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Pharming announces completion of financing for RUCONEST® North American Rights Acquisition

- Valeant transaction expected to close today, 7 December 2016 -

Leiden, The Netherlands, 7 December 2016: Pharming Group N.V. ("Pharming" or "the Company") (EURONEXT: PHARM) today announced that it has closed a new financing round, comprising three financial instruments and a rights issue, providing a total of €104 million before costs. The financing will be used to pay the upfront amount of US$60 million (approximately €56.1 million) for completion of the transaction with subsidiaries of Valeant Pharmaceuticals International, Inc. (NYSE/TSX: VRX) signed on 9 August 2016 for Pharming to acquire the commercialization rights to its own high quality Heritary Angioedema therapy RUCONEST® in North America. The balance after costs of approximately €19.3 million will be used to boost sales of RUCONEST® in North America as well as in the additional countries in Western Europe and the Middle East in which Pharming is selling the product directly.

- Total financing of €104 million, comprising new straight debt, convertible bonds and proceeds of the rights issue.
- Agreement executed for a new debt financing facility of US$40 million (approximately €37.6 million) with existing and new lenders.
- Agreement executed for a new 8.5% redeemable convertible bond instrument of approximately €12.5 million with institutional investors.
- Agreement executed for a new 0% amortizable convertible bond instrument of €45 million led by US institutional investors.
- Rights issue completed with 49% acceptances from shareholders, with additional shares acquired in the Rump Offer, raising €8.8 million in total before costs.
- All new financing transactions are conditional on Valeant transaction closing.
- Valeant transaction expected to close today, 7 December 2016.
- Cash position strengthened to €34.3 million following closing of the transaction.

Rights Issue

The Rights Issue closed with acceptances for 49% of the shares on offer, a total of 28,703,934 shares, producing €5.9 million at the rights price of €0.205 per share. The shares represented by the unexercised rights were offered to institutional investors who subscribed for an additional 14,277,201

shares producing €2.9 million at the same price of €0.205, resulting in a total of €8.8 million before costs. The institutional investors who committed to acquire shares before the close of the rights exercise period received a total of 2,576,431 warrants to subscribe for Pharming shares at €0.284 per share, a premium of 25% to the 20-day volume-weighted average price as at 18 November 2016 ("VWAP"), the business day prior to publication of Pharming's Rights Issue prospectus on 21 November 2016. The warrants have a duration of 5 years.

New Debt Facility

The Company has signed an agreement with a syndicate of debt providers for a US$40 million (€37.6 million), 42 months' debt facility on standard commercial terms (8.25% interest and one-off 9% final payment at maturity in June 2020). The syndicate includes one of the Company's current lenders, Silicon Valley Bank, and new lender Kreos Capital. The debt is paid interest only for 12 months and then interest and principal over the next 30 months. It carries a 10% warrant coverage. The warrants are the same as for the rump offer investors and so entitle the debtholders to subscribe for Pharming shares at €0.284 per share. The lenders will receive 13,237,318 warrants.

Ordinary Bonds

Pharming has also entered a five-year redeemable 8.5% convertible Eurobond facility (the "Ordinary Bonds") for €12.5 million which will be convertible into shares at €0.284 per share, a premium of 25% to the VWAP, the business day prior to publication of Pharming's prospectus on 21 November 2016. The issue was led by Kreos Capital with other US and EU institutional investors. The Ordinary Bonds have an 8.5% interest rate and a 20% warrant coverage. This entitles the Ordinary Bondholders to subscribe for Pharming shares at €0.284 per share, the same as for the rump offer and debt warrants. The investors will receive 8,830,986 warrants. The total amount of the Ordinary Bonds is slightly lower than previously announced estimates as a result of investors preferring to invest directly into one or more of the other instruments (including the rump offer associated with the rights issue) or having to withdraw indicative orders for their own funding reasons.

