

# Tax Strategy

Pharming Group N.V.

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## 1. OBJECTIVE

Pharming Group N.V. including all its subsidiaries (hereafter: “Pharming”, “the Group” or “the Company”) is a specialty pharmaceutical company developing innovative products for the safe, effective treatment of rare diseases and unmet medical needs. Our lead products are RUCONEST (conesta alfa) and Joenja (Leniolisib).

We as Pharming have the objective to ensure tax compliance and reporting, based on the Code of Conduct and the established Company’s tax governance framework. We comply to the tax laws of jurisdictions the Group operates in, in line with OECD recommendations and in accordance with current and future Base Erosion & Profits Shifting (BEPS) developments. This Tax Strategy has been approved by Pharming’s Board and is reviewed and updated periodically.

## 2. TAX RISK MANAGEMENT AND GOVERNANCE

We adequately manage our overall tax position. In doing so, awareness of tax risks and tax planning or opportunities are created and actions to address these taken.

Our tax strategy is based on the following tax principles:

- Ensure compliance with applicable tax laws, rules and regulations;
- Assess and clearly communicate the tax impact of business operations, investments and divestments;
- Create awareness of tax risks and tax planning or saving opportunities;
- Monitor tax positions and ensure tax positions are properly reflected in the annual accounts;
- Adherence to the internal tax governance framework of policies, controls and monitoring to manage tax risks adequately.

## 3. GENERAL APPROACH TO TAXES

We strive to be a good corporate citizen in every jurisdiction where we operate. Our purpose is to always pay the correct amount of tax in the correct country, and to be fair and resolve differences of opinion with local tax authorities and other governmental organization in a constructive and positive manner. As double taxation may result in material cash-flow disadvantages for the business, this is an area where we will work closely with tax authorities to resolve situations where our views may differ.

The intention is always to pay our taxes, as well as filing our tax returns in a timely and correct manner. This in turn is supported by relevant policies, compliance processes and IT-support in each jurisdiction as well as relevant training for employees engaged in tax related tasks. We constantly monitor the ever-changing tax landscape and whenever changes are made, we seek to adopt the new approach, adapt to the same and improve our internal processes to always be compliant and be a good corporate citizen.

It is the policy of the Company to have a cautious approach to risk and to actively avoid it, if possible. Our approach to tax risks is not different, as we generally opt for the least risky alternative and taking our responsibility as corporate citizens as well as the responsibility to our shareholders into account.

To ensure the quality of additional review of tax return and envisaged positions, or if there is uncertainty or complexity in tax legislation, we seek advice of extern tax professionals to be confident.

#### 4. APPETITE TO TAX PLANNING

Under no circumstances will Pharming engage in arrangements or establish itself in tax havens or artificial tax arrangements solely for tax reasons. Our Company's reputation, brand, corporate and social responsibilities, as well as applicable legal and fiduciary duties of directors and employees, are considered in all tax related matters and in business planning. We align tax matters with economical activities and will not undertake any artificial structures on taxable profits in non-commercial jurisdictions.

#### 5. AUDITS, DISCLOSURES AND OTHER DEALINGS WITH TAX AUTHORITIES

Compliance with all relevant tax, other disclosure and approval requirements will be adopted and information will be clearly presented to the tax authorities or other relevant governmental bodies. Openness, collaboration, honesty and transparency are paramount in all dealings with tax authorities and other similar governmental bodies.

We seek guidance from local tax authorities, if available, before and after undertaking transactions, depending on the relevant circumstances, and when we wish to clarify positions or obtain advice and clearances. We aim to achieve a low-risk rating with local tax authorities in jurisdictions where such ratings are available. This is in line with the policy of the Group to have a cautious approach to risk and to actively avoid taking risks where alternative options exist, in order to decrease the overall risk for the business.

Jeroen Wakkerman, CFO

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Sijmen de Vries, CEO

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