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
24 May 2017

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Safe harbour statement

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AGM Agenda

1. Opening and announcements
2. Annual Report 2016
3. Composition of the Board of Management
4. Composition of the Board of Supervisory Directors
5. LTIP schemes 2017 for the Board of Supervisory Directors
6. Appointment of the external auditor of the Company
7. Designation of the Board of Management (BOM)
8. Authorization of the BOM to repurchase shares in the Company
9. Any other business
10. Closing

Please note that the proposal to increase the authorised capital (Item 5 of the original agenda: Amendment of Articles of Association) was withdrawn due to the recent refinancing making it unnecessary.

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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: €150-160 million
- HQ and manufacturing in Netherlands, R&D in France and US commercial operations in New Jersey with approximately 125 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
- Good balance sheet and increasing revenues, operational profitability achieved in Q1 2017

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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:

- II.2.4 (Options for the Board of Management)
- II.2.6 (Option exercise price)
- III.7.1 (Shares for the Board of Supervisory Directors)
- IV.3.1 (System to follow all meetings in real time)
- IV.3.12 (Independent third party to hold proxies)
- IV.3.13 (Outline Policy in bilateral contact with shareholders)
- III.5.4c-d and V.3.1-3 (Internal auditor)

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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:

- Macro-economic risks
- Commercial risk
- Clinical and regulatory risk
- Research & development risk
- Manufacturing process risk
- Financial and exchange risk
- Information technology and cyber-safety risk
- Human resources risks
- Legal risks including intellectual property

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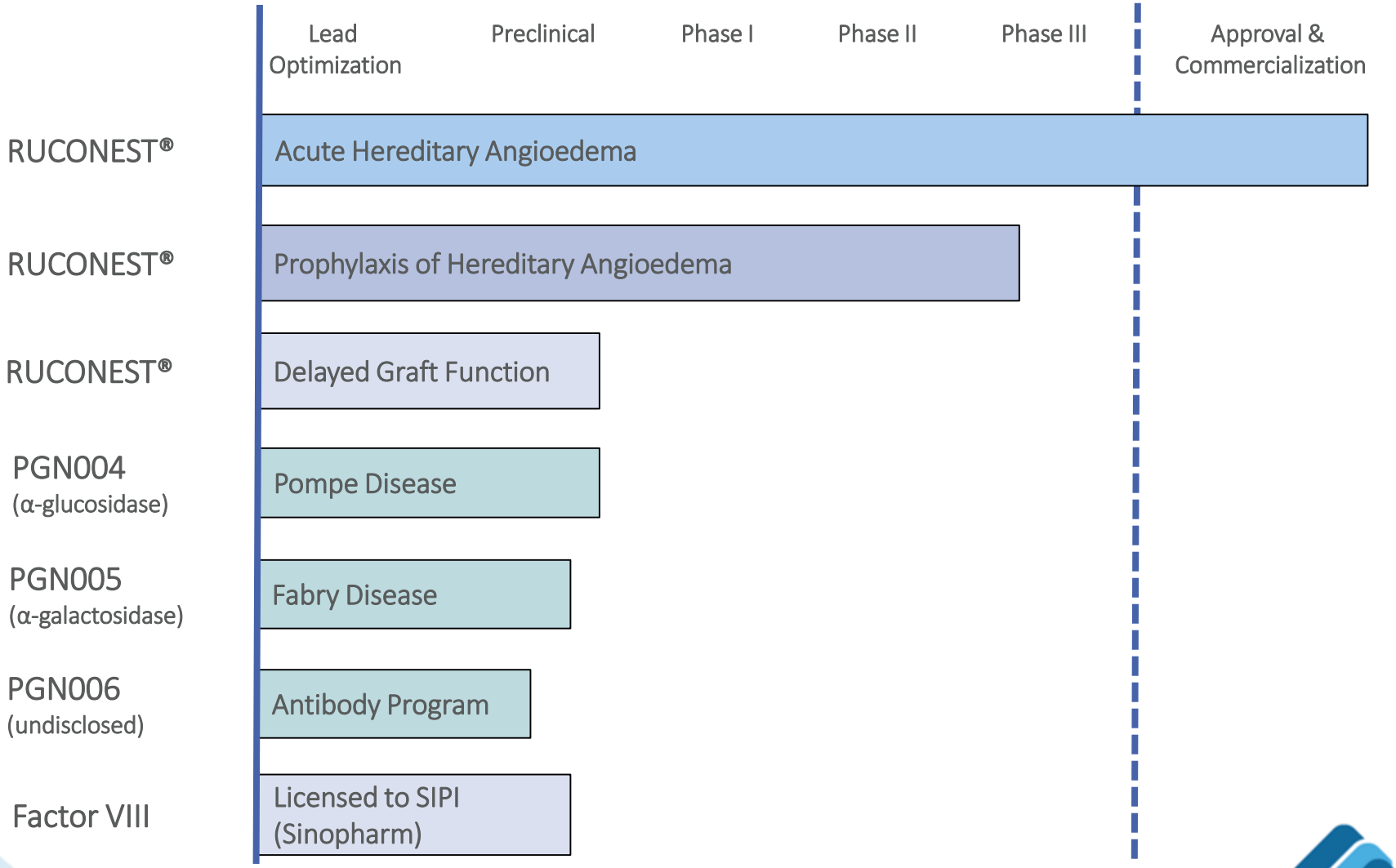
Pipeline



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Business Model

Profitability initially driven by:

- Proceeds of own US sales of RUCONEST®
- Proceeds of own sales of RUCONEST® in the Rest of the World (RoW)
  - Direct commercialisation in Western Europe
  - 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

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Business Model

Additional profitability potential driven by:

- Creation of new and more convenient forms of RUCONEST® such as intramuscular or subcutaneous versions currently under development
- Development of RUCONEST® for additional indications:
  - Delayed Graft Function, Acute pancreatitis, Ischaemic Reperfusion Injury
- Increasing revenue and profits by successful development of pipeline programs, de-risking company through diversification of revenue streams
  - Internal development as well as potential acquisition or in-license
  - Collaboration with Chinese partner CSIPI

Competition:

- Intense with embedded and new competitors, continuous innovation
- Long development cycles and high hurdles for entry

