

Pharming Group NV

Annual General Meeting 2019

22 May 2019

1

AGM Agenda

1. Opening and announcements
2. Annual Report 2018
3. Long Term Incentive Plan shares 2019 for the Board of Supervisory Directors
4. New Share Option Plan for Employees and Management
5. Re- election of member of the Board of Management- Bruno Giannetti
6. New Member of the Board of Supervisory Directors – Deb Jorn
7. Re-election of Mr Paul Sekhri and Mr Barrie Ward to the Board of Supervisory Directors
8. Amendment of the Articles of Association to permit a wider choice of locations for General Meetings of shareholders
9. Appointment of the external auditor of the Company
10. Designation of the Board of Management (BOM)
11. Authorization of the BOM to repurchase shares in the Company
12. Any other business
13. Closing

2

2

AGM Agenda



1. Opening and announcements
2. **Annual Report 2018**
3. Long Term Incentive Plan shares 2019 for the Board of Supervisory Directors
4. New Share Option Plan for Employees and Management
5. Re- election of member of the Board of Management- Bruno Giannetti
6. New Member of the Board of Supervisory Directors – Deb Jorn
7. Re-election of Mr Paul Sekhri and Mr Barrie Ward to the Board of Supervisory Directors
8. Amendment of the Articles of Association to permit a wider choice of locations for General Meetings of shareholders
9. Appointment of the external auditor of the Company
10. Designation of the Board of Management (BOM)
11. Authorization of the BOM to repurchase shares in the Company
12. Any other business
13. Closing

3

3



Pharming Group NV

Annual Report 2018

Sijmen de Vries
Chief Executive Officer

Bruno Giannetti
Chief Operating Officer

Robin Wright
Chief Financial Officer

Annual General Meeting
Leiden, 22 May 2019

4

Safe harbour statement



The information contained in this document and communicated verbally to you (together the "Presentation") is being supplied to you solely for your information and may not be copied, reproduced or further distributed to any person or published, in whole or in part, for any purpose.

The Presentation does not form any part of an offer of, or invitation to apply for, securities in Pharming Group N.V. (the "Company").

The Presentation speaks as of the date shown on the front cover. The Company assumes no obligation to notify or inform the recipient of any developments or changes occurring after the date of this document that might render the contents of the Presentation untrue or inaccurate in whole or in part. In addition, no representation or warranty, express or implied, is given as to the accuracy of the information or opinions contained in the Presentation and no liability is accepted for any use of any such information or opinions given by the Company or by any of its directors, members, officers, employees, agents or advisers.

The Presentation contains forward-looking statements, including statements about our beliefs and expectations. These statements are based on our current plans, estimates and projections, as well as our expectations of external conditions and events. Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. The Company undertakes no duty to update these and will not necessarily update any of them in light of new information or future events, except to the extent required by applicable law.

The Company's securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration under the Securities Act or an available exemption from, or transaction not subject to, the registration requirements of the Securities Act.

5

Summary



- Euronext: PHARM - market capitalization range during the year: €400 million to €990 million
- HQ and manufacturing in Netherlands, R&D in France and US commercial operations in New Jersey and Western Europe
- Approximately 200 employees today
- 1st product approved and marketed: RUCONEST®
 - Recombinant human C1-esterase inhibitor (protein replacement therapy) for acute angioedema attacks in patients with hereditary angioedema (HAE)
 - Marketed in USA, EU and Israel: US data exclusivity until 2026
 - Filed for clinical Phase I/II study in pre-eclampsia, and being prepared for Phase IIb study in Acute Kidney Injury
- New pre-clinical stage programs in Pompe and Fabry Disease
- Strong balance sheet, growing revenues and operating profits and consistent cash generation
- Net profitability achieved throughout 2018 despite increased investment in new programs

6

6

Corporate Social Responsibility



The main areas of focus for the Company in the areas of sustainable corporate social responsibility are:

- Medical need, balanced by patient safety
- Code of conduct for all dealings, internal and external
- Code of conduct for highest standards of animal welfare
- Environmental impact of all operations
- Traceability of all elements of the supply chain
- Diversity and equal opportunities for all

