Annual report 2025

fagron.com

Fagron
personalizing medicine

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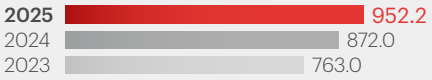
Key figures
Fagron at a glance

Financial indicators

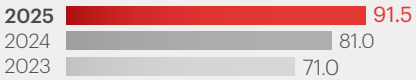
Revenue
in million euros

952.2 ↑ +9.2%



Net result
in million euros

91.5 ↑ +13.0%



REBITDA (EBITDA before non-recurrent result)
in million euros

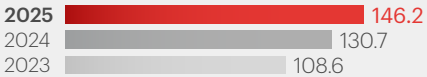
192.9 ↑ +10.9%

Earnings per share

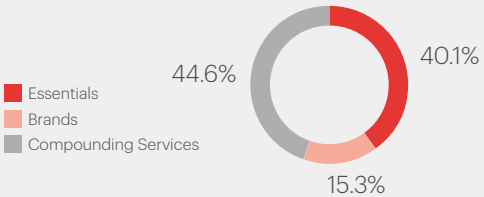
1.25 ↑ +13.6%

EBIT
in million euros

146.2 ↑ +11.9%



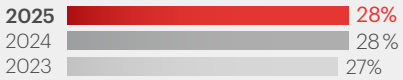
Revenue per segment



Non-financial indicators

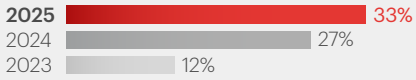
Revenue from Brands
% of Brands & Essentials

28% → 0%



Business Partner Code of Conduct signatories
% of expenditure on trade goods

33% ↑ +6%

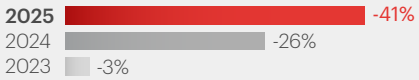


Sustainable Engagement score*
average score given by Our people

87% ↑ +3%

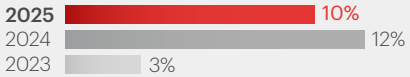
Scope 1 and 2 greenhouse gas emissions
% change compared to 2021 (market-based Scope 2)

-41% ↓ -15%



Scope 3 greenhouse gas emissions
% change compared to 2021 in selected Scope 3 categories

10% ↓ -2%



*2024 is the latest available data, as no survey has been conducted this year. A new one is planned for 2026.

CEO's message

2025 continued the solid momentum Fagron has built in recent years, demonstrating the resilience of our business model and the benefits of our vertical integration and diversified footprint. All regions delivered strong growth, exceeding the upper end of our revenue outlook range and contributing to improved profitability. These results reflect disciplined execution and structural strengths of our business as we enter the next phase of our growth journey, outlined at our Capital Markets Day.

In EMEA, performance remained solid, reflecting the benefits of our diversified geographic presence and continued operational focus. Across segments, EMEA achieved broad-based progress in Brands, Essentials, and Compounding Services, supported by improved product availability and the successful integration of recent acquisitions. During the year, we strengthened our European platform through the acquisitions of EuroOTC in Germany, Guinama in Spain, Active Pharma in the UK, Amara's book of business in Poland and Magilab in Hungary, while entering the Serbian market through the acquisitions of Uni-chem and SB Trade. We also entered the Singaporean and Malaysian markets with the acquisition of Amber (which is pending completion). These developments further strengthened our market position and underline the resilience of our EMEA platform.

In Latin America, particularly Brazil, we continued to benefit from our strategy to prioritize market leadership. Targeted commercial initiatives and new product launches in Brands drove strong momentum, complemented by steady growth in Essentials. In addition, the acquisition of Purifarma strengthens our presence in Brazil by adding scale and a broader portfolio, supporting our ambition to deepen our position in this dynamic market. Furthermore, the acquisitions of Injeplast (pending completion) and Vepakum will expand our capabilities within the region by enhancing vertical integration.

In North America - Pacific, growth was primarily driven by Essentials and Compounding Services, supported by strong underlying demand, onboarding new customers and the continued expansion of our product portfolio. Also, improved operational execution and portfolio optimization enhanced product availability and efficiency, strengthening our competitive positioning. AnazaoHealth continued to perform well, with demand supported by consumer interest in preventive and lifestyle health products, while navigating drug shortages.

To support this growth and scale our nationwide platform, we progressed targeted capacity expansions at our facilities, including

the validation of additional capacity in Wichita. Further expansion plans at AnazaoHealth and Wichita are also progressing in-line with expectations, while we have also secured key regulatory milestones such as the ability to ship to California from all our facilities. In parallel, we selectively expanded our footprint through the acquisition CareFirst and UCP, strengthening our 503A presence, and entered a new market through the acquisition of Bella Corp in Australia. These developments support our ambition to build a fully integrated, scalable compounding platform.

In addition to organic growth, disciplined M&A remains a core pillar of Fagron's strategy. In 2025, we completed several acquisitions across our regions, reflecting the highly fragmented nature of our markets and the depth of our opportunity pipeline. We focus on consolidating fragmented markets, strengthening our capabilities and expanding geographically, always leveraging our existing platform. This approach, combined with our proven ability to integrate acquired businesses while preserving quality standards, culture and financial discipline, allows us to scale efficiently, enhance our offering and integrate entrepreneurial talent into the Group, and consistently create value.