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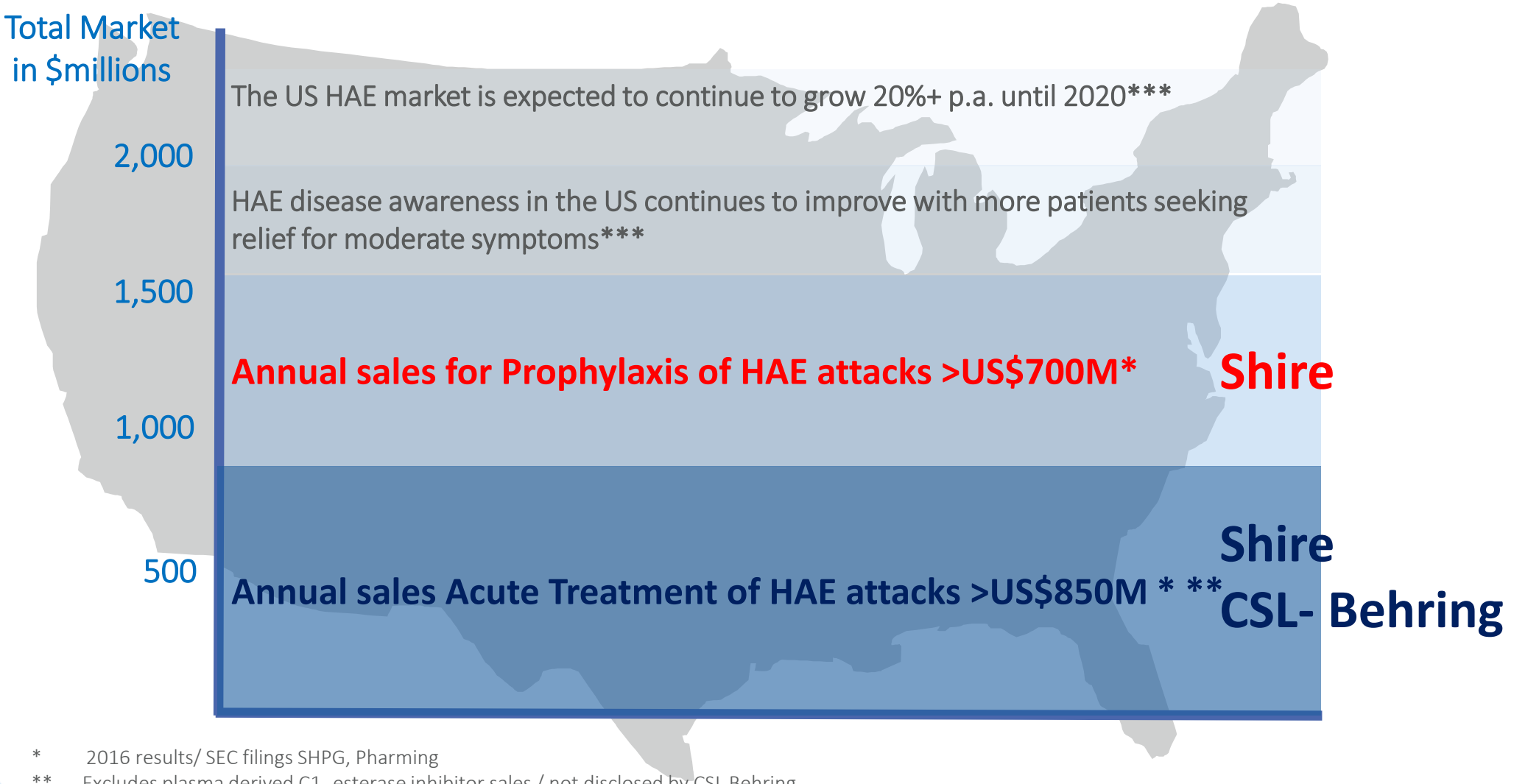
US HAE market: Rapid Growth, Significant Potential, Very Competitive



* 2016 results/ SEC filings SHPG, Pharming

** Excludes plasma derived C1- esterase inhibitor sales / not disclosed by CSL Behring

*** Leerink Swann, competitor interviews, 13 September 2012

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Re-acquisition of North American Commercialisation rights for RUCONEST®

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Re-acquisition of the North American commercial rights to RUCONEST® from Valeant on 7 December 2016

- Original licensing deal in 3Q 2010 with NASDAQ-listed Santarus for $50 million in upfront and regulatory milestones and profitable supply for 30% of US net sales, with a $45 million in future sales milestones
- December 2013; Salix announces acquisition of Santarus
- July 2014 - FDA approval, and Salix launches RUCONEST in November 2014
- March 2015: Valeant announces acquisition of Salix

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Re-acquisition of the North American commercial rights to RUCONEST® from Valeant on 7 December 2016

- 2015: Valeant reorganise and downsize RUCONEST commercialisation efforts in steps
- Sales trend was declining (2Q15 to 1Q16) from $30M to $23M annual run rate
- Game-changing opportunity for Pharming to deliver on RUCONEST® potential by focused and dedicated commercialisation, leveraging our 12+ years experience of US HAE networks
- August 2016: Re-acquisition deal signed and announced, subject to financing of upfront payment of $60 million
- Additional self-funding* milestones on sales up to a maximum of $65 million
- A total of €104 million was raised on a market capitalisation of €86 million

* Self-funding: means set at net sales levels where the profits from sales will more than pay for the milestone

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Building a US infrastructure

- Acquired entire Valeant sales team as part of transaction (11 people),
- Expanded sales team and management, led by former senior HAE commercial executive as VP Commercial Operations
- Medical Science Liaison (MSL), Patient Services, Market Access and Managed Care teams in place from end of April
- Major overhaul of Positioning, Messages and Business Rules/ SOPs and re-installment of full service patient care program RUCONEST SOLUTIONS
- Commercial Advisory Board to determine and monitor strategy in US, chaired by former CEO of a NASDAQ 100 Biotech and including former leading HAE senior commercial executives