*"Family Values:
Patient safety, ethical
behaviour and honest
transparent
communication"*

7

Risk Assessment, Management and Control



The Company conducts regular periodic risk assessments and reviews, revealing the following main types of risk:

Strategic Risks

- Macro-economic risks
- Commercial risk

Operational Risks

- Research & development risk
- Regulatory risk
- Clinical risk
- Personnel risk
- Legal risk
- Financial risks

Of these risks, only clinical risk has increased during the year, owing to new clinical trials in larger indications for RUCONEST®

8

Business Model



Profitability currently driven by:

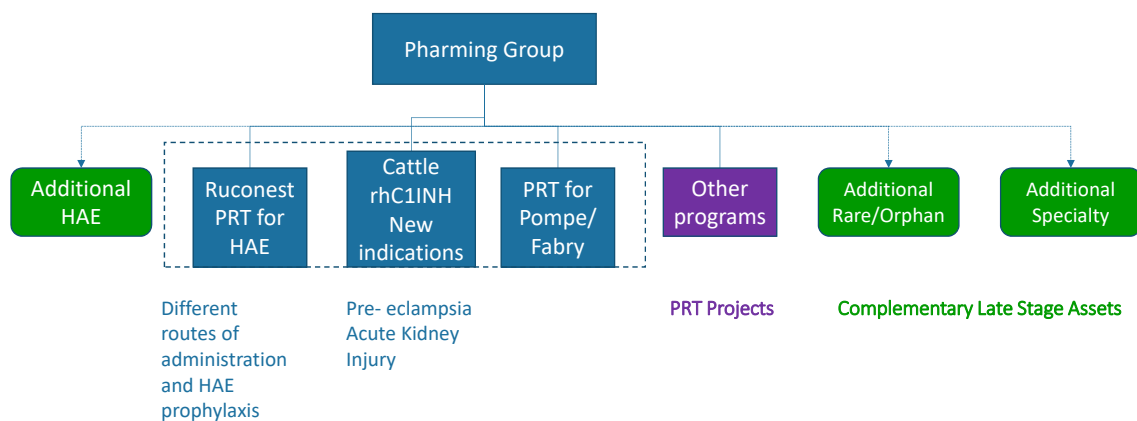
- Proceeds of own sales of RUCONEST® in the US, EU and the Rest of the World (RoW)
 - Fixed supply price to partners SOBI, Cytobiotect, Hyupjin and Megapharm
 - Expansion of territories for successful partners, and new partners for new territories
 - Proceeds of HAEi Global Access Program sales in countries where patients have no access

Potential increases in profitability from:

- Economies of scale in manufacturing process as volumes increase
- Future supplies from in-house production and additional outsourced production sites, such as China

9

Business Model/ Sources for future sales growth



10

10

Business Model



Competition in HAE:

- Intense, with embedded and new competitors, and continuous innovation from new entrants
- Long development cycles and high hurdles for entry
- Very complicated biology of onset and progress of illness and attacks, with >400 known gene modifications
- Pharming has the only recombinant human version of the missing protein, but not the most convenient product at present – work in progress on more convenient versions
- The more convenient version will also be tested in HAE prophylaxis trials
- New competitor products launched and expected (including oral prophylaxis) should provide an opportunity to treat more breakthrough attacks with RUCONEST®

11

Business Model



Competition in new indications for C1 esterase inhibitor:

- Very limited competition as there are currently few if any therapy options, and none approved
- Most of these indications are either fatal or result in chronic intensive or palliative care, in some cases for more than one patient (e.g. pre-eclampsia)
- Much larger patient numbers than HAE for most of these indications
- Involvement of the C1 esterase mechanism seems clear, but much to learn about how to use it to improve outcomes for patients
- New patent estate on use of C1 esterase inhibitor (from any source including plasma-derived) in any of these indications
- Difficult to supply these indications with plasma-derived C1 esterase inhibitor, because of limitations on supply, or from other recombinant method

