearly when asking questions or making comments, in order to enable a proper record for the minutes of the Meeting and to complete the voting results.

The Chairman noted that for a proper recording of the Meeting minutes an audio recording would be made of this Meeting and the minutes would be written in English by Mr. Jules van de Winckel in his capacity as Secretary of this Meeting.

2. ANNUAL REPORT 2018

The second topic of the Meeting concerned the Company's annual report for the financial year 2018 (**Annual Report**). The Management Report can be found on pages 18 – 36 of the Annual Report.

- 2A) **EXPLANATION OF THE BUSINESS, THE OPERATIONS AND THE RESULTS FOR THE YEAR ENDING ON 31 DECEMBER 2018. (DISCUSSION ITEM)**
- 2B) **EXPLANATION OF THE IMPLEMENTATION OF THE REMUNERATION POLICY. (DISCUSSION ITEM)**
- 2C) **EXPLANATION OF THE IMPLEMENTATION OF THE DUTCH CORPORATE GOVERNANCE CODE. (DISCUSSION ITEM)**

The Chairman invited each of Mr. Sijmen de Vries, the Company's Chief Executive Officer (CEO), Mr. Robin Wright, the Company's Chief Financial Officer (CFO), to elaborate on the management report.

The CEO started his presentation by making reference to the safe harbour statement that is included on page 2 of the presentation in respect of this Meeting (**Presentation**) and highlighted the relevant items. The CFO continued with the Presentation on financial information over the financial year 2018. The CEO continued with the outlook for 2019.

The CEO then handed over the floor to Mr. Ward, chairman of the Remuneration Committee, to elaborate on the remuneration policy of the Company (**Remuneration Policy**), who talked the attendees to the Meeting through the Remuneration Policy. The CEO continued with the explanation of the implementation of the Dutch Corporate Governance Code and the Company's dividend policy.

After having thanked the CEO, the CFO and Mr. Ward for their presentations, the Chairman opened the opportunity to shareholders to ask questions or make comments concerning the Presentation.

A shareholder expressed her word of appreciation and asked what market access strategy will be followed in the future and if the CEO can also elaborate on licencing and the commercialization process.

The CEO answered that it is important to set priorities first. Without the US profits, Pharming would not exist as the margins are too small. Secondly, other opportunities are being investigated in other markets without risking investing in areas with no profitable business outlook. The business development process is initiated which includes looking into in-licencing opportunities.

Another shareholder expressed his compliments on the accomplishments achieved. He asked about certain advertising activity claimed by Shire and would like to know the difference between advertising activities and publishing research results.

The CEO answered that he points out the exact dilemma which the Company is dealing with. The Company has to abide by the EU market abuse regulations (MAR) as a Dutch listed company and to report any form of price sensitive information to all of the public in all countries at the same time. This means also information on, for instance (peer reviewed) published reports on results of treatments with Ruconest for an indication for which Ruconest has not been approved yet. Such information could be interpreted as contravening the pharmaceutical advertising rules and legislation.

Another shareholder asked about future acquisition plans. The CEO answered that an acquisition within the 10% shareholder mandate is possible. This could be generated by increasing the debt facility with Orbimed, or in case the company needs more than 10% of the share capital, another shareholders meeting will be convened.

The shareholder continued with another question about Ruconest as a remedy against kidney failure and pre-eclampsia. He does not understand the similarity between its intended purpose and other opportunities that could serve as a remedy. The CEO answered by referring to the scientific publications on the internet and the Capital Markets day in June 2018 in New York where amongst other presenters Prof. Dekker from Adelaide, Australia presented its scientific findings on pre-eclampsia.

Another shareholder congratulated the CEO with the positive cashflow. He wondered if it is still worthwhile to generate commercial business outside the USA and would it be more reasonable to focus on the US commercial business. How relevant would the rest of the world be compared to the US. In addition, the market exclusivity will expire in 2026. It gives comfort that, even without the exclusivity protection, it is not easy for a competitor to achieve the same results as Pharming has done.

The CEO answered that the shareholder is right, and the focus is predominantly on the US, however, he also has an ethical obligation and responsibility towards patients across the world. The Company gives away free vials not only to patients in the US, but also across the world who do not have immediate access to the proper medication. A good example was the time that competitor Shire did not have a product to deliver and the Company jumped in with very substantial amounts of free vials, to help out patients in acute need of medication. That is why it is important to the Company to sell the product ourselves across the world.