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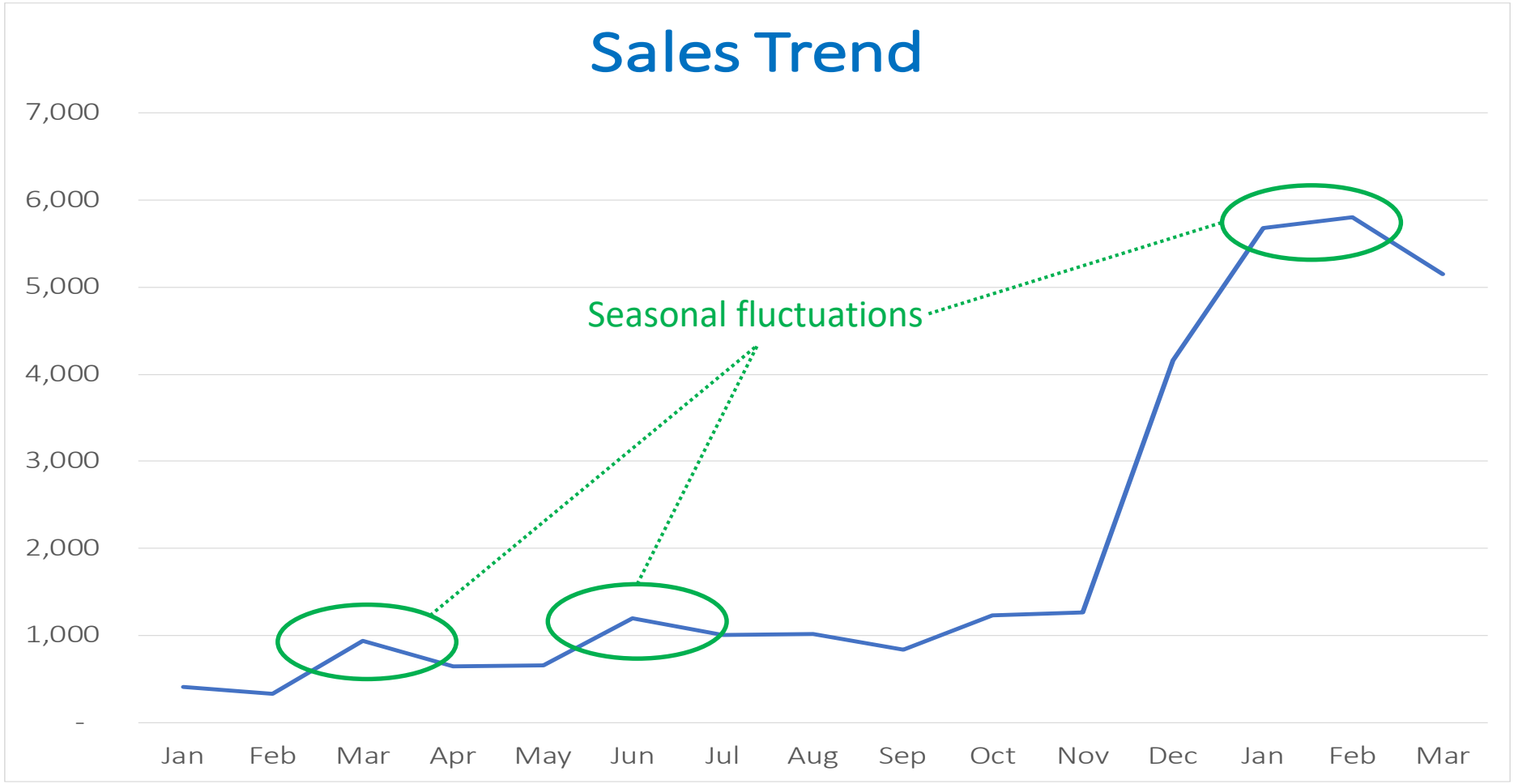
Monthly net revenues from sales 2016- Q1 2017 (€'000, Global)



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Attractive Growth Proposition

- Pharming has an excellent reputation in the HAE space, and strong support from the patients‘ associations
- RUCONEST is the one and only non-blood-plasma-derived C1 inhibitor therapy
- With our Sales and MSL teams and Patient Support Services embedded in a full service Patient Care program, we are set to deliver sales growth over the coming years
- This commercial infrastructure can be expanded through in-licensing/ acquisition of additional products
- Our pipeline products are expected to come online from 2021 onwards, providing additional scope for expansion of sales

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Clinical trial results in prophylaxis of HAE

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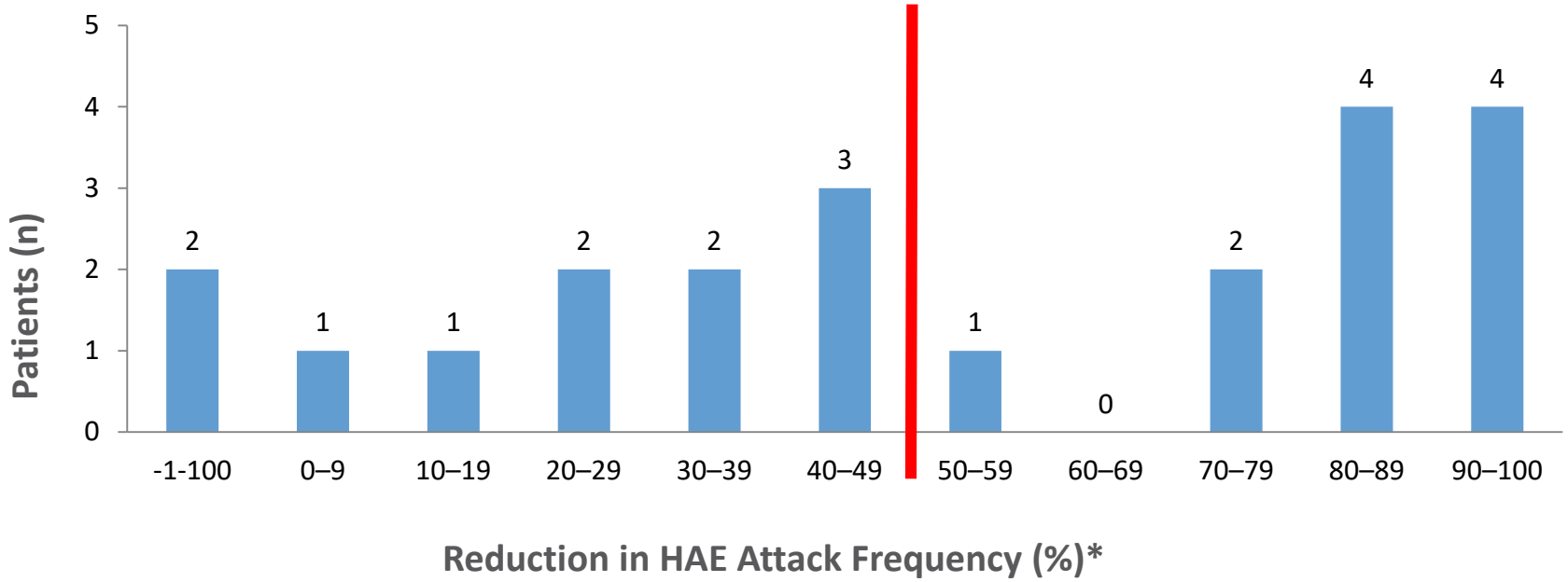
pdC1INH Prophylaxis: Clinical Response with Twice Weekly Dosing

Prophylaxis with Twice Weekly nano-filtered pdC1INH (n=22) resulted in varying reduction of HAE attack frequency



***2 patients had an increase in HAE attack frequency while receiving nanofiltered C1INH prophylaxis: One patient an increase of 8% and one patient an increase of 85%.**

C1INH = C1 esterase inhibitor; HAE = hereditary angioedema.

FDA Briefing Document. Blood Products Advisory Committee Meeting. http://www.fda.gov/ohrms/dockets/ac/08/briefing/2008-4355B2-1b.htm. Published May 2008. Accessed July 26, 2016.