12

12

Business Model



Competition in new Programs for Pompe and Fabry

- All current therapies have issues with immunogenicity, and carry boxed warnings
- Patients in these indications become regularly refractory on current therapies (i.e. decreasing efficacy by antibody formation)
- If our new protein is proven less immunogenic, potentially a larger patient pool available than are currently being treated
- Exclusivity from newly patented products

13

13



Financial Information and Outlook 2019

14

14

Financial Summary 2018



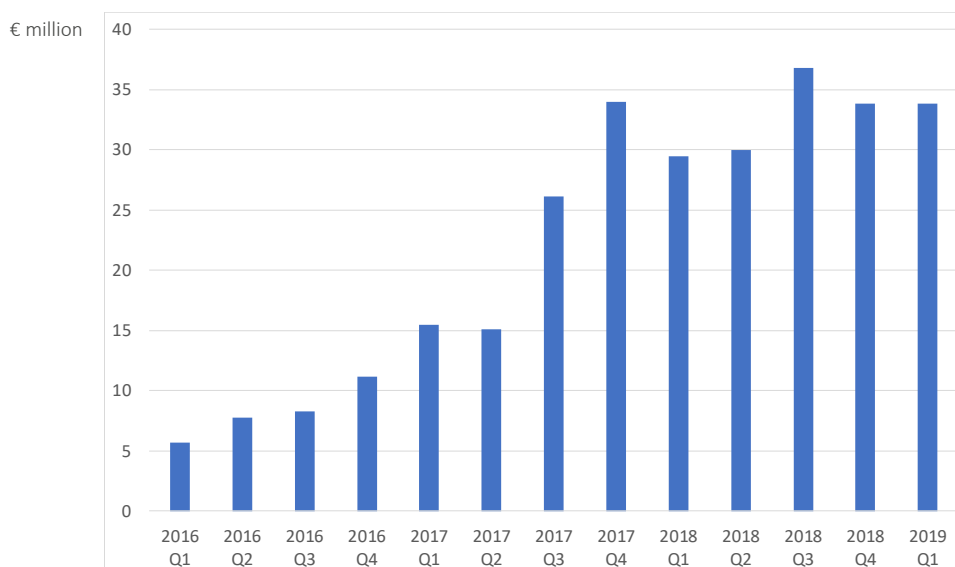
Financial summary

<i>Amounts in €m except per share data</i>	<i>2019 1st Quarter</i>	<i>2018 Year</i>	<i>2017 Year</i>	<i>% Change YoY</i>
<i>Income Statement</i>				
Revenues	35.2	135.1	89.6	51%
Gross profit	29.8	113.0	77.2	46%
Operating result	12.2	38.0	21.9	74%
Net result	6.7	25.0	(107.6)	
<i>Balance Sheet</i>				
Cash & marketable securities	66.5	81.5	60.0	36%
<i>Share Information</i>				
Earnings per share (€): - Undiluted	0.011	0.041	(0.152)	126%

