



# Serving the unserved rare disease patient

Remuneration Report 2023



# Remuneration Report 2023

## Letter from the Remuneration Committee Chair

Dear Shareholder,  
On behalf of the Remuneration Committee, I am pleased to present to you the Remuneration Report of Pharming for the financial year 2023.

The remuneration policy for the Board of Directors was approved by the Extraordinary General Meeting of Shareholders held on December 11, 2020, and reflects our long-standing remuneration principles to support the execution of Pharming's long-term business strategy. In this Remuneration Report, the Remuneration Committee reports on how the remuneration policy has been put into practice for our Executive and Non-Executive Directors during 2023. A new draft Remuneration policy will be submitted for adoption to the Annual General Meeting of Shareholders scheduled for May 21, 2024, in accordance with Dutch statutory provisions requiring remuneration policies for board members to be submitted for adoption (at least) every four years. Please refer to the paragraph "Looking forward to the year ahead" for more details.

The Remuneration Report on the financial year 2022 was supported by a positive advisory vote at the Annual General Meeting of Shareholders held on May 17, 2023, as 95.05% of the votes were cast in favor of the presented report. The 2022 Remuneration Report reflected several important changes, compared to the 2021 Remuneration Report, including the retrospective disclosure of targets set for the short-term incentive plan for our CEO and the prospective disclosure of all non-financial targets for the CEO's Executive LTI Plan for the performance period 2023-2025.

This Remuneration Report on the financial year 2023 is based on the same template and includes the same disclosures for the performance periods 2023 and 2024-2026, respectively.

The Remuneration Committee continues to monitor the need for appropriate changes to our remuneration design and disclosures, to ensure continued consistency with prevailing best practices. In that regard, the Remuneration Committee engaged in 2023 Georgeson, as international strategic consultant, for a review of both the 2022 Remuneration Report and this 2023 Remuneration Report, consulted several investors and had meetings with proxy advisors and Dutch shareholder associations to ask feedback and input based on the 2022 Remuneration Report.

All this resulted, amongst others, in the following main changes compared to the 2022 Remuneration Report:

- Explanation of changes made to the peer group;
- Vesting schedule applied for the short-term and long-term incentive plans to determine payout/ vesting percentage for each of the quantifiable targets, including a threshold (80%) for each quantifiable target and a maximum vesting percentage of 200% for each individual target;
- Clarification of the reasons for the increase of base salary Executive Director;
- Undertaking by the Board of Directors to ensure that dilution limits for Pharming due to the equity plans for staff and the Executive Director will be prudently applied and that in any event grants of equity or equity rights under these equity plans will not result in Pharming exceeding 10% of all issued and outstanding shares of Pharming on a diluted basis;
- From 2024 STI onwards (as confirmed in this report): full retrospective disclosure of all targets; and
- 50% weighting applied for financial targets.

## Looking back on 2023

### Activities and developments Remuneration Committee

Throughout the year 2023, the Remuneration Committee consisted of Ms. Deborah Jorn, Mr. Mark Pykett and myself as Chair. Ms. Jabine van der Meijs was appointed to the committee as new member effective March 15, 2023.

The Remuneration Committee met five times in 2023, to discuss the proposals and prepare related recommendations to the Board of Directors regarding both the compensation of the Executive Director/CEO, in accordance with the remuneration policy and incentive programs as adopted and approved by our shareholders, and the compensation of the members of the Executive Committee and consulted proxy advisors in the Fall of 2023.



### Benchmark remuneration Board of Directors

As announced in last year's Remuneration Report, the Remuneration Committee engaged AON Radford, as international compensation expert, for a new market review of the compensation of the members of the Board of Directors, including the fees of the chairs and members of the committees. The peer group used for the market review is included in Part II of this Remuneration Report.

The Remuneration Committee also engaged AON Radford for a new market review of the compensation of the members of the Executive Committee.

Regarding the compensation of the Executive Director, I refer to the below paragraph "Looking forward to the year ahead".

Regarding the compensation of the Non-Executive Directors, the Board, based on a recommendation by the Remuneration Committee, concluded that the fees payable to the Chair of the Board of Directors needed to be increased in anticipation of the appointment of Dr. Richard Peters as new Chair of the Board of Directors. The increase was deemed appropriate to attract an experienced candidate in view of the Company's growth, its significant and still growing presence in the US market, which today accounts for more than 97% of sales generated, the Company's growth strategy and ambitions and the enhanced tasks and responsibilities associated with the position of Chair of a one-tier board.

Taking into account the benchmark report of AON Radford to ensure alignment with the market, it was concluded that the cash retainer payable by Pharming to the Chair of the Board of Directors should be increased by €25,000 to €90,000 per annum to ensure that the resulting combination of cash retainer and (unchanged) equity grants equals the 50th percentile of the European and trails the 50th percentile of the US peers. Our shareholders approved the proposed increase with a 99.1% majority vote at the extraordinary general meeting of shareholders held on September 25, 2023.

The Annual General Meeting of Shareholders held on May 17, 2023, had already approved the grant of an annual fee of (i) €6,000 (US\$6,474) to the Chair and (ii) €3,000 (US\$3,237) to the members of the new Transaction Committee with retrospective effect from January 1, 2023.

As announced in last year's remuneration report, regarding the compensation of the other Non-Executive Directors, the Remuneration Committee recognized that the committee fees have not changed since 2020 and that the frequency of committee meetings and the workload has in the meantime increased significantly, taking into consideration Pharming's growth (including the launch of the second indication in the US in 2023), its significant and still growing presence in the US market, the long-term strategy and ambitions, and the enhanced tasks and responsibilities associated with

the membership of the committees. Therefore, the Remuneration Committee concluded that the fees paid to the chairs and members of the respective Board committees need to be increased as follows with retrospective effect from January 1, 2024:

- Chair of the Audit Committee: €15,000 (US\$16,503);
- Chairs of the other Committees: €12,500 (US\$13,753); and
- Membership fees: 50% of the chair fee: €7,500 (US\$8,252) for Audit Committee membership and €6,250 (US\$6,876) for the membership of other committees.

The proposed increase will also ensure that the fees remain aligned with the European market benchmark for the fees of the committee members. Related proposals will be submitted to the Annual General Meeting of Shareholders scheduled for May 21, 2024.

The Remuneration Committee concluded that no changes will be proposed to be made to the base fee and equity fee of the non-executive directors, as members of the Board of Directors, as these fees were found to be in line with the European and US 50th percentile market benchmarks. Accordingly, these fees have remained unchanged since 2020 and will also remain unchanged from 2024 onwards.

### Review Remuneration Policy

As mentioned in my introduction, the Remuneration Committee engaged Georgeson for a review of both the 2022 and 2023 Remuneration Reports. Georgeson was also engaged for a review of the Remuneration Policy for the Board of Directors that was adopted by our shareholders on December 11, 2020. The review of the Remuneration Policy was initiated in anticipation of the scheduled submission of a new draft Remuneration Policy for adoption by the Annual General Meeting of Shareholders scheduled for May 21, 2024, in accordance with Dutch statutory provisions requiring remuneration policies for board members to be submitted for adoption (at least) every four years. The review is aimed to ensure continued alignment of the new policy with market practice and applicable rules, regulations and disclosures, taking into due consideration the guidelines issued by proxy advisors (including ISS and Glass Lewis) and expectations from external stakeholders. Accordingly, the Remuneration Committee engaged with several parties, including proxy advisors, to obtain their feedback on the new draft remuneration policy. Following these engagements, several changes were implemented and this resulted in the revised remuneration policy that will be submitted to the Annual General Meeting of Shareholders on May 21, 2024. The new policy will be proposed to become effective with retrospective effect from January 1, 2024, subject to the approval of our shareholders.



The following provisions, covering the Executive Director, will be proposed to be added to the current Remuneration Policy:

- Derogations of the policy: shall only be permitted in case of exceptional circumstances if necessary to serve the long-term prospects and sustainability of the Company. Deviations shall also be aligned with the main objectives of the policy to ensure a consistent approach.
- Peer group – guiding principle added: Pharming shall align itself with European best practices in the field of remuneration, while remaining competitive in the US labor market to support the successful execution of its strategy. In 2023, the US market accounted for more than 97% of sales generated by Pharming (source: 2023 Financial Statements). The remuneration of the Executive Director is reviewed according to the benchmark of the region (EU or US) in which they reside.
- Increase base salary Executive Director: any increase is required to be substantiated by outcome of the Director’s annual performance review, the Company’s performance, changes in roles and responsibilities, changes in pay and conditions across the Company and (two-yearly) market benchmarks. The salary is determined based on the country of residence.
- Short-Term and Long-Term Incentive plans:
  - extended outline governance process for target setting included (including link to strategy and measuring), confirmation of retrospective disclosure of all targets, weighting financial targets STI at least 50%, and detailed vesting schedule for all quantifiable targets (including an 80% threshold for each target and a maximum vesting level of 200% for each individual target).
  - undertaking by the Board of Directors included to ensure that dilution limits for Pharming due to the equity plans for staff and the Executive Director will be prudently applied and that in any event related grants will not result in Pharming exceeding 10% of all issued and outstanding shares of Pharming on a diluted basis.
- Clawback provisions incentive plans: extended in line with SEC requirements, Dutch law and Dutch Corporate Governance Code, whereby the Board of Directors, in accordance with a recommendation by the Remuneration Committee, shall be required to reduce or recover variable remuneration if certain circumstances apply.

The following main amendments will be proposed to be made in the updated Remuneration Policy regarding the remuneration of the Non-Executive Directors, effective January 1, 2024, subject to the approval of our shareholders during the meeting on May 21, 2024:

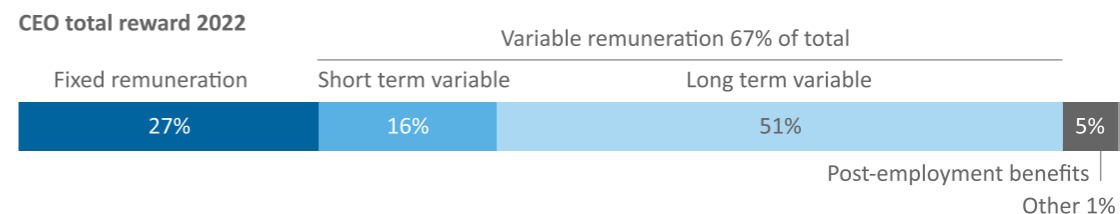
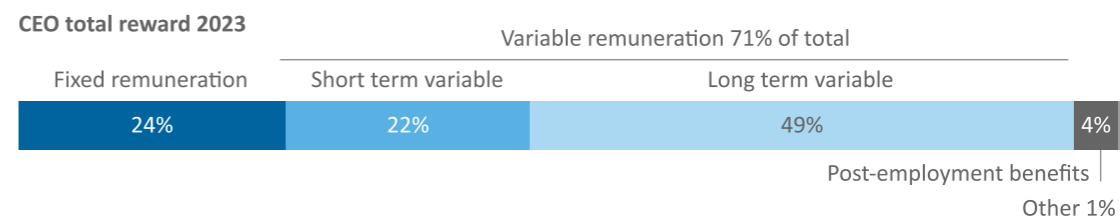
- Change fees committees: please refer to my earlier explanation under the heading “Activities and developments Remuneration Committee”.
- Deletion following sentence: “In accordance with the Dutch Corporate Governance, all shares in the Company held by the Non-Executive Board Members shall be a long-term investment.” This change is proposed to be made to avoid that the shares awarded to the Non-Executive Directors, as part of their fixed annual remuneration, are deemed linked to the performance of Pharming and, therefore, to safeguard their independence.