Our focus on disciplined execution, vertical integration and quality continues to strengthen Fagron's platform and scalability. This allowed us to improve product availability to over 90% for the first time ever, while also delivering procurement and manufacturing savings ahead of expectations as we progress towards our mid-term objectives. Investments in modern, state-of-the-art facilities, in-house laboratories and process optimization enhance efficiency, support compliance and ensure consistently high-quality standards across our operations. As regulatory requirements tighten globally, this integrated approach enables us to operate reliably at scale and maintain the trust of regulators, customers and patients. In 2025, we successfully completed multiple on-site inspections and audits, and all of our 503B Outsourcing Facilities were inspected by the FDA with no specified repeat observations. Specific to the Wichita 503B Facility, the lack of specified repeat observations confirms that corrective actions taken following the Warning Letter were effective. We view regulatory oversight as a continuous process and an opportunity to further strengthen our systems, processes and culture of quality.

In terms of sustainability, 2025 marks as our first year of implementing our "Future Forward: Personalizing Medicine" strategy. We aim to enhance our resilience and adaptability in a rapidly changing industry. This holistic approach integrates sustainability across all aspects of our business, focusing on thriving employees, responsible operations, and expanded access to science-based compounded medicine. Our 2025 ESG performance shows progress fully in line with our 2030 targets. Being included in the BEL and AEX ESG Index reconfirms that our commitment and our ESG performance is in line with what market is expecting us to do in terms of sustainability.

Our people remain at the heart of Fagron's success. Their expertise, commitment and collaboration are critical to delivering our strategy and navigating an increasingly complex operating environment. This focus is reflected in an engagement score of 87%, well above the industry average, and in a culture that emphasizes ownership, inclusion and long-term commitment. Through our Family Rules, we foster a shared identity and sense of belonging across the Group, aligning our values with the way we work together every day. I greatly appreciate the commitment shown by our teams and am confident in our collective ability to deliver even more together going forward.

As technology continues to evolve at an accelerated pace, we see digitalization and artificial intelligence as important enablers of our long-term strategy. Our approach is centered on empowering our people with secure, scalable tools that enhance expertise, improve decision-making and support collaboration across the Group. By combining advanced technology with deep domain knowledge, we are strengthening our ability to operate efficiently, meet regulatory requirements and continue creating value for our customers and investors.

CEO's message

Looking ahead to 2026 and beyond, we remain confident in Fagron's ability to deliver sustained growth, margin improvement and strong cash generation over the 2025–30 period. This outlook is supported by key long-term trends such as the growing demand for personalized treatments, increased focus on preventive medication, an ageing population and the critical role of compounding in improving drug accessibility. In addition, tightening regulatory requirements continue to support outsourcing to specialized providers, reinforcing the relevance and resilience of our business model.

As we enter the next phase of our Compounding for Growth Plan, I would like to reflect on the progress achieved over the last 8 years. Over this period, Fagron has delivered consistent value creation, with Earnings per Share increasing by around 9% per year, supported by the structural advantages of our niche, high entry barriers and a resilient end market. At the same time, we have strengthened our balance sheet and enhanced financial flexibility. This track record gives me strong confidence in our strategy, our people and our ability to continue delivering sustainable long-term value for all stakeholders.

Rafael Padilla
Chief Executive Officer

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About Fagron

Fagron is a leading global company specializing in pharmaceutical compounding. With a focus on innovation, Fagron develops unique concepts and solutions to address the growing need for personalizing medicine.

About pharmaceutical compounding

Pharmaceutical compounding is the process of creating personalized medications tailored to meet individual patient needs that cannot be addressed by commercially available products, whether patented drugs or generics. This customization is often necessary due to requirements for alternative dosage strengths, unique dosage forms, combination therapies, or innovative treatment approaches. As a result, the potential use cases are extensive, and the broader the product assortment, the more patient needs can be met.

Therapies where compounded medications are most commonly used include:

- Dermatology and Trichology – Personalization is essential to match treatments to different skin and hair types.
- Pediatrics – Children frequently require alternative dosage strengths and forms (e.g., syrup formulations when tablets cannot be swallowed).
- Gynecology – Hormone replacement treatments are often tailored to each patient.
- Primary and Acute Care – Pain management and chronic disease treatments often demand individualized dosage strengths.
- Functional Medicine and Preventive Care – Hormone replacement therapies, supplements, and preventive treatments typically need to be custom-made for each patient.

For more details, please see our Our core activity: pharmaceutical compounding section.

Currently, compounded medications account for approximately 1.5% of all prescriptions globally[1], representing a market size[2] of about 13.2 billion euros. The global compounding market is expected to grow at a CAGR of ~5.1% from 2024 to 2030, reaching an estimated 18 billion euros.

What we do

At Fagron, we are present across the entire value chain of pharmaceutical compounding to enable and manufacture personalizing medicine accessible by working in close collaboration with pharmacists, prescribers, hospitals, and the broader healthcare industry. By personalizing medication to each patient's specific needs, we create treatments that are more effective, safer, with less side effects and better suited to individual circumstances, ultimately improving quality of life. Personalized medicine also helps reduce healthcare costs by making care more efficient and better targeted, leading to improved outcomes for patients and healthcare systems alike.

[1] According to Fagron's own estimates.
[2] The compounding market is estimated at around 1.0% of total global pharma market. Market sizes according to independent market data – Vision Research Reports.

What makes us unique

Fagron offers a comprehensive range of pharmaceutical compounding products and services worldwide.

Our competitive advantage lies in vertical integration, spanning the entire value chain from sourcing and manufacturing raw materials to delivering finished products to patients. This integration is complemented by synergies across our different product categories and supported by a scalable global infrastructure that enables end-to-end compounding. Our wide geographic footprint provides diversification and agility, allowing us to adapt quickly to industry shifts and regulatory changes.

In most markets, we compete with local players that typically focus on a single segment of the pharmaceutical compounding value chain. Our integrated model underpins our commitment to quality, enabling us to deliver consistent innovation and excellence across all stages of pharmaceutical compounding.