* After restatement
For full 2018 Annual Report, please see www.pharming.com

15

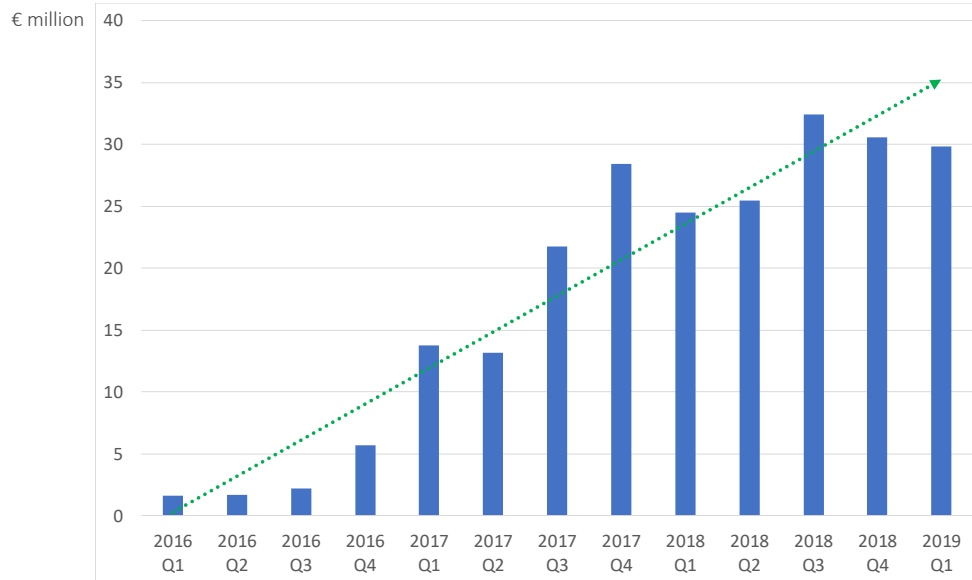
Revenues by Quarter



16

16

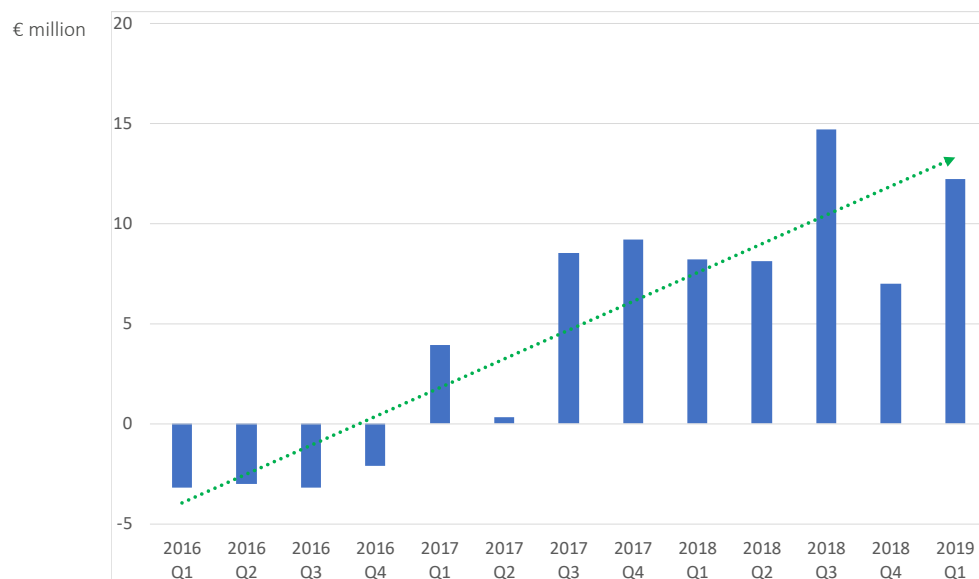
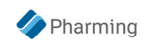
Gross Profit by Quarter