The Remuneration Report for the year 2024 will provide a summary of the updated Remuneration Policy and also report on its implementation in the year 2024.

I kindly refer to the other sections of this Remuneration Report and the section “Remuneration Committee” in Pharming’s 2023 Annual Report for more details regarding the activities of the Remuneration Committee in the past year.

### Remuneration Executive Director in 2023

The total remuneration package of the Executive Director decreased from €2,604,000 (US\$2,809,000) gross in 2022 to €2,273,000 (US\$2,396,000) gross in 2023, as further explained in the following paragraphs.



Annual % change	2023 vs 2022
<b>Company performance - increase/(decrease) (US\$ comparison)</b>	
Revenues	19 %
Gross Profit	17 %
Operating Result	(130)%
Net Result	(177)%
Employees (full time equivalent)	15 %
<b>Average remuneration of employees on a full-time basis</b>	
Employees of the Group	18 %



### Base salary

As explained in the 2022 Remuneration Report, the fixed salary of the Executive Director increased by 3.5% from €603,000 (US\$636,000) gross in 2022 to €624,000 (US\$673,000) gross in 2023. This salary increase took into consideration the outcome of the review of the annual performance by the Executive Director in 2022, the performance results by the Company and the outcome of the compensation merit increases for our wider workforce. The average 2022 increase for Pharming employees employed in Europe was 4.9%, as such the CEO received an increase that stayed below the average of the employees. The pay ratio between the compensation of the CEO and the mean compensation of employees (excluding the CEO) was 12.0:1 in 2022. It was also considered that the benchmark conducted by AON Radford in 2022 had indicated that the compensation level for the Executive Director is positioned in the upper 75% of the EU benchmark group and in the upper 25% of the U.S. benchmark group. The benchmark data that were presented indicated that Pharming was positioned between 50% and 75% of the EU benchmark group with regards to revenues. For the U.S. benchmark, Pharming was positioned just below the top 50% of the benchmark group regarding revenues.

For 2023, the pay ratio between the compensation of the CEO and the mean compensation of employees (excluding the CEO) was 12.0:1 (2022: 12.0:1; 2021: 13.7:1; 2020: 13.8:1; 2019: 7.7:1). Reference is made to Part III of this Remuneration Report for more details.

### Pay ratio



### Incentive plans performance

In general, Pharming had a positive year in 2023 with solid full year financial results, including significant growth in RUCONEST® revenues and the launch of Joenja® (leniolisib) for APDS in the U.S. in April 2023, shortly after the FDA approval on March 24, 2023.

As explained in more detail in the other Parts of this Remuneration Report, the Remuneration Committee, taking into consideration Pharming’s financial results as submitted by management and the performance evaluation by the Corporate Governance Committee, reached the following conclusions with regard to the achievements by the Executive Director/CEO in 2023 and the related outcome under the applicable incentive programs and submitted related recommendations for endorsement to the Board of Directors.

### 2023 performance and STI outcome (annual bonus in cash)

In 2023, the group performed as summarized below on the financial targets set for the pay-out to the CEO under the Short-term Incentive Plan (STI):

Performance Measure	Target	Weighting	Actual
Revenue growth (USD)	On target: 15-20% growth annual revenues compared to 2022 results Above target: >20%	20%	19% growth
Operating Profit (USD)	On target: loss not exceeding USD 25M Above target: loss less than USD 25M	10%	Loss USD 5.4M
Net cash balance (USD)	On target: USD 50M Above target: >USD 50M	10%	USD 76.5M

The Remuneration Committee calculated a total vesting percentage of 130.5% on all one-year financial and non-financial targets that had been set for the STI 2023, in accordance with the applicable vesting schedule for quantifiable targets (i.e., each +/-1% score compared to target resulting in +/- 3% vesting, subject to a 80% threshold).

A detailed CEO balanced scorecard on the financial and non-financial targets, including the calculation of the respective vesting results for each quantifiable target based on the applicable vesting schedule, can be found in Part III of this Remuneration Report.

The total weighted vesting result of 130.5% on all KPIs was multiplied by the 70% ‘on target’-score to calculate the total pay-out on the STI 2023. The Remuneration Committee concluded that this resulted in a cash payment to the Executive Director equal to 91.35% of the fixed annual salary for 2023, i.e., €570,000 (US\$615,000) gross.



## 2021-2023 Executive LTI performance

The first set of 1,337,888 conditional shares awarded to the CEO for the performance years 2021-2023 (equal to 300% of the CEO's gross annual salary) under the Executive LTI program, as approved by our shareholders on December 11, 2020, vested in the first quarter of 2024. Vesting of the shares granted under the Executive LTI program is subject to the performance by the CEO on the applicable long-term targets, which are a combination of Total Shareholder Return (40% weighting) and strategic corporate objectives (60% weighting), during the performance period.

The share-price performance by Pharming shares over the performance period 2021-2023 (comparing the 20-day VWP as per January 1, 2021 versus the 20-day VWP as per January 1, 2024 (in accordance with the provisions of the Remuneration Policy) was -18%, while the ASCX index increased by 16% and the IBB ETF decreased by 15% over the full aforementioned period. This result places Pharming -34% against the ASCX and -3% against the Nasdaq Biotechnology Index peer group. Accordingly, the score on Total Shareholder Return was 0% according to the applicable table. The Remuneration Committee determined the total score for the performance by the Executive Director on the corporate strategic objectives at 99.5%. For further details on the achievements versus targets, please consult Part III in this report.

Accordingly, the total results and vesting level for the shares granted under the Executive LTI program for the performance period 2021-2023 are summarized below:

Metric	Achievement	Weighting	Vesting level
TSR	— %	40 %	— %
Strategic Objectives	99.5 %	60 %	59.7 %

**Total vesting level: 59.7%**

The vesting level of 59.7% resulted in a total number of 798,719 shares (gross )that vested for the CEO in the first quarter of 2024. These shares are subject to a retention period of five years as of grant in 2021.

New conditional shares were awarded to the CEO in 2022 and 2023 for the performance periods 2022-2024 and 2023-2025, respectively. These shares will not vest until the first quarter of 2025 and the first quarter of 2026, respectively. The CEO is currently on track to meet the targets set for these performance periods. A retrospective disclosure will be included in the Remuneration Reports following the end of the relevant performance periods.

## Looking forward to the year ahead

The Remuneration Committee discussed the compensation of the Executive Director in Q1 2024, including the determination of the cash bonus for 2023 under the short-term incentive program (STI), the vesting percentage for the shares awarded under the Executive LTI plan for 2021-2023 and the conditional grant of new performance shares for the performance period 2024-2026.

The Remuneration Committee also discussed the (company-wide) goals and objectives as proposed by the Executive Director and the Executive Committee in connection with the applicable STI plan for 2024 and the Executive LTI plan for the performance period 2024-2026. Part IV of this Remuneration Report includes a summary of these goals and objectives.

Ambitious targets, with clear, specific, more quantitative and auditable metrics, have been set for the Executive Director/CEO to support the execution of our sustainable long-term strategy in the best interest of our company, our shareholders and all other stakeholders. However, the Remuneration Committee also recognized that the ongoing market volatility is likely to persist, and we will continue to monitor business performance and internal and external conditions throughout the year, together with the other Non-Executive Directors.

The Remuneration Committee reviewed and discussed the fixed base salary of the Executive Director and decided to recommend to the Board of Directors to set the fixed salary of the Executive Director (€624,000 in 2023) at €642,720 for 2024 (+3%).

This new salary amount takes into consideration the performance by the Executive Director in 2023, performance results by the Company, the pay ratio and outcome of the compensation merit increases for our wider workforce (at average +3% for our employees in Europe) and the results of the compensation review by AON Radford.

The Board of Directors has adopted the Remuneration Committee's recommendations.

I look forward to presenting this Remuneration report at the Annual General Meeting of Shareholders on May 21, 2024. On behalf of the Remuneration Committee and the Non-Executive Directors, I would like to thank you for your continued support of Pharming.

**Steven Baert**

Chair of the Remuneration Committee



## Structure of the Remuneration Report

In compliance with article 2:135b of the Dutch Civil Code, the European Shareholder Rights Directive (SRD II) and the Dutch Corporate Governance Code, this report is split into the following sections:

### **Part I**

Brief summary of the Executive Director's remuneration elements.

### **Part II**

Summary of Executive Director remuneration policy.

### **Part III**

Implementation of the Executive Director remuneration policy in 2023.

### **Part IV**

Executive Director Pay: Looking forward to 2024.

### **Part V**

Implementation of the Non-Executive Director remuneration policy 2023 and looking forward to 2024.



## Part I: Brief summary of the Executive Director remuneration elements

The Executive Board remuneration policy is simple and transparent in design, and consists of the following key elements:

Remuneration element	Purpose	Design and link to strategy	Value
Base salary	<ul style="list-style-type: none"> <li>• Involves fixed cash compensation.</li> <li>• To provide a fair and competitive basis for the total pay level to attract high caliber leaders.</li> <li>• In-depth benchmark annually.</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitates attraction and is the basis for competitive pay.</li> <li>• Rewards performance of day-to-day activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Base salaries at Pharming target the median of the labor market peer group with possible exceptions based on experience.</li> <li>• Paid monthly in cash.</li> <li>• Any remuneration increases are in line with the wider workforce and typically effective from the 1<sup>st</sup> of January each year.</li> </ul>
Pension	<ul style="list-style-type: none"> <li>• Defined Contribution Pension Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• Provides for employee welfare and retirement needs.</li> <li>• Designed to be competitive in the relevant market.</li> <li>• The CEO and Executive Committee receive a pension plan that is the same as all eligible Pharming employees. No additional executive pension benefits are awarded.</li> </ul>	<ul style="list-style-type: none"> <li>• Pension contributions for the CEO, in accordance with the plan that also applies for the other employees based in the Netherlands, equals 27.83% of base salary.</li> <li>• For Dutch employees, including the CEO, the pensionable income is capped at €128,810 for 2023; this is the fiscal maximum.</li> <li>• A Net Employee Pension Scheme is offered to all employees who have a pensionable income more than the specified maximum.</li> </ul>
Benefits	<ul style="list-style-type: none"> <li>• Provides a range of benefits, including, but not limited to holiday allowance and a lease car scheme.</li> <li>• In line with local market practice.</li> </ul>	<ul style="list-style-type: none"> <li>• Provides market competitive benefits to aid retention.</li> <li>• The CEO and Executive Committee receive the same benefits as eligible Pharming employees. No additional executive benefits are being granted.</li> </ul>	<ul style="list-style-type: none"> <li>• Holiday allowance: 8,33% of the base salary.</li> </ul>
Short-term variable remuneration	<ul style="list-style-type: none"> <li>• Based on achieving annual measured, financial and to non-financials goals.</li> <li>• Aims, at target level, for the median of the labor market peer group.</li> <li>• Is paid 100% in cash.</li> </ul>	<ul style="list-style-type: none"> <li>• Drives and rewards sound business decisions for the short-term prospects of Pharming.</li> <li>• Aligns Executive Directors and shareholder interests.</li> <li>• From the financial year 2024 onwards, at least 50% of the bonus opportunity is linked to financial performance.</li> <li>• Strategic goals and sustainability goals are set.</li> <li>• 20% is related to team and ESG-related measures.</li> <li>• The committee undertakes a thorough assessment to ensure that targets are rigorous and sufficiently stretched.</li> </ul>	<ul style="list-style-type: none"> <li>• On-target performance: 70% for the CEO / 50% of annual base salary for other Executive Board Members.</li> <li>• Maximum opportunity for CEO capped at 140% of base salary.</li> <li>• Threshold: 80% for each quantifiable target separately.</li> <li>• From the STI for 2024 onwards, a maximum of 200% applies for each individual target.</li> <li>• Below threshold: no STI pay-out on targets below threshold level.</li> <li>• STI pay-out is made in cash.</li> <li>• The remuneration committee may apply judgement with discretion to make appropriate adjustments to the annual bonus.</li> </ul>