Within this context, Fagron occupies the leading position as the only global player operating at scale across the full value chain. Our diversified footprint and strong sourcing capabilities support cost efficiencies, consistent product availability, and a broader assortment for customers.

Our competitive position is supported by scalability, agility and an integrated ecosystem across our segments.

In addition, Fagron has strengthened differentiation through proprietary, science-based branded products. Our Brands segment reflects the Group's continued effort and progress in building and scaling differentiated formulations.

Please see Reasons to invest in Fagron

How we operate

Fagron's operations are organized into three segments: Essentials, Brands, and Compounding Services. With a team of almost 4,300 employees, including over 600 in-house pharmacists, Fagron draws on deep industry expertise to provide raw materials, packaging, equipment, excipients, semi-finished products, and a wide array of sterile and non-sterile compounds. We also invest in the education and professional development of prescribers and pharmacists through our Fagron Academy, offering training and support to healthcare professionals around the world.

Our products and services are tailored to regional needs, considering local healthcare infrastructure and regulations. In 2025, Fagron operated 92 facilities spanning 22 countries in EMEA, Latin America and North America - Pacific, delivering products to 38[3] countries globally. This broad footprint allows us to meet the diverse needs of the patients, healthcare providers, and communities we serve.

[3] Countries in which Fagron generated more than 250,000 euro in revenue in 2025.

Our strategy

We are building the future of personalized medicine in collaboration with pharmacists, prescribers, hospitals, and the broader healthcare industry. Our strategic objectives for the short to medium term focus on four key areas:

- Strengthening our global leadership in Essentials
- Accelerating growth in Brands
- Expanding our sterile compounding services
- Optimizing non-sterile compounding business

Please see Our strategy section for more details.

In addition, Fagron is commited to creating long-term value by prioritizing safety, affordability, and accessibility of medicine. Our “Future Forward: Personalizing medicine” sustainability strategy reflects this commitment, guiding us to balance business activities with our responsibilities to society and the environment.

In 2024, our sustainability strategy “Future Forward: Personalized medicine” was launched. More details can be found in the Sustainability performance.

About Fagron

Our core values

Customer is number 1

We put our customers first by responding to their needs and focusing on achieving customer satisfaction. In doing so, we continuously strive to improve our services and products.

Creativity

Through creativity in the way we think and act, we come up with new solutions. In doing so, we contribute to improving health care while achieving sustainable growth and profitability. We are constantly looking at how we can operate better and smarter to meet the growing need for personalized medication.

Quality

Quality lies at the heart of Fagron's operations; it is our most important benchmark for everything we do. We always strive for the best and optimize our standards and processes to always deliver top quality.

Entrepreneurship

An entrepreneurial spirit suits our organization. We take responsibility and initiative to develop innovative solutions and explore new markets. We challenge our competitors and inspire others.

Agility

We adapt quickly and effectively to change. We stay open-minded and responsive, embracing flexibility to seize opportunities, overcome challenges, and drive results.

About Fagron

Who we are

Humility

Analytic

Autonomy

Responsibilty

Transparency

Simplicity

This is HAARTS—a chart that summarizes Fagron's Family Rules. The word "HAARTS" is an acronym, formed from the first letter of each of our Family Rules. Our Family Rules are rooted in our DNA, and define how we collaborate and interact with each other within our company. They offer us focus on how we approach challenges and processes. In essence, our Family Rules shape our culture and act as a guide for our actions, in order to meet our core values.

Humility
Being modest and treating each other equally and respectfully

Autonomy
Being empowered in our job, and taking initiative

Analytic
Making informed, and data-driven decisions

Responsibilty
Taking ownership of our actions, decisions, and their consequences

Transparency
Committing to honesty and openness in our interactions

Simplicity
Keeping things simple, easy, and understandable without overcomplicating

Trends and market developments

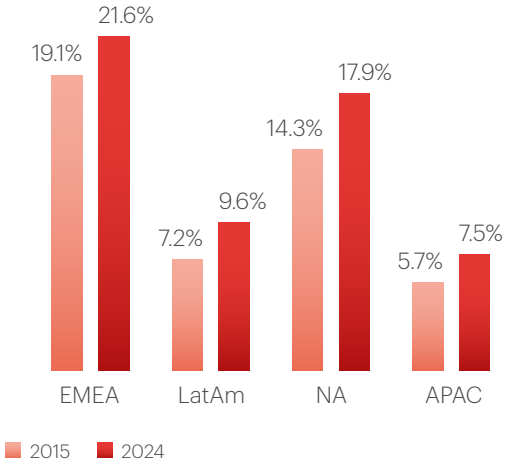
Long-term trends and shifting market dynamics are accelerating the demand for personalized medicine, transforming the landscape in which Fagron leads and innovates.

As a global leader in pharmaceutical compounding, Fagron is well-positioned to adapt to these changes, operating across multiple countries and regions. Our broad international presence allows us to align our business model and strategy with key trends that support the demand for personalized medicine.

Ageing population

Demographic shifts, such as population growth and rising life expectancy, are key drivers of demand for personalizing medicine. The increasing prevalence of chronic conditions, along with growing needs for pain management, infusion therapies, and home care, further expands the role of compounding medications. These trends underscore the importance of adapting treatments to individual patient needs, enabling proactive health management while reducing the burden on healthcare systems.

Ageing population proportion*



*Ageing population proportion is population above 65years by total population. Eurostat (EMEA) - population on 1 January by age group and sex; World Bank (LatAm, NA, APAC) for 2015 and company estimates for 2024

Personalization

Standard commercial medications do not always meet every patient's needs. Compounding bridges this gap by creating tailored treatments that account for individual factors such as allergies, intolerances, precise dosage requirements, and required dosage forms, while also helping reduce side effects. Fagron Genomics is an enabler, enhancing the effectiveness of personalized treatments. These advancements allow healthcare providers to prescribe truly individualized therapies, improving patient outcomes and quality of life.