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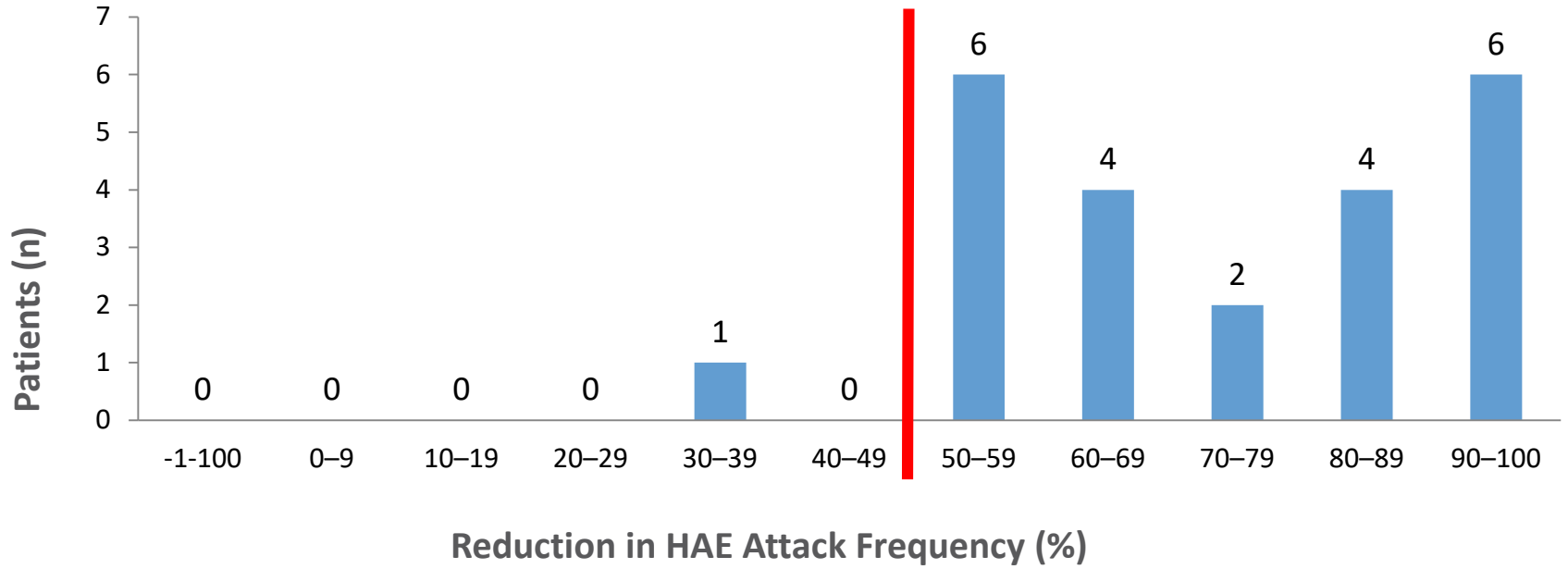
rhC1INH Prophylaxis: Clinical Response With Twice Weekly Dosing

Prophylaxis with Twice Weekly rhC1INH resulted in consistent reduction of HAE attack frequency (n=23)



HAE = hereditary angioedema; rhC1INH = recombinant human C1 esterase inhibitor.

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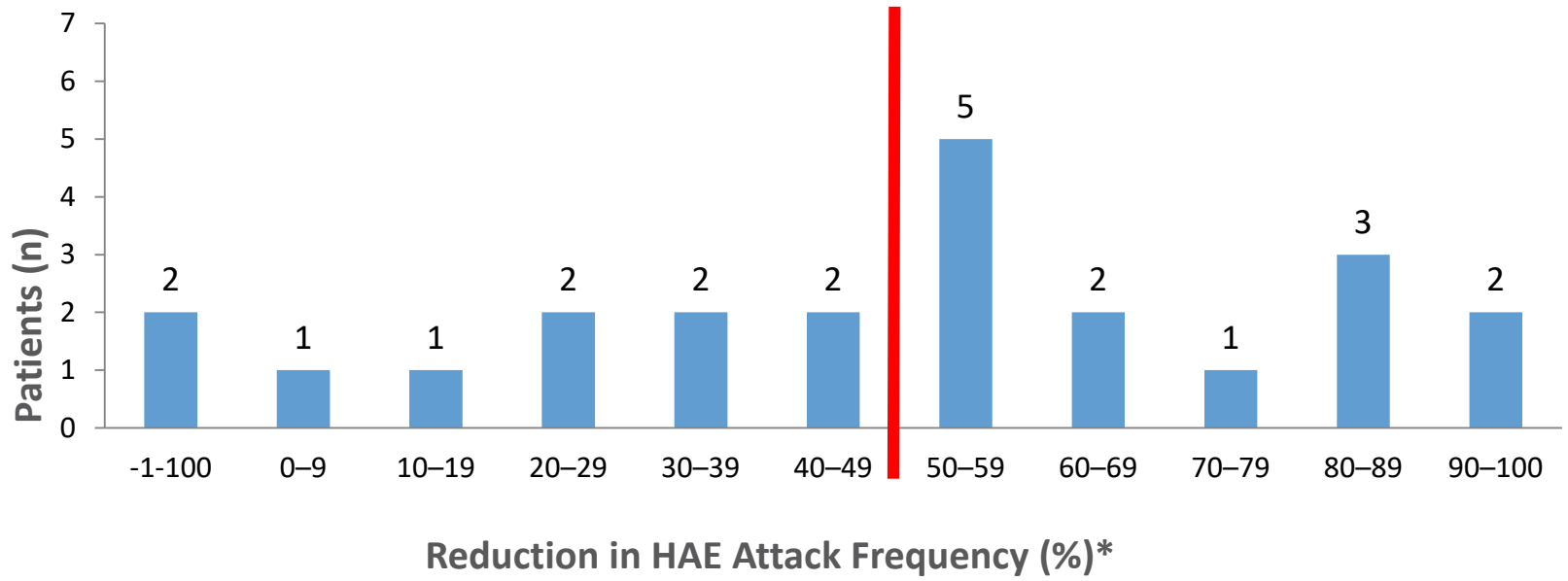
rhC1INH Prophylaxis: Clinical Response With Once Weekly Dosing

Prophylaxis with Once Weekly rhC1INH (n=23) resulted in varying reduction of HAE attack frequency



***2 patients had an increase in HAE attack frequency while receiving once weekly rhC1INH prophylaxis. One patient an increase of 40% and one patient an increase of 62.5%**

HAE = hereditary angioedema; rhC1INH = recombinant human C1 esterase inhibitor.

Data on file. Pharming. 2016.

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Next Generation Ruconest

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Next Generation Ruconest

- Ruconest efficacy and safety profile for treatment of acute attacks is unsurpassed (on the basis of comparing published literature and patient experience)
- Next step: Improving convenience of use
  - New highly concentrated vial in development for faster application of IV therapy (significantly lower volume and very rapid dissolution)
  - New vial will also enable clinical trials to test sub-cutaneous (SC) and intra- muscular (IM) injections for both acute and prophylaxis of HAE attacks
- Clinical trials for SC and IM applications are planned to start in early 2018

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Financial instruments used for financing of the re- acquisition of US rights

Redemption of Bonds, and the Refinancing and its effects.