Remuneration element	Purpose	Design and link to strategy	Value
Long-term variable remuneration	<ul style="list-style-type: none"><li>• Is based on achieved of three-year TSR and strategic targets.</li><li>• Aims, at target level, for the median of the peer group.</li><li>• Is awarded through the vesting of shares, net of taxes.</li><li>• Vested shares are blocked for another two years, with a five-year holding restriction since the date of the conditional performance grant.</li></ul>	<ul style="list-style-type: none"><li>• Drives and rewards sound business decision for the long-term prospects of Pharming.</li><li>• Aligns Executive Director's and shareholder interests.</li><li>• Supports Executive Board retention.</li></ul>	<ul style="list-style-type: none"><li>• On-target performance: 300% of annual base salary for the CEO.</li><li>• Maximum opportunity for CEO capped at 450% of base salary.</li><li>• Threshold (as from the LTI for 2023-2025 onwards): 80% for each quantifiable target separately.</li><li>• From the LTI for 2024-2026 onwards, a maximum of 200% applies for each individual target.</li><li>• Below threshold: no vesting on targets below threshold level.</li><li>• LTI pay-out is made in shares.</li></ul>
Mandatory share ownership and holding requirement	<ul style="list-style-type: none"><li>• To further align the interests of executives to shareholders.</li></ul>		<ul style="list-style-type: none"><li>• The minimum shareholding requirement is 400% of annual base compensation for the CEO. The CEO may decide to accrue the required minimum shareholding over time by the vesting of after-tax performance shares from the Executive LTI program, without the requirement for own purchases.</li></ul>
Severance pay	<ul style="list-style-type: none"><li>• Ensure upfront clarity on pay in case of early departure.</li></ul>	<ul style="list-style-type: none"><li>• Payments related to the early termination of a contract reflect performance achieved over time and shall not reward failure.</li></ul>	<ul style="list-style-type: none"><li>• Maximum severance pay is 100% of the fixed annual remuneration. Not awarded in case of early termination at the CEO's initiative (unless due to culpable conduct or neglect by the (Company) and/or the CEO's culpable conduct or gross negligence.</li></ul>



## Part II: Summary of Executive Director Remuneration Policy

The Remuneration Policy for the Board of Directors (the Policy), that applied throughout the year 2023, was adopted by the General Meeting of Shareholders on December 11, 2020 (99.28% of votes in favor) and became effective with retrospective effect as per January 1, 2020. A summary of the Policy can be found below.

The full Remuneration Policy can be found on the Company's website ([www.pharming.com/about-us/corporate-governance](http://www.pharming.com/about-us/corporate-governance)) and will remain leading for its interpretation.

### Remuneration Principles

- The total remuneration packages of the Executive Board Members will enable the Company to attract and retain top talent in a competitive and global environment and to focus management and staff on creation of sustainable growth and added value.
- A consistent and competitive remuneration structure is applied across the workforce to promote a culture of shared purpose and performance, focusing the Executive Directors and all other executives and staff members on delivering on Pharming's mission, vision and strategy and creating long-term value for the Company and its stakeholders.
- All (short-term and long-term) variable remuneration is performance-based, never guaranteed and not rewarding failure. The total amount of remuneration is each time based on a combination of the assessment of the performance of the individual and the overall results of the Company and when assessing individual performance, quantitative (financial) criteria and qualitative (non-financial) criteria are taken into account.
- The Policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking that exceeds the level of tolerated risk of the Company.
- The assignment or payment of variable remuneration should not adversely affect the financial situation of the Company (in terms of solvability, liquidity, profitability) in a material manner.

### Benchmark Peer Group

The Policy is based on the overarching principle that the average level of total remuneration of both the Executive Directors and Non-Executive Directors is consistent with the position of the Company relative to the benchmark group relevant to the Company. The peer group of the Company for comparison of remuneration levels will each time consist of a group of European and U.S., integrated and commercial stage listed companies in Life Sciences. This is in view of Pharming's important presence of the Company's geographic operating areas and the markets most relevant in relation to the recruitment and retention of top management. This peer group composed of European and U.S.

listed companies also reflects the listing of our shares on Euronext Amsterdam and of our ADS on Nasdaq. Additionally, Pharming must remain attractive for top leaders from the industry and beyond to continue to have a strong Executive leadership.

The Executive Directors remuneration levels are benchmarked every two years by an independent consultant. In 2023, the Remuneration Committee engaged AON Radford, as international compensation expert, for a new market review of the compensation of all members of the Board of Directors. The Remuneration Committee updated the peer group in preparation for the compensation review to continue to facilitate a solid comparison of remuneration levels.



For 2023, the peer group consisted of the following companies:

European peers		U.S. peers	
ADC Therapeutics, Epalinges	Galapagos, Mechelen	Anika Therapeutics	Karyopharm Therapeutics
Alliance Pharma, Chippenham	Innate Pharma, Marseille	BioCryst PharmaCeuticals	Ligand Pharmaceuticals
Autolus Therapeutics, London	Merus, Utrecht	Coherus BioSciences	MannKind
Basilea Pharmaceutica, Basel	MorphoSys, Planegg	Collegium Pharmaceutical	Mirum Pharmaceuticals
Bavarian Nordic, Hellerup	Oxford Biomedica, Oxford	Enanta Pharmaceuticals	Rigel Pharmaceuticals
BioGaia, Stockholm	uniQure, Amsterdam	Heron Therapeutics	Supernus Pharmaceuticals
Biotest, Dreieich	Valneva, Saint-Herblain	ImmunoGen	Traverse Therapeutics
Camurus, Lund	Zealand Pharma, Copenhagen	Intercept Pharmaceuticals	Vanda Pharmaceuticals
Cosmo Pharmaceuticals, Dublin		Ironwood Pharmaceuticals	

Compared to the previous peer group that was used in 2022, the following changes were made:

Removed:	Added:
Allergy Therapeutics (EU): market value significantly reduced	ADC Therapeutics (EU)
Mithra Pharmaceuticals (EU): market value and revenues significantly reduced	Galapagos (EU)
Myovant Sciences (EU): acquired by other party	MorphoSys (EU)
Arie Pharmaceuticals (US): acquired by other party	BioCryst Pharmaceuticals (US)
Clovis Oncology (US): market value significantly reduced	ImmunoGen (US)
Radius Health (US): acquired by other party	Mirum Pharmaceuticals (US)

The new peers have been added based on a market review to identify companies that are a “best fit” in terms of financial, market and business profile, sector and business/product focus while taking into consideration Pharming’s positioning among the group.



### Fixed (base salary)

Pharming aims to provide its Executive Director(s) a base salary that is consistent with the policies and procedures for internal pay levels and aligned with the median of the peer group for Pharming as identified above with the possibility to exceed based on the experience and skills of the Executive Director. Base salary levels of the Executive Director(s) are reviewed annually, taking into consideration the outcome of the review of the annual performance by the Executive Director(s), performance results by the Company, changes in roles and responsibilities of the relevant Executive Directors, changes in pay and conditions across the Company and market benchmarks. Any increases of base salary are expected to be in line with merit salary increases applied for the general workforce.

The remuneration levels are benchmarked (at least) every two years by an independent consultant and based on the continent where the Executive Director is employed. The Company has established a significant and still growing presence in the US, as the US market accounted for more than 97% of sales generated by Pharming according to the 2023 Financial Statements, and therefore competes mostly in the US market. Therefore, a further compensation competitiveness check against US compensation is taken into consideration.

### Short-term variable

For each of the Executive Director/CEO's performance measures, a target and maximum performance level is set with the following STI pay-out, as a percentage of target pay-out:

	Target performance (on target)	Maximum performance
Chief Executive Officer	70% of gross annual salary pay-out (cash)	140% of gross annual salary pay-out (cash)
Other statutory Executive Board Members (if appointed)	50% of gross annual salary pay-out (cash)	140% of gross annual salary pay-out (cash)

The vesting results for each of the individual quantitative targets (KPIs), based on actual performance, are calculated in accordance with the following table:

Actual score compared to target	Vesting result
<80%	— %
On target	100 %
Each 1% exceeding target	+3%
Each 1% below target	(3)%

From the STI 2024 onwards, a maximum vesting result of 200% applies for each individual target.

The total vesting result on all targets, applying the respective designated weightings, is multiplied by the 'on target'-score (70% for the CEO, 50% for other Executive Board Members) to calculate the total pay-out on the STI up to the maximum of 140% of the base salary.



The applicable targets and weightings for the STI that were set for the financial year 2023 by the Board of Directors, upon recommendation of the Remuneration Committee, are summarized as follows, as described in more detail in Part III below:

Theme	Definition	Relevance to Strategy	How to measure performance	Weight
People	Drive organizational effectiveness and (high) performance of the organization.	To attract and retain A-players, preserving diversity and inclusion.	<ul style="list-style-type: none"><li>• Quantitative diversity &amp; inclusion targets for staff.</li><li>• Launch leadership programs (progress on milestone planning); assessment by the Board based on performance updates.</li></ul>	10%
Execution	Ensuring flawless execution sustainable long-term strategy and long-term value creation.	RUCONEST®: serving the needs of HAE patients, continuing to drive sales. Launch and grow leniolisib in key global markets. Build a portfolio that delivers a stream of approved products.	Quantitative targets; based on assessment by the Board.	40%
Financial	Implementation financial strategy to ensure long-term value creation.	Deliver sustainable, profitable growth, long-term value creation.	Quantitative targets, performance based on financial statements.	40%
Impact/Purpose (ESG)	Pharming's performance on Environmental, Social and Governance themes is incorporated in our core business.	Pharming's performance on ESG themes to be an integrated part of the long-term strategy ("Always do the right thing") to ensure long-term value creation.	Progress versus baseline on Pharming ESG goals and KPIs (to be adopted by the Board in 2023. ESG goals to be communicated in Annual Report 2023.	10%

The Remuneration Committee acknowledged for the applied weightings, amongst others, the strategic focus of the Company on the preparations during the year 2023 for the launch of leniolisib and the continued efforts required for building a portfolio that will deliver a stream of approved products.



### Long-term variable

The long-term incentive program for the Executive Director, as approved by our shareholders in December 2020 (hereafter: the Executive LTI plan), is performance-related only. The on-target value of the conditional shares to be awarded to the CEO under the Executive LTI plan annually is set at 300% of the fixed base salary, and maximum performance value of shares is set at 450% of the fixed base salary. The Board of Directors undertakes to ensure equity plans for staff and the Executive Director will be prudently applied and that in any event grants of equity or equity rights under these equity plans will not result in Pharming exceeding 10% of all issued and outstanding shares of Pharming on a diluted basis.

The shares will vest three years after the grant date, subject to the achievement of targets set by the Board of Directors, which are a combination of Total Shareholder Return (40% weighting) and performance on strategic corporate objectives (60% weighting), as further described in the Remuneration Policy and the Executive LTI plan as published on our website ([www.pharming.com/about-us-corporate-governance](http://www.pharming.com/about-us-corporate-governance)).

