Pharming Group NV

Unaudited Full Year Results for 2018

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Forward Looking Statements

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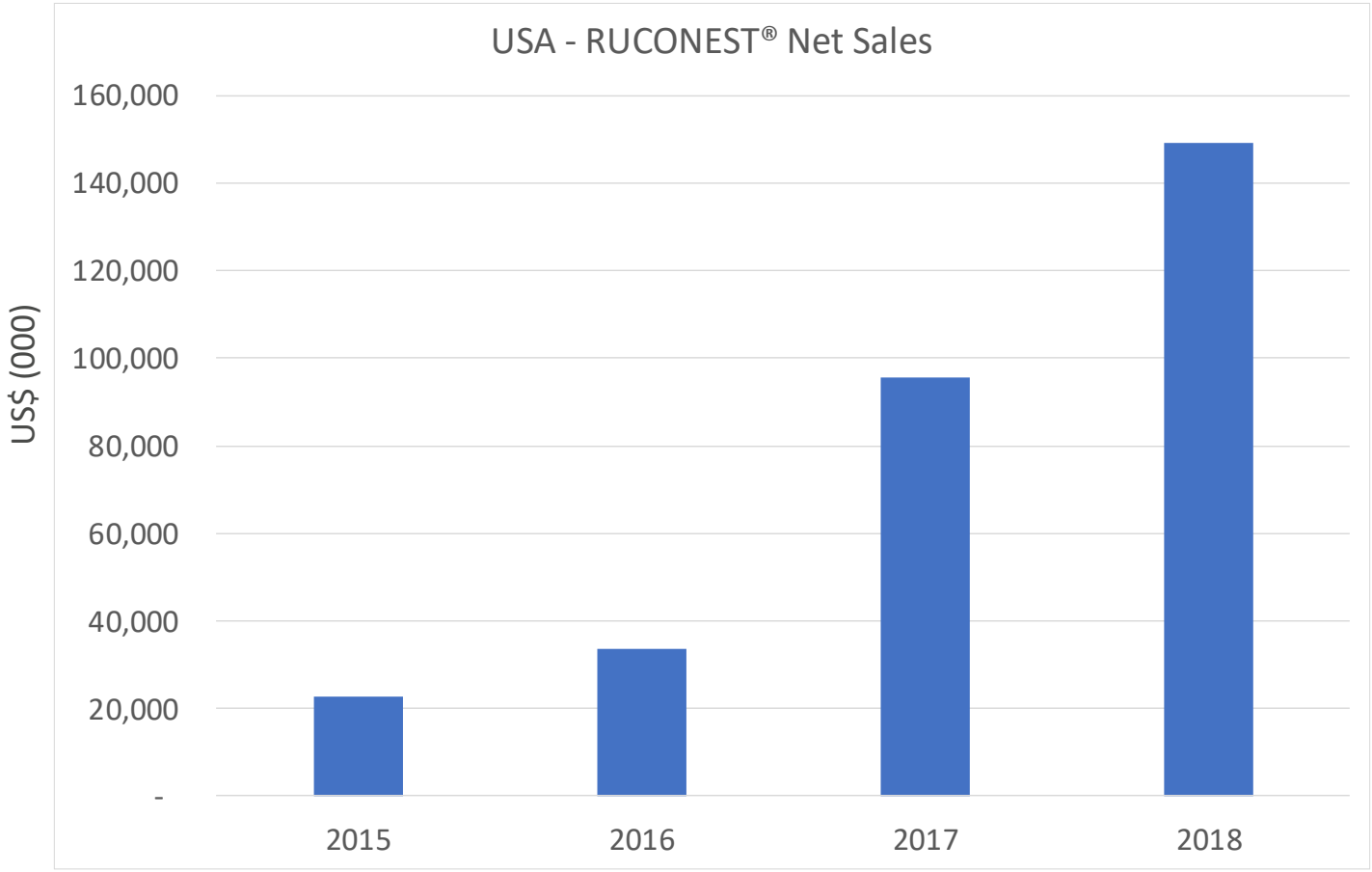
Agenda