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Four instruments to raise €104 million

- $40 million of 42 month (12+30) senior secured debt led by Kreos and syndicated with Silicon Valley Bank at 8.25% interest and 9% final payment
  - $22.5 million by Kreos and $17.5 million by Silicon Valley Bank
- €12.5 million senior, unsecured tradeable 5 year 8.5% convertible bonds with a conversion price of €0.284, also led by Kreos (€6 million)
- €45 million, unsecured, zero coupon, 18 months, monthly-amortising convertible bonds, with a conversion price of €0.289 and a share repayment discount of 14%
- €8.8 million rights issue (49% subscribed) at €0.205
- Various levels of warrant cover for the different instruments all with a strike price of €0.284
- Proceeds used for payment of the $60 million upfront fee, plus repayment of 2015, $17 million senior secured debt by Oxford Finance and Silicon Valley Bank
- Balance used for additional investment in RUCONEST commercialisation and costs of transaction

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Highlights of the Refinance

- $100m facility replacing Senior Debt and Amortizing Bonds
- Interest approximately 12%, reducing to 11% if the company reaches $100m in sales
- $100m bridge facility to be replaced with full facility (on same terms) shortly.
- Net proceeds to Pharming approximately €1 million after all costs.
- Cash burn reduced by €16m in 2017, and €8m in 2018, due to much lower repayments and lower interest
- Two major effects:
    - Recovers 115 million shares which would otherwise have been issued at prices below the current share price;
    - Reduces our cash burn while we invest to get RUCONEST® sales moving.

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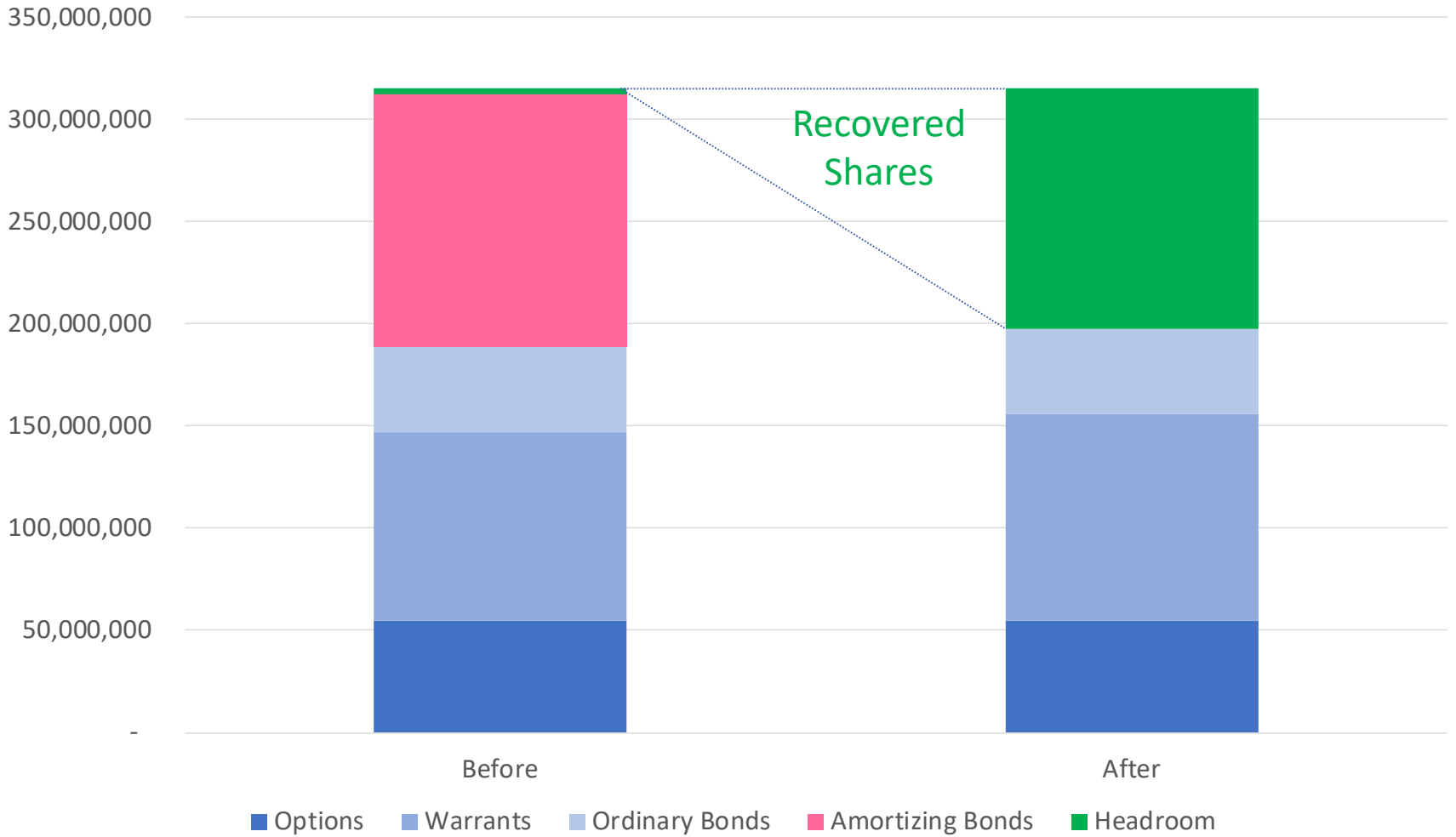
Change in Dilutive Capital Structure



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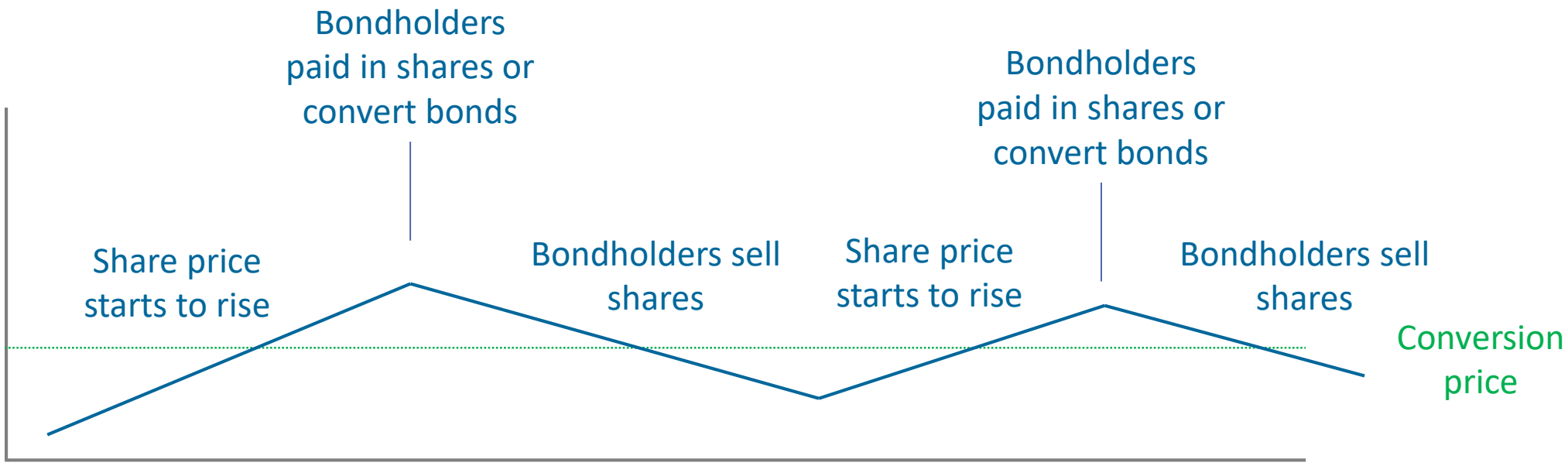
Why is this important?