The thresholds and pay-out for the TSR component are provided in the below table. It is determined for each of the ASCX and IBB indices separately (each weighting as 50% of the TSR element).

Metric	Targets							
	Below Index	Equal To Index	10% above Index	20% Above Index	40% Above Index	60% above Index	80% above Index	100% above index
TSR relative to ASCX and IBB								
ETF Index								
Pay-Out	0	80%	90%	100%	110%	120%	130%	150%

The corporate strategic targets (60% weighting) for a specific three year-performance period, including the link of the targets to the strategy, are outlined in a scorecard to be included upfront in the Remuneration Report published in the first year of that performance period. The scorecard will specify prospectively the target scores for each of the corporate strategic objectives (applying a 80% threshold for each quantitative performance measure as identified in the vesting schedule set out below), except for the financial and highly commercial targets that will be disclosed retrospectively after vesting of the relevant shares.

The vesting results for each of the individual quantitative targets (KPIs) as part of the corporate strategic objectives are calculated in accordance with the following table:

Actual score compared to target	Vesting result
<80%	— %
On target	100 %
Each 1% exceeding target	+3%
Each 1% below target	(3)%

From the 2024-2026 performance period onwards, a maximum vesting result of 200% applies for each individual target.

As a 60% weighting applies to an “on target” score on the strategic objectives, the total vesting result on all targets, applying the respective designated weightings, is multiplied by 60% to calculate the total vesting percentage for the strategic objectives.

All vested shares will be subject to a retention period of five years from the date of grant (i.e., a holding period two years after vesting) in accordance with best practice provisions provided by the Dutch Corporate Governance Code.

The first tranche of 1,337,888 conditional shares awarded to the CEO for the performance years 2021-2023 under the new Executive LTI plan vested in the first quarter of 2024. A retrospective summary of these targets is included below. A detailed scorecard can be found in Part III of this Remuneration Report.



Performance measure	Weighting	How is performance measure defined and assessed?
Grow the commercial infrastructure and prepare for the launch of leniolisib for APDS, by expanding commercialization of RUCONEST® for HAE in all major global markets.	25%	Quantitative revenue target RUCONEST®: single/low single digit growth per annum growth over period 2021-2023.
	12.5%	Expansion of C1 inhibitor franchise.
	15%	APDS patients identified in market of (future) commercialization: target potential identified patients at least 600.
	20%	Preparation and execution of Joenja® launch.
Expand product portfolio by lifecycle management of existing products and externally sourced new products.	12.5%	Quality and quantity of proposed projects assessed by the Board; # of projects proceeding to NBO/due diligence phase.
	15%	Selection and development of second indication for leniolisib.

The restricted (but unvested) shares currently outstanding for the CEO under the Executive LTI plan for respective performance periods of 3 years each are summarized in the following table:

Name	Number of restricted LTI shares granted in 2022 (vesting Q1 2025)	Number of restricted LTI shares granted in 2023 (vesting Q1 2026)	Number of restricted LTI shares granted in 2024 (vesting Q1 2027)
Sijmen de Vries	2,363,455	1,681,570	1,824,602



## Part III: Executive Director Pay: Implementation of the Remuneration Policy in 2023

### Executive Director Remuneration at a Glance: total Remuneration package paid to the CEO

The below shows a single figure table of the annual remuneration and the implementation of the remuneration policy in 2023 for the Executive Director/CEO and compares to what was received for 2022.

in EUR '000	Year	Base Salary	STI	LTI one-off transition no. of units vesting	LTI Value of units vesting	Pension cost	Other emoluments	Total
Sijmen de Vries, CEO	2023	€624	€570	798,719	€823	€107	€32	€2,156
	2022	€603	€374	1,400,000	€1,512	€106	€32	€2,627

All amounts have been paid in Euro. All amounts have been rounded.

The following table reflecting the amount in USD. This table has been included to ensure consistency with the 2023 Annual Report, applying a FX rate of 1.0790 (average 2023) for the amounts paid in 2023. The amounts paid in 2022 have been calculated using a FX rate of 1,0543 (average 2022).

in US\$ '000	Year	Base Salary	STI	LTI one-off transition no. of units vesting	LTI Value of units vesting	Pension cost	Other emoluments	Total
Sijmen de Vries, CEO	2023	\$673	\$615	798,719	\$888	\$115	\$35	\$2,326
	2022	\$636	\$394	1,400,000	\$1,594	\$112	\$34	\$2,770

All remuneration was paid in accordance with the Remuneration Policy and the incentive plans as approved by our shareholders on December 11, 2020.





### Proportion of fixed and variable remuneration, including fair value costs for Pharming

The following table reflects the amounts of fixed and variable remuneration paid to the CEO/Executive Director in 2023 and in the past years, together with the fair value share-based payment costs incurred by Pharming.

The amount of share-based compensation as reflected in the table includes the (pro-rata) fair value of the granted but unvested restricted shares that have been granted in 2020, 2021 and 2022 to the CEO pursuant to the new Executive LTI Program.

The amounts for 2020, 2021 and 2022 also includes the shares that were granted to the CEO under the LTI One-Off Transition Arrangement, that was approved by our shareholders on December 11, 2020. These shares have all vested in 2021, 2022 and 2023 and no shares are still outstanding.

The fair value of the Executive LTI plan shares granted in 2023 amounts U.S.\$1.5 million (2022: U.S.\$1.1 million). The Executive LTI shares granted in 2022 and 2023, respectively, have not vested in 2023.

in EUR '000		Fixed remuneration		Short term variable: annual bonus (cash)		Share-based compensation		Post-employment benefits		Other		Total	
Sijmen de Vries, CEO and Executive Director	2023	€624	24 %	€570	22 %	€1,271	49 %	€107	4 %	€32	1 %	€2,604	
	2022	€603	27 %	€374	16 %	€1,158	51 %	€106	5 %	€32	1 %	€2,273	
	2021	€574	24 %	€301	13 %	€1,344	57 %	€101	4 %	€32	1 %	€2,352	
	2020	€538	21 %	€377	15 %	€1,522	59 %	€94	4 %	€32	1 %	€2,563	
	2019	€507	36 %	€310	22 %	€487	35 %	€72	5 %	€32	2 %	€1,408	

The following table reflecting the amounts in USD has been included to ensure consistency with the 2023 Annual Report, applying a FX rate of 1.0790 (average 2023) for the amounts paid in 2023.

in US\$ '000		Fixed remuneration		Short term variable: annual bonus (cash)		Share-based compensation		Post-employment benefits		Other		Total	
Sijmen de Vries, CEO and Executive Director	2023	\$673	24 %	\$615	22 %	\$1,371	49 %	\$115	4 %	\$35	1 %	\$2,809	
	2022	\$636	27 %	\$394	16 %	\$1,221	51 %	\$112	5 %	\$34	1 %	\$2,396	
	2021	\$681	24 %	\$357	13 %	\$1,594	57 %	\$120	4 %	\$38	1 %	\$2,790	
	2020	\$614	21 %	\$431	15 %	\$1,739	59 %	\$107	4 %	\$37	1 %	\$2,927	
	2019	\$568	36 %	\$310	22 %	\$546	35 %	\$81	5 %	\$36	2 %	\$1,578	



The following table includes the amounts of fixed and variable remuneration paid to Mr. Robin Wright and Mr. Bruno Giannetti, as members of the former Board of Management who retired from the Board in 2020, and the fair value share-based payment costs for Pharming.

This table has been included, for a comprehensive overview of the remuneration packages at statutory executive management level in the past five years.

in EUR '000		Fixed remuneration		Short term variable: annual bonus (cash)		Share-based compensation		Post-employment benefits		Other		Total
Bruno Giannetti, former CMO (former member of the Board of Management)	2023	-	-	-	-	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-	-	-	-	-
	2020	€352	28 %	€176	14 %	€620	50 %	€74	6 %	€24	2 %	€1,246
	2019	€331	38 %	€170	20 %	€289	33 %	€70	8 %	€8	1 %	€868
Robin Wright, former CFO (former member of the Board of Management)	2023	-	-	-	-	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-	-	-	-	-
	2020	€136	24 %	€12	2 %	€94	17 %	€13	2 %	€306	55 %	€561
	2019	€317	53 %	€149	25 %	€114	18 %	€23	4 %	€0	— %	€603

The following table reflecting the amounts in USD has been included to ensure consistency with the 2023 Annual Report.

in US\$ '000		Fixed remuneration		Short term variable: annual bonus (cash)		Share-based compensation		Post-employment benefits		Other		Total
Bruno Giannetti, former CMO (former member of the Board of Management)	2023	-	-	-	-	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-	-	-	-	-
	2020	\$402	28 %	\$201	14 %	\$708	50 %	\$85	6 %	\$27	2 %	\$1,424
	2019	\$371	38 %	\$190	20 %	\$324	33 %	\$78	8 %	\$9	1 %	\$973
Robin Wright, former CFO (former member of the Board of Management)	2023	-	-	-	-	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-	-	-	-	-
	2020	\$155	24 %	\$14	2 %	\$107	17 %	\$15	2 %	\$350	55 %	\$641
	2019	\$355	53 %	\$167	25 %	\$128	18 %	\$26	4 %	-	-	\$676



## Fixed Remuneration

### Base salary

The following table reflects the gross annual base salary (fixed remuneration) of the Executive Director/CEO paid in the financial year 2023:

	Fixed Remuneration in '000 in 2023	Fixed Remuneration in '000 in 2022
Sijmen de Vries, Chief Executive Officer	€624 (US\$673)	€603 (US\$ 636)

All amounts have been paid to the Executive Director in Euro. The amounts in US\$ have been included to ensure consistency with the 2023 Annual Report, applying a FX rate of 1.0790 (average 2023) for the amounts paid in 2023. The amounts paid in 2022 have been calculated using a FX rate of 1.0543 (average 2022).

### Benefits

The Executive Director/CEO is entitled to fringe benefits, such as holiday allowance and a lease car scheme, as further described in Part I of this Remuneration Report. These benefits are in line with other eligible Pharming employees.

In the Netherlands, salaries are paid in 12 monthly installments and one additional monthly installment, entitled 'holiday allowance' which is paid typically in May/June. The allowance is equal to 8.33% of the base salary and included in the gross annual salary of staff and Executive Board Members.

### Pension

The Executive Director/CEO pension arrangements are based on defined contribution. Pharming provides an annual contribution 27.83% of base salary, minus the franchise to the schemes of the Executive Director/CEO, in accordance with the Remuneration Policy and the contributions to other employees. For Dutch employees, the pensionable income is capped at €128,810 for 2023; this is the fiscal maximum. A Net Employee Pension Scheme is offered to all employees who have a pensionable income more than the specified maximum.

### Variable Remuneration

The Remuneration Committee reviewed the performance of the Executive Director/CEO. During 2023, remuneration was paid in accordance with the Remuneration Policy and the incentive plans as approved by our shareholders in 2020.

We note that there were no deviations from the Remuneration Policy, nor from the governance process in the execution of the policy, except that the Board of Directors, upon the recommendation of the Remuneration Committee, decided to apply an increased weighting of 40% for the targets regarding the execution of the strategy and to set the weighting of the financial targets also at 40%, in acknowledgement of the importance of the launch of leniolisib (that meanwhile received FDA approval on March 24, 2023) and long-term product portfolio rejuvenation, while ensuring solid financial performance by Pharming, to create sustained long-term shareholder value for our Company, our shareholders and all other relevant stakeholders. These weightings were already disclosed in the Remuneration Report for the year 2022.

The applied weightings are specified in the below table, outlining the performance by the Executive Director, as the only statutory executive board member, on the targets set for 2023 under the applicable incentive plans, respectively.



