Pharming Group NV

Sijmen de Vries
Chief Executive Officer

Bruno Giannetti
Chief Operating Officer

Robin Wright
Chief Financial officer

Annual General Meeting of Shareholders
Leiden
23 May 2018

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AGM AGENDA

1. Opening and announcements
2. Annual Report 2017
3. LTIP schemes 2018 for the Board of Supervisory Directors
4. Appointment of the external auditor of the Company
5. Designation of the Board of Management (BOM)
6. Authorization of the BOM to repurchase shares in the Company
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Pharming Group N.V. develops and commercializes human therapeutic proteins for innovative therapies meeting important unmet patient needs

- Euronext: PHARM - market capitalization: €750-850 million
- HQ and manufacturing in Netherlands, R&D in France and US commercial operations in New Jersey with approximately 150 employees
- 1st product approved and marketed: RUCONEST®
  - Recombinant human C1-esterase inhibitor (protein replacement therapy)
  - For acute angioedema attacks in patients with hereditary angioedema (HAE)
  - Marketed in USA, EU and Israel: US data exclusivity until 2026
  - Filed for prophylaxis of HAE with FDA action date 21 September 2018
- Strong balance sheet and strong revenues
- Net profitability achieved in Q1 2018

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Dutch Corporate Governance Code

The main items where the Company deviates from the best practice in the Dutch Corporate Governance Code are as follows:

- 3.1.2 (Options for the Board of Management)
- 2.7.2 (Regulations governing ownership of and transactions in other shares by the Board of Management or the Board of Supervisory Directors)
- 3.3.2 (Shares for the Board of Supervisory Directors)
- 4.2.3 (System to follow all meetings in real time)
- 4.3.2 (Independent third party to hold proxies)
- 4.2.2 (Outline Policy in bilateral contact with shareholders)
- 1.3-1.7 (Internal auditor)

All of these deviations are typical and appropriate for companies of Pharming's size and complexity level

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Corporate Social Responsibility

The main areas of focus for the Company in the areas of sustainable corporate social responsibility are:

- Medical need, balanced by patient safety
- Code of conduct for all dealings, internal and external
- Code of conduct for highest standards of animal welfare
- Environmental impact of all operations
- Traceability of all elements of the supply chain
- Diversity and equal opportunities for all

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Risk Assessment, Management and Control

The Company conducts regular periodic risk assessments and reviews, revealing the following main types of risk:

Strategic Risks

- Macro-economic risks
- Commercial risk

Operational Risks

- Research & development risk
- Regulatory risk
- Clinical risk
- Personnel risk
- Legal risk
- Financial risks

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Business Model

Profitability initially driven by:

- Proceeds of own sales of RUCONEST® in the US, EU and the Rest of the World (RoW)
  - Fixed supply price to partners SOBI, Cytobioteck, Hyupjin and Megapharm
  - Expansion of territories for successful partners, and new partners for new territories
  - Proceeds of HAEi Global Access Program sales in countries where patients have no access

Potential increases in profitability from:

- Economies of scale in manufacturing process as volumes increase
- Future supplies from additional in-house/outsourced production sites
- Pipeline: Additional indications for current products
- Pipeline: New products, either from out-licensing or following regulatory approvals, from sales
- Licenses or acquisitions of additional products for us to sell

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New Pipeline Products

Pharming's pipeline is driven by three areas:

- New forms of RUCONEST®, including subcutaneous and intramuscular forms, as well as painless forms, for greater convenience for patients
- New potential indications for RUCONEST®, all addressing the same issue: using C1 esterase inhibitor to slow down vascular leakage where this is causing or exacerbating a disease or condition in the body
- All of the new indications are large and serious conditions where there are very limited if any medical options available to patients today
- New protein replacement therapies, for proteins (e.g. Pompe disease) other than C1 esterase inhibitor
- Full details will be made public at the Capital Markets Day and webcast on 21 June 2018

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Business Model

Competition in HAE:

- Intense, with embedded and new competitors, continuous innovation
- Long development cycles and high hurdles for entry
- Best product, but arguably additional convenience to be gained at present
- New forms, especially painless versions, and FDA approval in prophylaxis will improve competitiveness significantly

Competition in new indications:

- Very limited competition as there are currently few if any therapy options
- Most of these indications are either fatal or result in chronic intensive or palliative care
- Much larger patient numbers than HAE for all of these indications

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US HAE market: Rapid Growth, Significant Potential, Very Competitive

