Pharming Group N.V.

Half Year Results 2020

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Chief Executive Officer

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Forward looking statement

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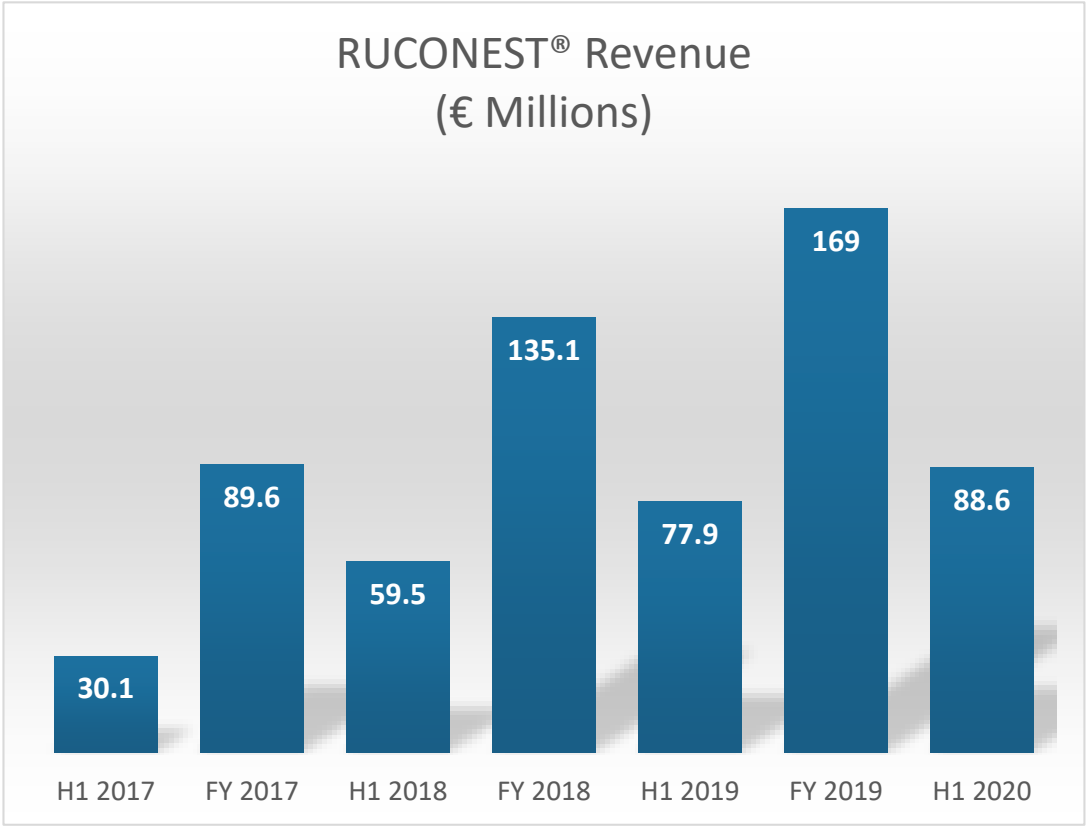
Half year results 2020

Financial highlights

- Record revenue in H1 2020, with a 14% increase year-on-year to €88.6 million (H1 2019: €77.9 million)
- Operating profit in H1 2020 increased 31% year-on-year to €32.3 million (H1 2019: €24.6 million)
- Net profits in H1 2020 increased 33% year-on-year to €18.1 million (H1 2019: €13.6 million)
- Strengthened cash position to €155.1 million at 30 June 2020, an increase of €19 million from €136.1 million at 31 March 2020 (cash at 31 December of €68.6 million)
- In January 2020, successfully placed €125 million 3% senior unsecured convertible bonds due 2025
  - Proceeds of the issue were used to redeem the remaining $56 million of the original $100 million loan from Orbimed Advisors, reducing the Company's financing costs
  - Remaining balance of proceeds to support the Company's capital expenditure in relation to the expansion of commercialisation and manufacturing infrastructure
- In March 2020, the Company was promoted to the Euronext Amsterdam MidKap index (AMX)