The shareholder continued with another question about patents on new indications. The COO answered that a number of new patents were filed with regard to new indications.

The Company already has proof of concept from the Basel study in contrast induced nephropathy (CIN) which produced unexpected good results. Pharming is the only company which can produce recombinant C1 inhibitor to provide the amounts of product needed for such major indications as CIN and pre-eclampsia.

The COO added that serious due diligence has been done on the science. However, both indications are very serious and complicated study situations and take time to conduct the clinical studies very carefully.

The shareholder concluded with pointing out to the CEO that he would like to discuss with the shareholders any future share issue plans beyond the 10% authorisation or a significant increase of debt facility.

The CEO answered that a small company like Pharming would, in the current situation, always have to convene another EGM to get shareholders permission for acquisitions that require more than 10% of our share capital. Because of the Dutch legislations, for six weeks, Pharming will be advertising this intent and competitors that require only two weeks' notice for their EGM and have a 20% authorisation could steal the deal and we will lose an opportunity.

The Chairman requested to move on to the next topic.

2E) PROPOSAL TO ADOPT THE FINANCIAL STATEMENTS. (VOTING ITEM)

The Chairman introduced the proposal to adopt the financial statements of 2018. The financial statements were prepared by the Board of Management on 28 March 2019 in accordance with statutory law.

The financial statements can be found on page 82 – 88 and were audited by PricewaterhouseCoopers Accountants (**PwC**). The financial statements of 2018 were all signed by all members of the Board of Management and the Board of Supervisory Directors on 28 March 2019. An unqualified auditors' report was issued for the financial statements 2018 on 28 March 2019, which can be found on page 1-50 of the Auditor's Report. The financial statements were discussed in the meeting of the Board of Supervisory Directors on 28 March 2019. The Chairperson invited Mr. Admiraal from PwC to provide additional information on the scope of the audit appointment, the materiality of the audit and the audit findings of PwC.

PwC highlighted the scope of the audit, the responsibility of PwC acting as an independent auditor being to express an opinion on the financial statements, which is based on an audit. The audit provides in the end a reasonable assurance that the financial statements are free from material misstatements.

The audit was based on a consistent risk assessment of the control environment of the Company. The audit process was executed at certain locations, with most of the work done in Leiden, but PwC also used some of its foreign colleagues, for example to determine inventory accounts in the US and in France.

During our audit we have always ensured that the team included the appropriate skills and competence which are needed for the audit of a pharmaceutical company, and we also included experts in the area of – and I am going to read out: IT, financial instruments, taxation, share-based payments, which are basically some of the key topics.

At the start of our audit, we prepared, and we discussed our audit plan, which we have discussed with the Audit Committee and the audit plan has been the basis for our entire audit and has been modified where needed.

We also issued Management Letter comments and the Board Report as a result of our audit. In the end, as was already mentioned, the audit lead to an unqualified audit opinion which is dated 2019.

If you look at the auditor's report, which is included on pages 150 – 158 of the financial statements, we have explicitly included the details on the audit, which is the scope, how we have done the materiality that we applied, key audit matters – which are the focus areas for the audit of Pharming. And if you look at one of those aspects, which is materiality, we have looked at firstly the quantitative matrix, which is in our case leading to an overall materiality of EUR 882,000 which is roughly 4% of the result before tax. And we have applied a benchmark because it is generally accepted for these types of companies and also, especially given the presentation before, given the developments, the company is becoming a more profit orientated business.

Looking at the risk of management override of controls and the risk of misstatement due to fraud in revenue recognition, those are always key risks to an audit, due to audit practices. We are not responsible to detect fraud, but we do include a fair amount of procedures in our audit, to make sure that we reduce the fraud risk to an acceptable low level.

Key audit matters that we have addressed during this year's audit, which are slightly different from last year, we recognise that an element of judgement is required which is obviously why we focus on those.

The ones that we have identified are revenue recognition, the valuation of the contingent consideration – basically the amount you have to pay to your partners – in the future and the valuation of deferred tax assets. And as you will see, all three basically have changed as a result of the change within the company.