* 2016 results/ SEC filings SHPG, Pharming

** Includes estimated plasma-derived C1-esterase inhibitor sales not disclosed by CSL Behring

*** Oppenheimer, competitor interviews, December 2017

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Financial Information and Outlook 2018

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Financial Summary 2017

Amounts in €m except per share data	*2017*	*2016*	*% Change*
Income Statement			
Product Sales	88.7	13.7	*547%*
License Revenue	0.9	2.2	*(59%)*
Total Revenue	89.6	15.9	*464%*
Gross profit	77.2	11.2	*589%*
Operating result	21.9	(11.5)	*290%*
Financial Income, expenses and adjustments	(101.9)	(6.0)	*n/a*
Net result	(80.0)	(17.5)	*(357%)*
Balance Sheet			
Cash & marketable securities	60.0	32.1	*87%*
Share Information			
Earnings per share before dilution (€)	(0.160)	(0.042)	*(492%)*

** For full 2017 results release, please see www.pharming.com*

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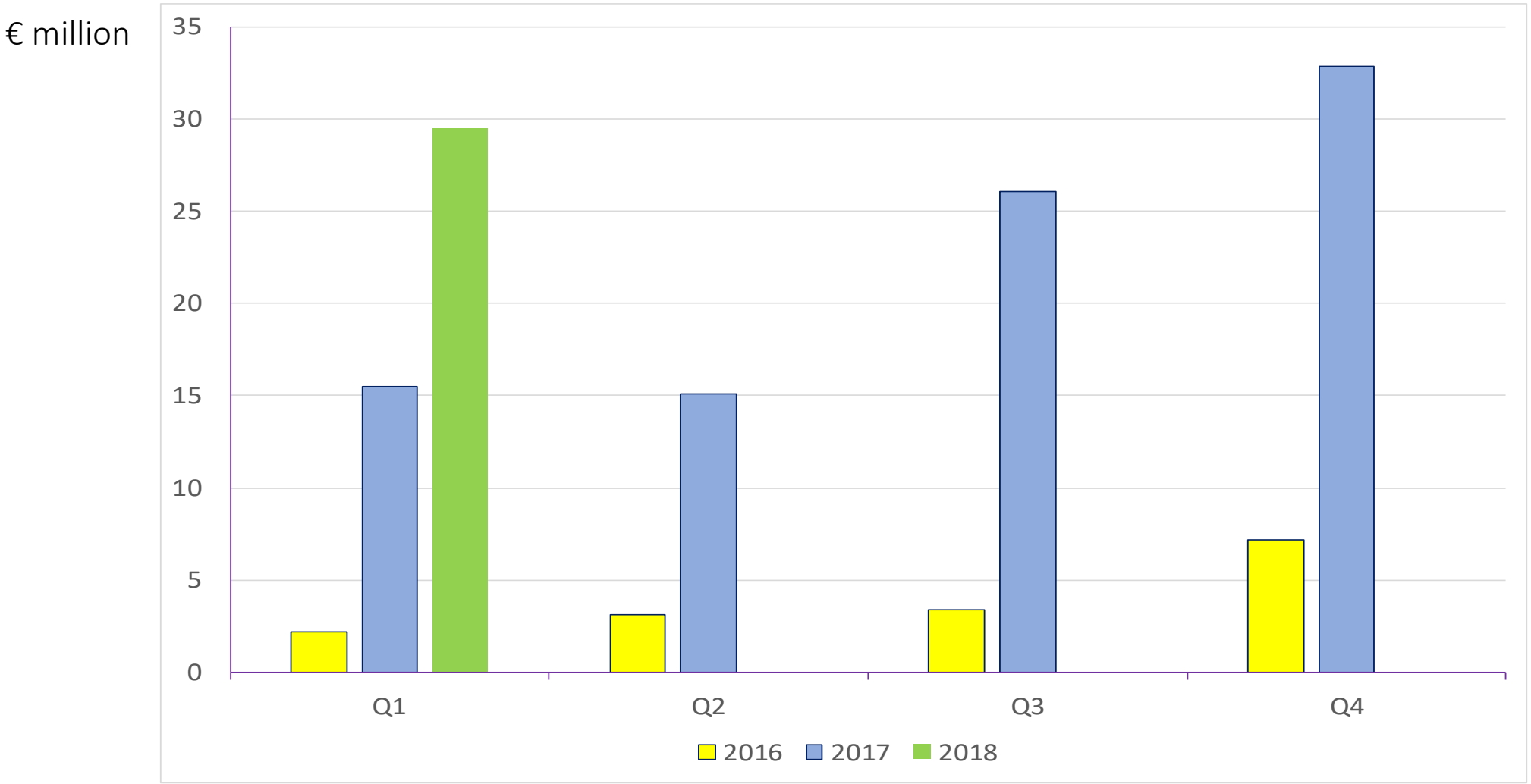
Revenue by Quarter