Strong execution of commercial strategy in US & EU

- Continued growth from existing and new patients using RUCONEST® to treat acute HAE attacks, and increasingly also as a preferred therapy for breakthrough HAE attacks while using prophylactic therapies
- US revenues increased 13% year-on-year to €85.0 million (H1 2019: €75.0 million), however, sales in Q2 2020 declined by 21% compared to Q1 2020.
  - This was as a result of an unusually high sales level towards the end of Q1 2020, which is believed to have included some pre-filling of prescriptions in response to the emerging COVID-19 pandemic.
  - The Company therefore believes that the H1 2020 results are more representative of underlying performance, than either quarter in isolation. Further, existing sales and prescription-filling trends towards the end of Q2 and into Q3 have normalised.
- In Europe and the RoW, product sales for H1 2020 increased 24% year-on-year to €3.6 million (H1 2019: €2.9 million), as a result of significant growth in the EU
  - This follows the reacquisition of commercial product rights in EU territories, effective from 1 January 2020, as well as volume increases in the EU
- The global COVID-19 pandemic has not impacted the availability/distribution of RUCONEST® to HAE patients or the upscaling/continued production of RUCONEST®

RUCONEST® in a changing HAE landscape

- In April 2020, Pharming received approval for the expansion of the EU Marketing Authorisation for RUCONEST® to include the treatment of acute hereditary angioedema (HAE) attacks in children (aged 2-13)
- Changing HAE landscape: Multiple treatment options provide better management of HAE
  - New prophylactic treatments offer better attack reduction rates than previous IV plasma-derived C1INH prophylaxis treatment
  - Kallikrein only inhibitors block the main pathway for symptomatology, so an uncontrolled breakthrough attack can be serious if no C1INH therapy is available
  - Most patients using (new) prophylaxis treatments continue to have breakthrough attacks, some frequently, according to published data
- There is therefore a recognised need for prophylaxis patients to have an effective and reliable C1INH treatment for breakthrough attacks at hand (as opposed to on demand or acute therapy)
  - Increased growth opportunity for RUCONEST® for treatment of breakthrough attacks associated with current and new prophylaxis products
- In addition, RUCONEST® continues to be a preferred treatment for acute HAE attacks as well as for severely-affected patients

Investing for long-term sustainable revenue growth

Investment to increase capacity due to strong demand

- Underlying demand for RUCONEST® increasing further in both US and RoW
  - During Q1 2020, Pharming received both European Medicines Agency (EMA) and US Food and Drug Administration (FDA) approval of its new production facility of starting material for RUCONEST®
  - Work initiated on a third facility to safeguard future growth in HAE supplies
  - Plans for a larger fourth facility to manufacture our other pipeline products
  - Strategic investment supports capacity expansion that will help Pharming to meet growing demand for RUCONEST® and long-term expansion of pipeline
- Patient numbers in new indications in pre-eclampsia and acute kidney injury are much larger than for HAE
- Re-developing rhC1INH from cattle as a new variant to meet future demand for these such large indications
- Building our own downstream processing facility (to purify the drug from the milk) will enable us to perfect in-house process before anticipated positive clinical data in new indications
- Capacity will only be built on a conservative as-needed basis, bearing in mind lead times, cost and scale involved
- Funding will come from current cash generation.