Focusing on revenue recognition; this involves a significant management judgement to estimate the acute rebates for especially the US market, based on the different health insurance policies that the end

users of Pharming products have and we tested management assumptions based on historical data as well as on contracts that we have in place.

The second key audit matter that we have addressed is the valuation of the contingent consideration. The one element that was recognised in 2016 was based on the estimated likelihood of meeting the sales milestones back then, which was in the amount of USD 20 million. Due to the increase in sales in 2018 this milestone has been reached obviously and based on expectations regarding future sales, Management determined that the likelihood of reaching additional milestones has increased, which resulted in an additional contingent consideration recorded in 2018. That consists of two components, milestone 2 and 3 in the amount of USD 20 million respectively USD 25 million, so an additional USD 45 million was recognised. For this we valued again, and we challenged, most importantly, management sales forecast, evaluation of different scenarios therein and the procedures that we performed did not result in any material exceptions.

Regarding the valuation of deferred tax assets. The company has incurred obviously significant losses in the past years and in the years before 2017 Management did not recognise the deferred tax assets for these losses, as they considered it not probable that it would be realised. And to realise it, you need taxable profit. So, in 2018 given the positive development in 2017, Management have basically expected to have considerable and sufficient fiscal profits available in the near future. Based on these conditions, Management expects it to be probable that the company will be able to recover all of these losses and the deferred tax assets. We also challenged this aspect and found that the assumptions made by Management were supported by the available evidence.

Another matter is the restatement of prior year numbers, which was already referred to in the presentation, the company restated prior year financial statements regarding adjustments in the relatively complex accounting of financial instruments. The company determined there were wrong accounting entries in the 2017 numbers and Management adjusted those in the 2018 numbers. We audited those adjustments disclosures in the financial statements and for a full year 2017 the restated net loss would become EUR 76,2 million, which is an improvement with EUR 3,2 million as a result of those entries which is just above the 2017 materiality levels that we have applied and therefore it was processed, because it is relatively black and white.

The next element, before moving to my closing comments, is the report of the Management Board. The report of the Management Board is the beginning of the financial statements and has been checked, and we need to check whether it is in line with the financial statements themselves. So, it is not audited, but it needs to be in line with and not contradicting the financial statements. And also, we checked whether the information required to be included as a result of part 9 of book 2 of the Dutch Civil Code is in there as well as standard 720, which is the accounting standard. Those include of course aspects on corporate governance, compliance, risk management, management remuneration and we believe that those requirements are all adequately disclosed in the financial statements.

The comment, as for the ones that have heard me speak last year as well, that I always like to emphasise is that during the audit we have always felt independent of the company, both as formally, the way we have structured ourselves, but also in person, that we could always freely move around, do our audit, get support from the team, to do our audit properly. That is an important comment I always make.

Due to mandatory rotation policy, we have to rotate off the Pharming audit account. An important element of the PwC way of working is that we have recognised that certain values are important in the way we execute our orders, which is that we have to work together and act with integrity all along and that is something that we have really experienced during our journey with Pharming, both with the company that we spend a lot of time with and with you as a committee, important committee of the company.

We would like to emphasise that we have really appreciated, and me personally as well, the audit of the past years and we wish you a lot of success with your future endeavours, in the end to find the right solutions for the patients, because let us not forget that that is what it in the end is also about. With that,

I would like to give the word back to Mr. Chairman and for any questions as usual, mostly Robin will take the accounting side of the questions and I will look at the audit side. Thank you for your time and again, see you after the meeting.

The Chairman thanked Mr. Admiraal for his presentation and opened the opportunity to shareholders to ask any questions or make any comments concerning the financial statements.

Another shareholder asked clarity about future tax losses. The CFO answered that compensatory losses that were taken mostly in 2017, but also at the very beginning of 2018 and mostly not eligible for tax relief at all. So although there was a colossal (financial) loss of EUR 76 million in 2017, only a fraction of that was eligible for tax relief as a net operating loss.

The shareholder continued with a question for PwC about the tax position in relation to IFRS 16 and what the findings are as calculated in 2018.

