Pharming Group N.V.

Full Year Results 2020

04 March 2021

Forward looking statement

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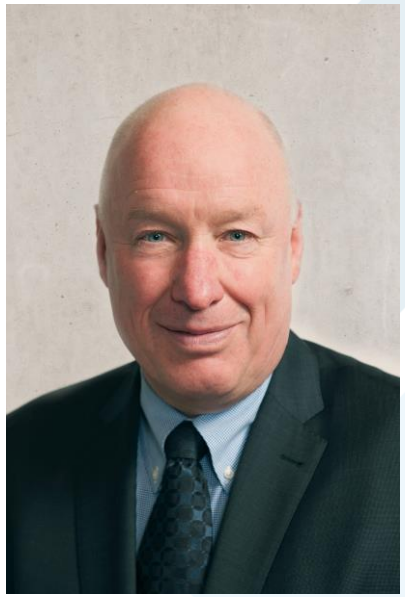
Presentation team

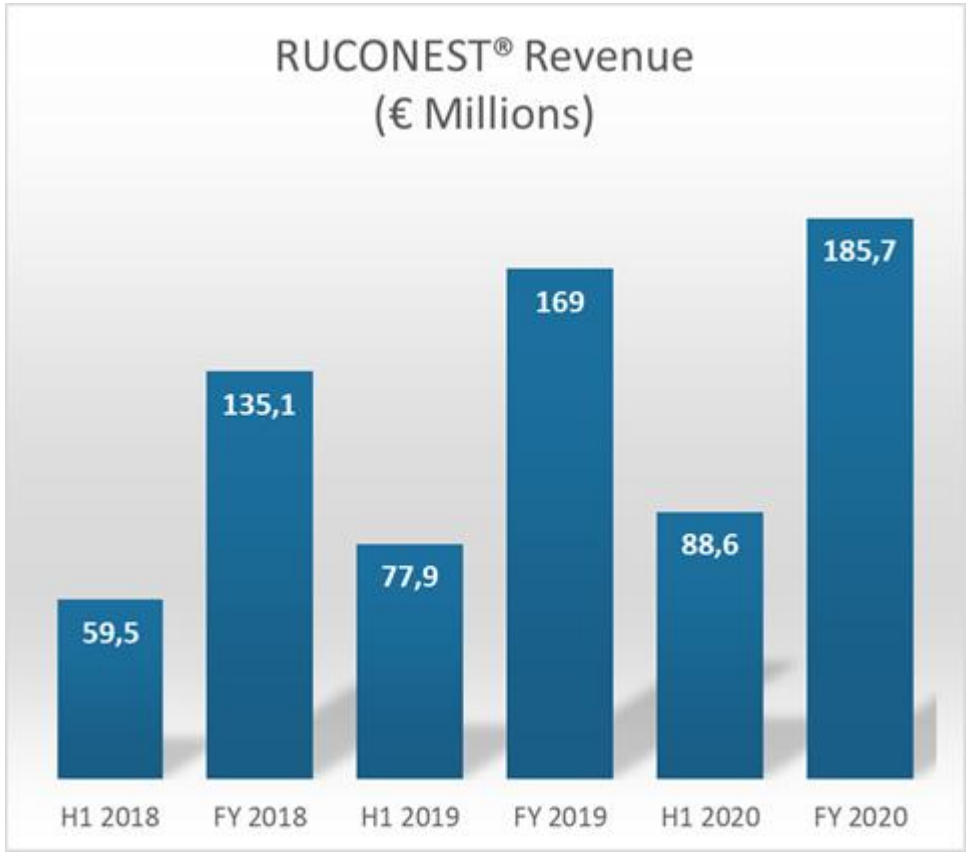


Sijmen de Vries
CEO

Jeroen Wakkerman
CFO

Financial highlights

- Record revenue in FY 2020, 9.9% increase to €185.7m (FY 2019: €169.0m)
- Gross profits in FY 2020 increased 11.8% to €165.1m (FY 2019: €147.7m)
- Operating profit in FY 2020 increased 10.7% to €67.4m (FY 2019: €60.9m)
- Net profit in FY 2020 decrease of 9.8% to €32.7m (FY 2019:€36.2m), reflecting negative currency effects of €12.6m
- Strengthened cash position at year end to €168.3m (cash at 31 December 2019: €68.9m)
- Successfully placed €125m 3% senior unsecured convertible bonds due 2025
  - Proceeds used to redeem the remaining $55.6m loan with Orbimed Advisors
  - Balance of proceeds to support expansion of commercialization and manufacturing infrastructure, launch of leniolisib and acquisitions/in licensing opportunities