New opportunities for rhC1INH

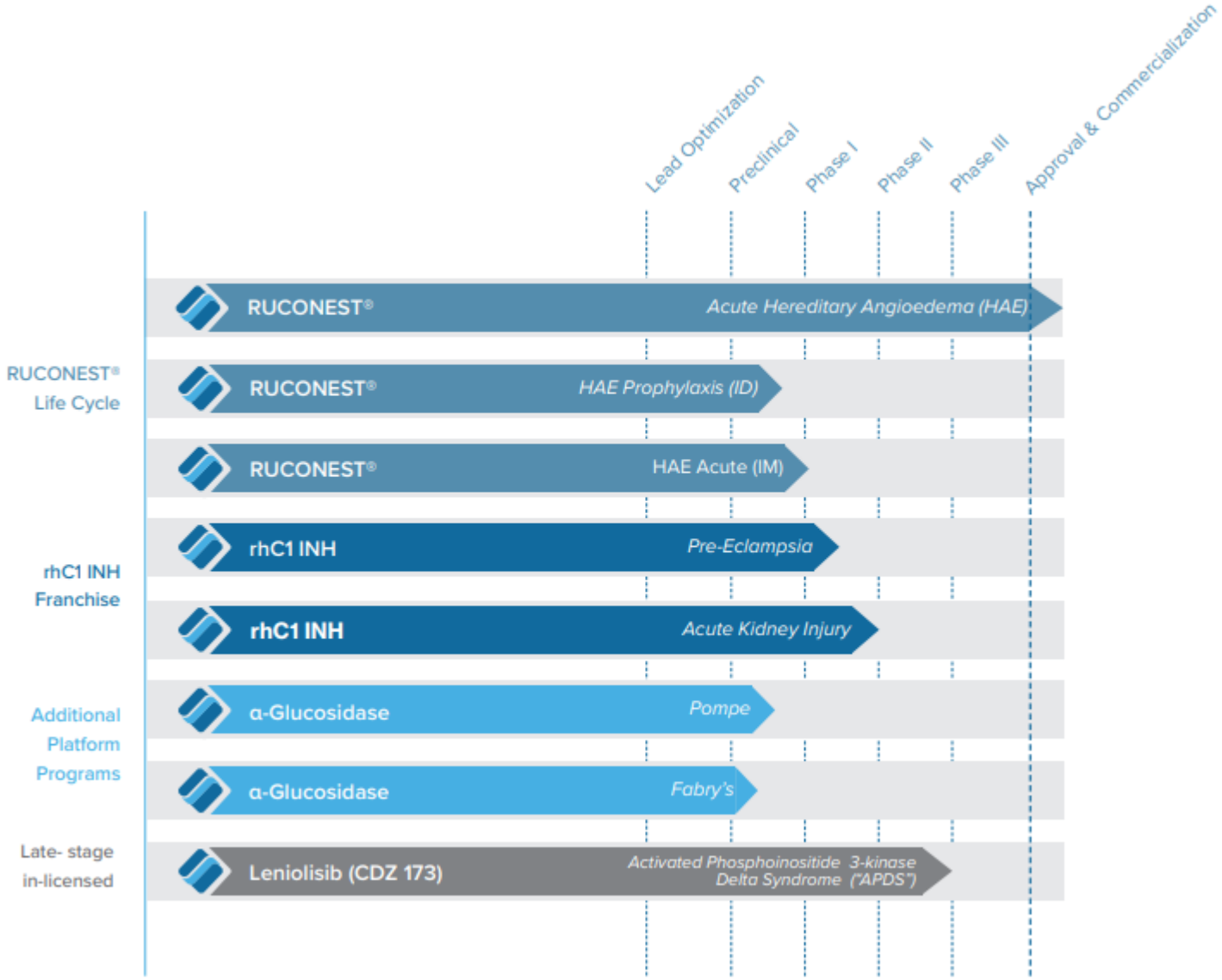
- Clinical trial for rhC1INH in pre-eclampsia; the recruitment of new patients is temporarily halted due to COVID-19
- Clinical trial for rhC1INH in acute kidney injury in patients undergoing percutaneous coronary interventions such as stent insertions and valve replacements; recruitment is expected to start soon
- Interest from investigators in using rhC1INH to study its effects on mitigating various conditions causing dangerous immune system over-reactions called cytokine storms, including indications such as COVID-19
- In April 2020, the Company reported encouraging results from a study of five patients with confirmed COVID-19 (SARS-CoV-2) infections hospitalised with related severe pneumonia that were treated with RUCONEST® under a compassionate use programme at the University Hospital of Basel, Switzerland
    - Following these results, a multinational, randomised, controlled investigator-initiated study, led by Dr Michael Osthoff from the University Hospital of Basel, is ready to recruit patients. Pharming expects the study to include up to 150 patients and to be carried out in multiple research centres in parallel, in Switzerland, the US and Latin-America
- As the only natural inhibitor of the complement system and the relevant cytokines, C1INH could potentially play a major part in large severe indications