## A. Short-Term variable remuneration (STI): cash

Theme	Definition	Link to strategy	Weighting	How to measure performance	KPI	Actual
Financial	Implementation financial strategy to ensure long-term value creation.	Deliver sustainable, profitable growth, long-term value creation.	20%	Quantitative target on total revenue growth (USD) based on 2023 Financial Statements.	On target: 15-20% growth annual revenues compared to 2022 results. Above target: >20%.	19% growth
			10%	Operating profit – quantitative target (USD) based on 2023 Financial Statements.	On target: loss not exceeding USD 25M. Above target: loss less than USD 25M.	Loss USD 5.4M
			10%	Cash quantitative target (USD) based on 2023 Financial Statements.	On target: net cash balance USD 50M. Above target: >USD 50M.	USD 76.5M
People	Drive organizational effectiveness and (high) performance of the organization.	Attract and retain the required resources, preserving diversity and inclusion.	5%	Launch leadership programs (milestone planning); assessment by the Board based on performance updates.	Launch leadership programs before end of 1Q 2023.	Achieved
			5%	Quantitative diversity & inclusion targets for staff; retrospective report in Annual Report 2023.	Staff composition ExCo-1 by YE: >40% female. Staff composition nationalities by YE: >22 nationalities.	53% female 28 nationalities
Execution	Ensuring flawless execution sustainable long-term strategy and long-term value creation.	RUCONEST®: serving the needs of HAE patients, continuing to drive sales.	8%	Targets on (i) number of physicians prescribing RUCONEST in the year and (ii) number of active patients, as assessed by the Board based on performance tracker (not to be disclosed due to highly sensitive nature).	(i) Not to be disclosed for 2023. (ii) Not to be disclosed for 2023.	(i) 108% (ii) 91%
			8%	Launch and grow leniolisib in key global markets.	Targets on number of identified potential patients in funnel as assessed by the Board based on performance tracker.	On target: at least 600 potential patients identified (funnel) by YE. Above target: >600 patients identified.
		8%		Target on enrollment studies as assessed by the Board based on performance tracker (rates not to be disclosed due to highly sensitive nature).	Studies LE-3301 (ped FCT) and LE-3302 (ped OG) on track. Not to be disclosed: inclusion rate.	LE-3301: 87% LE-3302: <80%
		8%		Target on drug development process leniolisib LCM (to be assessed by the Board based on performance tracker; details not to be disclosed due to highly sensitive nature).	Drug development process implemented for leniolisib LCM and new compounds; progress according to approved plan as assessed by the Board.	Achieved
		8%	Build a portfolio that delivers a stream of approved products.	Target on addition of new clinical program and/or Business Development opportunity to launch pipeline in 2025-2028.	On target: at least 1 new clinical program or Business Development opportunity added to pipeline before YE 2023. Above target: at least 2 new clinical programs and/or Business Development opportunities.	Not achieved
ESG (Impact/Purpose)	Pharming's performance on Environmental, Social and Governance themes incorporated in our core business.	Pharming's performance on ESG themes to be an integrated part of the sustainable long-term strategy ("Always do the right thing") to ensure sustainable long-term value creation.	10%	Progress versus baseline on Pharming ESG goals and KPIs (to be adopted by the Board in 2023 in preparation for mandatory reporting as from Annual Report 2025).  ESG goals to be communicated in Annual Report 2023 (at the latest).	Pharming long-term ESG Goals and KPIs approved by the Board.	Not achieved
<b>Total</b>			<b>100%</b>			



With regard to the target on ESG, the Board of Directors acknowledged that good progress has been made on the various milestones set in the ESG Program for Pharming throughout the year 2023. The Board concluded, however, that the agreed KPI for 2023 was not met because the ESG goals have not yet been formally approved by the Board of Directors. The Board of Directors recognized that Pharming is still on track to report on the ESG targets as of the Annual Report 2025 and therefore to ensure compliance with the applicable CSRD requirements. Reference is made to the section ESG in the 2023 Annual Report for more details on the ESG Program for Pharming.

As announced in the 2022 Remuneration Report, the vesting results for each of the individual (quantitative) KPIs for the 2023 STI are to be calculated in accordance with the following table:

<b>Actual score compared to target</b>	<b>Vesting result</b>
<80%	— %
On target	100 %
Each 1% exceeding target	+3%
Each 1% below target	(3)%



Accordingly, the vesting results on the targets for the 2023 STI are summarized in the below table:

Theme	Weighting	KPI/target	Actual	Actual vs target (+/-%)	Impact vesting (+/- 3%)	Vesting % (weighted)
Financial	20%	Total revenue growth (USD): On target: 15-20% growth annual revenues compared to 2022 results. Above target: >20%.	19% growth	100%	—%	20.0%
	10%	Operating profit: On target: loss not exceeding USD 25M. Above target: loss less than USD 25M.	Loss USD 5.4M	178%	+235%	33.5%
	10%	Net cash balance: On target: USD 50M. Above target: >USD 50M.	USD 76.5M	153%	+159%	25.9%
People	5%	Launch leadership programs before end of Q1 2023.	Achieved	100%	N/A	5.0%
	5%	Diversity & inclusion: - Staff composition ExCo-1 by YE:>40% female. - Staff composition nationalities by YE: >22 nationalities.	53% 28	132% 127%	+95% +81%	4.8% 4.5%
Execution	8%	Targets on (i) number of physicians prescribing RUCONEST in the year and (ii) number of active patients, as assessed by the Board based on performance tracker (KPI not to be disclosed due to highly sensitive nature, as announced in 2022 Remuneration Report).	(i) Not disclosed (ii) Not disclosed	(i) 108% (ii) 97%	+24% -9%	5.0% 3.7%
	8%	Leniolisib: On target: at least 600 potential patients identified (funnel) by YE. Above target: >600 patients identified.	843	141%	+122%	17.7%
	8%	Leniolisib: Studies LE-3301 (ped FCT) and LE-3302 (ped OG) on track: Sufficient inclusion rate • LE-3301 enrollment • LE-3302 enrollment.	Not disclosed	LE-3301: 87%	-39%	2.4%
				LE-3302: <80%	—%	—%
	8%	Drug development process implemented for leniolisib LCM and new compounds.	Achieved	100%	N/A	8.0%
	8%	Business Development: On target: at least 1 new clinical program or Business Development opportunity added to pipeline before YE 2023. Above target: at least 2 new clinical programs and/or Business Development opportunities.	None added	—%	—%	—%
ESG (Impact/Purpose)	10%	Progress versus baseline on Pharming ESG goals and KPIs (to be adopted by the Board in 2023 in preparation for mandatory reporting as from Annual Report 2025).  ESG goals to be communicated in Annual Report 2023. Pharming long-term ESG Goals and KPIs approved by the Board.	Achievements: • definition key themes & KPIs/value drivers • stakeholders' analysis completed • double-materiality assessment • Greenhouse Gas footprint assessment  KPIs/targets not yet submitted for approval to the Board. Therefore, 0% score. However, Pharming is still on track to report on the ESG targets as of the Annual report 2025.	—%	N/A	—%
<b>Total</b>						<b>130.5%</b>



Pursuant to the remuneration policy as adopted by our shareholders on December 11, 2020, a 70% pay-out level (calculated against the annual base salary) applies for an 'on target'-score of the Executive Board Member/CEO, with a maximum pay-out of 140%. Accordingly, the total weighted vesting result of 130.5% on all KPIs is multiplied by the 70% 'on target'-score to calculate the total pay-out for 2023.

The Remuneration Committee concluded that the total weighted vesting result of 130.5% on all KPIs results in a cash payment to the Executive Board Member/CEO equal to 91.35% of the fixed annual salary for 2023, i.e., €570,000 gross.

Pay-out of STI variable remuneration takes place only after verification by the external auditor of the Company's financial statements, including the financial KPIs on which the financial STI targets are based.

#### **B. Long-term variable remuneration (LTI): shares**

As explained in Part II of this Remuneration Report, the first tranche of shares awarded to the CEO for the performance years 2021-2023 under the new Executive LTI program, as approved by our shareholders on December 11, 2020, vested in the first quarter of 2024, applying the targets set at the start of the three-year performance period in 2021.

The following tables summarizes the tranches of shares for performance periods of three years each that have been awarded to the CEO but have not yet vested:

<b>Name</b>	<b>Number of restricted LTI shares granted in 2022 (vesting Q1 2025)</b>	<b>Number of restricted LTI shares granted in 2023 (vesting Q1 2026)</b>	<b>Number of restricted LTI shares granted in 2024 (vesting Q1 2027)</b>
Sijmen de Vries	2,363,455.00	1,681,570.00	1,824,602.00

The CEO is on track to meet the targets set for the respective performance periods. A retrospective disclosure will be included in the Remuneration Report following the end of the relevant performance periods.

Reference is made to Part IV of this Remuneration Report for a summary of the corporate objectives that will be applied for the restricted shares as granted in March 2024 under the Executive LTI program for the performance years 2024 – 2026 (vesting in the first quarter of 2027).

#### **Vesting Executive LTI 2021-2023**

The vesting results for the Executive Plan for the performance years 2021-2023 are explained below. In accordance with the applicable terms and conditions, as approved by our shareholders on December 11, 2020, the vesting of the shares is determined based on the performance by the CEO on the applicable long-term targets, which were a combination of Total Shareholder Return and the performance on the strategic corporate objectives during the respective calendar years 2021-2023. The strategic objectives targets were linked to the flawless execution of the 'Three Pillars growth strategy', i.e., the in-licensing/acquisition of a (late-stage) asset, broadening the revenue base and leveraging the commercialization infrastructure and the indication expansion of C1 esterase inhibitor and PI3K delta.



### Total Shareholder Return Metrics and Targets (40% of LTI award)

Set out below is a summary of Pharming's TSR performance relative to its peers as part of the TSR element of the Executive LTI program.

Metric	Targets								Actual			
	Below Index	Equal To Index	10% above Index	20% Above Index	40% Above Index	60% above Index	80% above Index	100% above index	Position Relative to ASCX Index	(37)%	Position Relative to IBB ETF Index	(3)%
TSR relative to ASCX and IBB ETF Index												
Pay-Out	0	80%	90%	100%	110%	120%	130%	150%	Pay-Out	—%	Pay-Out	—%

The share-price performance by Pharming shares over the performance period 2021-2023 (comparing the 20-day VWP as per January 1, 2021, versus the 20-day VWP as per January 1, 2024 (in accordance with the provisions of the Remuneration Policy) was -18%, while the ASCX index increased by 16% and the IBB ETF decreased by 15% over the aforementioned period. This result places Pharming -34% against the ASCX and -3% against the Nasdaq Biotechnology Index peer group. Accordingly, the score on Total Shareholder Return was set at 0% according to the applicable table).





