Pharming Group
Interim Report on Financial Results for the First Quarter 2018

93% increase in revenues from product sales and 110% increase in operating profit compared with the First Quarter 2017
Delivered net profitability for the first time

Leiden, The Netherlands, 17 May 2018: Pharming Group N.V. ("Pharming" or "the Company") (Euronext Amsterdam: PHARM) presents its (unaudited) financial report for the quarter ended 31 March 2018.

Operational highlights

- Investment in commercial teams and continued underlying demand for RUCONEST® in the USA following stabilisation of short supply situations at major competitors, driving growth and good patient retention rates.
- FDA acceptance of supplementary Biologics License Application file for RUCONEST® for prophylaxis of HAE, with an action date set for 21 September 2018.
- Preparation continues for initiation of clinical development of RUCONEST® for new indications, which will be outlined together with leading experts at a Capital Markets Briefing to be held in New York and by live webcast on Thursday June 21, 2018.

Financial highlights

- Net product sales increased by 93% to €29.3 million (First quarter 2017: €15.2 million) on a like-for-like basis, mainly as a result of the continued underlying growth in revenue from US product sales despite a 15% deterioration in the US dollar exchange rate over the same period.
- Underlying product sales increased 122%.
- Total revenues increased by 90% to €29.5 million (including €0.2 million of license revenue) from €15.5 million in the first quarter 2017 (including €0.3 million in license revenue).
- Operating profit increased by 110% to €8.2 million (compared with €3.9 million in the first quarter 2017, and a profit of €21.9 million for the full year 2017), despite increased marketing costs in the US and increased R&D expenses.
- Delivered the Company's first quarterly net profit of €3.3 million, compared with a loss of €5.7 million in 2017, mainly as a result of the strong sales performance. The result also benefited from a reduction in non-cash financing expenses required to be shown under IFRS associated with the various Convertible Bonds which were converted or redeemed around the year end.
- The equity position improved from €18.8 million in December 2017 (March 2017: €28.9 million) to €31.6 million at the end of March 2018, mainly due to the net profit of €3.3 million and the reduction in debt caused by redemption of bonds.
- Inventories changed from €18.3 million at the year end 2017 to €21.6 million at the end of the first quarter 2018, largely due to the higher sales demand and support in the US and to provide additional capacity to cover further potential stock shortages by competitors. This resulted in a greater proportion of inventories being held in final dosage forms of product rather than raw materials which are recognized at a lower carrying value per unit.

- Conversions by all remaining bondholders during the quarter meant that there are now no debt instruments outstanding apart from the loan facility with Orbimed Advisors (for which we begin repayments in the third quarter of this year).
- The Company's cash position remained flat at €59.8 million (December 2017: €60.0 million, with €27.6 million at 31 March 2017), largely due to the increased inventory and additional preparation costs associated with investment in new product development.
- As a result of the growth achieved in the share price and market capitalization of the Company between January 2017 and March 2018, Pharming was admitted to the Euronext Amsterdam SmallCap-index (AScX) in March 2018.

Chief Executive Officer of Pharming, Sijmen de Vries, commented:

"The remarkable growth reported in 2017 has continued into 2018 and I am delighted to report our first quarter of net profitability, which is another significant achievement for Pharming. Investment in our commercial team and continued underlying demand for RUCONEST® in the US are driving this growth. We are also seeing good patient retention rates following the stabilization of competitor product supply, which is a testament to the efficacy of RUCONEST®. We are confident that with our increasing patient reach and advancing pipeline, we will be able to continue to deliver significant value to our patients and other stakeholders."

Commentary

The first quarter of 2018 was very positive for Pharming. We emerged from the high pressure on production and supply in Q4 2017 when both leading prophylaxis product suppliers in the USA had supply problems (which in one case extended to Europe). This resulted in extra sales and donated product supplies in the end of Q4 2017. As a responsible pharmaceutical partner, we have continued to supply RUCONEST® on prescription (including free supply) to ensure no patients were left without a C1 esterase inhibitor product where this was prescribed by their physician. These patients have been able to see for themselves the reliability, safety and effectiveness of RUCONEST®. As a testament to its efficacy, many have continued on RUCONEST® therapy despite the stabilisation of the crisis in supplies of the blood plasma-derived products in December 2017. We continue to make good progress in growth in the treatment of acute hereditary angioedema (HAE) attacks. As a result, sales in the US were ahead of the last quarter ($34.3 million compared with $33.8 million for Q4 2017). Importantly, this strong sales performance resulted in Pharming recording a net profit for the quarter for the first time.

