

Pharming announces refinancing of its existing debt by a single US\$100 million debt facility on improved commercial terms

Repayment of amortising convertible bonds eliminates risk of approximately 24% dilution

Leiden, The Netherlands, 16 May 2017: Pharming Group N.V. (“Pharming” or “the Company”) (Euronext Amsterdam: PHARM) announces that it has completed a new US\$100 million finance agreement with Orbimed Advisors. This has been used to redeem the Amortizing Convertible Bonds due 2017/2018, and to refinance the Company’s senior debt facility with Silicon Valley Bank and Kreos Capital, together with the associated prepayment fees and the legal and other costs of the transaction. The loan, initially structured as a bridge facility will be replaced within 60 days by a full loan agreement with a maturity date of June 2021 under similar terms and conditions as described below.

Highlights

- New four year \$100m (€91.7 million) Senior Secured Debt facility to refinance debt on more favourable terms to redeem a total of €35.9 million (US\$39.1 million) of Amortising Convertible Bonds and refinance US\$40 million of Senior Debt. The other terms of the new facility are not being disclosed
- Net effect:
 - Release of 124.2 million shares reserved against the Amortizing Convertible Bonds, minus just under 9.2 million warrants for Orbimed, eliminates risk of approximately 24% current dilution effect for existing shareholders
 - Significant reduction of near term cash burn (from amortisations and debt repayments) of approximately €16 million in 2017 and almost €8 million in 2018, which will allow for investment in RUCONEST® commercialisation and pipeline development
- Existing €11.8 million 5 year (December 2021) 8.5% Ordinary Convertible Bonds are unaffected by this transaction.
- No significant effect on Company’s cash balance at present, which stands at €33 million.

Dr Sijmen de Vries, CEO of Pharming, commented:

“We are delighted to announce that we have been able to improve the December 2016 funding of our RUCONEST® commercial rights acquisition further by refinancing the Senior Debt and redeeming the Amortizing Convertible Bonds on such excellent terms. Orbimed Advisors is one of the world’s leading specialty debt investors in the life science sector, and we are very pleased to have them as a long term partner.

This new refinance enables us to remove from the market the likelihood of issue of a substantial part of our authorized share capital (124 million shares) that was tied to the Amortising Convertible Bonds facility. With a conversion price of €0.289, these Bonds might otherwise have been converted into shares at significant discount to the current market price.

The net effect on the Company's balance sheet is significant. We will not be required to make repayments over the next 12 months of almost €3 million per month in cash (or in shares at a discount) on the Amortizing Convertible Bonds, nor to make repayments of almost €1 million per month on the senior debt from December this year until October of next year. This allows us to invest our cash into promoting RUCONEST® and developing our pipeline and facilities, thereby enhancing growth opportunities.

This is, therefore, another excellent day for our existing shareholders. We would like to thank our previous lenders, Kreos Capital and Silicon Valley Bank, and the holders of the Amortizing Convertible Bonds, who, by backing us in December 2016, enabled the Company to make the transformational acquisition of the North American commercial rights for RUCONEST®."

Capital Summary

	<i>Prior to the Transaction</i>	<i>Transaction</i>	<i>Today</i>
<i>Numbers of Shares:</i>			
<i>Issued share capital (shares)</i>	484,583,475	-	484,583,475
Reserved for:			
Share Option Schemes	54,623,675	-	54,623,675
Investor Warrants	92,228,283	9,174,372	101,402,655
Convertible Bonds:			
- Amortizing	124,207,613	(124,207,613)	-
- Ordinary (€11.8 million)	41,443,662	-	41,443,662
Fully Diluted Shares	797,086,708	(115,033,241)	682,053,467
<i>Authorized Share Capital (shares)</i>	800,000,000		800,000,000
Headroom available for issue	2,913,292	115,033,241	117,946,533
<i>% Capital available for use</i>	0.4%		14.7%

Further details

New Debt Facility

- The Company has signed an agreement with Orbimed Advisors (the Lender) for a US\$100 million (€91.7 million), four year debt facility on improved commercial terms. The overall interest rate is approximately 12%, reducing to 11% if the Company achieves net sales in the USA of US\$100 million during the term of the loan.

- The loan has been used to redeem the current Amortizing Convertible Bonds due 2017/2018, in an amount of €44.9 million including early repayment fees, and also to refinance the existing senior debt facility in an amount of €43.3 million including early repayment fees.
- As a result of the retirement of the Amortizing Bonds, the 124.2 million shares which were reserved against conversion of the remaining Amortizing Bonds, are no longer reserved for that purpose, and returned to treasury. Net of the shares which will be reserved for the warrants, this is a total of 115.0 million shares (approximately 24% of the issued share capital). The Company has no plans to issue these shares at this time.
- Also as a result of this transaction, the Company's cash burn will be reduced by the likely amount of cash repayments under the Amortizing Convertible Bonds in the rest of 2017 and in 2018, plus the amount of the cash repayments on the senior debt facility which start in December 2017 and continue through most of the loan period. The net effect in 2017 is expected to be €16.5 million, and the net effect in 2018 is expected to be €7.7 million. This excludes the effects on the Company of any repayments of the Amortizing Convertible Bonds which might have been made in shares.

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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, Israel and South Korea. 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, the Netherlands, Oman, Portugal, Qatar, Syria, Spain, Switzerland, Tunisia, the United Arab Emirates, the United Kingdom, the United States of America 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 Argentina, Colombia, Costa Rica, the Dominican Republic, Panama, and Venezuela by Cytobiotech, 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 OrbiMed Advisors

OrbiMed is a leading investment firm dedicated exclusively to the healthcare sector, with over US \$13 billion in assets under management. OrbiMed invests globally across the spectrum of healthcare companies, from venture capital start-ups to large multinational companies. OrbiMed's team of more than 90 employees manages a series of private equity funds, public equity funds, royalty/debt funds and other investment vehicles. OrbiMed maintains its headquarters in New York City, with additional offices in San Francisco, Mumbai, Shanghai, and Herzliya.

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.

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