Operational highlights

- Approval of second starting material production facility for RUCONEST® (recombinant human C1 inhibitor) by the EMA and FDA
- Promoted into the Euronext Amsterdam MidKap index
- Received European Commission approval to treat acute HAE attacks in children with RUCONEST®
- Received European Commission orphan drug designation for leniolisib for the treatment of APDS
- Results from compassionate use study in patients with confirmed SARS-CoV-2 infections hospitalized with related severe pneumonia that were treated with RUCONEST®
- Initiated two studies into the use of RUCONEST® in the prevention of severe SARS-CoV-2 infections in patients hospitalized with related severe pneumonia across Switzerland and the US, as well as in Brazil and Mexico
- Successfully completed Nasdaq Global Market secondary listing

Investing for long-term sustainable revenue growth

Three-pillar strategy for growth

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Continuing to grow RUCONEST® sales through further country launches & increasing HAE market share

- Fully commercialize RUCONEST® in all major international markets with our own sales forces
- Improve convenience of therapy for HAE patients
- Evaluate new technologies to treat HAE

Grow our HAE franchise

Expanding indications for rhC1INH & developing new recombinant proteins using our platform technology

- Developing rhC1INH for additional large unmet indications
- Leverage our transgenic manufacturing technology to develop next-generation protein replacement therapies

Extend rhC1INH franchise to larger indications and develop new Enzyme Replacement Therapies

In-licensing or acquiring late-stage clinical development candidates

- Developing leniolisib for the treatment of APDS
- Developing or acquiring new programs or companies that can be commercialized using our sales and marketing infrastructure

Leverage commercial infrastructures and accelerate expansion of portfolio

RUCONEST® in a changing (US) HAE landscape

- RUCONEST® approved for the treatment of acute HAE attacks in adults and children

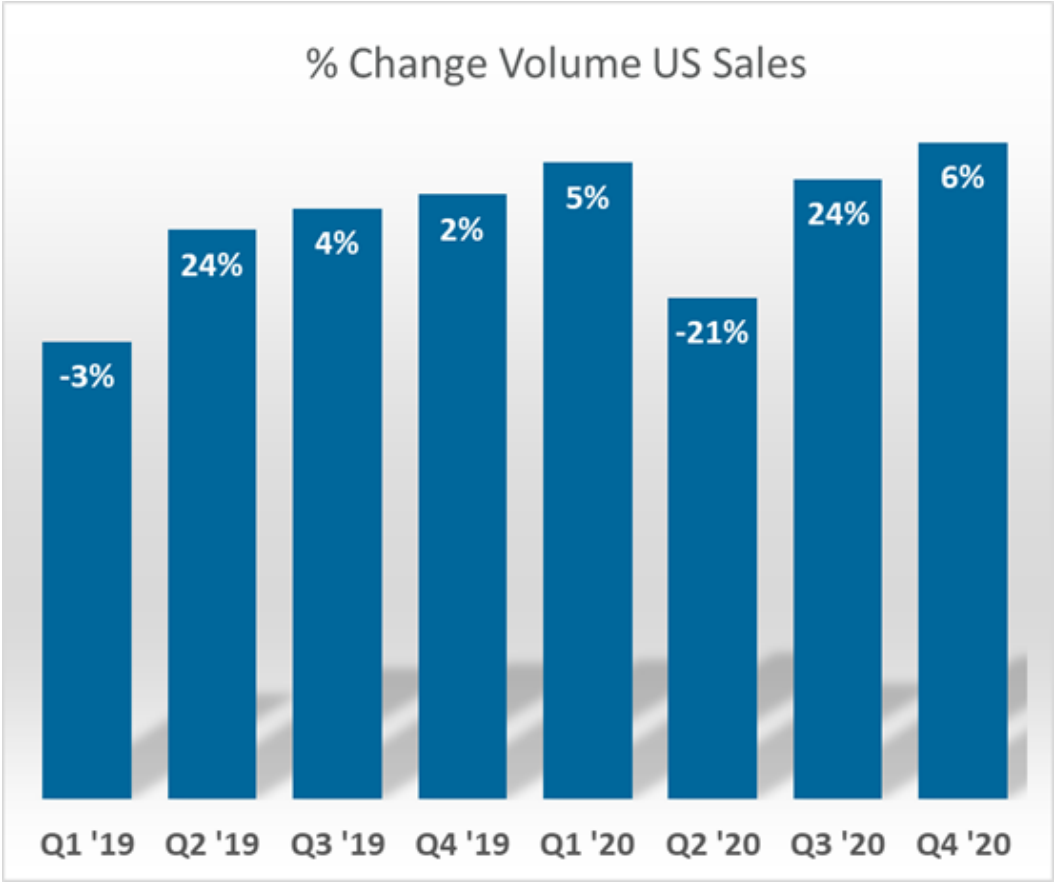
- Patients' treatment plans (if on prophylaxis) include break-through medication
  - New prophylactic treatments offer better attack reduction rates than previous IV plasma-derived C1INH prophylaxis treatment
  - According to published data: approximately half of the patients using new prophylaxis treatments continue to have breakthrough attacks, some frequently, and are in need of regular use of breakthrough medication
  - Although kallikrein/bradykinin inhibitors block the main pathway for symptomatology, an uncontrolled breakthrough attack can occur and become serious if no C1INH therapy is available