Pharming is investing to improve the convenience of RUCONEST® administration further. Our R&D scientists have developed new forms of RUCONEST® to take into clinical trials to demonstrate effectiveness for intra-muscular and sub-cutaneous administration of smaller injections and other more convenient applications of RUCONEST® soon.

We mentioned at our 2017 full year results that we are examining additional indications for RUCONEST®, and the purpose of the 21 June Capital Markets Briefing is to give clear details of progress with RUCONEST ® in HAE and of prospects for these new indications, including contributions from leading physicians in the relevant specialties, with explanations of why we believe RUCONEST® could

provide all or part of the solutions to these currently unmet medical needs. We will also be setting out our clinical plans and timelines for the studies involved as well as providing an update on our Pompe disease pipeline programme.

We also record and report our results in US dollars for the first time, with the statements shown in US dollars on pages 10-12 below.

We look forward with confidence to continuing growth of Pharming in the rest of 2018, with increased sales, a new and very exciting pipeline, and new opportunities to enhance shareholder value.

Financial summary - Euros

3 months to 31 March

Amounts in €m except per share data	*2018*	*2017*	*% Change*
Income Statement			
Revenue from product sales	29.3	15.2	*93%*
Other revenue	0.2	0.3	*(33%)*
Total revenue	29.5	15.5	*90%*
Gross profit	24.5	13.8	*78%*
Operating result	8.2	3.9	*110%*
Net result	3.3	(5.7)	*158%*
Balance Sheet			
Cash & marketable securities	59.8	27.6	*117%*
Share Information			
Earnings per share before dilution (€)	0.006	(0.012)	*150%*

Outlook

For the remainder of 2018, the Company expects:

- Continued growth in revenues from sales of RUCONEST®, mainly driven by the US operations.
- Achievement of positive quarterly operating results and net results throughout the course of the year.
- Continued investment in the production of RUCONEST® in order to ensure continuity of supply to the growing markets in the US, Europe and the rest of the world.
- Investment in RUCONEST® in prophylaxis of HAE (following approval) and in the development of new intramuscular and subcutaneous versions of RUCONEST®.
- Investment in clinical trial development for RUCONEST® in other indications where the drug's unique properties may help solve unmet medical needs.

- We will also continue to invest in our pipeline programs in Pompe disease and Fabry's disease, and will look to acquire additional development opportunities and assets as they occur.
- Increasing marketing activity where profitable for Pharming, such as in our current major territories of the USA and in Europe: Austria, France, Germany, the Netherlands and the UK.
- We will continue to support patients in all territories, as we continue to believe that RUCONEST® represents a fast, effective, reliable and safe therapy option for HAE patients.

No further financial guidance for 2018 is provided.

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 distributed by Pharming in Austria, France, Germany, Luxembourg, the Netherlands, the United Kingdom and the United States of America. Pharming holds commercialisation rights in Algeria, Andorra, Bahrain, Belgium, Ireland, Jordan, Kuwait, Lebanon, Morocco, Oman, Portugal, Qatar, Syria, Spain, Switzerland, Tunisia, United Arab Emirates and Yemen. In some of these countries this is done in association with the HAEi Global Access Program (GAP).

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 Cytobioteck, in South Korea by HyupJin Corporation and in Israel by Megapharm.