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Financial Information and Outlook 2017

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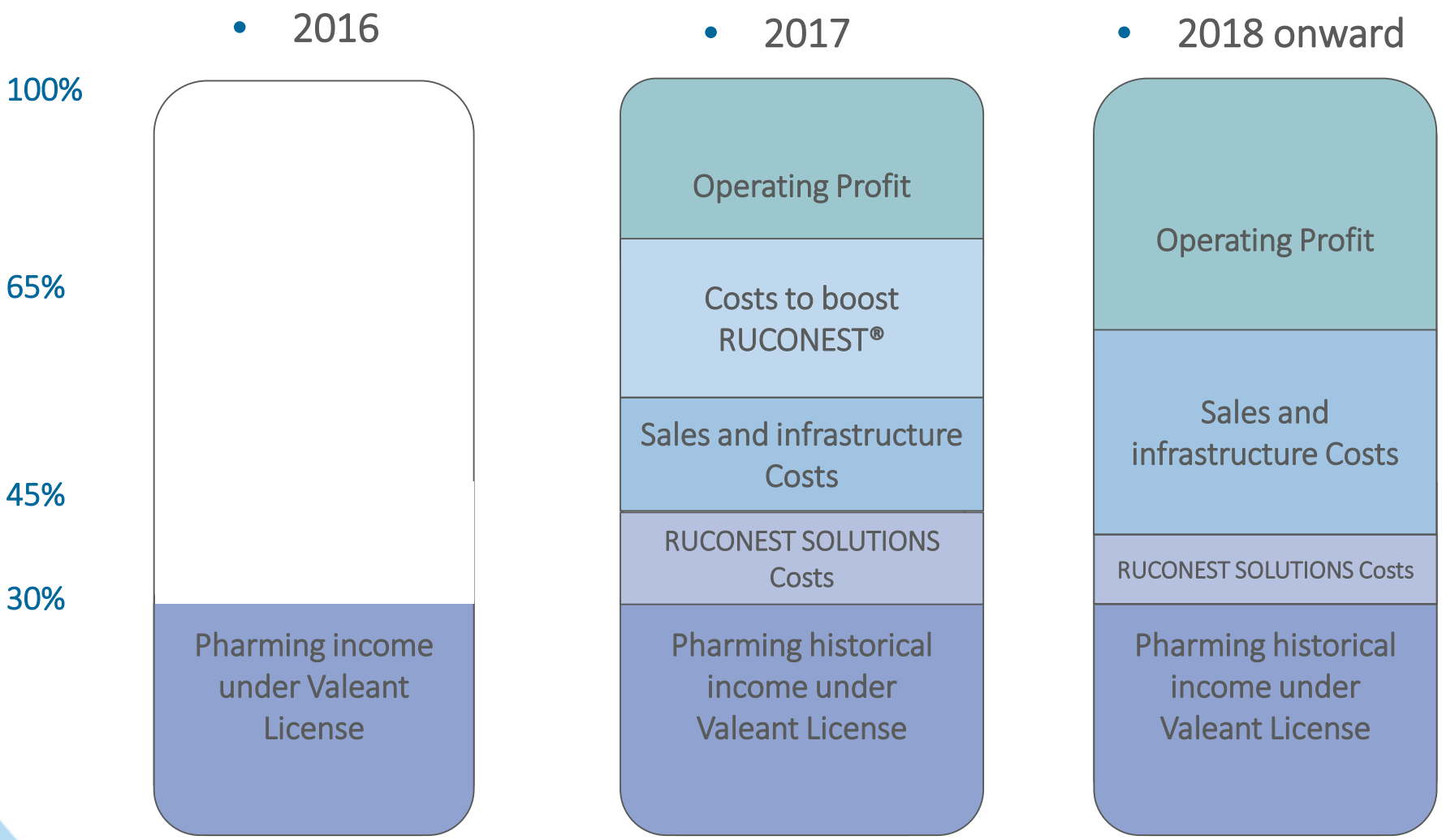
Financial impact of reacquisition of North American rights for RUCONEST®



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Financial Summary 2016

Amounts in €m except per share data	*2016*	*2015*	*% Change*
Income Statement			
Revenue	15.9	10.8	*47%*
Gross profit	11.2	6.0	*87%*
Operating result	(11.5)	(12.8)	*10%*
Net result	(17.5)	(10.0)	*(75%)*
Balance Sheet			
Cash & marketable securities	32.1	31.8	1%
Share Information			
Earnings per share before dilution (€)	(0.042)	(0.024)	*(75%)*

** For full 2016 results release, please see www.pharming.com*

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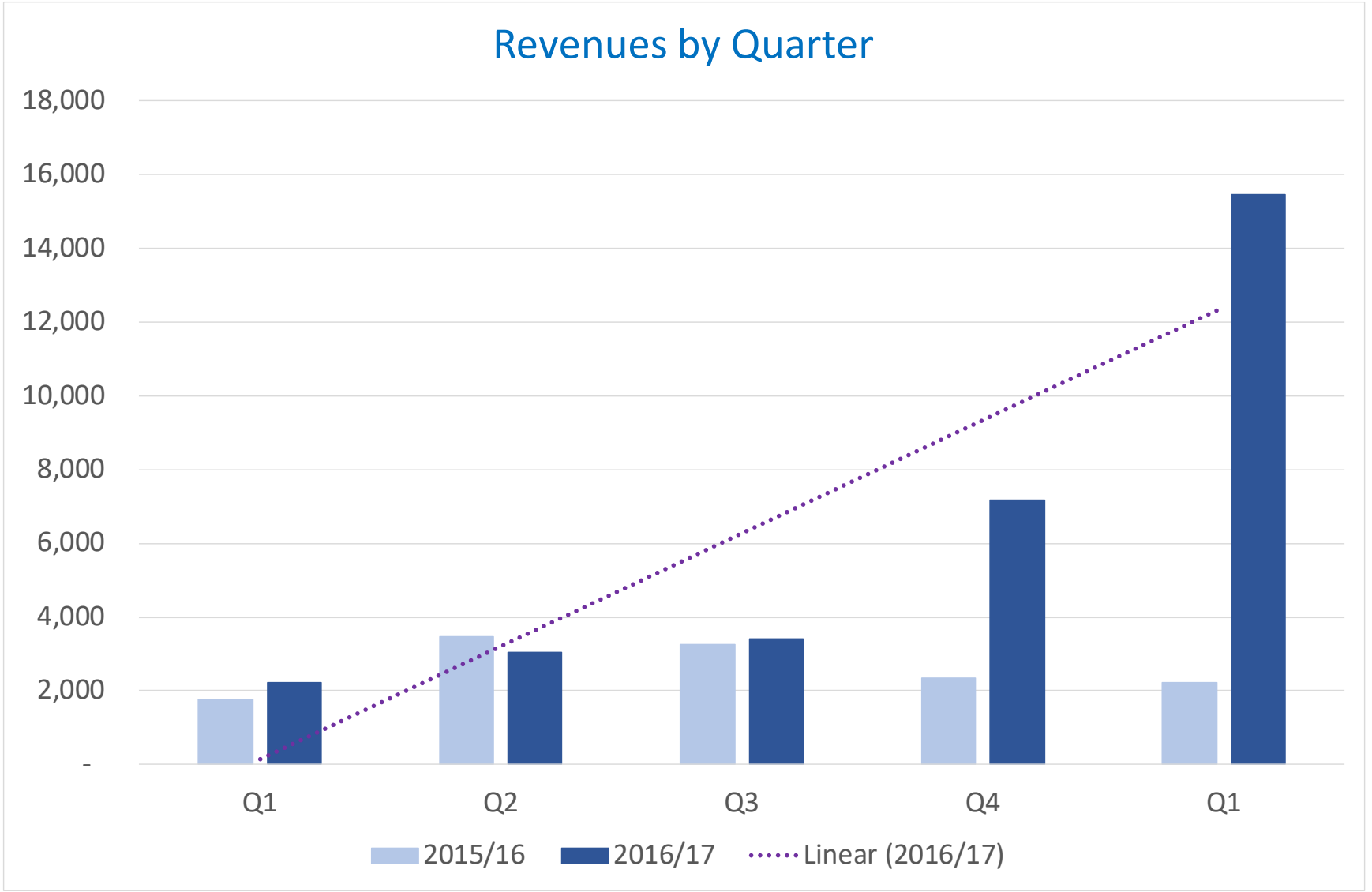
Revenues by Quarter
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
-
Q1
Q2
Q3
Q4
Q1
2015/16
2016/17
Linear (2016/17)