- Increasing recognition for prophylaxis patients to have effective and reliable C1INH treatment for breakthrough attacks at hand
  - Growth opportunity for RUCONEST® for treatment of breakthrough attacks associated with prophylaxis products

Strong execution of commercial strategy despite COVID-19

- US revenues increased 9% year-on-year to €177.4 million
  - Driven by a strong H2 and despite a decline of 21% in sales in Q2 2020 in comparison to Q1 2020
  - Triggered final $25 million milestone payment to Bausch Health Inc.

- Revenues in Europe and RoW increased to €8.3 million
  - Driven by increasing demand in Q3 and Q4 2020 and
  - Continued build out of EU commercial infrastructure and expansion into new territories following re-acquisition of EU rights for RUCONEST® from Sobi



Investment to increase capacity due to strong demand

- Investment in de-risking and upscaling of production capacity
  - Pharming received both EMA and FDA approval for its new production facility of starting material for RUCONEST®
  - Work started on a third facility to safeguard future growth in HAE supplies
  - Plans for a larger fourth facility to manufacture our other pipeline products
  - Building downstream processing facility to expand in-house processing capacity

- Patient numbers in potential new indications are much larger than in HAE
  - Pre-eclampsia
  - Acute kidney injury
  - Severe pneumonia as a result of COVID-19 infection

- Re-developing rhC1INH from cattle to meet future demand for large indications

- Funded from current cash generation

New opportunities for rhC1INH

- Clinical trial for rhC1INH in pre-eclampsia and acute kidney injury temporarily halted due to COVID-19
- Clinical trials for rhC1INH in patients hospitalized with confirmed SARS-CoV-2 infections
  - University Hospital of Basel, Basel, Switzerland
    - Results from compassionate use study in five patients
      - Published in *Frontiers in Immunology*
    - Multinational, randomized, controlled, investigator-initiated study of up to 150 patients in Switzerland and expanded across the country and into Brazil and Mexico
      - Recruitment ongoing
  - Valley Hospital in Ridgewood, New Jersey, US
    - Randomized, open-label, parallel-group, controlled, clinical trial in up to 120 participants across centers in the US
      - Recruitment ongoing

leniolisib – a late-stage product for APDS

APDS market

- Activated PI3 kinase delta syndrome (APDS) is ultra-rare primary immunodeficiency (PID)
  - Caused by autosomal dominant mutations
  - Increased activity of phosphoinositide-3-kinase δ (PI3Kδ) leads to malfunctioning B-(immune) cells, symptoms include; recurrent respiratory infections, organomegaly, malignancies and auto-immunity
  - 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%)
- Current diagnosis and treatment options for APDS
  - Often misdiagnosed
  - Treatment limited to supportive therapies; antibiotics, immunoglobulin replacement therapy
  - No approved therapy for treatment
  - Genetic test only definitive diagnosis