RUCONEST® is also being examined for approval 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 Pompe 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

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 7432

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

Lifespring Life Sciences Communication
Leon Melens, Tel: +31 6 53 81 64 27

Consolidated Statement of Income

For the period, in Euros:

Amounts in € '000	Q1 2018	Q1 2017
Product sales	29,281	15,192
License fees	202	268
Revenues	29,483	15,460
Costs of sales	(5,022)	(1,697)
Gross profit	24,461	13,763
Other income	149	84
Research and development	(5,737)	(4,689)
General and administrative	(2,463)	(1,375)
Marketing and sales	(8,205)	(3,911)
Costs	(16,405)	(9,975)
Operating result	8,205	3,872
Fair value gain (loss) on revaluation derivatives	(961)	(2,426)
Other financial income and expenses	(3,121)	(7,194)
Financial income and expenses	(4,082)	(9,620)
Result before income tax	4,123	(5,748)
Income tax credit/(expense)	(796)	-
Net result for the year	3,327	(5,748)
Attributable to:		
Owners of the parent	3,327	(5,748)
Total net result	3,327	(5,748)
Basic earnings per share (€)	0.006	(0.012)

Consolidated Statement of Comprehensive Income

For the period, in Euros

Amounts in € '000	Q1 2018	Q1 2017
Net result for the year	3,327	(5,748)
Currency translation differences	(1,423)	(20)
Items that may be subsequently reclassified to profit or loss	(1,423)	(20)
Other comprehensive income, net of tax	(1,423)	(20)
Total comprehensive income for the year	1,904	(5,768)
Attributable to:		
Owners of the parent	1,904	(5,768)

Consolidated Balance Sheet

As at date shown, in Euros

Amounts in € '000	31 March 2018	31 December 2017
Non-current assets		
Intangible assets	56,272	56,631
Property, plant and equipment	7,970	8,234
Long-term prepayments	2,116	2,296
Restricted cash	1,305	1,336
Deferred tax asset	8,581	9,442
Total non-current assets	**76,244**	**77,939**
Current assets		
Inventories	21,611	18,334
Trade and other receivables	14,370	11,260
Cash and cash equivalents	58,456	58,657
Total current assets	**94,437**	88,251
Total assets	**170,681**	**166,190**
Equity		
Share capital	6,017	5,790
Share premium	381,042	370,220
Legal reserves	(2,361)	(938)
Accumulated deficit	(353,091)	(356,270)
Shareholders' equity	**31,607**	**18,802**
Non-current liabilities		
Loans and borrowings	50,089	58,684
Deferred license fees income	1,267	1,467
Finance lease liabilities	279	390
Other financial liabilities	28,319	28,319
Total non-current liabilities	**79,954**	**88,860**
Current liabilities		
Loans and borrowings	27,945	21,962
Deferred license fees income	802	804
Derivative financial liabilities	1,125	8,301
Trade and other payables	28,968	27,198
Finance lease liabilities	280	263
Total current liabilities	**59,120**	**58,528**
Total equity and liabilities	**170,681**	**166,190**

Consolidated Statement of Cash Flows

For the period, in Euros

Amounts in €'000	Q1 2018	Q1 2017
Operating result	**8,205**	**3,872**
Non-cash adjustments:		
Depreciation, amortization	944	839
Accrued employee benefits	458	564
Deferred license fees	(202)	(268)
Operating cash flows before changes in working capital	**9,405**	**5,007**
Changes in working capital:		
Inventories	(3,277)	(960)
Trade and other receivables	(3,110)	(11,221)
Payables and other current liabilities	(4,684)	2,828
Total changes in working capital	**(11,071)**	**(9,353)**
Changes in non-current assets, liabilities and equity	705	(581)
Cash generated from (used in) operations before interest and taxes	**(961)**	**(4,927)**
Interest received	-	-
Net cash flows generated from (used in) operating activities	**(961)**	**(4,927)**
Capital expenditure for property, plant and equipment	(517)	(654)
Investment intangible assets	(353)	(180)
Net cash flows generated from (used in) investing activities	**(870)**	**(834)**
Proceeds of loans and borrowings	-	4,444
Redemption on bonds	(2,238)	(2,413)
Interest on loans	(2,592)	(775)
Proceeds of equity and warrants	6,556	-
Net cash flows generated from (used in) financing activities	**1,726**	**1,256**
Increase (decrease) of cash	**(105)**	**(4,505)**
Exchange rate effects	(127)	(26)
Cash and cash equivalents at 1 January	59,993	32,137
Total cash and cash equivalents at 31 March	**59,761**	**27,606**