17

17

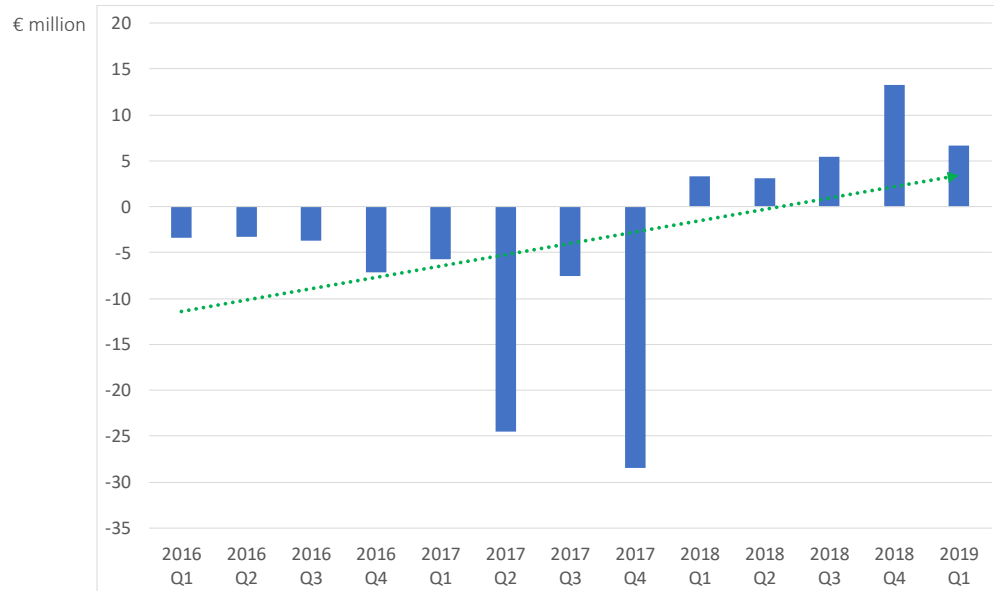
Operating Result by Quarter



18

18

Net Result by Quarter



19

Outlook for 2019



- Continued growth in revenues of RUCONEST®, mainly driven by the US and European operations
- Maintenance of positive quarterly net earnings in the course of the year
- Continued investment in the expansion of the production of RUCONEST® in order to ensure continuity of supply to the growing markets of the US, Europe, China and the rest of the world.
- Investment in new clinical trials for RUCONEST® for pre-eclampsia and acute kidney injury, and support for investigators wishing to explore additional indications for recombinant human C1 esterase inhibitor

20

20

Outlook for 2019



- Investment in further clinical trial programs for RUCONEST® in acute treatment and prophylaxis of HAE, with a new small-volume liquid version for intramuscular, intradermal and subcutaneous versions as well as research into other routes of administration and indications
- Investment in the development pipeline programs in Pompe and Fabry's disease, and in other new development assets and opportunities as these occur
- Increasing marketing activity where this can be profitable for Pharming
- Supporting all our teams and marketing partners in order to enable the maximization of the sales and distribution potential of RUCONEST® for patients in all territories

21

21

Remuneration policy



- Market assessment compensation
 - Peer group selection: biopharma companies US + EU;
 - Compensation benchmarks by two independent advisory firms (EU and US): position below median for equity compensation.
- Equity compensation: Competitiveness with US peers is necessity as majority of equity compensation recipients are part of US organization that drives 95% of business
- Return to previous practice (<2014) of annual shares/options grants to Board of Management.
- No changes in remuneration policy (as approved in 2014 AGM).

22

22

Dutch Corporate Governance Code



The main items where the Company deviates from best practice in the Dutch Corporate Governance Code are as follows:

- 1.3-1.7 (Internal auditor)
- 2.7.2 (Regulations governing ownership of and transactions in other shares by the Board of Management or the Board of Supervisory Directors)
- 3.1.2 (Options for the Board of Management)
- 3.3.2 (Shares for the Board of Supervisory Directors)
- 4.2.2 (Outline Policy in bilateral contact with shareholders)
- 4.2.3 (System to follow all meetings in real time)
- 4.3.2 (Independent third party to hold proxies)

All of these deviations are typical and appropriate for companies of Pharming's size and complexity level

23

23

Dividend policy



- The Board of Management, with the approval of the Board of Supervisory Directors, will transfer the net profit for the year of €25.0 million to the accumulated deficit

24

Proposal to adopt the Financial statements

25

25

Proposal to discharge the members of the Board of Management for their responsibilities

26

26

Proposal to discharge the members of the Board of Supervisory Directors for their responsibilities

27

27

AGM Agenda

1. Opening and announcements
2. Annual Report 2018
3. Long Term Incentive Plan shares 2019 for the Board of Supervisory Directors
4. New Share Option Plan for Employees and Management
5. Re- election of member of the Board of Management- Bruno Giannetti
6. New Member of the Board of Supervisory Directors – Deb Jorn
7. Re-election of Mr Paul Sekhri and Mr Barrie Ward to the Board of Supervisory Directors
8. Amendment of the Articles of Association to permit a wider choice of locations for General Meetings of shareholders
9. Appointment of the external auditor of the Company
10. Designation of the Board of Management (BOM)
11. Authorization of the BOM to repurchase shares in the Company
12. Any other business
13. Closing