PwC replied that the position is therefore correctly and fully accounted for in the annual accounts. The position you see for 2016, 2017 and 18 for that matter, have been incorporated correctly. And the most important difference compared to previous years is that there is a deferred tax asset - that is a bit of a difficult word for just a claim you have against the tax authorities, since the losses are big.

The most important change in the figures is that EUR 24 million has been added compared to the previous year and that has everything to do with the company's profit potential. You always book that, because you can make a provision for it if you want, but in this case you are, I always use the example: you are not a little pregnant. So you're either pregnant or not, in this case too; you account for it or you don't account for it. And in this case, especially in view of the situation the company is currently in, that is very defensible to book. So that's what the company has done and we agree.

The next question was about any future financial plans and if a convertible bond would be a solution to raise capital. The CEO answered that the management team looks at all financial instruments to raise money including a convertible bond.

The Chairman noted to answer one more question.

Another shareholder asked a question about China and Pharming building a factory. He wondered if Pharming is sufficient protected against the Chinese government. The CEO answered that Pharming has many years of collaboration with the state-owned enterprise; Sinopharm. They will own the factory to produce Ruconest and sell it of which Pharming will receive royalties and therefore creates a win-win situation for both parties.

The shareholder continued with how the CEO would define a long-term relationship with Sinopharm. The CEO answered that this started in 2014 and probably will continue for perhaps another ten years. The shareholder asked if after ten years that the Chinese government can push Pharming out of the relationship. The CEO answered that this could be possible however they would not earn any money and therefore seemed not a logical step.

The shareholder asked if there are also protection measures in place to avoid being taken over by another party. The CEO answered that the management team considered this and there are constructions in the Netherlands, but the proxy advisors will advise against incorporating this.

The CFO added that if somebody would bid for Pharming shares, it would be up to the shareholders to sell their shares. If you do not want to sell them, then don't sell them.

The Chairman noted to answer one more question and then to move on.

Another shareholder asked to elaborate more about the situation with the FDA and the prophylactic indication. The CEO answered the current plan is that the Phase III prophylaxis could be started in the future with a very small vial for Ruconest, which will then probably be administered subcutaneously. Pharming will also investigate whether it can administer intradermally, via technology for example of

those microneedles patches as it is introduced painlessly through the skin, subcutaneously. This is also experimental.

Another shareholder asked about the penalty clause within the Orbimed debt facility. The CFO answered that it is not correct that it is 5% of the total loan sum. Pharming did not disclose at the request of the lenders, because these are commercially sensitive terms for them, and the terms will not be disclosed precisely. However, it is absolutely standard in the loan industry that if you lend a high-risk amount, which back in 2017 this was, I would remind you we borrowed USD 100 million at the time, when our market cap was USD 100 million. Now our market cap is USD 600 million, we can command considerably better rates by refinancing rather than by doing anything else.

So we can effectively cut the cost of that borrowing significantly. That is something that we are looking at, but it is absolutely standard in that industry to have a protection for the lender over normally two years, during which the penalty to repay the finance early is very high and then it falls down to a much lower number after the second anniversary. Our loan is very similar to that standard and therefore we are already talking to our partners OrbiMed about what can be done. There will be other opportunities I am sure, but they have been an outstanding partner for Pharming and I think we would start absolutely with them. So if we do that, I do not expect it to cost 5% but I cannot tell you exactly what it will cost, because that will ruin my position in negotiations with other lenders.

The shareholder asked another question about the possibility to end the debt facility with Orbimed or to increase the facility or do you wait a bit longer.

The CFO replied that Pharming's loan balance is a little under EUR 70 million. It costs something of the order of 13% percent a year. If we can refinance that same amount for it to cost us half of that, that is in the interest of shareholders. So that is something we will be looking to do. However, it is also possible, because we are now a very, very much stronger company, that we could get access to alternative financing instruments.

The Chairman then noted that no further question may be asked and thanked the Board of Management and the employees of Pharming for their dedication and the results received in 2018.

The Chairman further informed the attendees that there were 50,227,370 votes represented at the Meeting which is 8.03% of the issued share capital.

The Chairman then proposed to adopt the financial statements of 2018 and following the vote concluded that the financial statements have been **ADOPTED**.

