

Explanatory notes to the agenda for the Annual General Meeting of Shareholders of Pharming Group N.V. on 19 May 2021

Annual General Meeting of Shareholders (“AGM”) of Pharming Group N.V. (hereafter the “Company” or “Pharming”) to be held on Wednesday 19 May 2021 at 16.00 hours (CET).

Agenda item 2: Annual Report 2020 (voting and discussion items)

a) Explanation of the business, the operations and the results for the year ending on 31 December 2020 (discussion item)

The Company's Annual Report over the financial year 2020 has been made available on the Company's website (www.pharming.com) and at the Company's office address.

b) Remuneration Report for 2020 (advisory voting item)

The implementation of the Company's remuneration policy in 2020 for members of the Board of Directors has been outlined in the section Remuneration Report 2020 of the Company's Annual Report for the financial year 2020.

The Remuneration Report for 2020 takes into consideration the change of the Company's two-tier board structure into a one-tier board structure effective 11 December, 2020, and the adoption of the new Remuneration Policy by the Extraordinary General Meeting of Shareholders that was held on the same date. Accordingly, the Remuneration Report for 2020 accounts for the implementation of the applicable remuneration policy in the financial year 2020 for the members of the former Board of Management and the former Board of Directors and, as of 11 December 2020, for the CEO/Executive Director and the Non-Executive Directors as members of the Board of Directors.

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. Accordingly, the Remuneration Report for 2020 also addresses the non-binding recommendations by the General Meeting of Shareholders on 20 May, 2020, as further explained in the report.

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 its 2020 Annual Report and in the Corporate Governance Statement as published on the Company's website, how it has applied the provisions of the Dutch Corporate Governance Code over the financial year 2020, 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 2020 have been made available on the Company's website (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 20 May 2020. Deloitte has issued an unqualified auditors report for the financial statements 2020 that can be found in the 2020 Annual Report. Deloitte will present the highlights and main findings during the meeting.

It is proposed that the annual accounts for the financial year 2020 be adopted.

f) Proposal to discharge the members of the Board of Directors for their responsibilities (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 2020. 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 2020, in other public disclosures and in statements during the General Meeting.

The proposal takes into due consideration that, throughout the year 2020, until 11 December 2020, the statutory responsibility for the management of the Company was vested in the former Board of Management, supervised by the former Board of Supervisory Directors. Following the effective date of the corporate governance structure change on 11 December, 2020, the one-tier Board of Directors is composed of the CEO, as the Executive Director, and the members of the former Board of Supervisory Directors, as Non-Executive Directors.

Agenda item 3: Appointment of new Non-Executive Directors (voting items)

The terms of Mr. Barrie Ward and Mr. Aad de Winter, as Non-Executive Directors, are scheduled to expire on the occasion of the closing of the AGM. Both Directors are not eligible for re-appointment due to the maximum term of office for Non-Executive Directors according to the Dutch Corporate Governance Code. Moreover, on 23 November, 2020, Mr. Juergen Ernst announced his retirement, for personal reasons, with immediate effect.

Pharming issued on 23 March, 2021, a press release to announce the nomination of Ms. Jabine van der Meijs, Mr. Leon Kruimer and Mr. Steven Baert, respectively, as new Non-Executive Directors.

Ms. Jabine van der Meijs (Age: 55; nationality: Dutch) served as Executive Vice President & CFO of the Royal Schiphol Group until 1 April 2021. Prior to this, Jabine worked for the Royal Dutch Shell Group (ENXTAM: RDSA) for 25 years in primarily financial leadership positions, but also in HR and strategy

positions in The Netherlands, Scotland, England, Brunei and Australia. In her most recent position at Shell, she was VP Finance Projects for Shell's Projects and Technology business.

Jabine is currently a Member of the Supervisory Board of Kendrion N.V. (ENXTAM: KENDR) where she serves as Chair of the Audit Committee. She is a Member of the Supervisory Board of Koole Terminals Holding B.V., where she serves as the Chair of the People & Remuneration Committee and she was also recently nominated to join the board of directors of Grundfos Holding, a privately owned Danish Company.