28

28

AGM Agenda



1. Opening and announcements
2. Annual Report 2018
3. Long Term Incentive Plan shares 2019 for the Board of Supervisory Directors
4. **New Share Option Plan for Employees and Management**
5. Re- election of member of the Board of Management- Bruno Giannetti
6. New Member of the Board of Supervisory Directors – Deb Jorn
7. Re-election of Mr Paul Sekhri and Mr Barrie Ward to the Board of Supervisory Directors
8. Amendment of the Articles of Association to permit a wider choice of locations for General Meetings of shareholders
9. Appointment of the external auditor of the Company
10. Designation of the Board of Management (BOM)
11. Authorization of the BOM to repurchase shares in the Company
12. Any other business
13. Closing

29

29

AGM Agenda



1. Opening and announcements
2. Annual Report 2018
3. Long Term Incentive Plan shares 2019 for the Board of Supervisory Directors
4. New Share Option Plan for Employees and Management
5. **Re- election of member of the Board of Management- Bruno Giannetti**
6. New Member of the Board of Supervisory Directors – Deb Jorn
7. Re-election of Mr Paul Sekhri and Mr Barrie Ward to the Board of Supervisory Directors
8. Amendment of the Articles of Association to permit a wider choice of locations for General Meetings of shareholders
9. Appointment of the external auditor of the Company
10. Designation of the Board of Management (BOM)
11. Authorization of the BOM to repurchase shares in the Company
12. Any other business
13. Closing

30

30

AGM Agenda



1. Opening and announcements
2. Annual Report 2018
3. Long Term Incentive Plan shares 2019 for the Board of Supervisory Directors
4. New Share Option Plan for Employees and Management
5. Re- election of member of the Board of Management- Bruno Giannetti
6. **New Member of the Board of Supervisory Directors – Deb Jorn**
7. Re-election of Mr Paul Sekhri and Mr Barrie Ward to the Board of Supervisory Directors
8. Amendment of the Articles of Association to permit a wider choice of locations for General Meetings of shareholders
9. Appointment of the external auditor of the Company
10. Designation of the Board of Management (BOM)
11. Authorization of the BOM to repurchase shares in the Company
12. Any other business
13. Closing

31

31

Deborah (“Deb”) Jorn



- Deb has a husband David and a son Michael
- She resides in Warren, NJ very close to Pharming’s US offices in Bridgewater, NJ
- Deb enjoys traveling with her family throughout the world having recently returned from an extended visit to New Zealand and Australia
- She also spends time at the family’s vacation home in Hawaii where she enjoys kayaking, snorkelling and hiking.



32

AGM Agenda



1. Opening and announcements
2. Annual Report 2018
3. Long Term Incentive Plan shares 2019 for the Board of Supervisory Directors
4. New Share Option Plan for Employees and Management
5. Re- election of member of the Board of Management- Bruno Giannetti
6. New Member of the Board of Supervisory Directors – Deb Jorn
7. **Re-election of Mr Paul Sekhri and Mr Barrie Ward to the Board of Supervisory Directors**
8. Amendment of the Articles of Association to permit a wider choice of locations for General Meetings of shareholders
9. Appointment of the external auditor of the Company
10. Designation of the Board of Management (BOM)
11. Authorization of the BOM to repurchase shares in the Company
12. Any other business
13. Closing

33

33

AGM Agenda



1. Opening and announcements
2. Annual Report 2018
3. Long Term Incentive Plan shares 2019 for the Board of Supervisory Directors
4. New Share Option Plan for Employees and Management
5. Re- election of member of the Board of Management- Bruno Giannetti
6. New Member of the Board of Supervisory Directors – Deb Jorn
7. Re-election of Mr Paul Sekhri and Mr Barrie Ward to the Board of Supervisory Directors
8. **Amendment of the Articles of Association to permit a wider choice of locations for General Meetings of shareholders**
9. Appointment of the external auditor of the Company
10. Designation of the Board of Management (BOM)
11. Authorization of the BOM to repurchase shares in the Company
12. Any other business
13. Closing