Another trend is the shift toward delivering healthcare outside traditional hospital settings. By making care more accessible, patient quality of life improves while overall costs decrease. However, this trend introduces new demands on how medications are prepared and delivered.

Trends and market developments

Prevention & lifestyle

Growing health awareness is a global trend. People aspire not only to live longer but also to enjoy a higher quality of life, and prevention plays a crucial role. An expanding middle class with greater disposable income is driving increased focus on preventive health, healthy lifestyles, and early diagnosis, all of which fuel demand for personalized solutions.

Advances in technology and data analytics now make it possible to create detailed genetic profiles, enhancing the ability to predict disease risk, drug tolerance, and treatment response. These innovations are transforming healthcare by enabling more precise, individualized treatments.

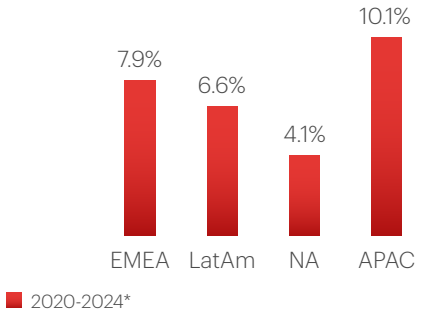
Increased regulation

Increasing regulatory requirements and stricter quality standards are driving pharmacies and hospitals to outsource compounding to specialized providers. These regulations determine where and how compounding medications can be distributed, directly influencing product development and manufacturing processes. Fagron's commitment to global regulatory compliance ensures the safety and quality of our products, reinforcing trust among healthcare providers and patients.

Accessibility

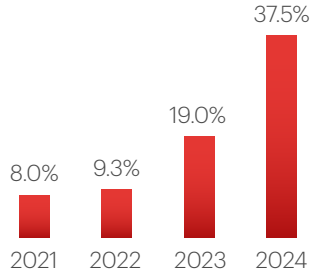
Pharmaceutical compounding plays a critical role in addressing drug shortages, ensuring essential medicines remain available. Drug shortages accelerate the trend toward outsourcing, and by customizing medications to meet specific patient needs, Fagron helps guarantee access to the right treatments at the right time.

Healthcare expenditure per capita CAGR



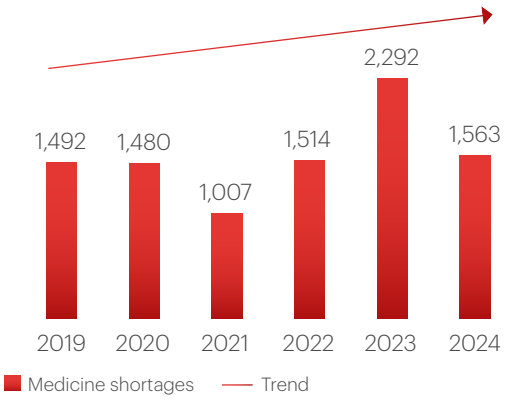
*Company estimates based on 2021 actual data from World Health Organization Global Healthcare Expenditure (current USD)

US: Proportion of Registered 503B facilities audited*



*FDA – registered outsourcing facilities

Medicine shortages 2019-2024*



*KNMP Farmanco for the Netherlands

Our business model and value chain

At Fagron, our business model is designed to deliver high-quality, personalized compounded medications and pharmaceutical raw materials that address the unique needs of patients.

By upholding rigorous regulatory compliance and quality standards, we ensure that our products are effective and safe, creating long-term value for customers, employees, investors, and society. Our commitment extends beyond patient health; we aim to minimize our environmental footprint and enhance our social impact, aligning our growth with our broader responsibilities.

Our core activity: pharmaceutical compounding

Pharmaceutical, or magistral compounding, is the process of preparing custom, non-patent-protected or unregistered medications following a doctor's prescription, or at the request of a pharmacy. This enables patients to receive personalized treatments that are not commercially available and tailored to their specific needs. Adjustments may include alternate dosage forms or administration routes, such as converting a tablet to a topical cream to reduce side effects or avoid swallowing difficulties. Compounding thus allows medications to be better suited to individual circumstances, improving both safety and treatment outcomes.

Bulk pharmaceutical compounding

Some personalized medications are regularly prescribed. In certain countries, regulations permit pharmaceutical compounders to produce these medications on a larger scale without individual prescriptions. This enables Fagron to supply community and hospital pharmacies with frequently requested personalized medications, ensuring accessibility where traditional pharmaceutical companies may find production volumes too low for profitability.

Sterile and non-sterile compounding

Magistral compounding involves the formulation of both sterile and non-sterile compounds. Non-sterile compounds, such as tablets, capsules, creams, and suspensions are suitable for oral, topical, or other non-intravenous applications. Sterile compounds, such as pre-filled syringes and IV bags, are used in treatments administered directly into the bloodstream, requiring strict quality and safety controls.

On the following pages are examples of therapies where compounding is most prevalent, along with different types of compounded medications by drug category.

Our business model and value chain

Pharmaceutical compounding

Pharmaceutical compounding is the process of creating personalized medications tailored to meet individual patient needs that cannot be addressed by commercially available products—whether patented drugs or generics. This customization is often necessary due to requirements for alternative dosage strengths, unique dosage forms, combination therapies, or innovative treatment approaches. As a result, the potential use cases are extensive, and the broader the product assortment, the more patient needs can be met.