Amortizing Bonds

The Company also entered into an 18 month redeemable amortizing convertible bond (the "Amortizing Bonds") for €45 million, led by US institutional investors. The Amortizing Bonds convert into shares at €0.289 per share, a premium of 35% to the closing price of the Pharming shares on 5 December 2016 which was €0.214 per share. The bonds carry no interest, although there is a fee payable to the holders upon closing of €5.0 million, and have a 40% warrant coverage. The Amortizing Bonds are intended to be amortized from February 2017 in 16 equal monthly instalments which can be paid, at the Company's discretion, either in cash at 105% of the instalment amount or in shares, at a 14% discount to the then market price. The warrants for the Amortizing Bondholders are the same as for the other instruments and so entitle the Amortizing Bondholders to subscribe for Pharming shares at €0.284 per share. The Amortizing Bondholders will receive 63,380,282 warrants.

Net Proceeds

The costs of the whole financing programme will be approximately €9.7 million, including financing fees and legal costs, and the costs for the Valeant transaction and prospectus will be approximately

€1.0 million. The amount payable to repay the existing debt facility will be approximately €15.6 million. The net proceeds of all the financing transactions after payment of costs, the repayment of the existing debt facility and the payment of the upfront amount to Valeant will be approximately €19.3 million. Following closing, the cash position will be approximately €34.3 million.

Shares Issued

Only the 42,981,134 shares bought in the Rights Issue and Rump Offer have been issued in connection with the financing of the acquisition. The shares that are represented by warrants and convertible bonds will only be issued upon subsequent future exercise, conversion or amortization.

Dr Sijmen de Vries, Pharming's CEO, commented:

> *"We are very pleased to have put together a financing package that minimizes dilution of existing shareholders and brings additional high-quality investors. We can now complete the transformational transaction with Valeant, move RUCONEST's commercialization forward quickly and enable Pharming to reach profitability potentially as much as three years earlier than under the Valeant license. The uptake of the rights issue was extremely high given the time of year and the turbulent market environment, at a very small discount. It demonstrates the confidence that shareholders have in Pharming's strategy and future. We anticipate that we will be able to close the Valeant transaction quite quickly, enabling us to focus on delivering value for all our shareholders."*

Stifel Nicolaus Europe Limited is acting solely as lead European Placement Agent and Roth Capital Partners is acting solely as Lead US Placement Agent. Trout Capital LLC. is acting as a Co-Placement Agent and First Berlin Securities Brokerage GmbH is acting as a Placement Advisor.

Stifel Nicolaus Europe Limited acted as sole financial adviser to Pharming in connection with the proposed re-acquisition of Ruconest US rights from Valeant.

Summary

The summary can be seen below:

Instrument/Transaction	Proceeds	Costs	Net Proceeds
	€million	€million	€million
Rights Issue & Rump Offer	8.8	(1.0)	7.8
Ordinary Bond	12.5	(0.6)	11.9
Amortizing Bond	45.0	(7.5)	37.5
Debt Facility	37.6	(0.6)	37.0
Legal and other transaction costs:		(1.0)	(1.0)
Total	**103.9**	**(10.7)**	**93.2**
To be used for:			
Upfront Payment to Valeant	(56.1)	(1.0)	(57.1)
Repayment of existing facility	(15.6)		(15.6)
Liquidity reserve for debt facility	(1.2)		(1.2)

Net Proceeds after costs used to boost RUCONEST® sales (€ million)	19.3
Existing cash at 6 December 2016	15.0
New Cash balance	34.3

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About Pharming Group N.V.

Pharming is a specialty pharmaceutical company developing innovative products for the safe, effective treatment of rare diseases and unmet medical needs. Pharming's lead product, RUCONEST® (conestat alfa) is a recombinant human C1 esterase inhibitor approved for the treatment of acute Hereditary Angioedema ("HAE") attacks in patients in Europe, the US and rest of the world. The product is available on a named-patient basis in other territories where it has not yet obtained marketing authorization.

RUCONEST® is commercialized by Pharming in Algeria, Andorra, Austria, Bahrain, Belgium, France, Germany, Ireland, Jordan, Kuwait, Lebanon, Luxembourg, Morocco, Netherlands, Oman, Portugal, Qatar, Syria, Spain, Switzerland, Tunisia, United Arab Emirates, United Kingdom and Yemen.

RUCONEST® is distributed by Swedish Orphan Biovitrum AB (publ) (SS: SOBI) in the other EU countries, and in Azerbaijan, Belarus, Georgia, Iceland, Kazakhstan, Liechtenstein, Norway, Russia, Serbia, and Ukraine.

