Explanatory notes to the agenda for the Extraordinary General Meeting of Shareholders of Pharming Group N.V. on March 4, 2025

Extraordinary General Meeting of Shareholders of Pharming Group N.V. (the "Company" or "Pharming") to be held on March 4, 2025, at 14:00 CET (hereafter the "EGM").

***Agenda item 2: Appointment Executive Director and Chief Executive Director** (voting item)*

Introduction

The term of Mr. Sijmen de Vries, the current Executive Director and Chief Executive Officer, is scheduled to expire at the closing of the next Annual General Meeting of Shareholders (currently scheduled to be held on June 11, 2025). As announced on October 24, 2024 by way of a press release, Mr. de Vries indicated that he would not to be available for reappointment.

The Board of Directors conducted a search, supported by a leading global executive search company, for a new Executive Director and Chief Executive Officer (hereafter "CEO"), based on a search profile prepared by the Board of Directors, who will take the next steps in successfully delivering on Pharming's long-term growth strategy, together with the Board of Directors and Executive Committee. The new CEO is, amongst others, required to have been a biopharmaceutical executive who has been successful in operating in different cross-cultural and regulatory settings.

Following an extensive search process, the Board of Directors decided to nominate Mr. Fabrice Chouraqui (date of birth: 1 August 1970, French national, U.S. citizen) for the appointment as new CEO. The nomination was announced in the press release that was issued on January 21, 2025.

Mr. Sijmen de Vries confirmed his resignation from the Board of Directors effective at the closing of the EGM. Mr. de Vries supports the nomination of Mr. Chouraqui and will make way for Mr. Chouraqui, as his nominated successor, to take over the executive leadership of the Company with immediate effect at the closing of the EGM. Mr. de Vries will ensure a smooth hand-over of his tasks and responsibilities as Executive Director and CEO to Mr. Chouraqui and remains a strategic advisor to the new CEO until December 31, 2025. In that capacity, Mr. de Vries will continue to receive his monthly base salary including emoluments, up to and including December 31, 2025.

In recognition of Mr. de Vries' high commitment to Pharming over the past 16 years and his willingness to remain available as a strategic advisor to the new CEO to ensure a smooth transition in the best interest of the Company, the Board of Directors granted Mr. de Vries the status of Good Leaver as defined in his employment contract. Accordingly, the Board of Directors decided that:

- Mr. de Vries will receive the gross amount in settlement of the Short-Term Incentive Plan for the year 2025 pro-rata for the period January 1, 2025, up to and including the date of the EGM (March 4, 2025), in the first quarter of the year 2026. This pay-out date is in accordance with the regular schedule (no accelerated payout) and subject to the score on the performance targets; and
- the restricted shares granted to Mr. de Vries pursuant to the Long-Term Incentive Plan for the performance periods 2023-2025 and 2024-2026, will vest in the first quarter of the year 2026 and the first quarter of the year 2027, respectively. These vesting dates are in accordance with the regular vesting schedule (no accelerated vesting). Vesting will be subject to the score on the performance targets and the vesting percentage will each time be calculated pro-rata up to and including June 11, 2025 (i.e., the originally scheduled date of the expiration of the mandate of Mr. de Vries).

Mr. de Vries waived his right to the grant of new restricted shares pursuant to the Long-Term Incentive Plan for the performance period 2025-2027 and shall not receive a severance payment. This waiver of contractual rights was also taken into consideration by the Board for its decision on the way of settlement of the outstanding Short-Term Incentive Plan and the Long-Term Incentive Plans, respectively, as set out in the preceding paragraph. Finally, the described settlement of Mr. de Vries' outstanding contractual rights ensures that the tax liabilities for Pharming have been kept to a minimum.

Resume Mr. Fabrice Chouraqui

Mr. Fabrice Chouraqui is a global pharmaceutical executive with a record of value creation at Flagship Pioneering, Novartis and Bristol-Myers Squibb. A purpose-driven leader with a passion for bringing innovative treatments to patients, Mr. Chouraqui has a reputation for building strong organizations. He is scientifically minded, with a deep understanding across the business spectrum, from research and development to access and commercialization, including strong expertise in investor relations and business development.

Across his career, Mr. Chouraqui has led the launch of treatments in many therapeutic areas, including highly targeted specialty care drugs and large primary care medicines. He consistently demonstrates strategic and innovative thinking to achieve long-lasting results and has a strong record of developing next generation talents and highly diverse teams.