2F) PROPOSAL TO DISCHARGE THE MEMBERS OF THE BOARD OF MANAGEMENT FOR THEIR RESPONSIBILITIES. (VOTING ITEM)

The Chairman introduced the proposal to discharge the members of the Board of Management for their responsibilities and opened the opportunity to shareholders to ask any questions or make any comments concerning the discharge of the members of the Board of Management.

The Chairman then proposed to discharge each member of the Board of Management from liability in respect of his respective management activities during the financial year 2018 and following the vote concluded that the proposal has been **ADOPTED**.

2G) PROPOSAL TO DISCHARGE THE MEMBERS OF THE BOARD OF SUPERVISORY DIRECTORS FOR THEIR RESPONSIBILITIES. (VOTING ITEM)

The Chairman introduced the proposal to discharge the members of the Board of Supervisory Directors for their responsibilities and opened the opportunity to shareholders to ask any questions or make any comments concerning the discharge of the members of the Board of Supervisory Directors.

The Chairman then proposed to discharge each member of the Board of Supervisory Directors from liability in respect of his respective management activities during the financial year 2018 and following the vote concluded that the proposal has been **ADOPTED**.

3. LONG TERM INCENTIVE PLAN 2019 (LTIP) SHARES TO MEMBERS OF THE BOARD OF SUPERVISORY DIRECTORS

Proposal to approve and authorize the grant of the 2019 LTIP shares to the Board of Supervisory Directors, with exclusion of pre-emptive rights. (voting item)

The Chairman introduced the approval of the LTIP scheme 2018 for the Board of Supervisory Directors in accordance with what has been mentioned about this topic in the explanatory notes and opened the opportunity to shareholders to ask questions or make comments concerning this agenda item.

The VEB is voting against with more than 2 million shares.

Chairman

Thank you. Does anyone wish to vote against this proposal or abstain from voting? Could I get the name of each shareholder and the number of shares that the shareholder represents, please?

Another shareholder stipulated that she is against for the same reason as the VEB just mentioned. Following some discussions, the Chairman then proposed to approve and authorize the Board of Management to, subject to the approval of the Board of Supervisory Directors, grant the relevant LTIP shares to the respective members of the Board of Supervisory Directors and to exclude any pre-emptive rights in connection therewith (this authorization being in addition to, and without prejudice to, the authorization being requested in Proposals 4 and 10 below) and following the vote concluded that the proposal has been **ADOPTED**.

4. NEW SHARE OPTION PLAN FOR EMPLOYEES AND MANAGEMENT

Proposal to approve and authorize the grant of options to its staff and Board of Management, with exclusion of pre-emptive rights. (voting item)

The Chairman introduced the approval of the new share option plan for employees and management, in accordance with what has been mentioned about this topic in the explanatory notes and opened the opportunity to shareholders to ask questions or make comments concerning this agenda item.

A shareholder of the VEB made a few comments on this and perhaps also a question. First of all: you ask permission to issue up to 2.8% shares, or through options to issue shares to reward staff, or whatever. Yes, I would almost say, perhaps provocatively: why not 2.8% maximum stock dividend for shareholders? I understand that in the situation that Pharming is in now, for the first time you pay taxes. Well, that's great, because profits are finally being made. Well, the staff can also be rewarded extra, but dividend is not on the agenda for the time being and we don't have to count on it for the time being, and

actually that sounds a bit unfair. Especially shareholders have suffered a lot, even more I think than the staff and management, in recent years, where many investors have lost a lot of money. So perhaps as a signal to investors. Either you say: you know what, we are also a bit reluctant in the remuneration of staff and management through options or shares, until such time as we have also rewarded the investors, who have invested for years and a lot of money in Pharming, that we can also reward those investors through a kind of dividend, which is not on the agenda for now. That is the first comment.

The second remark - and this is a fundamental, principle point of the VEB: we understand that management, top management, executives have a variable remuneration. However, it must be performance-related and not just remain in service, or in line with the market. For exceptional performance, a variable reward and a substantial variable reward may also be considered, but again, Pharming is no longer in the phase as it was five years ago, that you should be happy that an executive wants to work here. It is a company with a very low risk profile, compared to the past. Cash is coming in. There is still a lot of work to be done, but it looks much sunnier. This also means that the work is a lot more fun, a lot more pleasant, more promising instead of just taking worries with you when you go to bed late at night. So it seems to me that the moment is actually overdue, and I think that was also Mr. Ward, I think you mentioned that last year. Pharming is in a new phase, perhaps also the moment to take a look at the reward system, to reconsider and see if it can be brought more into line with a normal company. Which was not Pharming in the past, but which I think Pharming is now starting to look like.