Leniolisib – a late-stage product for APDS

- Activated PI3 kinase delta syndrome (APDS) is a primary immunodeficiency (PID)
  - Caused by autosomal dominant mutations
  - Increased activity of phosphoinositide-3-kinase δ (PI3Kδ)
  - Estimated prevalence 1-2/million
  - More than 240 reported in literature
  - Screening in subset of PID patients has found rates: 5/669 (1%) and 17/184 (9%)
  - Commercially available genetic test
- Current treatment options for APDS
  - Symptomatic treatment e.g., antibiotics
  - Immune globulin replacement therapy (IVIG/SCIG)
  - Stem cell transplantation
- Leniolisib
  - Potent, selective PI3Kδ inhibitor
  - Treats the root cause of APDS
  - Orally bioavailable – tablet/capsule
  - Direct PK/PD relationship observed
  - Currently in registration-enabling pivotal study
  - Recruitment in the registration enabling trial has resumed following temporary halt due to COVID-19 pandemic
  - Expected the launch mid-2022

Angulo I, et al. Science. 15;342. 2013. Lucas CL. Nature Immunology. 15, 88-97, 2014.
Michalovich D, et al. Frontiers Immuno. 2018. Jamee M, et al. Clin Rev Allergy Immunology. 2019.

High Potential Pipeline



All development plans have strong scientific rationale and address high unmet needs

Financial statements

Income statement – operating profit

Amounts in € '000	notes	HY 2020	HY 2019
Revenues	7	**88.593**	**77.935**
Costs of sales	8	(9.858)	(10.956)
Gross profit		**78.735**	**66.979**
Other income		475	148
Research and development		(15.991)	(14.877)
General and administrative		(8.917)	(6.842)
Marketing and sales		(21.991)	(20.776)
Costs	8	(46.899)	(42.495)
Operating result		**32.311**	**24.632**

Income statement – net result

Amounts in € '000	notes	HY 2020	HY 2019
Operating result		**32.311**	**24.632**
Fair value gain (loss) on revaluation derivatives		84	(8)
Other financial income	9	1.121	506
Other financial expenses	9	(7.741)	(6.767)
Financial income and expenses		**(6.536)**	**(6.269)**
Share of net profits in associates using the equity method	10	**121**	**299**
Result before income tax		**25.896**	**18.662**
Income tax credit (expense)		(7.753)	(5.068)
Net result for the year		**18.143**	**13.594**
Attributable to:			
Owners of the parent		18.143	13.594
Total net result		**18.143**	**13.594**
Basic earnings per share (€)	15	0,029	0,022
Fully-diluted earnings per share (€)	15	0,025	0,020

Balance sheet – assets

Amounts in € '000	notes	30 June 2020	31 December 2019
Intangible assets	16	77.219	70.809
Property, plant and equipment		8.748	8.553
Right-of-use assets		5.284	5.979
Deferred tax assets	17	22.582	28.590
Investments accounted for using the equity method	10	5.616	5.508
Restricted cash		2.272	2.268
Non-current assets		**121.721**	**121.707**
Inventories	11	16.223	14.467
Trade and other receivables		26.386	25.737
Cash and cash equivalents		152.782	66.299
Current assets		**195.391**	**106.503**
Total assets		**317.112**	**228.210**