Until recently, Mr. Chouraqui was *CEO-Partner* at Flagship Pioneering, one of the largest Biotech Venture Capital firms in the US. Mr. Chouraqui also served as *CEO* of Cellarity, Inc., one of the companies created by Flagship Pioneering. In his CEO capacity, Mr. Chouraqui was leading the development of Cellarity, a company which is driving a radically new approach to drug discovery by working at the intersection of AI and biology. Mr. Chouraqui raised over $250M and attracted world-renowned investors. He initiated a collaboration with Novo Nordisk and had Cellarity recognized as a top biotech to watch by several sources. Today, Mr. Chouraqui holds the position of Executive Chairman at Cellarity, Inc.

Prior to joining Flagship Pioneering, Mr. Chouraqui spent 10 years at Novartis. He was *President of Novartis Pharmaceuticals USA* from 2016 to 2019, during which he delivered strong growth despite negative price impact and he significantly improved profitability. Promoted to turn around performance after the business suffered issues with recent launches, Mr. Chouraqui developed sophisticated commercial and access capabilities to meet the new market environment. He achieved strong market positions for two significant growth drivers (Cosentyx and Entresto), drove the uptake of the rare disease drug Ilaris, initiated the landmark PIONEER clinical trial in heart failure, and championed several business development initiatives. Mr. Chouraqui moved the organization's culture from "consensus building, conservative and siloed" to "questioning, experimenting and collaborative." He also served as the Novartis representative on the board of BIO.

Before leading the Novartis US organization, Mr. Chouraqui was *President, Latin America & Canada* (2014-2016) for Novartis Pharmaceuticals, responsible for leading a portfolio shift from established primary care medicines to innovative specific care drugs. He also served as *Global Head, Business Franchise Neuroscience* (2012-2014). In this role, he relaunched Gilenya (Multiple Sclerosis) following a post-launch regulatory review and made Gilenya the largest growth contributor to Novartis' five-year strategic plan. Mr. Chouraqui also addressed late-stage pipeline gaps with the start of the siponimod program in Secondary Progressive Multiple Sclerosis (approved in 2019) and the identification of business development opportunities, which led to the in-licensing of ofatumumab in MS from GSK (launched as Kesimpta) and a partnership with Amgen on erenumab for migraine (launched as Aymovig)

From 2000 to 2010, Mr. Chouraqui held multiple international roles at Bristol-Myers Squibb, ultimately serving as *Vice President, Commercial Operations, Asia-Pacific* and *General Manager, Southeast Asia* (2008-2010). He began his career in R&D roles at Roussel Uclaf and Hoechst Marion Roussel, pharmaceutical companies that were predecessors to today's Sanofi.

Mr. Chouraqui earned a MBA from INSEAD and a Doctorate in Pharmacy, a Post-Graduate Degree in Quality Assurance of Medicines, and a MSc in Biological and Medicinal Sciences from University of Paris V.

Mr. Chouraqui shall have stepped down as Executive Chairman of Cellarity, Inc., a non-listed company, no later than upon his appointment as the new Executive Director and Chief Executive Officer of Pharming. Thereafter, Mr.Chouraqui intends to serve as a non-executive Board member of Cellarity.

Mr. Chouraqui also holds the position of independent Board member of OranoMed, a non-listed (private) subsidiary of Orano Group. OranoMed is a company specialized in the research and development of radioligand Pb-212 based alpha therapies for the treatment of various types of cancers.

The resume of Mr. Chouraqui has been uploaded as part of the meeting documents for the EGM.
Mr. Chouraqui will introduce himself to our shareholders during the EGM.

Considerations Board of Directors for nomination
The Board of Directors concluded that Mr. Chouraqui, as a global pharmaceutical and biotechnical leader, fully meets the search profile in view of his strong track record and the wealth of global expertise and experience across the entire biopharmaceutical value chain. The Board of Directors is confident that Mr. Chouraqui will be the right candidate to lead Pharming in taking the next steps in implementing its growth strategy and ambitions, shaping Pharming into the rare disease company of choice.

Mr. Chouraqui is residing in the United States of America. He will frequently travel to the offices of Pharming, including the head office in the Netherlands, to ensure the proper execution of his duties and responsibilities as CEO.

The diversified composition of the Board of Directors following the appointment of Mr. Chouraqui will continue to reflect and support the Company's strong growth ambitions and be fully consistent with the collective profile of the Board of Directors, while the Board of Directors continues to meet applicable Dutch gender diversity targets, as female members of the Board of Directors will continue to represent 37.5% of the Board of Directors (and 42% of the group of Non-Executive Directors) after Mr. Chouraqui's appointment.