### Strategic Objectives Outcomes (60% of award)

Set out below is a summary of the CEO's performance on the strategic objectives for the years 2021-2023, i.e., the flawless execution of the "Three Pillars growth strategy":

Performance measure	Weighting	How is performance measure defined and assessed?	Achievement against performance targets	Achievement %	Vesting %
Grow the commercial infrastructure and prepare for the launch of leniolisib for APDS, by expanding commercialization of RUCONEST® for HAE in all major global markets.	25%	Quantitative revenue target RUCONEST®: single/ low single digit growth per annum growth over period 2021-2023.	Growth 2021-2023: 7% (compared to FY 2020 results).	100%	25%
	12.5%	Expansion of C1 inhibitor franchise.	Following 2021 pipeline strategic review, C1 inhibitor expansion plan terminated in favor of leniolisib development plans to ensure efficiency and reduce costs.	50%	6%
	15%	APDS patients identified in market of (future) commercialization: target potential identified patients at least 600.	Exceeded: 843 patients (end 2023).	140%	21%
	20%	Preparation and execution of Joenja® launch.	Exceeded: FDA approval ahead of PDUFA date. EMA approval awaited. Revenues target 2023 achieved.  Time to product in market (< 1 week: day 3) and reimbursed (first commercial reimbursed patient on day 5); well exceeded market expectations/industry standards and internal planning (2-4 weeks) by >100%.	100%	20%
Expand product portfolio by lifecycle management of existing products and externally sourced new products	12.5%	Quality and quantity of proposed projects assessed by the Board; # of projects proceeding to NBO/due diligence phase.	Partially achieved. No further details disclosed to market due to highly sensitive nature and Pharming's status of listed company.	40%	5%
	15%	Selection and development of second indication for leniolisib.	Exceeded. Development plan already supported by FDA.	150%	22.5%
<b>Total</b>	<b>100%</b>				<b>99.5%</b>



The vesting results on the targets for the Executive LTI 2021-2023 are summarized in the below table:

### Overall Vesting of the Executive LTI program 2021-2023

Metric	Achievement	Weighting	Vesting level
TSR	—%	40%	—%
Strategic Objectives	99.5%	60%	59.7%
<b>Total vesting level: 59.7%</b>			

The vesting level of 59.7% resulted in a total number of 798,719 shares (gross) that vested for the CEO for the performance years 2021-2023. These shares are subject to a retention period of five years as of grant in 2021.

Pay-out of variable remuneration takes place only after verification by the external auditor of the relevant Company's financial statements, including the financial KPIs on which the financial targets were based.

### Pay Ratio

The Remuneration Committee considered the pay ratios within the Company and compared the pay-out of remuneration in 2023 to the Executive Director in an internal reference group, in accordance with the requirements set by the Dutch Corporate Governance Code. Pharming applies a methodology to calculate the internal pay ratio that is IFRS-driven.

For 2023, the pay ratio between the compensation of the CEO and the mean compensation of employees (excluding the CEO) was 12.0:1 (2022: 12.0:1; 2021: 13.7:1; 2020: 13.8:1 2019: 7.7:1). Compensation in each case comprises all salary, bonus, share-based compensation in cash or in kind and pension contributions. The amount of compensation of the CEO, however, includes both the actual pay-out to the CEO and the (pro-rata) fair value of the restricted shares that have been granted to the CEO pursuant to the new Executive LTI Program and the LTI One-Off Transition Arrangement, respectively.

The decreased pay ratio in 2022 resulted from the lower costs of share-based compensation. The pay-ratio for 2023 has not changed. The aforementioned pay ratio is deemed consistent with levels which are appropriate for Pharming, given its size and complexity.

Details of the staff costs can be found in note 7 of the consolidated financial statements.

The following table sets out the remuneration and company performance over the period 2019-2023 for the CEO and also visualizes the average employee salaries over the same period in Euro and USD:

Annual % change	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019	2019 vs 2018
<b>Director's remuneration</b>					
Sijmen de Vries, CEO and Executive Director (Euro comparison)	15%	(3%)	(8%)	82%	4%
Sijmen de Vries, CEO and Executive Director (USD comparison)	17%	(14%)	(5%)	85%	(2%)
Bruno Giannetti, former CMO / BOM member (USD comparison)	—%	—%	—%	44%	3%
Robin Wright, former CFO / BOM member (USD comparison)	—%	—%	—%	(7%)	(8%)
<b>Company performance - increase/(decrease) (USD comparison)</b>					
Revenues	19%	3%	(6)%	10%	25%
Gross Profit	17%	6%	(6)%	12%	31%
Operating Result	(130%)	34%	(82)%	10%	60%
Net Result	(177%)	(15)%	(58)%	(10)%	45%
Employees (full time equivalent)	15%	16 %	24%	21%	21%
<b>Average remuneration of employees on a full-time basis</b>					
Employees of the Group	18%	(3%)	(5)%	4%	(2)%

The annual % changes as reflected in the above USD information, reflect, amongst others, the change in FX rates. In addition, the change of the CEO's remuneration also reflects the changes in the costs of share-based compensation.



## Statement of compliance

### Derogation

There were no deviations from the executive and non-executive directors' remuneration policy in 2023 that are not disclosed in this Remuneration Report.

### Termination payments

The contractual severance arrangements as agreed with the Executive Director (maximum severance pay is 100% of the fixed annual remuneration) are compliant with the Dutch Corporate Governance Code and will not be paid in case of a termination at the CEO's initiative (unless due to culpable conduct or neglect by the Company) and/or the CEO's culpable conduct or gross negligence. No termination payments were made to executive and non-executive directors on termination of employment or office in 2023.

### Malus and clawbacks

In line with Dutch Law, the Dutch Corporate Governance Code and SEC requirements, malus and clawback provisions apply to the STI and LTI awarded to executive directors and the directs of the CEO whereby variable remuneration may be reduced or (partly) recovered if certain circumstances apply. In 2023, no malus or clawback was applied to any remuneration of the executive directors and the directors of the CEO.

### Loans and Advances

No loans or advances were granted to the CEO in the course of 2023.

### Share Ownership

The Remuneration Policy requires the Executive Director to acquire and hold shares in the Company with a value of at least 400% of his annual base salary. The minimum shareholding can be built up over five years (effective date share ownership as part of the remuneration policy that was adopted in 2020). This minimum shareholding requirement aims to ensure a sustainable link to the performance of the company. The guidelines require that all after-tax shares be retained until the required level is met.

In addition, the Executive Director shall comply with holding requirements under the Dutch Corporate Governance Code. This means that the Executive Director shall hold all after-tax shares received under the long-term incentive plan for a period of at least five years from the date of grant.

As of December 31, 2023, the Executive Director held 8,141,383 unrestricted ordinary shares, representing a value of €8,393,766 (US\$9,056,873). This is based on the Pharming close share price

on December 29, 2023: €1.031 (US\$1.112). Therefore, as reflected in the below table, the Executive Director well exceeds the minimum share ownership level.

### Pharming Shares held by Executive Director/CEO in shares

	2023 base salary in '000	Share Ownership (#) and value in '000 as of Dec. 31, 2023	Value as % of annual base salary 2023	2022 base salary in '000	Share Ownership (#) and value in '000 as of Dec. 31, 2022	Value as % of annual base salary 2022
Sijmen de Vries, Chief Executive Officer	€624 \$673	8,141,383 (€8,394/ US\$9,057)	1345%	€603 636	7,434,383 (€8,059/ US\$8,596)	1336%

Once the requirements under the Pharming share ownership guidelines and under the Dutch Corporate Governance Code are met, shares may be sold by the Executive Director, subject to the Pharming Insider Code.

### Outstanding rights under Share Option and LTIP plans (audited)

Following the approval of the new Remuneration Policy and the new Executive LTI plan by our shareholders on December 11, 2020, the Executive Director was granted a first tranche of new conditional shares under the new Executive LTI plan. These shares vested in the first quarter of 2024. An Executive LTI One-Off Transition Arrangement was agreed with the Executive Director in 2020 and approved by our shareholders on December 11, 2020, subject to a waiver by the Executive Director of all (contractual and other) rights and entitlements under the existing Share Option and LTIP plans as of 2020. The last tranche of the shares granted to the CEO pursuant to the Executive LTI One-Off Transition Arrangement vested in 2022 and no rights or other entitlements are still outstanding.

The Executive Director has no rights outstanding under any of the LTIP plans as granted until 2019. The below table outlines the only outstanding share option rights that were granted to the Executive Director, with the approval of our shareholders, in 2019 for the period 2019-2024.

	As of January 1, 2022	Granted 2022	Exercised 2022	Forfeited / expired 2022	As of December 31, 2022	Exercise price	Expiration date
Sijmen de Vries	2,800,000	-	-	-	2,800,000	€0.805 (US\$0.859)	May 22, 2024



## Part IV: Executive Director Pay: Looking forward to 2024

The Remuneration Committee discussed the compensation of the Executive Director in Q1 2024, including the conditional grant of new performance shares for the performance period 2024-2026. The Remuneration Committee also discussed the proposed short-term and long-term goals and objectives in connection with the applicable incentive plans. Related recommendations were submitted to the Board of Directors.

The Remuneration Committee also reviewed and discussed the fixed base salary of the Executive Director and decided to recommend to the Board of Directors to set the fixed salary of the Executive Director (€624,000 in 2023) at €642,720 for 2024 (+3%).

This new salary amount takes into consideration the performance by the Executive Director in 2023, the strong performance results by the Company, the current pay ratio and the outcome of the compensation merit increases for our wider workforce (at average 3% for our employees in Europe) and the results of the compensation review by AON Radford.

The Board of Directors has adopted the Remuneration Committee's recommendation. Accordingly, the pay to the Executive Director in 2024 is specified in the below table:

### 2024 single-figure table

in '000	Base Salary	STI <sup>1</sup>	Executive LTI plan No. of performance shares vesting	Executive LTI plan Value of performance shares vesting <sup>2</sup>	Pension cost	Other emoluments <sup>3</sup>	Total
CEO 2024 Pay	€643	€450	2,363,455	€2,437	€108	€32	€3,670
	\$707	\$495	2,363,455	\$2,681	\$119	\$35	\$4,038

<sup>1</sup> This is the at-target STI (70% to base salary).

<sup>2</sup> For calculating the indicative value, a share price of € 1.031 (USD 1.134) was used, which represents the closing share price at December 29, 2023

<sup>3</sup> Benefits as summarized in Part II of this Remuneration Report.

### 2024 STI goals

We believe that the details of the STI financial and non-financial targets contain information that is highly commercially sensitive and it would therefore not in the best interests of our company and shareholders to disclose these targets upfront. In response to shareholder requests for greater transparency, we have disclosed STI targets for the year 2023 retrospectively in this report (see Part III of this Remuneration Report).

All financial, strategic, operational and ESG goals for 2024 will be measurable and validated. In addition, all goals and objectives for 2024 specify the on-target and above target scores as will be disclosed retrospectively after vesting of the relevant shares.

We provide below an outline of the 2024 STI scorecard for the Executive Director, including their applicable weightings. From the financial year 2024 onwards, the financial targets will each time have a weighting of 50%.

All 2024 targets/KPIs will be disclosed retrospectively in the 2024 Annual Report.

The Remuneration Committee has undertaken a thorough assessment to ensure that targets are sufficiently stretched in the context of potential remuneration delivered.