Therapies where compounded medications are most commonly used include:

Dermatology and Trichology
Personalization is essential to match treatments to different skin and hair types.

Pediatrics
Children frequently require alternative dosage strengths and forms (e.g., syrup formulations when tablets cannot be swallowed).

Gynecology
Hormone replacement treatments are often tailored to each patient.

Primary and Acute Care
Pain management and chronic disease treatments often demand individualized dosage strengths.

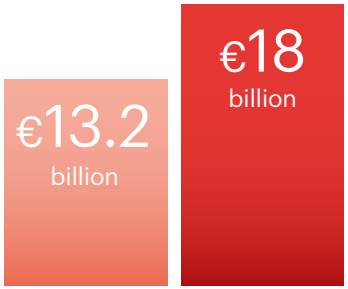
Functional Medicine and Preventive Care
Hormone replacement therapies, supplements, and preventive treatments typically need to be custom-made for each patient.

~1.5%
Compounded medications

€13.2 billion
Market size[2]

Currently, compounded medications account for approximately 1.5%[1] of all prescriptions globally, representing a market size of about €13.2 billion.

~5.1%
Expected growth



The global compounding market is expected to grow at a CAGR of ~5.1% from 2024 to 2030, reaching an estimated €18 billion.

[1] According to Fagron's own estimates.
[2] The compounding market is estimated at around 1.0% of total global pharma market. Market sizes according to independent market data – Vision Research Reports.

Compounding medication per therapy type

Dermatology and trichology

Key Compounded Therapies & Indications

- Inflammatory disorders, infectious conditions, tailored antifungal and antibiotic formulas.
- Alopecia with personalized treatments focusing on addressing hormonal imbalances, managing infections, and reducing hair loss.
- Off–label strengths and various bases (ointments, gels, foams) allow personalized dosing and vehicle selection.
- Emerging trends include preservative–free and hypoallergenic bases, liposomal delivery for enhanced penetration, and digital prescription platforms for remote compounding.

Growth Enablers

- Specialized vehicle design for optimal skin tolerance and stability.
- Integration of e–prescribing and telemedicine for personalized, remote consultations.
- Hands–on training from Fagron Academy for pharmacists and prescribers.
- Innovative compounding devices to streamline preparation.

Our Brands & Formulary

- Advanced Derma™ Vehicles: such as Versatile™ Rich and Cleoderm™, scientifically tested for compatibility with APIs such as hydrocortisone, tacrolimus and calcitriol.
- Fagron offers a dedicated range of Tricho products designed for the personalized treatment of alopecia and scalp conditions, used by dermatologists, trichologists, and compounding pharmacies.
- Science-Backed Formulas: Over 2,500 data-backed recipes.
- Training Materials: Detailed brochures, compatibility tables, stability data, and e–learning modules for efficient, confident prescribing.

Example of a compounding medication

Finasteride 0.25% + Minoxidil 7% topical solution (using TrichoSol™)

- Clinical field: Dermatology (androgenetic alopecia).
- Why compound: Enables dual therapy with higher minoxidil concentration and low-dose topical finasteride to optimize efficacy while reducing scalp irritation and systemic absorption. Offers personalized adjustment based on tolerance and response.
- Commercial match: No. This combination and concentration are not available commercially. Market alternatives often contain alcohol and propylene glycol, which may cause irritation or dryness.
- Fagron Brand advantage: *TrichoSol™* is a cosmetically elegant, alcohol-free vehicle designed specifically for scalp formulations. Clinically tested and with natural ingredients, it enhances penetration, improves tolerability, and avoids greasy residues – ideal for long-term androgenetic alopecia management.
- Link to Fagron Formulary: Personalizing medicine - Fagron

Main customers

- Pharmacies, Wholesalers, Hospitals

Our business model and value chain

Pediatrics

Key Compounded Therapies & Indications
- Oral Suspensions: Amoxicillin and azithromycin for infections.
- Topical Therapies.
- Nutrition & Supplements.
- Platform: SyrSpend® SF ensures stable, palatable, accurately dosed pediatric syrups backed by 100+ peer–reviewed stability studies.

Growth Enablers
- Pediatric Regulation incentivizing child–friendly dosage forms.
- Platforms like SyrSpend® SF improving taste and adherence.
- E–prescribing and telemedicine linking prescriptions to compounding.
- Automation technologies for precise, high–throughput preparation.

Brands & Formulary
- SyrSpend® SF suspending vehicles.
- Over 500 specialized pediatric formulas.

Examples of compounding medication

Omeprazole 2 mg/mL oral suspension (using SyrSpend® SF Alka)
- Clinical field: Gastroenterology (pediatric GERD - gastroesophageal reflux disease, ulcers).
- Why compound: Provides a stable, age-appropriate alkaline suspension that protects omeprazole from acid degradation and allows precise mg/kg dosing for pediatric patients unable to swallow capsules.
- Commercial match: Rarely available as a ready-to-use 2 mg/mL liquid; commercial PPIs are typically capsules or enteric-coated tablets.
- Fagron Brand advantage: *SyrSpend® SF Alka* offers a sucralose-free, starch-based suspension system with an alkaline pH that ensures chemical stability for acid-labile drugs such as PPIs, eliminating the need for complex buffering or refrigeration. It also provides excellent taste masking and uniform dose delivery.
- Link to Fagron Formulary: Personalizing medicine - Fagron

Hydrocortisone 1 mg/mL oral suspension (using SyrSpend® SF PH4)
- Clinical field: Endocrinology/Pediatrics (e.g., adrenal insufficiency titration).
- Why compound: Enables accurate low-dose titration for neonates and infants where commercially available tablets or granules cannot provide individualized dosing.
- Commercial match: No ready-to-use 1 mg/mL oral liquid is commercially available.
- Fagron Brand advantage: *SyrSpend®SF PH4* provides controlled acidity for optimal chemical stability of acid-sensitive actives. It's free from sorbitol, alcohol, and preservatives, offering superior taste and consistent dosing across storage conditions.
- Link to Fagron Formulary: Personalizing medicine - Fagron

Training Materials
- Online video seminars on personalized pediatric medication platforms.
- E–learning modules and SOPs with published data.