leniolisib program

- 'navigateAPDS' partnership in the US and Canada
  - Collaboration with Invitae for a commercially available genetic test
- leniolisib
  - Potent, selective PI3Kδ inhibitor
  - Treats the root cause of APDS
  - Orally bioavailable
  - Direct PK/PD relationship observed
  - Currently in registration-enabling pivotal study
  - Expected headline data H2 2021 with potential launch H2 2022
- Orphan drug designation approved by the European Commission
  - Previously granted Orphan Drug Designation by the FDA in January 2018

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.

Impact of COVID-19 on Pharming's business

Pharming continues to comply with international guidance and requirements across its operations to prioritise the health and safety of its employees during the COVID-19 pandemic.

The impact of COVID-19 on the operations of the business is summarized below:

- No impact on the upscaling or continued production of RUCONEST® to date, despite disruptions in supply chains for consumables used in production
- No impact on the availability or distribution of RUCONEST® to HAE patients
- The recruitment of new patients in ongoing clinical trials initially halted as result of COVID-19 priorities and disruptions in supply chains of test materials; patients already incorporated into ongoing clinical trials are continuing to receive treatment
- As a result of halted recruitment, timelines for the pre-eclampsia and acute kidney injury studies are incurring delays, subject to the return of recruitment
- Recruitment in the registration enabling trial for leniolisib has restarted; continue to expect headline data in H2 2021 and, subject to regulatory approval, continue expect launch of leniolisib in H2 2022

NASDAQ listing

- Pharming achieved secondary listing on Nasdaq Global Market on 22 December 2020
  - Listing of American Depository Shares
  - Symbol: "PHAR"

- Listing expected to:
  - Accelerate growth strategy
  - Allow access to a deeper pool of specialist capital
  - Access to US based currency to finance potential acquisitions

- Organizational structures amended to reflect new listing:
  - Two-tier Board converted into one-tier Board structure
  - New Board of Directors consisting of an Executive Director and Non-Executive Directors

Financial Review

Income statement – operating result

Amounts in € '000	**2020**	**2019**
Revenues	**185,694**	**169,022**
Costs of sales	**(20,601)**	**(21,355)**
Gross profit	**165,093**	**147,667**
Other income	**1,601**	**435**
Research and development	(33,712)	(28,368)
General and administrative	(20,487)	(18,913)
Marketing and sales	(45,074)	(39,914)
Other Operating Costs	**(99,273)**	**(87,195)**
Operating profit	**67,421**	**60,907**

Income statement – net result

Amounts in € '000	**2020**	**2019**
Operating profit	**67,421**	**60,907**
Fair value gain (loss) on revaluation derivatives	**60**	**(209)**
Other finance income	**626**	**1,011**
Other finance expenses	**(29,151)**	**(15,259)**
Finance cost, net	**(28,465)**	**(14,457)**
Share of net profits in associates using the equity method	**317**	**229**
Profit before tax	**39,273**	**46,679**
Income tax expense	**(6,619)**	**(10,484)**
Profit for the year	**32,654**	**36,195**
Basic earnings per share (€)	**0.051**	**0.058**
Diluted earnings per share (€)	**0.048**	**0.054**

Balance sheet – assets

Amounts in € '000	**2020**	**2019**
Non-current assets		
Intangible assets	**76,615**	**70,809**
Property, plant and equipment	**9,956**	**8,553**
Right-of-use assets	**7,676**	**5,979**
Deferred tax assets	**22,829**	**28,590**
Investment accounted for using the equity method	5,796	5,508
Restricted cash	415	1,400
Total non-current assets	123,287	120,839
Current assets		
Inventories	**17,229**	**14,467**
Trade and other receivables	**29,236**	**25,737**
Restricted cash	**810**	**868**
Cash and cash equivalents	**167,068**	**66,299**
Total current assets	**214,343**	**107,371**
Total assets	**337,630**	**228,210**