The following targets have been set to determine the pay-out of the cash bonus for the financial year 2024 under the short-term incentive plan. The vesting results for each of the individual (quantitative) KPIs for the 2024 STI as identified above are calculated in accordance with the following table:

Theme	Definition	Link to strategy	Total Weighting	Weighting individual measures	How to measure performance
Financial	Implementation financial strategy to ensure long-term value creation.	Deliver sustainable, profitable growth, long-term value creation.	50%	20%	Total revenue growth – quantitative target (USD) based on 2024 Financial Statements.
				10%	Operating profit - quantitative target (USD) based on 2024 Financial Statements.
				10%	Cash - quantitative target (USD) based on 2024 Financial Statements.
				10%	Sarbanes-Oxley Act (NASDAQ listing)– compliance assessment by the Board of Directors.
People & Organization	Drive organizational effectiveness and (high) performance of the organization.	Attract and retain the required resources, preserving diversity and inclusion.	15%	15%	Enhance workforce composition: <ul style="list-style-type: none"> <li>• Staff composition (diversity &amp; inclusion) based on 2024 Annual Report;</li> <li>• Turnover rate (company-wide);</li> <li>• Employee engagement score (global; to be assessed by the Board of Directors).</li> </ul>
Execution: Portfolio & Pipeline	Ensuring flawless execution long-term strategy and sustainable long-term value creation.	Leniolisib: grow and launch Joenja® in key global markets, develop new indications beyond APDS.	25%	15%	Leniolisib: <ul style="list-style-type: none"> <li>• US: grow number of patients on therapy, securing reimbursement;</li> <li>• EMA MAA approval;</li> <li>• Clinical development: progress pediatric &amp; Japan studies;</li> <li>• Life cycle: progress development of new leniolisib indication beyond APDS.</li> </ul>
		Build a pipeline that delivers a stream of approved products.		10%	Business Development BD: 1 clinical-stage asset or other BD opportunity added to pipeline.
ESG	Pharming’s performance on ESG themes incorporated in our core business.	Pharming’s performance on ESG themes to be an integrated part of the long-term strategy ("Always do the right thing") to ensure long-term value creation.	10%	10%	ESG: progress in the ESG program to ensure first mandatory reporting as of financial year 2025.
<b>Total</b>			<b>100%</b>		



Actual score compared to target	Vesting result
<80%	0%
On target	100%
Each 1% exceeding target	+3%
Each 1% below target	(3)%

A maximum vesting result of 200% applies for each individual target.

Pursuant to the remuneration policy as adopted by our shareholders on December 11, 2020, a 70% pay-out level applies for the total 'on target'-score, with a maximum pay-out of 140%.

### Executive LTI plan: goals performance years 2024-2026

Given the commercially sensitive information, we will disclose the financial targets for our Executive LTI Plan retrospectively after vesting of the relevant shares. In efforts of transparency, a qualitative summary of these targets, in addition to the full upfront disclosure of all other targets set for the performance years 2024-2026, is provided below.

The on-target value of the conditional shares to be awarded to the CEO under the Executive LTI plan annually is set at 300% of the fixed base salary, and maximum performance value of shares is set at 450% of the fixed base salary (each time through a combination of the score on the TSR (40% weighting) and the corporate objectives (60% weighting)).

### Total Shareholder Return (40%)

We plan to make no further adjustments to the TSR metric.

Metric	Targets							
TSR relative to ASCX and IBB ETF Index	Below Index	Equal To Index	10% above Index	20% Above Index	40% Above Index	60% above Index	80% above Index	100% above index
Pay-Out	0	80%	90%	100%	110%	120%	130%	150%

### Strategic Objectives (60%)

We outline the targets for the strategic objectives element of the Executive LTI plan 2024-2026, below. All goals and objectives specify the on-target and above target scores. The financial and highly commercially sensitive targets will be disclosed retrospectively in the 2026 Remuneration Report after vesting of the relevant shares.

### Strategic objectives as part of the Executive LTI plan 2024-2026 (40% TSR; 60% strategic objectives)

Strategic Action	Weighting	How performance measure is assessed	KPI
RUCONEST®: serving the needs of HAE patients, continuing to drive sales.	10%	Quantitative target for 3-year period on revenue growth RUCONEST®.	To be disclosed in 2026 Annual Report.
Launch and grow leniolisib in key global markets.	10%	Quantifiable target for 3-year period on number of countries where leniolisib for APDS is distributed.	Leniolisib launched in 30 countries by YE 2026.
	10%	Quantifiable target for 3-year period related to life cycle management for leniolisib (new indications).	to be disclosed in 2026 Annual Report.
Build a portfolio that delivers a stream of approved products.	20%	Target to fill the pipeline in 2025-2028.	Two new clinical programs and/or Business Development opportunities added to pipeline before YE 2026.
ESG goals: implementation milestones according to action plan; first (mandatory) ESG reporting included in Annual Report 2025.	5%	Progress versus baseline on ESG KPIs (KPIs to be disclosed in 2024).	Progress versus baseline on ESG KPIs (KPIs to be disclosed in 2024).
	5%	ESG report included in Annual Report 2025.	ESG report included in Annual Report 2025.
<b>TOTAL</b>	<b>60%</b>		

Note: These performance metrics are reflective of Pharming's updated long-term strategy. Reference is made to the section "Our Strategy" in the Annual Report.

The vesting results for each of the individual (quantitative) KPIs for the 2024-2026 Executive LTI plan, as identified above, are calculated in accordance with the following table:

Actual score compared to target	Vesting result
<80%	0%
On target	100%
Each 1% exceeding target	+3%
Each 1% below target	(3)%

A maximum vesting result of 200% applies for each individual target.



## Part V: Non-Executive Directors: Implementation of the Remuneration Policy in 2023

### Remuneration Principles

- The annual remuneration is based on the position an individual has in the Board of Directors, the Audit Committee, the Remuneration Committee, the Corporate Governance Committee and the Transaction Committee;
- The remuneration package, including the shares to be granted, is fixed and not linked to the performance of the Company, to ensure the independence of the Non-Executive Directors in the discharge of their supervisory tasks and responsibilities. Non-executive directors do not receive any short- or long-term incentives or share-based compensation, other than the unconditional, unrestricted shares that are granted as part of the fixed annual remuneration in accordance with the applicable remuneration policy as adopted by our shareholders in 2020. The ordinary shares in Pharming to be awarded to the non-executive directors, as part of their annual remuneration, equal a fixed amount, are unrestricted and their grant is not linked to the performance of Pharming;
- The remuneration policy in effect until 2020 permitted the participation by the members of the former Non-Executive Directors in the Company's LTIP. The members, however, have no longer participated in the LTIP as from the financial year 2020; and
- All shares acquired and/or held by the Non-Executive Directors shall be a long-term investment only.

The Company's Remuneration Policy for the Board of Directors was adopted by our shareholders in 2020 and continued to apply to our Non-Executive Directors unchanged throughout 2023.

### 2023 remuneration Board of Non-Executive Directors

In accordance with the Remuneration Policy adopted by our shareholders on December 11, 2020, the following annual compensation structure applied in 2023 to the Non-Executive Directors.

The fee structure remained unchanged compared to the fees paid in 2022, except for the following changes agreed by our shareholders in 2023:

- The Annual General Meeting of Shareholders held on May 17, 2023, approved the grant of an annual fee of (i) €6,000 to the Chair and (ii) €3,000 to the members of the Transaction Committee with retrospective effect from January 1, 2023; and
- The Extraordinary General Meeting of Shareholders held on September 25, 2023, approved the increase of the annual fee payable to Dr. Richard Peters, as new Chair of the Board of Directors, to €90,000 in cash and €40,000 in shares with effect from September 25, 2023.

Roles and responsibilities	2023 Annual fee in cash (in EUR)	2023 Annual fee in shares (in EUR)	2022 Annual fee in cash (in EUR)	2022 Annual fee in shares (in EUR)
<b>Board</b>				
Basic Non-Executive Director Fee	€45,000	€30,000	€45,000	€30,000
Chair	€90,000 <sup>1</sup>	€40,000	€65,000	€40,000
<b>Committees</b>				
Member of Audit Committee	€3,000	n/a	€3,000	n/a
Member of Remuneration Committee	€3,000	n/a	€3,000	n/a
Member of Corporate Governance Committee	€3,000	n/a	€3,000	n/a
Member of Transaction Committee	€3,000	n/a	n/a	n/a
Chair of Audit Committee	€9,000	n/a	€9,000	n/a
Chair of Remuneration Committee	€6,000	n/a	€6,000	n/a
Chair of Corporate Governance Committee	€6,000	n/a	€6,000	n/a
Chair of Transaction Committee	€6,000	n/a	n/a	n/a

<sup>1</sup> Effective September 25, 2023. Until September 25, 2023: €65,000

Note: Non-Executive Directors may be additionally paid €1,000 per day, in case of extraordinary activities.



All amounts have been paid in Euro. All amounts have been rounded. All shares are valued at the 20 Day VWAP preceding the Annual General Meeting of Shareholders in the relevant year.

The following table specifies the amounts in US\$ to ensure consistency with the 2023 Annual Report, applying a FX rate of 1,0790 (average 2023) for the amounts paid in 2023. The amounts paid in 2022 have been calculated using a FX rate of 1,0543 (average 2022).

<b>Roles and responsibilities</b>	<b>2023 Annual fee in cash (in US\$)</b>	<b>2023 Annual fee in shares (in US\$)</b>	<b>2022 Annual fee in cash (in US\$)</b>	<b>2022 Annual fee in shares (in US\$)</b>
<b>Board</b>				
Basic Non-Executive Director Fee	\$48,555	\$32,370	\$47,444	\$31,629
Chair	\$97,110 <sup>2</sup>	\$43,160	\$68,530	\$42,172
<b>Committees</b>				
Member of Audit Committee	\$3,237	n/a	\$3,163	n/a
Member of Remuneration Committee	\$3,237	n/a	\$3,163	n/a
Member of Corporate Governance Committee	\$3,237	n/a	\$3,163	n/a
Member of Transaction Committee	\$3,237	n/a	n/a	n/a
Chair of Audit Committee	\$9,711	n/a	\$9,489	n/a
Chair of Remuneration Committee	\$6,474	n/a	\$6,326	n/a
Chair of Corporate Governance Committee	\$6,474	n/a	\$6,326	n/a
Chair of Transaction Committee	\$6,474	n/a	n/a	n/a

<sup>2</sup> Effective September 25, 2023. Until September 25, 2023: US\$70,135

Note: Non-Executive Directors may be additionally paid USD\$1,079 per day, in case of extraordinary activities.

The total annual remuneration paid is based on the position an individual has in the Board of Directors and, if applicable, the committees. All reasonable travel and other expenses incurred by Non-Executive Directors in the course of performing their duties are considered to be business expenses and so are reimbursed.

No loans or other financial commitments (advances, guarantees, shares or options) were made to any member of the Non-Executive Directors on behalf of the Company in 2023. Additionally, Non-Executive Directors are not entitled to participate in any benefits offered to Executives and staff.





## Compensation overview per Non-Executive Director in 2023

Name of Director, position	Fixed fee in cash (EUR '000)	Fixed fee in shares (EUR '000)	Committee fee (EUR '000)	Total (EUR '000)	Remarks
Dr. Richard Peters, Chair	€23	€19	€1	€43	Chair since September 25, 2023, observer since July 2023.
Paul Sekhri, Chair	€49	€30	€2	€81	Chair until September 25, 2023. Resigned from the Board.
Deborah Jorn, Non-Executive Director	€45	€30	€6	€81	
Leonard Kruimer, Non-Executive Director	€45	€30	€12	€87	
Dr. Mark Pykett, Non-Executive Director	€45	€30	€6	€81	
Steven Baert, Non-Executive Director	€45	€30	€9	€84	
Jabine van der Meijs, Non-Executive Director	€45	€30	€12	€87	
Barbara Yanni, Non-Executive Director	€45	€30	€12	€87	

All amounts have been paid in Euro. All amounts have been rounded. There are no out of ordinary expenses to be reported.

The following table specifies the amounts in US\$ to ensure consistency with the 2023 Annual Report, applying a FX rate of 1.079 (average 2023) for the amounts paid in 2023. All amounts have been rounded.