Main customers
- Hospitals and Pharmacies

Gynecology

Key Compounded Therapies & Indications
- Bioidentical Hormone Replacement: Transdermal and implantable estradiol and progesterone formulations for menopause and urogenital atrophy.
- Antimicrobial Therapies: Metronidazole and clotrimazole for vaginitis and infections.
- Supportive Care (eg DHEA suppositories).

Growth Enablers
- Specialized vaginal and transdermal vehicles for optimal absorption and comfort.
- E–prescribing and telemedicine integration.
- Fagron Academy's targeted gynecology training.

Brands & Formulary
- Over 200 gynecology–specific, science–backed formulas.

Example of compounding medication

Estradiol 10 mg/g (1%) transdermal cream (in Pentravan®)
- Clinical field: Endocrinology/Gynecology/ Women's Health (menopause and perimenopause management).
- Why compound: Enables individualized hormone replacement with bioidentical estradiol and titratable dosing, using a transdermal route that bypasses first-pass metabolism and allows fine adjustment to symptom control.
- Commercial match: Uncommon. Commercial topicals vary in hormone forms and strengths and often contain synthetic derivatives rather than bioidentical estradiol.
- Fagron Brand advantage: *Pentravan®* is a scientifically validated, transdermal permeation-enhancing base with clinical evidence supporting consistent hormone delivery. It allows efficient skin penetration, pleasant application, and proven stability, making it a preferred choice for personalized bHRT worldwide.
- Link to Fagron Formulary: Personalizing medicine - Fagron

Training Materials
- E–learning on personalized hormone therapies (vaginal, transdermal, implantable).
- SOP manuals, expert webinars, and technical brochures with compatibility and pH data.

Main customers
- Pharmacies, Clinics and Hospitals

Our business model and value chain

Primary & acute care

Key Compounded Therapies & Indications
- Analgesics & Sedatives: Fentanyl, morphine, midazolam.
- Anesthetics: Lidocaine, bupivacaine.
- Antiemetics: Ondansetron, metoclopramide.
- Antibiotics: Vancomycin, cefuroxime, piperacillin/tazobactam.
- Cardiac & Critical Care: Amiodarone, heparin, norepinephrine.
- Emergency Drugs: Epinephrine, atropine, naloxone.

Growth Enablers
- Updated regulations enhancing safety (i.e. EU GMP Annex 1 and ISO 8536-4).
- Growth of biologics and specialty injectables.
- Home-care and self–administration trends favoring Ready to Administer medication.
- Rapid cross border distribution from EU–GMP sites in the Netherlands and Belgium

Examples of compounding medication

Captopril 25 mg sublingual tablet (in DiluTab® OD SL)
- Clinical field: Cardiology/Primary care (hypertensive emergencies, acute heart failure).
- Why compound: Enables rapid-acting sublingual administration for patients unable to swallow or requiring immediate blood pressure reduction.
- Commercial match: No sublingual captopril product is readily available; only oral tablets exist.
- Fagron Brand advantage: *DiluTab® OD SL* is a multifunctional excipient system optimized for orodispersible and sublingual compounding. It provides fast disintegration, pleasant mouthfeel, and consistent drug release, ideal for acute care and geriatric or dysphagic patients.
- Link to Fagron Formulary: Personalizing medicine - Fagron

Phenytoin 15 mg/mL oral suspension (using SyrSpend® SF PH4)
- Clinical field: Neurology / Primary Care (seizure management, maintenance therapy).
- Why compound: Enables individualized mid-range strength (15 mg/mL) for accurate dosing and easier administration, particularly for patients with swallowing difficulties or those requiring feeding-tube compatibility when standard liquids or tablets are unsuitable.
- Commercial match: Available commercial products differ in concentration and often contain alcohol, sucrose, or propylene glycol, which can limit pediatric, geriatric, or sensitive patient use.
- Fagron Brand advantage: *SyrSpend® SF PH4* provides uniform suspension, enhanced stability, and consistent bioavailability for poorly soluble drugs like phenytoin. It simplifies compounding and ensures reliable therapeutic performance across different patient populations.
- Link to Fagron Formulary: Personalizing medicine - Fagron

Main customers
- Hospitals and Pharmacies

Functional medicine and prevention

Key Compounded Therapies & Indications

- Personalized treatment helps people take control of their health by tailoring care to their unique genetic makeup, lifestyle, and body's specific needs. It can make a real difference in areas like metabolism, heart health, hormone balance, digestion, immunity, mood, and aging, offering more effective support and prevention that's truly built around the individual.
- Fagron offers proprietary ingredients engineered for maximum bioavailability and efficiency, making them ideal for both functional medicine prescribers and industry professionals. These advanced materials enhance the stability and performance of final formulations and integrate smoothly with specialized delivery systems. For instance, Dilucap® is a robust capsule-coating technology that safeguards sensitive actives and enables controlled release. Pentravan®, a pluronic-lecithin organo-gel, hydrates the skin and significantly improves the transdermal delivery of both hydrophilic and lipophilic compounds—ensuring sustained, non-greasy absorption.
- A broad portfolio of scientifically backed formulas is available to support customized, effective therapeutic solutions.