US Dollar Statements

Consolidated Statement of Income

For the period, in US dollars

Amounts in $ '000	Q1 2018	Q1 2017
Product sales	35,934	16,169
License fees	248	285
Revenues	36,182	16,454
Costs of sales	(6,163)	(1,806)
Gross profit	30,019	14,648
Other income	183	89
Research and development	(7,040)	(4,991)
General and administrative	(3,022)	(1,463)
Marketing and sales	(10,070)	(4,162)
Costs	(20,132)	(10,616)
Operating result	10,070	4,121
Fair value gain (loss) on revaluation derivatives	(1,179)	(2,582)
Other financial income and expenses	(3,813)	(7,681)
Financial income and expenses	(4,992)	(10,263)
Result before income tax	5,078	(6,142)
Income tax credit/(expense)	(977)	-
Net result for the year	4,101	(6,142)
Attributable to:		
Owners of the parent	4,101	(6,142)
Total net result	4,101	(6,142)
Basic earnings per share ($)	0.006	(0.012)

Please note the 2017 figures are estimates for information only, and are not presented as true comparable figures at this stage.

Consolidated Balance Sheet

As at date shown, in US dollars

Amounts in $ '000	31 March 2018	31 December 2017
Non-current assets		
Intangible assets	69,361	67,827
Property, plant and equipment	9,824	9,862
Long-term prepayments	2,608	2,749
Restricted cash	1,608	1,600
Deferred tax asset	10,578	11,309
Total non-current assets	**93,979**	**93,347**
Current assets		
Inventories	26,638	21,958
Trade and other receivables	17,712	13,487
Cash and cash equivalents	72,052	70,254
Total current assets	**116,402**	**105,699**
Total assets	**210,381**	**199,046**
Equity		
Share capital	7,416	6,935
Share premium	469,673	443,412
Legal reserves	(2,911)	(1,124)
Accumulated deficit	(435,220)	(426,703)
Shareholders' equity	**38,958**	**22,520**
Non-current liabilities		
Loans and borrowings	61,740	70,286
Deferred license fees income	1,561	1,757
Finance lease liabilities	344	467
Other financial liabilities	34,906	33,918
Total non-current liabilities	**98,551**	**106,428**
Current liabilities		
Loans and borrowings	34,445	26,304
Deferred license fees income	988	962
Derivative financial liabilities	1,387	9,942
Trade and other payables	35,707	32,575
Finance lease liabilities	345	315
Total current liabilities	**72,872**	**70,098**
Total equity and liabilities	**210,381**	**199,046**

Please note the 2017 figures are estimates for information only, and are not presented as true comparable figures at this stage.

Consolidated Statement of Cash Flows

For the period, in US dollars

Amounts in $'000	Q1 2018	Q1 2017
Operating result	**10,070**	**4,121**
Non-cash adjustments:		
Depreciation, amortization	1,158	893
Accrued employee benefits	562	600
Deferred license fees	(248)	(285)
Operating cash flows before changes in working capital	**11,542**	**5,329**
Changes in working capital:		
Inventories	(4,680)	(1,259)
Trade and other receivables	(4,225)	(12,410)
Payables and other current liabilities	(4,824)	3,146
Total changes in working capital	**(13,729)**	**(10,523)**
Changes in non-current assets, liabilities and equity	865	(618)
Cash generated from (used in) operations before interest and taxes	**(1,322)**	**(5,812)**
Interest received	-	-
Net cash flows generated from (used in) operating activities	**(1,322)**	**(5,812)**
Capital expenditure for property, plant and equipment	(634)	(696)
Investment intangible assets	(433)	(192)
Net cash flows generated from (used in) investing activities	**(1,067)**	**(888)**
Proceeds of loans and borrowings	-	5,000
Redemption on bonds	(2,744)	(2,568)
Interest on loans	(3,186)	(825)
Proceeds of equity and warrants	8,081	-
Net cash flows generated from (used in) financing activities	**2,151**	**1,607**
Increase (decrease) of cash	**(238)**	**(5,093)**
Exchange rate effects	(1,569)	670
Cash and cash equivalents at 1 January	71,854	33,920
Total cash and cash equivalents at 31 March	**73,661**	**29,497**

Please note the 2017 figures are estimates for information only, and are not presented as true comparable figures at this stage.