34

34

AGM Agenda



1. Opening and announcements
2. Annual Report 2018
3. Long Term Incentive Plan shares 2019 for the Board of Supervisory Directors
4. New Share Option Plan for Employees and Management
5. Re- election of member of the Board of Management- Bruno Giannetti
6. New Member of the Board of Supervisory Directors – Deb Jorn
7. Re-election of Mr Paul Sekhri and Mr Barrie Ward to the Board of Supervisory Directors
8. Amendment of the Articles of Association to permit a wider choice of locations for General Meetings of shareholders
9. **Appointment of the external auditor of the Company**
10. Designation of the Board of Management (BOM)
11. Authorization of the BOM to repurchase shares in the Company
12. Any other business
13. Closing

35

35

AGM Agenda



1. Opening and announcements
2. Annual Report 2018
3. Long Term Incentive Plan shares 2019 for the Board of Supervisory Directors
4. New Share Option Plan for Employees and Management
5. Re- election of member of the Board of Management- Bruno Giannetti
6. New Member of the Board of Supervisory Directors – Deb Jorn
7. Re-election of Mr Paul Sekhri and Mr Barrie Ward to the Board of Supervisory Directors
8. Amendment of the Articles of Association to permit a wider choice of locations for General Meetings of shareholders
9. Appointment of the external auditor of the Company
10. **Designation of the Board of Management (BOM)**
11. Authorization of the BOM to repurchase shares in the Company
12. Any other business
13. Closing

36

36

AGM Agenda



1. Opening and announcements
2. Annual Report 2018
3. Long Term Incentive Plan shares 2019 for the Board of Supervisory Directors
4. New Share Option Plan for Employees and Management
5. Re- election of member of the Board of Management- Bruno Giannetti
6. New Member of the Board of Supervisory Directors – Deb Jorn
7. Re-election of Mr Paul Sekhri and Mr Barrie Ward to the Board of Supervisory Directors
8. Amendment of the Articles of Association to permit a wider choice of locations for General Meetings of shareholders
9. Appointment of the external auditor of the Company
10. Designation of the Board of Management (BOM)
11. Authorization of the BOM to repurchase shares in the Company
12. Any other business
13. Closing

37

37

AGM Agenda



1. Opening and announcements
2. Annual Report 2018
3. Long Term Incentive Plan shares 2019 for the Board of Supervisory Directors
4. New Share Option Plan for Employees and Management
5. Re- election of member of the Board of Management- Bruno Giannetti
6. New Member of the Board of Supervisory Directors – Deb Jorn
7. Re-election of Mr Paul Sekhri and Mr Barrie Ward to the Board of Supervisory Directors
8. Amendment of the Articles of Association to permit a wider choice of locations for General Meetings of shareholders
9. Appointment of the external auditor of the Company
10. Designation of the Board of Management (BOM)
11. Authorization of the BOM to repurchase shares in the Company
12. Any other business
13. Closing

38

38

AGM Agenda



1. Opening and announcements
2. Annual Report 2018
3. Long Term Incentive Plan shares 2019 for the Board of Supervisory Directors
4. New Share Option Plan for Employees and Management
5. Re- election of member of the Board of Management- Bruno Giannetti
6. New Member of the Board of Supervisory Directors – Deb Jorn
7. Re-election of Mr Paul Sekhri and Mr Barrie Ward to the Board of Supervisory Directors
8. Amendment of the Articles of Association to permit a wider choice of locations for General Meetings of shareholders
9. Appointment of the external auditor of the Company
10. Designation of the Board of Management (BOM)
11. Authorization of the BOM to repurchase shares in the Company
12. Any other business
13. Closing

39

39



www.pharming.com

info@pharming.com

Tickers:
ENXTAM: PHARM
Bloomberg: PHAR.AS

40