The appointment of Mr. Chouraqui is not restricted by the limitations imposed by Dutch law on the maximum number of outside directorships. Mr. Chouraqui holds no shares in the Company.

Reference is made to agenda item 3 for the remuneration package to be awarded to Mr. Chouraqui, subject to his appointment as CEO under this agenda item 2.

The Dutch Works Council submitted a positive advice with regard to the proposed appointment of Mr. Chouraqui. The advice is part of the published meeting documents for the EGM and the Chair of the Dutch Works Council will attend the EGM for a brief summary of the Works Council's findings.

Proposal
The Board of Directors proposes by way of a binding nomination, the appointment of Mr. Fabrice Chouraqui as Executive Director and Chief Executive Officer for a period of four years effective as of the closing of the EGM and expiring at the closing of the Annual General Meeting of Shareholders to be held in the year 2029.

Agenda item 3: Remuneration Executive Director and Chief Executive Officer *(2 voting items)*
As a US resident, Mr. Chouraqui has entered into an employment agreement with Pharming Healthcare Inc., the 100%-owned US subsidiary of Pharming for an indefinite term. An intercompany agreement will be signed between the Company and Pharming Healthcare Inc.. The employment agreement provides, amongst others, that Mr. Chouraqui, in his capacity as CEO, (i) shall be subject to Dutch law and the Dutch Corporate Governance Code, respectively, including without limitation the applicable provisions governing the appointment, remuneration and fiduciary duties of members of the Board of Directors, and (ii) shall adhere to the Company's articles of association and other corporate documents, including the Remuneration Policy for the Board of Directors as approved by our shareholders on May 21, 2024 (hereafter the "Remuneration Policy").

The Remuneration Policy provides, amongst others, that the actual remuneration is to be determined based on the country of residence of the CEO, i.e., the US standards apply for Mr. Chouraqui, as a US resident.

Accordingly, the Board of Directors has granted Mr. Chouraqui the following remuneration package in accordance with the Remuneration Policy, subject to (i) his appointment as CEO under agenda item 2 and (ii) the approval by the EGM of certain remuneration components as specified in the paragraph "Proposal" on page 6 below:

1. **Annual base salary:** USD 750,000 gross (reference year: 2025); in accordance with the provisions of the Remuneration Policy, the annual base salary has been determined based on the country of residence of Mr. Chouraqui (i.e., the United States of America);
2. **Annual Short-Term Incentive Plan in cash ("STI"):** target score to be set at 75% of the fixed annual base salary; maximum pay-out is set at 150% of the fixed annual base salary;
3. **Long-Term Incentive Plan in restricted performance shares ("LTI"):** annual grant of restricted performance shares for the next three-year performance period; the restricted shares will vest at the end of the applicable three-year performance period, subject to the achievement of the applicable performance measures. The on-target value level for the CEO shall be equal to 425% of the annual base salary, while the maximum performance vesting level is set at 637.5% (i.e., 150% of the on-target value level);
4. **Other benefits/provisions:** in accordance with the Remuneration Policy, the remuneration package of Mr. Chouraqui also includes all employee benefit plans and programs offered by Pharming Healthcare Inc. from time to time to its U.S. senior employees, including pension plans (401(k)), medical/dental/vision/life insurance and a company car.

In accordance with the Remuneration Policy, Mr. Choraqui shall receive the following one-off compensation upon his appointment as CEO (like-for-like):

- cash compensation equal to the value of Mr. Chouraqui's entitlement to a short-term incentive plan granted by his current employer, providing for a pay-out in cash, that is in effect for the year in which Mr. Chouraqui resigns to be appointed by Pharming and that is therefore forfeited due to that resignation;

- compensation in the form of shares for the loss of value of equity awards granted by his current employer, that are forfeited by Mr. Chouraqui in connection with his resignation to be appointed as the CEO of Pharming, up to the value of USD 3,200,000.

It has been agreed that, in case the previous employer has paid or will pay for a portion of the annual bonus and/or equity awards, the compensation amount to be paid by Pharming will be reduced by the same value.

Mr. Chouraqui shall also be entitled to receive a severance payment equal to 100% of his fixed annual base salary in case of any termination of his mandate and contract without cause (i.e., absent serious culpable conduct or gross negligence on the part of the CEO) or by the CEO for good reason (i.e., serious culpable conduct or neglect on the part of Pharming). The severance payment will be increased to 200% of his annual base salary in case of a termination of the mandate as CEO without cause (i.e., absent serious culpable conduct or gross negligence on the part of the CEO) within twelve (12) months following a change of control of Pharming, including an unconditional acquisition by a third party of the majority of the ordinary shares in Pharming. In the latter event, that is fully consistent with US market practice, Mr. Chouraqui will also remain entitled to all unvested restricted shares pursuant to the LTI. These shares will vest in accordance with the predetermined times (no accelerated vesting), subject to the achievement of the performance measures.

