Pharming announces further conversion of its Ordinary Convertible Bonds

Bondholders convert €7.7 million of their remaining bonds into Pharming Shares and cash

Further reduction in net debt and interest payments

Cash balance following conversion (prior to year-end) was €56.0 million

Leiden, The Netherlands, 04 January 2018: Pharming Group N.V. ("Pharming" or "the Company") (Euronext Amsterdam: PHARM) announced today that it has issued a total of 25,441,901 new shares and €1.9 million of cash to redeem €7.7 million of the Ordinary Convertible Bonds ("Bonds"). Following this conversion election in late December 2017, 94% of the outstanding bonds have now been redeemed, leaving only €0.8 million remaining Bonds.

The newly issued shares represent 4.6% of the outstanding share capital immediately prior to the issue. The number of shares in issue following conversion is 579,014,891. Bonds eligible to convert into a further 1,653,169 shares were settled for cash of €1.9 million, so this number of shares has been removed from the fully diluted number of shares.

This conversion greatly reduces the earnings volatility associated with non-cash related IFRS adjustments, which would otherwise have had a large negative effect on the Company's reported net profit in the fourth quarter of 2017 as a result of the significant share price appreciation in that quarter.

The conversion to equity is satisfied from the reserved authorised share capital and derivative financial liabilities and there is no net effect on the available share capital ('headroom'). The cash settlement portion of bonds converted to cash instead of shares does increase the headroom, which now stands at 143,436,621 shares.

The cash element is being met from existing resources, and the Company's cash balance after accounting for this exercise will be €56.0 million (30 September 2017: €38.6 million).

Dr Sijmen de Vries, Chief Executive Officer of Pharming, commented:
"Since re-acquiring the rights to RUCONEST® we have built a self-sustaining and independent sales led pharmaceutical business, which is now profitable and cash generative. This will help Pharming build net reported earnings in future quarters following the achievement of operating profitability throughout 2017. These early conversions will preserve Pharming's cash further, enabling greater capital to drive growth in our pipeline products, and improve profitability through reduced interest payments. The consequent reduced non-cash IFRS adjustments related to derivative financial liabilities accounting will further reduce reported earnings volatility. The bondholders involved have expressed their intention to retain most of these shares for the future, and their holdings in Pharming at the time of conversion are each just below the 3% level."

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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, Canada, France, Germany, Ireland, Jordan, Kuwait, Lebanon, Luxembourg, Mexico, 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 Cytobioteck, in South Korea by HyupJin Corporation and in Israel by Megapharm.

RUCONEST® has recently completed a clinical trial for the treatment of HAE in young children (2-13 years of age) and is also 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.

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