Balance sheet – liabilities

Amounts in € '000	2020	2019
Equity		
Share capital	6,388	6,313
Share premium	396,799	392,266
Legal reserves	4,341	3,718
Accumulated deficit	(261,189)	(297,618)
Shareholders' equity	**146,339**	**104,679**
Non-current liabilities		
Convertible bonds	121,927	—
Lease liabilities	6,702	4,363
Other financial liabilities	173	17,282
Total non-current liabilities	**128,802**	**21,645**
Current liabilities		
Convertible bonds	1,661	—
Loans and borrowings	—	45,590
Derivative financial liabilities	147	268
Trade and other payables	38,726	36,247
Lease liabilities	1,598	1,946
Other financial liabilities	20,357	17,835
Total current liabilities	**62,489**	**101,886**
Total equity and liabilities	**337,630**	**228,210**

Cash flow

Amounts in €'000	2020	2019
Profit before tax	**39,273**	**46,679**
Net cash flows generated from (used in) operating activities	**73,968**	**66,504**
Capital expenditure for property, plant and equipment	(4,076)	(2,362)
Investment intangible assets	(7,929)	(1,650)
Investment associate	(288)	(2,503)
Acquisition of license	(1,385)	(18,702)
Net cash flows used in investing activities	**(13,678)**	**(25,217)**
Repayment on loans and borrowings	(50,088)	(31,406)
Payment on contingent consideration	(18,136)	(17,634)
Payment of lease liabilities	(1,913)	(1,967)
Proceeds of issued convertible bond	125,000	—
Transaction costs related to issued convertible bond	(2,318)	—
Interests on loans	(1,875)	(8,418)
Proceeds of equity and warrants	2,443	2,778
Net cash flows generated from (used in) financing activities	**53,113**	**(56,647)**
Increase (decrease) of cash	**113,403**	**(15,360)**
Exchange rate effects	(12,634)	1,348
Cash and cash equivalents at 1 January	66,299	80,311
Total cash and cash equivalents at December 31	**167,068**	**66,299**

Outlook for Full Year 2021

Outlook for 2021

- Continued growth in revenues from sales of RUCONEST®, mainly driven by the US and expanded EU operations, subject to the progression of the COVID-19 pandemic, with quarterly fluctuations in revenues expected, as a result of the ongoing effects of the pandemic on access to customers and phasing of ordering patterns.
- Maintenance of positive net earnings during the year, we therefore do not expect to require additional financing to maintain the current business.
- Investments in acquisitions and in-licensing of new development opportunities and assets, as these occur
- Continued investment in the expansion of production of RUCONEST® and production of leniolisib
- Investment in:
  - Ongoing registration-enabling study for leniolisib and pre-marketing activities
  - Ongoing clinical trials for rhC1INH
  - Additional development activities
- Continued close monitoring of the ongoing COVID-19 pandemic and the potential impact on the business

No further specific financial guidance for 2021 is provided.

As previously announced, as of 1 January 2021, the Company changed its reporting currency from Euro to US dollar.

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Q&A

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What are Pharming’s goals and how do you plan on achieving them?

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Can you give us an update on the development of RUCONEST®?

Following the 125mln Convertible Bond the company has a lot of cash, what are you going to do with it?

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What can we expect with regards to Business Development in the coming year?

What are you looking for?

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Why did you decide to list on Nasdaq?

How are you going to create shareholder value?

Can you give us an update on the COVID-19 trials?

When can we expect to hear more?

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Can you give us an update on your other clinical trials?

When can we expect to hear more?

leniolisib is a different type of drug, not from Pharming's platform, how does it fit within the Pharming strategy?

Summary

- Continued to deliver against growth strategy despite impact of COVID-19
  - Record revenues driven by US sales growth and expansion in EU
  - Progression of pivotal stage study in APDS
- Building on solid foundations to enhance and accelerate long-term value creation
  - Strengthened financial position following convertible bond offering to invest in future growth
  - Investment in de-risking and upscaling of production capacity to meet increasing demand
  - Successful completion of secondary listing on the Nasdaq Global Market
  - Positioned to make investments in acquisitions and in-licensing of new development opportunities and assets as they occur

Pharming

Tickers:

- Euronext Amsterdam: PHARM
- Nasdaq: PHAR

investor@pharming.com