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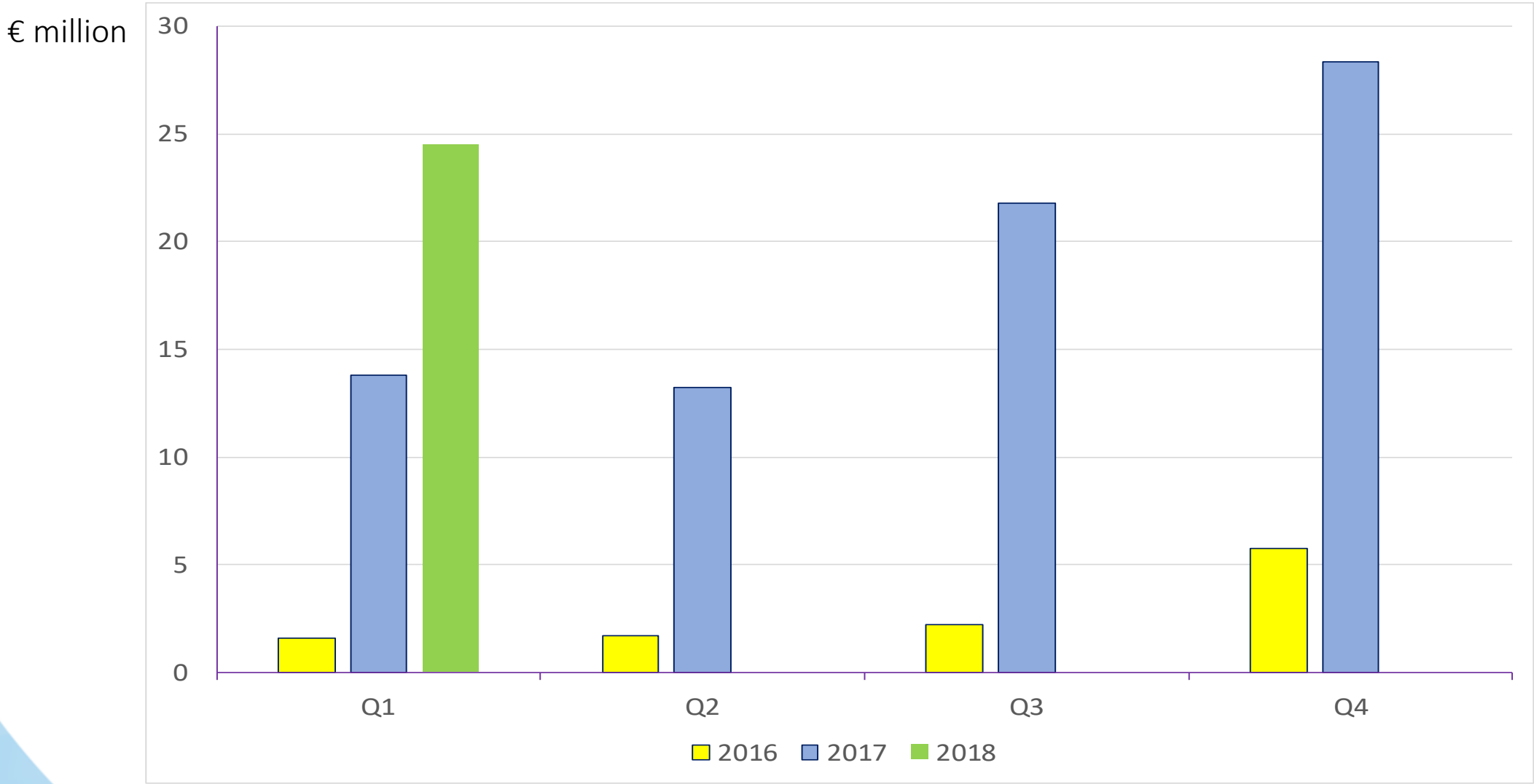
Gross Profit by Quarter