1. 2018 Operational Highlights
2. Three Pillars of Internal Growth
3. Financial Overview
4. Summary and Outlook

Strong execution of commercial strategy

- Revenues from product sales for the year increased by 51.2% to €134.1 million (FY 2017: €88.7 million), as a result of increasing patient numbers
- The effect of Pharming's approach to US commercialisation can be seen in the chart below:



Growth continues for RUCONEST® in changing HAE landscape

- Recent launches of subcutaneous injected plasma-derived C1 inhibitor product and subcutaneous long-acting antibody increase future competitive pressure in the prophylaxis segment
- New treatments feature higher responder rates than previous IV plasma-derived C1-inhibitor prophylaxis
- Continued need for effective and reliable treatment for breakthrough attacks, because over half of patients continue to have breakthrough attacks
- The management of HAE typically improves by having multiple types of treatments at hand over time
- Reliable and consistent response when treating attacks of HAE, and the corresponding increasing positive patient experiences, means that RUCONEST continues to find its place as preferred/ ultimate treatment
- Opportunity now both for severely-affected patients and for treatment of breakthrough attacks associated with the new prophylaxis products, providing scope for continued growth

Strengthening RUCONEST's position as treatment for acute HAE

- Publications at various scientific congresses throughout the year underpinning reliability and consistency of response to RUCONEST therapy further
- These include the first investigator-initiated (observational) real-world study comparing re-dosing frequency of C1 esterase inhibitor therapies versus icatibant (bradykinin inhibition) therapy in 69 acute HAE attacks
- The data showed that properly dosed, RUCONEST® and other C1 esterase therapies would typically stop HAE attacks on the first treatment and that icatibant (marketed as the world's best-selling HAE drug, Firazyr®) required frequent (and multiple) re-dosing to treat an attack of HAE
- The full results are being written up now by the investigators now for publication shortly

Three pillars for strong organic growth

- Focusing on investment in our three pillars of organic growth outlined at the Capital Markets Day in June 2018:
  - Convenience of RUCONEST® within the HAE space to meet patients' needs – new intramuscular, subcutaneous and intradermal versions under development
  - Development of RUCONEST®/rhC1INH outside the HAE space to tackle large unmet medical needs for which there are no current approved or effective therapies: initially pre-eclampsia and acute kidney injury
  - New protein replacement products which address significant shortcomings of existing therapies for Pompe and Fabry diseases
- Received a complete response letter for the use of RUCONEST® for the prophylaxis of HAE in September, as result of the FDA being unable to cross the final remaining statistical hurdle in a small sub-group of patients.
  - This issue will be addressed as part of new prophylaxis studies with more convenient forms of RUCONEST as outlined above

New indications for RUCONEST® - Acute Kidney Injury

- Positive results delivered in October from a Phase II investigator-initiated study of RUCONEST® in a double-blind, placebo-controlled clinical trial in patients at risk of nephropathy resulting from contrast-enhanced examinations
- The result show clear clinically-significant benefit in patients undergoing percutaneous coronary interventions ("PCI") such as stent insertions or valve replacements
- The intent-to-treat analysis showed that patients on RUCONEST® had a median percentage change in peak urinary Neutrophil Gelatinase-Associated Lipocalin within 48 hours of 11.3% in the RUCONEST® arm and 205.2% in the placebo arm (p=0.001)
- The overall assessment of the study also showed trends that patients undergoing more invasive interventions and procedures requiring higher volumes of contrast medium experienced a stronger benefit from the RUCONEST® treatment
- As a result, Pharming is now embarking on its own program for acute kidney injury in patients undergoing PCIs accompanied by contrast-enhanced examinations