The Chairman of the Remuneration Committee answered that he tried to explain the change in the remuneration policy. In addition, he explained that if the Company would move away from equity compensation for people, the US organisation will not be existing anymore.

The shareholder continued to link the bonus to performance achieved. The Chairman of the Remuneration Committee replied that it is linked to performance.

Following some discussions, the Chairman then proposed to approve and authorize the Board of Management to, subject to the approval of the Board of Supervisory Directors, make the relevant option grants to the respective members of staff and the Board of Management and, if relevant, to exclude any pre-emptive rights in connection therewith (this authorization being in addition to, and without prejudice to, the authorization being requested in Proposals 3 above and 10 below) and following the vote concluded that the proposal has been **ADOPTED**.

5. RE-ELECTION OF MEMBER TO THE BOARD OF MANAGEMENT

Proposal for re-election of Mr. Bruno Giannetti as Member of the Board of Management. (voting item)

The Chairman introduced the proposal for re-election of Mr. Bruno Giannetti as Member of the Board of Management and opened the opportunity to shareholders to ask questions or make comments concerning this agenda item.

Following some discussions, the Chairman then proposed to re-elect Mr. Bruno Giannetti as Member of the Board of Management and following the vote concluded that the proposal has been **ADOPTED**.

Mr. Giannetti noted he had obviously abstained from voting and thanked the attendees.

6. NEW MEMBER FOR THE BOARD OF SUPERVISORY DIRECTORS

Proposal to appoint Ms. Deborah Jorn as Member of the Supervisory Board of Directors. (voting item)

The Chairman introduced the proposal to appoint Ms. Deborah Jorn as Member of the Board of Supervisory Directors and invited Ms. Jorn to stand up and to introduce herself.

Ms. Jorn

Good afternoon. I am very pleased to have an opportunity to join the Pharming Board. I have over 30 years' experience primarily in the US. Commercialization, sales, marketing and manage care and I look forward to leveraging that, to assist the Board as well as the US team in continuing the growth strategy for Ruconest. So, I would appreciate your vote.

The Chairman then opened the opportunity to shareholders to ask questions or make comments concerning this agenda item.

The Chairman then proposed to appoint Ms. Jorn as Member of the Board of Supervisory Directors and following the vote concluded that the proposal has been **ADOPTED**.

7. RE-ELECTION OF MEMBERS TO THE BOARD OF SUPERVISORY DIRECTORS

The Chairman introduced the proposal to elect Mr. Paul Sekhri, as Chairman of the Board of Supervisory Directors and Mr. Barrie Ward as Member of the Board of Supervisory Directors and opened the opportunity to shareholders to ask questions or make comments concerning this agenda item.

We open the opportunity to shareholders to ask any questions or make any comments on any other matter. The Chairman noted that Mr. Jan Egberts has informed us that he would not be up for re-election and would thus resign as Supervisory Director after the AGM and thanked him for his service over the last years and wished him all the best in this future endeavours.

The Chairman then proposed to re-elect Mr. Paul Sekhri as Chairman of the Board of Supervisory Directors and Mr. Barrie Ward as a member of the Board of Supervisory Directors and following the votes concluded that the proposals have been **ADOPTED**.

8. AMENDMENT OF THE ARTICLES OF ASSOCIATION TO PERMIT WIDER CHOICE OF LOCATIONS FOR GENERAL MEETINGS OF SHAREHOLDERS

Proposal to amend location options for the venue for future General Meetings of Shareholders and authorization of NautaDutilh N.V. to effect such amendment. (voting item)

The Chairman introduced the proposal to amend the Articles of Association, in order to permit a wider choice of locations for General Meetings of Shareholders and to authorize NautaDutilh N.V. to effect such amendment. The Chairman opened the opportunity to shareholders to ask any questions or make any comments on any other matter.

The Chairman then proposed to adopt the proposal to make the relevant amendments to the Articles of Association and following the vote concluded that the proposal has been **ADOPTED**.