Growth Enablers

- Proprietary high–bioavailability materials and vehicles (Dilucap®, Pentravan®).
- Telehealth and e–prescribing integration.
- Proprietary genomics based personalized treatment.

Brands & Formulary

- Fagron is actively advancing in the field of genomics and functional medicine, aligning with the growing demand for personalized healthcare. Through innovations like Fagron NutriGen™ and Fagron TrichoTest™, the company is integrating genetic insights into tailored nutritional and therapeutic solutions. This strategic direction reflects a strong commitment to future-oriented healthcare, with continued investments in the development of evidence-based, individualized treatments that empower both healthcare professionals and patients to make informed, data-driven decisions.

Examples of compounding medication

Testosterone 1%-20% transdermal cream (in Pentravan®)

- Clinical field: Endocrinology / Men's Health (andropause, testosterone deficiency).
- Why compound: Allows tailored hormone replacement using bioidentical testosterone with flexible dosing and optimized skin absorption. Transdermal delivery ensures steady-state plasma levels and avoids hepatic first-pass metabolism.
- Commercial match: Limited availability of bioidentical testosterone creams; commercial gels often vary in concentration, texture, and alcohol content, affecting adherence.
- Fagron Brand advantage: *Pentravan®* enhances transdermal permeation of lipophilic hormones, ensuring consistent absorption and elegant texture. Backed by in vitro and in vivo data, it supports safe and effective individualized testosterone therapy.
- Link to Fagron Formulary: Personalizing medicine - Fagron (Testosterone 1%) and Personalizing medicine - Fagron (Testosterone 20%)

Coenzyme Q10 20 mg/orodispersible film (using OrPhyllo®)

- Clinical field: Functional/Integrative Medicine (mitochondrial support, cardiovascular health, fatigue).
- Why compound: Offers a convenient, swallow-free dosage form that enhances patient adherence and allows for customized antioxidant therapy.
- Commercial match: Few ODF formulations of CoQ10 exist; most are capsules or softgels with variable absorption.
- Fagron Brand advantage: *OrPhyllo®* enables uniform dispersion of lipophilic actives like CoQ10 in a thin, dissolvable film, improving mucosal absorption and bioavailability. It also provides formulation flexibility for flavoring, dosing, and combining actives in a patient-friendly format.
- Link to Fagron Formulary: Personalizing medicine - Fagron

Metformin 10%-30% transdermal cream (in Pentravan®)

- Clinical field: Longevity Medicine / Metabolic Health (healthy aging, insulin sensitivity, cellular metabolism).
- Why compound: Metformin, beyond its classical use in type 2 diabetes, is increasingly recognized in longevity research for its potential to modulate aging-related pathways, such as AMPK activation and reduction of oxidative stress. A topical form allows innovative delivery for patients seeking systemic or localized benefits when oral tolerance is limited or gastrointestinal side effects occur.
- Commercial match: No topical metformin formulations are commercially available; existing oral forms do not address patients interested in integrative or preventive anti-aging protocols.
- Fagron Brand advantage: *Pentravan®* enhances dermal absorption of hydrophilic molecules like metformin through its optimized balance of lipophilic and hydrophilic components. It provides excellent skin compatibility and consistent permeation, supporting novel approaches in longevity and metabolic optimization therapies.
- Link to Fagron Formulary: Personalizing medicine - Fagron (Metformin 10%) and Personalizing medicine - Fagron (30%)

Eva360 capsules (using DiluCap®)

- Clinical field: Women's Health / Nutraceuticals (menopause, overall vitality, antioxidant and metabolic support).
- Why compound: Combines multiple nutraceutical ingredients in personalized capsule formulations for hormonal balance, antioxidant protection, and energy support, tailored to patient needs.
- Commercial match: Most commercial alternatives offer fixed-dose nutraceutical blends without personalization or pharmaceutical-grade excipients.
- Fagron Brand advantage: *DiluCap®* is an all-in-one capsule excipient system designed for superior flowability, uniformity, and capsule filling performance. It allows precise dosing and compatibility for multi-active nutraceutical formulations, supporting both efficacy and compounding efficiency.
- Link to Fagron Formulary: Personalizing medicine - Fagron

Read more here

Training Materials

- E–learning: Dilucap® encapsulation and Pentravan® transdermal compounding.
- SOP manuals, technical data sheets, webinars, and certification quizzes.

Main customers

- Clinics, Prescribers and Pharmacies

Examples of compounding medication manufactured in bulk at our outsourcing facilities (Fagron Sterile Services)

Oxytocin 30 Units/500 mL Solution for Injection

- Clinical field: Obstetrics (Labor & Delivery), first line drug used in the induction and management of uterine contractions during childbirth.
- Why compound: Oxytocin is classified as a hazardous drug, presenting safety risks to hospital staff during preparation and handling.
- Commercial match: Not available in ready to administer IV bags.

Fentanyl Citrate 1,000 mcg/100 mL Solution for Injection

- Clinical field: Pain Management, used in the management of acute and chronic pain and as an induction agent during the administration of anesthesia.
- Why compound: Fentanyl requires precise, standardized preparation to prevent dosing errors and overdose. Outsourcing reduces diversion risk and enhances medication safety.
- Commercial match: Not available in ready to administer IV bags.

Lidocaine HCl 4%, Epinephrine 0.18%, Tetracaine HCl 0.5% Topical Gel

- Clinical field: Topical Anesthetic, used in laceration repair, surgical procedures and wound care in hospitals and outpatient clinics.
- Why compound: Some state regulators prohibit clinics from compounding this product from bulk, requiring it to be sourced in ready-to-use form.
- Commercial match: Not commercially available.