Balance sheet – liabilities

Amounts in € '000	notes	30 June 2020	31 December 2019
Share capital		6.377	6.313
Share premium		396.033	392.266
Legal reserves		3.809	3.718
Accumulated deficit		(278.650)	(297.618)
Shareholders' equity	12	**127.569**	**104.679**
Convertible bonds	13	123.222	-
Lease liabilities	14	4.133	4.363
Other financial liabilities		18.298	17.282
Non-current liabilities		**145.653**	**21.645**
Loans and borrowings	13	-	45.590
Derivative financial liabilities		185	268
Trade and other payables		42.158	36.247
Lease liabilities		1.547	1.946
Other financial liabilities		-	17.835
Current liabilities		**43.890**	**101.886**
Total equity and liabilities		**317.112**	**228.210**

Cash flow – operating activities

Amounts in €'000	HY 2020	HY 2019
Operating result	**32.311**	**24.632**
Non-cash adjustments:		
Depreciation, amortisation, impairment	3.122	2.794
Accrued employee benefits	1.391	1.350
Release contract liabilities	-	(400)
Operating cash flows before changes in working capital	**36.824**	**28.376**
Changes in working capital:		
Inventories	(1.756)	4.610
Trade and other receivables	(649)	(7.379)
Payables and other current liabilities	5.828	170
Total changes in working capital	**3.423**	**(2.599)**
Changes in non-current assets, liabilities and equity	(33)	(605)
Cash generated from (used in) operations before interest and taxes	**40.214**	**25.172**
Income taxes paid	(50)	(625)
Net cash flows generated from (used in) operating activities	**40.164**	**24.547**

Cash flow – overall

Amounts in €'000	HY 2020	HY 2019
Net cash flows generated from (used in) operating activities	**40.164**	**24.547**
Capital expenditure for property, plant and equipment	(1.035)	(1.216)
Investment intangible assets	(230)	(521)
Investment in associates	(13)	(2.503)
Acquisition of license	(7.939)	-
Net cash flows used in investing activities	**(9.217)**	**(4.240)**
Repayment on loans and borrowings	(49.914)	(15.533)
Proceeds of issued convertible bonds	122.682	-
Payment on contingent consideration	(18.135)	(17.635)
Interests on loans and leases	(720)	(4.830)
Payment of lease liabilities	(1.402)	(619)
Interest received	479	475
Proceeds of equity and warrants	1.916	992
Net cash flows generated from (used in) financing activities	**54.906**	**(37.150)**
Increase (decrease) of cash	**85.853**	**(16.843)**
Exchange rate effects	634	593
Cash and cash equivalents at 1 January	68.567	81.515
Total cash and cash equivalents at 30 June	**155.054**	**65.265**

Outlook for Full Year 2020

Outlook for 2020

For the remainder of 2020, the Company expects:

- Subject to progression of the COVID-19 pandemic in the US; continued growth in revenues from sales of RUCONEST®, compared to the first half of 2020, mainly driven by the US and expanded European operations.
- Maintenance of positive net earnings during the year.
- Continued investment in the expansion of production of RUCONEST® in order to ensure continuity of supply to the growing markets in the US, Europe, China and the RoW.
- Investment in the ongoing clinical trials for pre-eclampsia and acute kidney injury, and support for investigators wishing to explore additional indications for RUCONEST®, such as the planned study in patients confirmed with COVID-19 infections with related severe pneumonia.
- Initiation of patient recruitment of the investigator sponsored, randomised controlled COVID-19 study, in centres in Switzerland, USA and Latin America.
- Investment in the continuing registration-enabling study for leniolisib for APDS, leading to headline data early in 2021.
- Investment in an Investigational New Drug Application to the FDA enabling studies for α-glucosidase in Pompe disease and preclinical development of the new recombinant α-galactosidase candidate for Fabry's disease.
- Investment in acquisitions/ in- licensing of other new development opportunities and assets as these occur.
- Increasing marketing activity where this can be profit-enhancing for Pharming.
- Continued close monitoring of the ongoing COVID-19 pandemic and the potential impact on the business.

Tickers:

- ENXTAM: PHARM
- Bloomberg: PHAR.AS