9. APPOINTMENT OF THE EXTERNAL AUDITOR OF THE COMPANY

Proposal to appoint Deloitte Accountants B.V. as the external auditor of the Company for the financial year 2019. (voting item)

The Chairman introduced the proposal to appoint Deloitte Accountants B.V. as the external auditor of the Company for the financial year 2019. It is the proposal to instruct Deloitte Accountants B.V. to examine the Annual Report and the financial statements for the financial year 2019, to report to the Board of Supervisory Directors and the Board of Management and to issue an auditor's statement.

The Chairman opened the opportunity to shareholders to ask any questions or make any comments on any other matter.

A shareholder on behalf of SRB points out to appoint the auditors for only two years and at each time for the year following the AGM in which the shareholders are present.

The CFO answered that Pharming needs the current auditors to make the representation to the AGM, which is in May. The new auditors have provisionally started the activity they are coming up to speed with the company, subject to the decision of the shareholders meeting, whether or not they should be appointed. It is impractical to ask the shareholders to agree to auditors that they will not see for 18 months, because they have absolutely nothing to do for the first 12 months except charge us money, which regrettably I am quite reluctant to do. But the need that we have is fully understood, but I would like to assure Mr. Stevens that we are already working with a new firm of auditors. They have been discussing matters with PwC to allow a seamless transfer this year, including the first quarter.

The Chairman then proposed to appoint Deloitte Accountants B.V. as the external auditor of the Company to audit the financial statements and the Annual Report over the year 2019 and following vote concluded that proposal has been **ADOPTED**.

10. DESIGNATION OF THE BOARD OF MANAGEMENT AS THE COMPANY'S BODY, AUTHORIZED TO: (I) ISSUE SHARES, (II) GRANT OPTION RIGHTS AND (III) RESTRICT OR EXCLUDE PRE-EMPTIVE RIGHTS

Proposal to authorize the Board of Management for a period starting on 22 May 2019 and ending on 22 July 2020 as the body which is authorized, with the approval of the Board of Supervisory Directors, to (i) issue shares, (ii) grant rights to acquire rights and (iii) to limit or exclude pre-emptive rights up to 10% of the issued share capital. (voting item)

The Chairman introduced this item, consisting of three components, namely the designation of the Board of Management as the authorized Company body to (i) issue shares, (ii) grant option rights and (iii) restrict or exclude pre-emptive rights.

The Chairman highlighted that the General Meeting of Shareholders has designated the Board of Management at the General Meeting of Shareholders held on 23 May 2018 for a period ending on the 23 July 2019 as the company body authorized to subject to the approval of the Board of Supervisory Directors:

- (i) issue shares
- (ii) grant rights to acquire shares
- (iii) restrict or exclude pre-emptive rights.

The authorization now being requested from the Meeting is limited to 10% of the issued share capital at the date of the Meeting. Any issue of or grant of rights to acquire shares in excess of this authorization will require the approval of the shareholders in a General Meeting. The Chairman opened the opportunity to shareholders to ask any questions or make any comments on any other matter.

The Chairman then proposed to designate the Board of Management as the company body authorized to issue shares and/or grant rights to acquire shares and to limit or exclude pre-emptive relating thereto, subject to the approval of the Board of Supervisory Directors (such authorization, without prejudice to

Proposals 3 and 4 above, being limited to 10% of the issued share capital at the date of the Meeting) for the period from 22 May 2019 to 22 July 2020 and following the vote concluded that the proposal has been **ADOPTED**.

11. AUTHORIZATION OF THE BOARD OF MANAGEMENT TO REPURCHASE SHARES IN THE COMPANY

Proposal to authorize the Board of Management for a period starting on 22 May 2019 and ending on 22 July 2020 as the body which is authorized, with the approval of the Board of Supervisory Directors, to repurchase not more than 10% of the issued capital through the stock exchange or otherwise. (voting item)

The Chairman introduced the proposal to authorize the Board of Management for a period ending 22 July 2020 to repurchase, subject to the approval of the Board of Supervisory Directors, not more than 10% of the issued capital of the company. The Chairman highlighted that the General Meeting of Shareholders has designated the Board of Management at the General Meeting of Shareholders held on 23 May 2018 for a period ending on 23 July 2019 as the company body authorized to, subject to the approval of the Board of Supervisory Directors, repurchase shares. The Chairman opened the opportunity for shareholders to ask any questions or make any comments on this matter.