New indications for RUCONEST® - Pre-eclampsia

- An initial study to investigate safety (and efficacy signals) in pregnant women diagnosed with pre-eclampsia has been designed and was submitted to the regulatory authorities and ethics committees in Netherlands and Australia last year
- All study preparations are completed
- Any study in pregnant women, and especially studies in distressed pregnant women, are necessarily very carefully designed, planned and reviewed
- Now awaiting confirmation for final approvals to initiate the study from the relevant ethics committees
- Following ethics committee approval, the study is expected to start soon
- Ethics committee approval and first patient in will be reported by press release

New products from the platform

Pharming

Pompe development program

- Continuing to develop α-glucosidase from our platform
- Initiated dialogues with key opinion leaders on future clinical program designs
- Input/ feedback will be sought from regulatory authorities
- Currently manufacturing material for IND-enabling studies and clinical trial material

Fabry program also running - continues to trail Pompe program by approximately one year

Financial Statements

Delivering record revenues and annual net profitability

- Total revenues increased by 51% to €135.1 million (including €0.8 million of license revenue) from €89.6 million (including €0.9 million in license revenue) in 2017
- Operating results improved to a profit of €40.6 million from €21.9 million in 2017, before a one-off non-cash adjustment of €2.6 million for previously-capitalised development costs in respect of a superseded new version of RUCONEST®
    - This improvement was made despite a considerable increase in commercialization and clinical research activities,
- The net result was a profit of €25.0 million (2017: loss of €76.2 million), mainly as a result of the strong operating performance and improved capital structure
- The Cash position increased from €60.0 million at the end of 2017 to €81.5 million at the end of 2018, despite paying down over €14.5 million ($16.7 million) of the Orbimed loan in the second half of the year
- Shareholders' equity increased from €16.1 million to €61.8 million due mainly to the net result and revenues from option and warrant exercises

Stronger Capital Structure

- Recently started to repay the $100m 4 year refinance debt facility with OrbiMed
  - €14.5 million ($16.7 million) paid down from the principal amount in Q3 and Q4 2018
- All convertible bonds now redeemed or converted and almost all warrants now exercised, so that there will be no further significant fair value adjustments after 2018
- This means that Pharming now has a clean capital structure, with just the employee share option plans making the (6.6%) difference between the issued and fully-diluted capital
- The capital structure does allow for us to consider small acquisitions where these are clearly in shareholders' interests, but larger deals will be brought to shareholders for approval

Income Statement – Operating Profit

Amounts in € '000	2018	2017 restated *
Product sales	134,326	88,677
License fees	804	943
Revenues	**135,130**	**89,620**
Costs of sales	**(22,180)**	**(12,445)**
Gross profit	**112,950**	**77,175**
Other income	**684**	**790**
Research and development	(28,882)	(18,657)
General and administrative	(12,221)	(5,974)
Marketing and sales	(34,539)	(31,422)
Costs	**(75,642)**	**(56,053)**
Operating result	**37,992**	**21,912**

Income Statement - Net result

Amounts in € '000		2018	2017 restated *
Fair value gain (loss) on revaluation derivatives *		(495)	(42,063)
Other financial income and expenses *		(36,640)	(65,538)
Financial income and expenses		**(37,135)**	**(107,601)**
Result before income tax		**857**	**(85,689)**
Income tax credit (expense)		24,136	9,442
Net result for the year		**24,993**	**(76,247)**
Attributable to:			
Owners of the parent		24,993	(76,247)
Total net result		**24,993**	**(76,247)**
Basic earnings per share (€)		0.041	(0.152)
Fully-diluted earnings per share (€)		0.038	n/a

Balance Sheet - Assets

Amounts in € '000	2018	2017 restated*
Non-current assets		
Intangible assets	52,435	56,631
Property, plant and equipment	8,402	8,234
Long-term prepayments	2,006	2,296
Deferred tax assets	35,082	9,442
Restricted cash	1,204	1,336
Total non-current assets	**99,129**	**77,939**
Current assets		
Inventories	17,315	18,334
Trade and other receivables	17,814	11,260
Cash and cash equivalents	80,311	58,657
Total current assets	**115,440**	**88,251**
Total assets	**214,569**	**166,190**