Name of Director, position	Fixed fee in cash (US\$ '000)	Fixed fee in shares (US\$ '000)	Committee fee (US\$ '000)	Total (US\$ '000)	Remarks
Dr. Richard Peters, Chair	\$25	\$20	\$1	\$46	Chair since September 25, 2023, observer since July 2023.
Paul Sekhri, Chair	\$53	\$32	\$2	\$87	Chair until September 25, 2023. Resigned from the Board.
Deborah Jorn, Non-Executive Director	\$49	\$32	\$6	\$87	
Leonard Kruimer, Non-Executive Director	\$49	\$32	\$13	\$94	
Dr. Mark Pykett, Non-Executive Director	\$49	\$32	\$6	\$87	
Steven Baert, Non-Executive Director	\$49	\$32	\$10	\$90	
Jabine van der Meijs, Non-Executive Director	\$49	\$32	\$13	\$94	
Barbara Yanni, Non-Executive Director	\$49	\$32	\$13	\$94	



## Compensation per Non-Executive Director and former Supervisory Directors 2019-2023

The following table reflects the amounts of compensation paid to the Non-Executive Directors in the past five years. The amounts of compensation paid to the members of former Board of Supervisory Directors, who retired in 2020 and 2021, have been added for a comprehensive overview of the compensation at non-executive level in the past five years.

It is emphasized that the former Board of Supervisory Board was replaced by the Board of Directors as per December 11, 2020, which resulted in a significant change in tasks and responsibilities of the non-executive directors compared to the former supervisory directors.

This change was reflected in the remuneration policy for the Board of Directors, as adopted by our shareholders on December 11, 2020.

in EUR '000	Year	Fixed remuneration	Share-based payments	Total
Dr. Richard Peters	2023	€24	€19	€43
	2022	-	-	-
	2021	-	-	-
	2020	-	-	-
	2019	-	-	-
Mr. Paul Sekhri	2023	€51	€30	€81
	2022	€68	€40	€108
	2021	€65	€46	€111
	2020	€65	€52	€117
	2019	€50	€33	€83
Ms. Deborah Jorn	2023	€51	€30	€81
	2022	€52	€30	€82
	2021	€54	€35	€89
	2020	€54	€35	€89
	2019	€26	€5	€31
Ms. Barbara Yanni	2023	€57	€30	€87
	2022	€50	€30	€80
	2021	€50	€30	€80
	2020	€31	€21	€52
	2019	-	-	-

in EUR '000	Year	Fixed remuneration	Share-based payments	Total
Dr. Mark Pykett	2023	€51	€30	€81
	2022	€47	€30	€77
	2021	€47	€30	€77
	2020	€31	€21	€52
	2019	-	-	-
Ms. Jabine van der Meijs	2023	€57	€30	€87
	2022	€54	€30	€84
	2021	€40	€20	€60
	2020	-	-	-
	2019	-	-	-
Mr. Leonard Kruimer	2023	€57	€30	€87
	2022	€54	€30	€84
	2021	€40	€20	€60
	2020	-	-	-
	2019	-	-	-
Mr. Steven Baert	2023	€54	€30	€84
	2022	€52	€30	€82
	2021	€38	€20	€58
	2020	-	-	-
	2019	-	-	-



The following table includes the amounts of fixed and variable remuneration paid to the members of the former Board of Supervisory Directors who retired from the Board in 2020 and 2021, respectively. This table has been included for a comprehensive overview of the remuneration package at statutory board level in the past five years.

in EUR '000	Year	Fixed remuneration	Share-based payments	Total
Mr. Barrie Ward (retired in 2021)	2023	-	-	-
	2022	-	-	-
	2021	€19	€17	€36
	2020	€54	€40	€94
	2019	€39	€27	€66
Mr. Juergen Ernst (retired in 2020)	2023	-	-	-
	2022	-	-	-
	2021	-	€5	€5
	2020	€50	€37	€87
	2019	€42	€26	€68
Mr. Aad de Winter (retired in 2020)	2023	-	-	-
	2022	-	-	-
	2021	€22	€18	€40
	2020	€57	€40	€97
	2019	€45	€28	€73

The following tables reflecting the amounts in US\$ has been included to ensure consistency with the 2023 Annual Report:

in USD '000	Year	Fixed remuneration	Share-based payments	Total
Dr. Richard Peters	2023	\$26	\$20	\$46
	2022	-	-	-
	2021	-	-	-
	2020	-	-	-
	2019	-	-	-
Mr. Paul Sekhri	2023	\$55	\$32	\$87
	2022	\$72	\$42	\$114
	2021	\$77	\$55	\$132
	2020	\$74	\$59	\$133
	2019	€56	€37	€93

in US\$ '000	Year	Fixed remuneration	Share-based payments	Total
Ms. Deborah Jorn	2023	\$55	\$32	\$87
	2022	\$55	\$32	\$87
	2021	\$64	\$42	\$106
	2020	\$62	\$40	\$102
	2019	\$29	\$6	\$35
Ms. Barbara Yanni	2023	\$62	\$32	\$94
	2022	\$53	\$32	\$85
	2021	\$60	\$36	\$96
	2020	\$35	\$24	\$59
	2019	-	-	-
Dr. Mark Pykett	2023	\$55	\$32	\$87
	2022	\$50	\$32	\$82
	2021	\$57	\$36	\$93
	2020	\$35	\$24	\$59
	2019	-	-	-
Ms. Jabine van der Meijs	2023	\$62	\$32	\$94
	2022	\$57	\$32	\$89
	2021	\$47	\$24	\$71
	2020	-	-	-
	2019	-	-	-
Mr. Leonard Kruimer	2023	\$58	\$32	\$90
	2022	\$57	\$32	\$89
	2021	\$47	\$24	\$71
	2020	-	-	-
	2019	-	-	-
Mr. Steven Baert	2023	\$58	\$32	\$90
	2022	\$55	\$32	\$87
	2021	\$45	\$24	\$69
	2020	-	-	-
	2019	-	-	-



in US\$ '000	Year	Fixed remuneration	Share-based payments	Total
Mr. Barrie Ward (retired in 2021)	2023	-	-	-
	2022	-	-	-
	2021	\$23	\$20	\$43
	2020	\$62	\$46	\$108
	2019	\$44	\$30	\$74
Mr. Juergen Ernst (retired in 2020)	2023	-	-	-
	2022	-	-	-
	2021	-	\$6	\$6
	2020	\$57	\$42	\$99
	2019	\$47	\$29	\$76
Mr. Aad de Winter (retired in 2020)	2023	-	-	-
	2022	-	-	-
	2021	\$26	\$21	\$47
	2020	\$65	\$46	\$111
	2019	\$50	\$31	\$81

### Shares owned by Non-Executive Directors

Name of Director	Shares Held December 31, 2023	Shares Held December 31, 2022
Dr. Richard Peters	17,613	0
Ms. Deborah Jorn	127,714	98,778
Ms. Barbara Yanni	112,123	83,187
Dr. Mark Pykett	112,123	83,187
Ms. Jabine van der Meijs	87,285	58,349
Mr. Leonard Kruimer	87,285	58,349
Mr. Steven Baert	87,285	58,349

### Looking forward to 2024

Given the global scale and complexity of the business that the group operates and in which it has interests, it is important that Pharming will continue to be able to attract and retain the best globally orientated board members. The committee conducts a regular benchmarking exercise to ascertain whether the fees for non-executive directors are competitive, fair and reasonable. The Remuneration Committee is informed by the external market when reviewing the fee structure and levels for our non-executive directors.

As announced in the 2022 Remuneration Report and explained in the preceding Parts of this Remuneration Report for 2023, the Remuneration Committee engaged AON Radford, as international compensation expert, for a new market review of the compensation of the members of the Board of Directors, including the fees of the chairs and members of the committees, in 2023. The peer group used for the market review is included in Part II of this Remuneration Report.

Regarding the compensation of the Non-Executive Directors, the Board, based on a recommendation by the Remuneration Committee, concluded that the fees payable to the Chair of the Board of Directors needed to be increased in anticipation of the appointment of Dr. Richard Peters as new Chair of the Board of Directors. The increase was deemed appropriate to attract an experienced candidate in view of the Company's growth, its significant and still growing presence in the U.S. market, which today accounts for more than 97% of sales generated, the Company's growth strategy and ambitions and the enhanced tasks and responsibilities associated with the position of Chair of a one-tier board.

Taking into account the benchmark report of AON Radford to ensure alignment with the market, it was concluded that the cash retainer payable by Pharming to the Chair of the Board of Directors should be increased by €25,000 to €90,000 per annum to ensure that the resulting combination of cash retainer and (unchanged) equity grants equals the 50th percentile of the European and trails the 50th percentile of the US peers. Our shareholders approved the proposed increase with a 99.1% majority vote at the extraordinary general meeting of shareholders held on September 25, 2023.

The Annual General Meeting of Shareholders held on May 17, 2023, had approved the grant of an annual fee of (i) €6,000 to the Chair and (ii) €3,000 to the members of the new Transaction Committee with retrospective effect from January 1, 2023.



Regarding the compensation of the other Non-Executive Directors, the Remuneration Committee recognized that the committee fees have not changed since 2020 and that the frequency of committee meetings and the workload has in the meantime increased significantly, taking into consideration Pharming's growth (including the launch of the second indication in the U.S. in 2023), its significant and still growing presence in the US market, the long-term strategy and ambitions, and the enhanced tasks and responsibilities associated with the membership of the committees. Therefore, the Remuneration Committee concluded that the fees paid to the chairs and members of the respective Board committees need to be increased as follows with retrospective effect from January 1, 2024:

- Chair of the Audit Committee: €15,000;
- Chairs of the other Committees: €12,500; and
- Membership fees: 50% of the chair fee: €7,500 for Audit Committee membership and €6,250 for the membership of other committees.

The proposed increase will also ensure that the fees remain aligned with the European market benchmark for the fees of the committee members. Related proposals will be submitted to the Annual General Meeting of Shareholders scheduled for May 21, 2024.

The Remuneration Committee concluded that no changes will be proposed to be made to the base fee and equity fee of the non-executive directors, as members of the Board of Directors, as these fees were found to be in line with the European and U.S. 50th percentile market benchmarks. Accordingly, these fees have remained unchanged since 2020 and will also remain unchanged from 2024 onwards.

As mentioned in the earlier Parts of the Remuneration Report, preparations are ongoing for the scheduled submission of a new draft Remuneration Policy for the Board of Directors for adoption by the Annual General Meeting of Shareholders scheduled for May 21, 2024, in accordance with Dutch statutory provisions requiring remuneration policies for board members to be submitted for adoption (at least) every four years. The new draft aims to ensure continued alignment with market practice and applicable rules, regulations and disclosures, taking into due consideration the guidelines issued by proxy advisors (including ISS and Glass Lewis) and expectations from external stakeholders. The proposals for the revised remuneration fees for the non-executive directors, as mentioned above, will on the same occasion be submitted to our shareholders for adoption.

## Shareholder Voting at General Meeting of Shareholders

The following table sets out the voting results in respect of resolutions relating to remuneration over the past years.

Resolution		% Votes For	% Votes Against
Remuneration Chair of the Board of Directors (voted on September 25, 2023)	Binding	99.10%	0.90%
Fees chair and members Transaction Committee (voted on May 17, 2023)	Binding	98.62%	1.38%
2022 Remuneration Report (voted on May 17, 2023)	Advisory	95.05%	4.95%
2021 Remuneration Report (voted on May 18, 2022)	Advisory	76.72%	23.28%
2020 Remuneration Report (voted on May 19, 2021)	Advisory	98.16%	1.84%
2020 Remuneration Policy (voted on December 11, 2020)	Binding	99.28%	0.72%