Previously, Jabine served as a Non-Executive Director on various boards, including Aeroports de Paris (France) (ENXTPA: ADP) and Brisbane Airport Corporation (Australia).

Jabine holds a Master of Science (Pharmacy) and a Doctor of Pharmacy (Pharm D) degree from the University of Utrecht, and she completed her professional accounting degree in the UK with the Chartered Institute of Management Accountants (ACMA).

Mr. Steven Baert (Age: 46; nationality: Belgian and Swiss resident) is the Chief People Officer and a member of the Executive Committee of Novartis since 2014. Steven joined Novartis in 2006 and has held a number of global and regional leadership roles within the company, including Head of Human Resources for Emerging Growth Markets, Head of Human Resources, United States and Canada, and Global Head, Human Resources, Novartis Oncology. He is an expert in organizational transformation, governance and change.

Prior to joining Novartis, Steven held senior HR positions at Bristol-Myers Squibb Co. and Unilever. Steven has lived and worked in Belgium, the UK, Switzerland, Spain and the US.

Steven holds a Master of Business Administration from the Vlerick Business School, Gent; a Master of Laws from the Katholieke Universiteit Leuven and a Bachelor of Laws from the Katholieke Universiteit Brussels. Steven also serves on the Board of the WeSeeHope USA, a charity that focuses on empowering children isolated by poverty in Africa and previously served on the JV Board of GSK consumer health.

Mr. Leonard Kruimer (Age: 62; nationality: Dutch) Leonard Kruimer has more than 30 years of experience in corporate finance, planning and strategy, including 20 years in senior executive positions in private and publicly listed biotechnology companies. Leonard served as CFO of Crucell N.V. from 1997 to 2011. Prior to Crucell, he was Managing Director of Europe TIP Trailer, a GE Capital company. He was also a consultant with McKinsey & Co and an auditor at Price Waterhouse & Company, New York.

Leonard is currently Chairman of the Board at Swedish BioInvent International AB (BINV.ST). In addition, he is a (non-executive) board member of both Zealand Pharma A/S in Copenhagen and Calgary-based Oncolytics Inc (NASDAQ: ONCY). He is Director of AI Global Investments (Netherlands) PCC Ltd. and serves on the Investment Advisory Council of Karmijn Kapitaal.

Leonard holds a Master of Business Administration from Harvard Business School and is Certified Public Accountant in New York State.

The Board of Directors concluded, following the extensive search process in anticipation of the scheduled expiration date of the terms of Juergen Ernst, Aad de Winter and Barrie Ward, that Jabine van der Meijs, Leonard Kruimer and Steven Baert will complement the current Non-Executive Directors, in view of the strong track record and the wealth of expertise that each of them will bring to the Board of Directors.

The Board of Directors is confident that all nominees, following their appointment as a Non-Executive Director, will be able to dedicate sufficient time to Pharming.

The diversified composition of the Board of Directors following their appointment will reflect and support the Company's strong growth ambitions and be fully consistent with the collective profile of the Board of Directors, while the Board of Directors continues to meet applicable Dutch gender diversity targets.

Accordingly, the Board of Directors proposes to the General Meeting, by way of a binding nomination and in accordance with the proposals of its Corporate Governance Committee, to appoint Ms. Jabine van der Meijs, Mr. Leonard Kruimer and Mr. Steven Baert, respectively, as new non-executive members of the Board of Directors, with immediate effect for a term of four years, i.e., until the closing of the scheduled Annual General Meeting of Shareholders in 2025. These appointments will be three separate voting items. Jabine, Leonard and Steven will introduce themselves during the AGM.

The Board of Directors will appoint Leonard Kruimer as the new Chair of the Audit Committee, subject to the appointment as Non-Executive Director by the AGM. The Board of Directors concluded that Leonard Kruimer is a financial expert, in accordance with the applicable SEC and Nasdaq requirements.

Jabine van der Meijs and Leonard Kruimer are both independent under the Dutch Corporate Governance Code.