Balance Sheet - Liabilities

Amounts in € '000	2018	2017 restated*
Equity		
Share capital	6,215	5,790
Share premium *	387,525	363,818
Legal reserves	(590)	(938)
Accumulated deficit	(331,399)	(352,560)
Shareholders' equity	**61,751**	**16,110**
Non-current liabilities		
Loans and borrowings *	37,267	59,161
Deferred tax liabilities	87	-
Contract liabilities	667	1,467
Finance lease liabilities	164	390
Other financial liabilities	32,034	28,319
Total non-current liabilities	**70,219**	**89,337**
Current liabilities		
Loans and borrowings *	35,235	22,398
Contract liabilities	800	804
Derivative financial liabilities *	228	10,080
Trade and other payables	28,589	27,198
Finance lease liabilities	263	263
Other financial liabilities	17,484	-
Total current liabilities	**82,599**	**60,743**
Total equity and liabilities	**214,569**	**166,190**

Cash flow – Operating Activities

Amounts in €'000		2018	2017
Operating result		**37,992**	**21,912**
Non-cash adjustments:			
Depreciation, amortisation, impairment		6,559	3,415
Accrued employee benefits		3,270	2,712
Deferred license fees		(804)	(943)
Operating cash flows before changes in working capital		**47,017**	**27,096**
Changes in working capital:			
Inventories		1,019	(393)
Trade and other receivables		(6,554)	(3,345)
Payables and other current liabilities		1,391	14,837
Total changes in working capital		**(4,144)**	**11,099**
Changes in non-current assets, liabilities and equity		(1,098)	15
Cash generated from (used in) operations before interest and taxes		**41,775**	**38,210**
Interest received		18	3
Income taxes paid		(1,417)	-

Cash flow - Overall

Amounts in €'000		2018	2017
Net cash flows generated from (used in) operating activities		**40,376**	**38,213**
Capital expenditure for property, plant and equipment		(2,496)	(3,248)
Investment intangible assets		(1,273)	(2,797)
Net cash flows used in investing activities		**(3,769)**	**(6,045)**
Proceeds of loans and borrowings		-	91,333
Payments of transaction fees and expenses		-	(3,352)
Prepayment on loans and borrowings		(15,137)	(86,258)
Redemption bonds		(2,257)	(3,934)
Interests on loans		(11,063)	(7,877)
Proceeds of equity and warrants		10,496	6,833
Net cash flows generated from (used in) financing activities		**(17,961)**	**(3,255)**
Increase (decrease) of cash		**18,646**	**28,913**
Exchange rate effects		2,876	(1,057)
Cash and cash equivalents at 1 January		59,993	32,137
Total cash and cash equivalents at 31 December		**81,515**	**59,993**

Outlook 2019

Outlook for 2019

For the remainder of 2019, the Company expects:

- Continued growth in revenues from sales of RUCONEST®, mainly driven by the US and Western Europe operations
- Continued achievement of positive net earnings during the year
- Continued investment in the expansion of production of RUCONEST® in order to meet the growing demand for RUCONEST® internationally
- Investment in further clinical trial programs for RUCONEST® with low-volume concentrated liquid intramuscular and subcutaneous versions of RUCONEST® for both acute treatment and prophylaxis of HAE, as well as research into other more convenient routes of administration.
- Investment in clinical trials to explore additional indications for RUCONEST®
- Investment in development of the new pipeline programs in Pompe disease and Fabry's disease, and other new development opportunities and assets as these occur
- Increasing marketing activity where this can be profitable for Pharming, such as opening new countries for RUCONEST®

No further financial guidance for 2019 is provided.

Tickers:

- ENXTAM: PHARM
- Bloomberg: PHAR.AS