The Board of Directors is of the opinion that the proposed remuneration package, including the proposed supplements to the Remuneration Policy, is appropriate in view of Mr. Chouraqui's strong track record as a global pharmaceutical and biotechnical leader, and the wealth of global expertise and deep international experience, across the entire biopharmaceutical value chain, that he will bring to Pharming. The proposed package also recognizes that Mr. Chouraqui, unlike Mr. de Vries as outgoing CEO, is residing in the United States of America, by ensuring full consistence with US benchmark data. The Board of Directors considered the benchmark report of AON Radford, as further described below, to ensure alignment with the US market.

As set out in the Remuneration Policy, Pharming has set the objective to align itself with European best practices in the field of remuneration, but will also need to ensure that it meets the urgent need to remain competitive in the important US labour market, as the Company has established a significant and still growing presence in the US. As set out above, the Remuneration Policy also provides that the actual salary is to be determined based on the country of residence of the CEO, i.e,. the United States of America for Mr. Chouraqui, as a US resident.

The foregoing balance is reflected in the following peer group that has been composed by Pharming, consisting of European and US companies active in Life Sciences:

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

The following benchmark results were collected and presented by AON Radford in December 2024:

- *Annual Base Salary*
  The annual fixed base salary payable by Pharming to the CEO will be positioned between the 25th and 50th percentile for US peers. The annual fixed base salary is positioned between the 50th and 75th percentile for European peers.

- *Equity/LTI and total remuneration*
  The proposed combination of annual base salary and the annual STI bonus (total cash USD 1,312M) trails the 50th percentile for US peers and is equal to the 75th percentile for European peers. The LTI grant is slightly above the 25th^{h} percentile of the US peers and just below the 75th percentile of the European peers.

Proposal

Certain components of the remuneration package granted to Mr. Chouraqui deviate from the Remuneration Policy and are required to be approved by our shareholders. Accordingly, the Board of Directors proposes to the EGM, taking into consideration the market standards that are applicable in the United States of America (the country of residence of Mr. Chouraqui):

3.1 to approve the following components of the remuneration package for Mr. Chouraqui, as CEO:

i. The grant of a severance payment to Mr. Chouraqui:

a. equal to 200% of his fixed annual base salary, in case of a termination of the mandate as CEO without cause (i.e., absent serious culpable conduct or gross negligence on the part of the CEO) within twelve (12) months following a change of control of Pharming, including an unconditional acquisition by a third party of the majority of the ordinary shares in Pharming; and

b. absent a change of control as described sub a., equal to 100% of his fixed annual base salary in case of any other termination of the mandate and contract by Pharming without cause (i.e., absent serious culpable conduct or gross negligence on the part of the CEO) or by the CEO for good reason (i.e., serious culpable conduct or neglect on the part of Pharming).

In the event mentioned sub i. a. above, Mr. Chouraqui will remain entitled to all unvested restricted shares pursuant to the LTI. These restricted shares will vest in accordance with the predetermined times (i.e. no accelerated vesting) subject to the achievement of the applicable performance measures.

ii. The increase of (i) the on-target score for the annual STI to 75% of the annual base salary of the CEO (instead of at 70% according to the Remuneration Policy) and (ii) the maximum pay-out to 150% of the annual base salary of the CEO (instead of 140% of the annual base salary according to the Remuneration Policy). The other conditions governing the STI according to the Remuneration Policy shall remain unchanged.

iii. The following updated LTI:

a. the increase of the on-target value level for the annual grants of restricted performance shares under the LTI to 425% of the annual base salary (instead of the equivalent of 300% of the annual base salary according to the Remuneration Policy);

b. the maximum vesting level is set at 637.5% (i.e., 150% of the on-target value.

The other conditions governing the LTI according to the Remuneration Policy (including the applicable performance measures based on Total Shareholder Return and strategic targets) shall remain unchanged.

The proposal as specified under 3.1 sub i., ii. and iii. above will be submitted as one voting item.

3.2 to authorize the Board of Directors for a period of eighteen (18) months, starting at the date of this EGM, as the company body authorized (a) to grant and issue to the CEO (i) the restricted ordinary shares pursuant to the LTI and (ii) the compensation for the forfeited equity awards in shares for the value of forfeited equity by leaving the previous employer, and (b) to exclude any pre-emptive rights in connection with such grant and issue.