Steven Baert is Chief People Officer (CHRO) & Member of the Executive Committee of Novartis AG, in Basel, Switzerland. Novartis had an important business relationship with the Company in the past year, as defined in the Dutch Corporate Governance Code. While Steven Baert is, accordingly, not deemed an independent board member within the meaning of the Code, Pharming continues to comply with the Dutch Corporate Governance Code, as all other Non-Executive Directors are independent.

Steven Baert, Jabine van der Meijs and Leonard Kruimer all meet the restrictions set by Dutch law on the maximum number of outside directorships. They hold no shares in the Company.

Agenda item 4: Re-appointment of the Executive Director and CEO (voting item)

The current four-year term of our Executive Director and CEO, Mr. Sijmen de Vries, expires at the closing of the AGM on 19 May 2021.

The Board of Directors proposes to the AGM, by way of a binding nomination, to re-appoint Sijmen de Vries, as Executive Director and CEO, for a term of four years, with immediate effect and expiring at the end of the Annual General Meeting to be held in the year 2025. The proposed re-appointment of Sijmen de Vries will enable the Company to continue to benefit from his leadership, knowledge and experience in the coming years.

Sijmen de Vries (1959; MD MBA, Nationality: Dutch), has been our Chief Executive Officer since 2008, and he has also served in the capacity of interim Chief Financial Officer from May 2020 through November 16, 2020, upon the commencement of the tenure of our new Chief Financial Officer (Mr. Jeroen Wakkerman). Prior to joining Pharming, Sijmen was the CEO of 4-Antibody and Morphochem AG. He also held senior business and commercial positions at Novartis, Novartis Ophthalmics and at SmithKline Beecham Pharmaceuticals plc. Sijmen holds an MD degree from the University of Amsterdam and an MBA in General Management from Ashridge Management College (UK). Today, Sijmen de Vries is also a non-executive director of Midatech Pharma plc.

The remuneration package of Mr. Sijmen de Vries will not change as a result of his re-appointment.

Agenda item 5: Re-appointment of the external auditor of the Company (voting item)

Deloitte Accountants B.V. (“Deloitte”) was first appointed as external auditor by the General Meeting of Shareholders on 22 May, 2019, and re-appointed on 20 May, 2020.

Based on related recommendations and proposals by the Audit Committee, the Board of Directors evaluated the performance by Deloitte of its duties with regard to the financial year 2020. Accordingly, the Board of Directors recommends the General Meeting of Shareholders to re-appoint Deloitte as external auditor for two financial years, i.e., for 2021 and 2022, and to instruct Deloitte (i) to examine the Annual Report and the Financial Statements for the financial years 2021 and 2022, respectively, (ii) to report on their audit to the Board of Directors and (iii) to issue related auditor’s statements.

Agenda item 6: 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 (voting items)

6.1 general authorization for generic corporate purposes, including share issuances pursuant to staff Equity Incentive plans

The AGM is proposed to designate the Board of Directors, for a period of eighteen months starting on 19 May 2021, 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 time of issuance. This authority is intended for generic corporate purposes, including the issuances of shares, or rights to acquire shares, as may be required, amongst others, for Pharming’s financing purposes and, up to 2,75% of the issued capital, to grant and issue stock options or restricted shares in accordance with the applicable equity incentive plans for staff members.

The members of the Board of Directors, including the CEO, are not eligible for receiving share options or restricted share grants under the equity incentive plans as mentioned in the preceding sentence. The equity remuneration elements for the CEO and the non-executive members of the Board of Directors continue to be exclusively covered by the decisions taken by the General Meeting of Shareholders on 11 December, 2020.

6.2 authorization for financing of mergers or acquisitions

The AGM is proposed to designate the Board of Directors, for a period of eighteen months starting on 19 May 2021, 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 time of issuance and to be used for the financing of mergers or acquisitions 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 opportunities, in the best interest of the Company and all of its stakeholders.

Any issue of or grant of rights to acquire shares in excess of the proposed authorizations under agenda items 6.1 and 6.2 will require the approval of the General Meeting of Shareholders.

The proposed designations under this agenda item 6 will replace the current authorization as granted by the General Meeting on 20 May 2020.

Agenda item 7: 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 19 May 2021, 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 20 May 2020.