RUCONEST® is distributed in the United States by a subsidiary of Valeant Pharmaceuticals International, Inc. (NYSE: VRX/TSX: VRX), following Valeant's acquisition of Salix Pharmaceuticals, Ltd.

RUCONEST® is distributed in Argentina, Colombia, Costa Rica, the Dominican Republic, Panama and Venezuela by Cytobioteck, in South Korea by HyupJin Corporation and in Israel by Megapharm.

RUCONEST® is also being investigated in a Phase II clinical trial for the treatment of HAE in young children (2-13 years of age) and evaluated for various additional follow-on indications.

Pharming's technology platform includes a unique, GMP-compliant, validated process for the production of pure recombinant human proteins that has proven capable of producing industrial quantities of high quality recombinant human proteins in a more economical and less immunogenetic way compared with current cell-line based methods. Leads for enzyme replacement therapy ("ERT") for Pompé and Fabry's diseases are being optimized at present, with additional programs not involving ERT also being explored at an early stage at present.

Pharming has a long term partnership with the China State Institute of Pharmaceutical Industry ("CSIPI"), a Sinopharm company, for joint global development of new products, starting with recombinant human Factor VIII for the treatment of Haemophilia A. Pre-clinical development and manufacturing will take place to global standards at CSIPI and are funded by CSIPI. Clinical development will be shared between the partners with each partner taking the costs for their territories under the partnership.

Pharming has declared that the Netherlands is its "Home Member State" pursuant to the amended article 5:25a paragraph 2 of the Dutch Financial Supervision Act.

Additional information is available on the Pharming website: www.pharming.com

About Kreos Capital

Kreos Capital is the leading provider of growth debt financing in Europe and Israel to high-growth companies. Since 1998, Kreos has completed over 450 transactions and committed more over EUR 1.7 billion in 15 different countries. Kreos is dedicated to supporting management teams and their equity investors with flexible loan structures for all stages of a growth company's development and to addressing the needs for growth capital, working capital, acquisition financings, lower mid-market buy-outs, roll-up strategies, bank re-financings as well as pre- and post-IPO financings. Kreos's most recent fund, Kreos V, was launched in January 2016 and has EUR 400 million of equity commitments from top-tier institutional investors. The Kreos global team has extensive debt financing, management and equity investing experience, covering the pan-European market from its locations in London, Tel Aviv and Stockholm.

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This announcement is directed only at persons whose ordinary activities involve them in acquiring, holding, managing and disposing of investments (as principal or agent) for the purposes of their business and who have professional experience in matters relating to investments and are: (i) if in a member state of the European Economic Area, qualified investors within the meaning of article 2(1)(e) of the Prospectus Directive ("Qualified Investors"); or (ii) if in the United Kingdom, Qualified Investors and fall within: (a) article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"); or (b) article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Order (all such persons together being referred to as "Relevant Persons"). The term "Prospectus Directive" means Directive 2003/71/EC as amended and includes any relevant implementing measures in each member state of the European Economic Area.

Forward-looking Statements

This press release of Pharming Group N.V. and its subsidiaries ("Pharming", the "Company" or the "Group") may contain forward-looking statements including without limitation those regarding Pharming's financial projections, market expectations, developments, partnerships, plans, strategies and capital expenditures.

The Company cautions that such forward-looking statements may involve certain risks and uncertainties, and actual results may differ. Risks and uncertainties include without limitation the effect of competitive, political and economic factors, legal claims, the Company's ability to protect intellectual property, fluctuations in exchange and interest rates, changes in taxation laws or rates, changes in legislation or accountancy practices and the Company's ability to identify, develop and successfully commercialize new products, markets or technologies.

As a result, the Company's actual performance, position and financial results and statements may differ materially from the plans, goals and expectations set forth in such forward-looking statements. The Company assumes no obligation to update any forward-looking statements or information, which should be taken as of their respective dates of issue, unless required by laws or regulations.

Contacts:

Pharming Group N.V.
Sijmen de Vries, CEO, Tel: +31 71 524 7400
Robin Wright, CFO, Tel: +31 71 524 7400

FTI Consulting:
Julia Phillips/ Victoria Foster Mitchell, Tel: +44 203 727 1136

Lifespring Life Sciences Communication
Leon Melens, Tel: +31 653 81 64 27