The Chairman proposed to approve and authorize the Board of Management for a period from 22 May 2019 to 22 July 2020 to repurchase, subject to the approval of the Board of Supervisory Directors, not more than 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 and following the vote, the Chairman concluded that the proposal has been **ADOPTED**

12. ANY OTHER BUSINESS

And finally on any other business, we have an opportunity for any shareholder to ask any questions or make any comments on any other matter.

Another shareholder expressed his dissatisfaction about the negative behaviour on certain internet fora with regard to Pharming and he asked how the CEO deals with the negativity on the internet fora.

The CEO replied that he noticed that as well. It is unfortunately something that the Company has to deal with and you can't do much about it.

Another shareholder asked how the European distributing partner SOBI was addressed in the lack of turnover. The CEO answered that the commercial business in Europe is completely different compared to the US. It is far more difficult to generate business in Europe than in the US due to a variety of reasons. Generating commercial business is always better to do it yourself rather than having another party do it for you. The shareholder asked if Pharming is looking into different commercialization partners. The shareholder would like to know what criteria a commercial partner should meet to be eligible for conducting Pharming commercial business. The CEO answered that they need a certain track record, know the right paths in the particular markets and demonstrate this from examples in the past. But these are no guarantees as we have already experienced this. It's a matter of being patient.

Another shareholder asked about more specific timelines on the indications. The COO answered as referred earlier on, that both diseases are very challenging indications and a very cautious approach is important to avoid any mistakes in these complex studies.

The CEO added that the given timelines were typical last year for this kind of thing. That is why, when we give a presentation, we always say that we are going to make forward looking statements, which indeed seem to be the right ones at that moment, but yes, the future is not at all predictable. However, as the COO pointed out, we are very busy discussing this with the Ethics Committee on a regular basis, including with the Ethics Committee in Australia. Good progress is indeed being made and, yes, we do think that it is about to come to fruition.

The shareholder continued with his question on the status of Factor VIII. The COO answered that this will be looked into by our Chinese partner.

Another shareholder asked a question about Pompe and the expectations on the timelines of the research. The CEO answered that the Key Opinion Leaders advised to start with Phase II research as they did not find it necessary to do a Phase I. We do not know how the drug authorities FDA and EMA think about that.

The shareholder continued if can be explained if the pipeline product is in two phases as it is defined Phase I/II. The COO answered that is correct.

The shareholder continued if this is always the case for new indications of Ruconest. The CEO answered that you need proof of concept and then repeating the study anyway but with different dosages.

The shareholder continued with a question about a 3 ml vial and whether it contains the same number of units or will it be a new formulation. The COO confirmed that it is a 3 ml vial and contains the same strength as the normal Ruconest vial, which will be 700 units per ml.

The shareholder directed his question to the CFO about the free float of shares and what will be done about it. The CFO answered that it is not in current shareholders' interest to do that. I could sell 20% of the company tomorrow to interested shareholders who would buy big lumps of it, but we do not need the money. Which means that all I would be doing is diluting the existing shareholders for cash. That is definitely not in their interest. So what we are looking at is other ways of finding interested shareholders to become involved. One possibility is by – as Mr. De Vries suggested earlier on – if the right acquisition could be done either for cash or perhaps for shares, we would come and talk to shareholders by means of an EGM about whether they wanted us to do that, if it meant that we would end up with a smaller free float and thus slightly constrained volatility.

At the moment though, when we do not need money, it would be obscene frankly to raise money that way, although I could do it in a heartbeat. I have gotten a request during this meeting, from someone who wants a block of 5%. But they want it for a discount. I do not want to trash the share price just to get a bigger shareholder.

13. CLOSING

The Chairman announced that shareholders who wish to receive a copy of the minutes could submit their request by email to info@pharming.com. The Chairman closed the Meeting and thanked all attendees for their time and presence.

A copy of these minutes will be sent to the Board of Management in order to enable the Board of Management to keep record of the resolutions adopted hereby.

These minutes are adopted by the Chairman and the Secretary on 04 March 2020.