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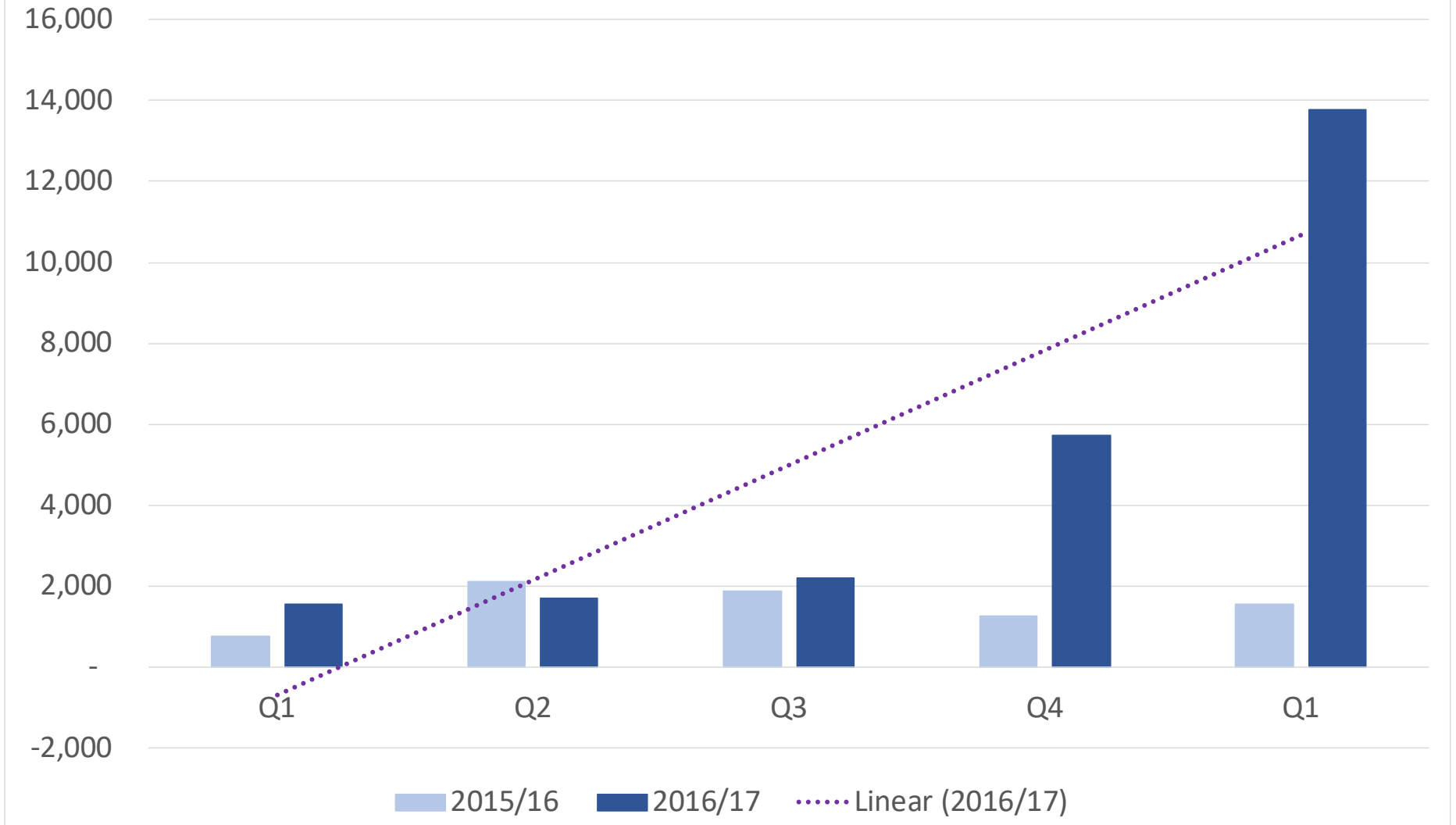
Gross Profit by Quarter