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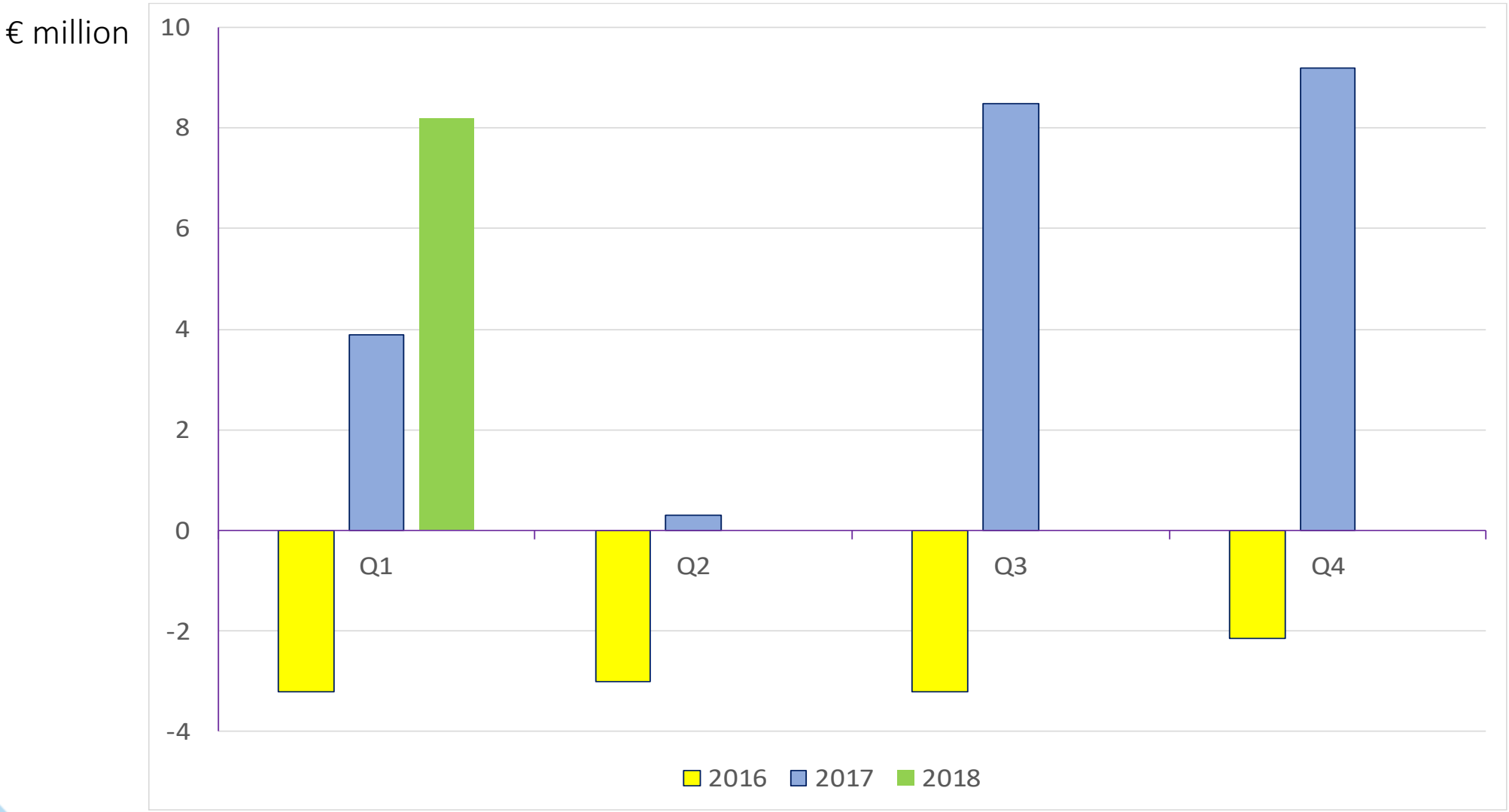
Operating Result by Quarter



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Dividend policy

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Outlook for 2018

- Continued growth in revenues from sales of RUCONEST®, mainly driven by the US operations
- Achievement of positive net operating results in the course of the year
- Continued investment in:
  - Approval for RUCONEST® in prophylaxis of HAE and for pediatric patients
  - Production of RUCONEST® in order to ensure continuity of future supply
  - Development of pipeline programs in new indications for RUCONEST®, Pompe disease and Fabry's disease
  - Marketing support to maximize the sales and distribution potential of RUCONEST® in all territories
- Identify assets that could leverage US and EU commercial infrastructure

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