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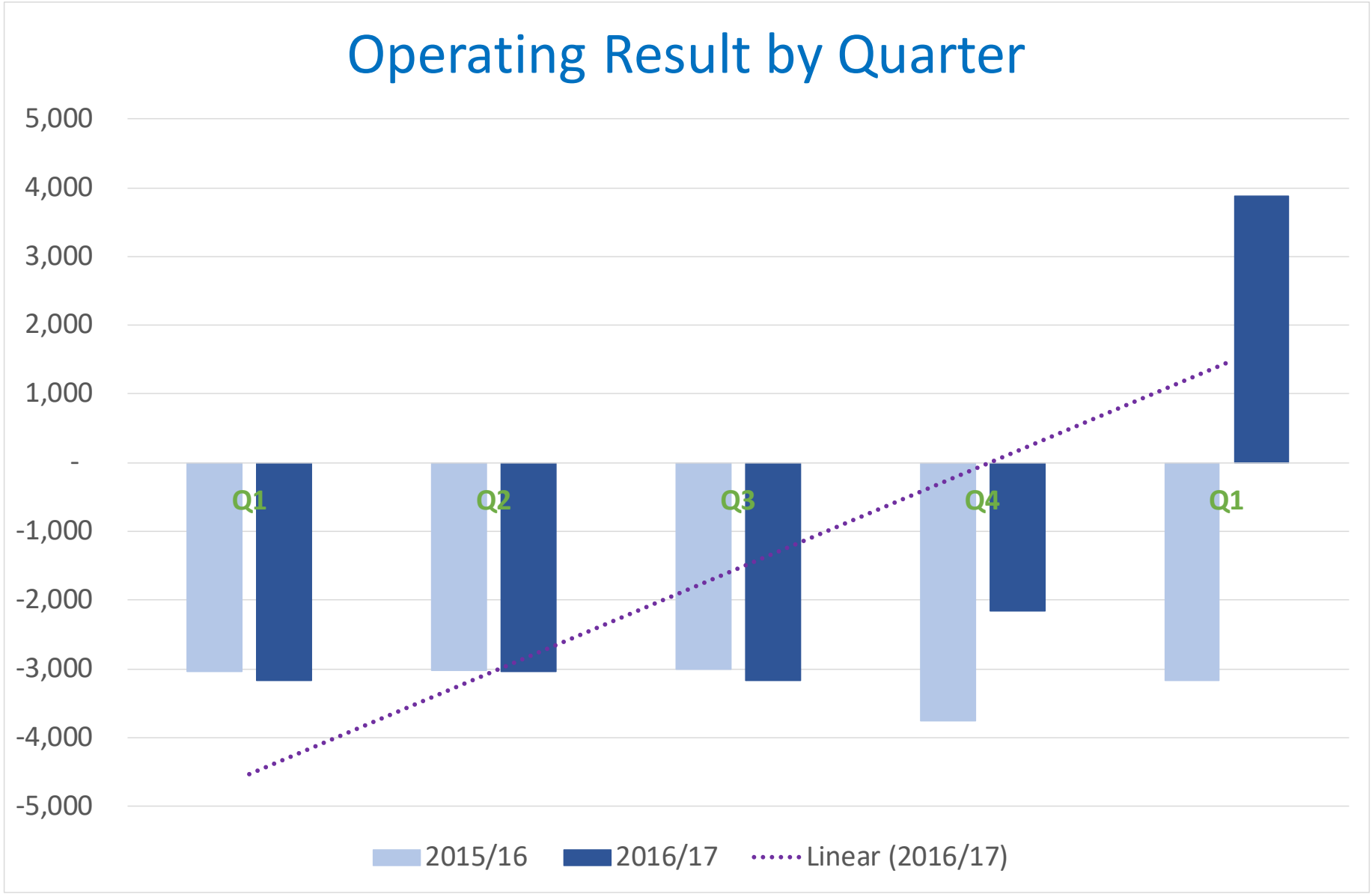
Operating Result by Quarter



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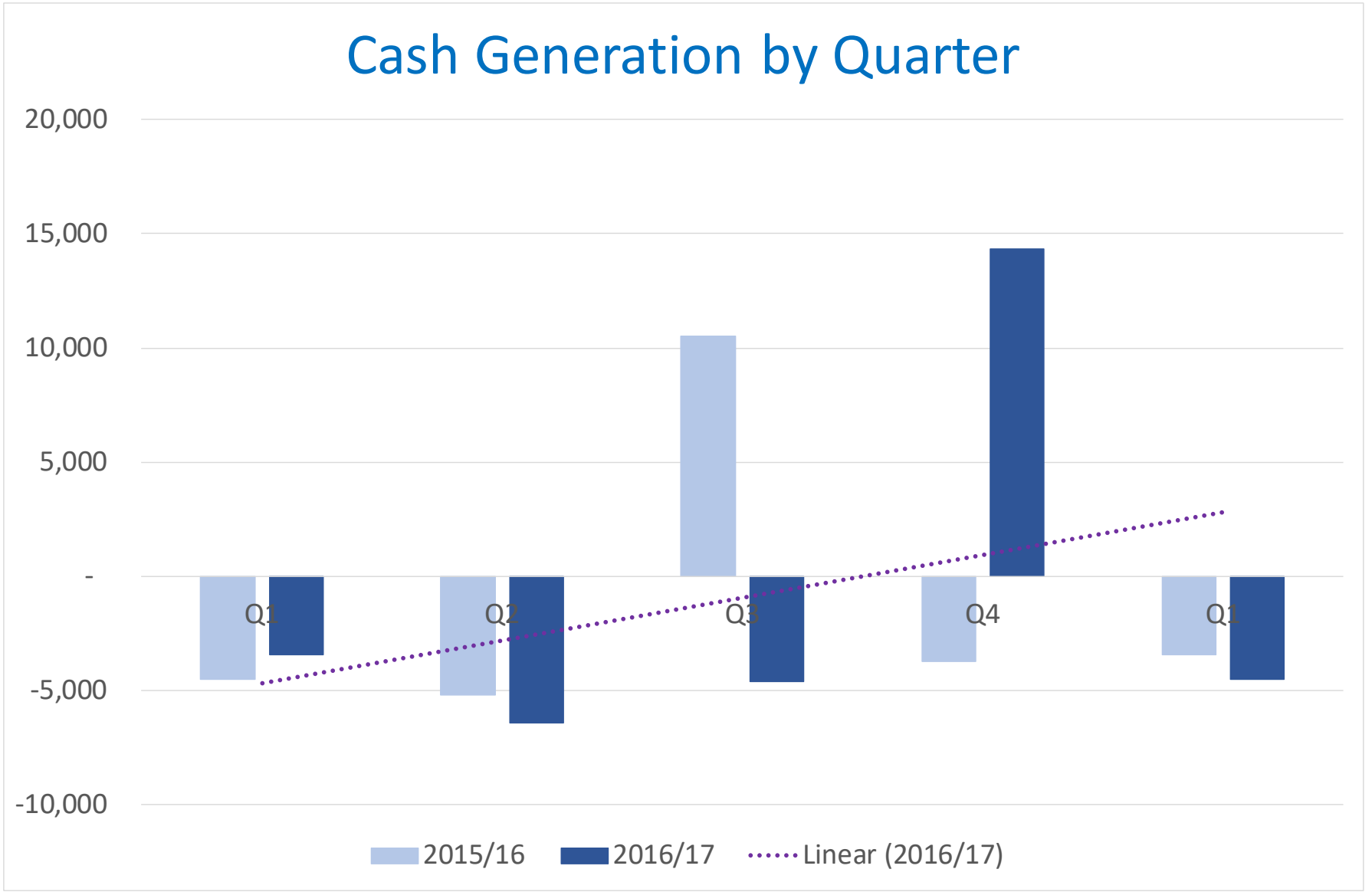
Cash Generation by Quarter



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Outlook for 2017

- Continued growth in revenues from sales of RUCONEST®, mainly driven by the US operations
- Achievement of positive quarterly operating results in the course of the year
- Continued investment in:
  - Approval/further clinical trial program for RUCONEST® in prophylaxis of HAE
  - Production of RUCONEST® in order to ensure continuity of future supply
  - Development of pipeline programs in 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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