Customers

- Hospitals and clinics

EVA360TM

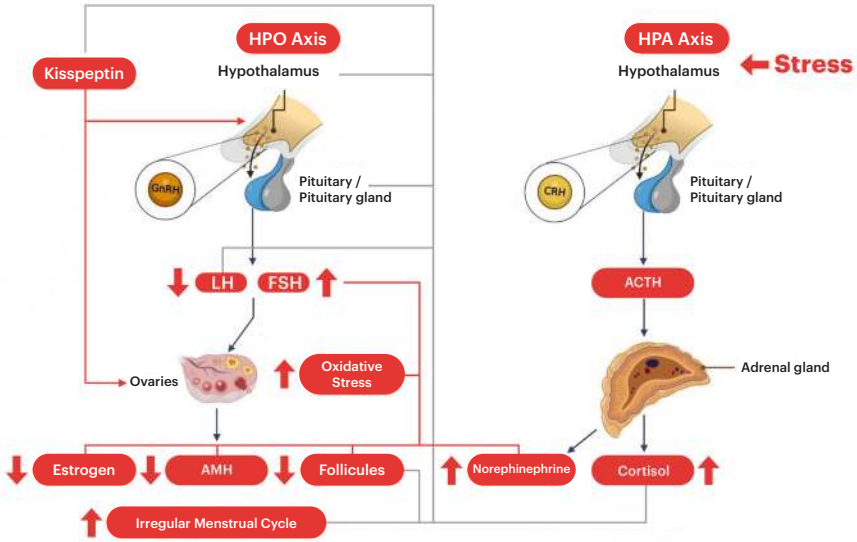
The power of femininity in every journey

The modern woman

The priorities of contemporary women are focused on their careers and independence, aiming to guarantee their autonomy and freedom of choice. In this lifestyle, many reach their professional peak between the ages of 30 and 40, coincidentally during the beginning of the hormonal decline. This phenomenon, combined with chronic stress, can bring significant challenges to physical, reproductive and mental health, making it difficult to achieve their personal and professional plans and balance all their responsibilities.

Ovarian health is essential for vital processes.

It plays a crucial role in reproductive, hormonal, bone, cardiovascular and mental health. Everything starts and ends in the ovaries, so promoting ovarian longevity is essential to ensure the physiology of different systems and maintains a woman's driving force for longer, avoiding the symptoms of hormonal decline.

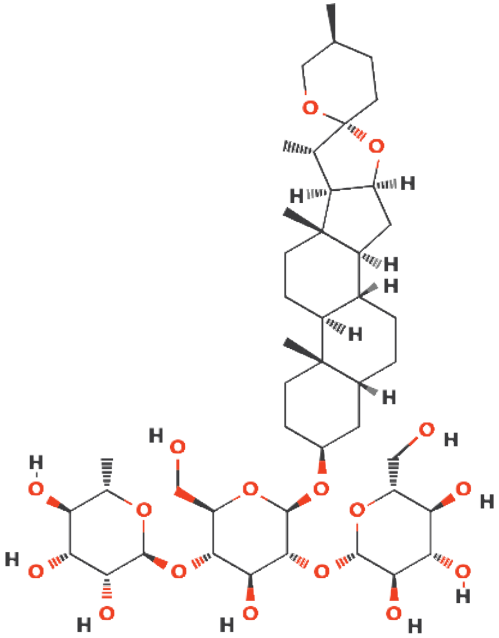


Promoting ovarian longevity, maintaining hormone levels and modulating the body's response to chronic stress is essential for women to maintain their freedom of choice and to decide your plans with Balance, Vitality and Autonomy.

EVA360TM

VA360™ is a nutraceutical with unique and innovative standardization in shatavarins, specially developed to promote ovarian longevity, delay the symptoms of hormonal decline and modulate the effects of chronic stress.

In this way, EVA360™ preserves the power of freedom of choice, allowing each woman to decide what she wants and when she wants it, offering support on her journey.



EVA360™ is a product composed of a unique combination of different shatavarins. During its development, the molecule LI58129, a new steroidal saponin, was discovered. Alone, it provides 60% of the biological activity in the sensitization of estrogen receptors and is present only in EVA360™.

Benefits

- Ovarian longevity
- Promotes ovulation
- Protects ovarian reserve
  Hormonal balance
- Fertility maintenance
- Improves skin quality
- Improves hair quality and hair loss
- Reduces menstrual cramps
- Modulation of chronic stress
- Adaptogenic action
- Neuronal protection
- Antioxidant protection
- Increases mental clarity

Differentials

Patented product

100% Natural product

New molecule

Low daily dose

Backed by science

Versatile applications

Our business model and value chain

Our segments

Essentials

Since its beginnings in 1990, Fagron's Essentials segment has grown from supplying raw materials for pharmaceutical compounding in the Netherlands, to a comprehensive global portfolio. Today, Essentials provide raw materials, equipment, packaging, and supplies for compounding to pharmacies and healthcare industries across EMEA, Latin America, and North America – Pacific. By equipping pharmacists with high-quality materials, Essentials empowers them to provide safe and effective treatments.

Brands

The Brand's segment represents Fagron's innovative approach to simplifying pharmaceutical compounding for pharmacists. By offering semi-finished products, vehicles, and excipients such as emulsions, powders, and creams, we enable healthcare professionals to meet rising regulatory and quality standards. Developed in collaboration with pharmacists, prescribers, and universities, Fagron's proprietary products are designed to meet the practical needs of compounding professionals. Brands also includes Fagron Genomics, which specializes in genetic tests that support prescribers in tailoring personalized therapies. Through the Fagron Academy, we provide training, preparation protocols, and ongoing support for healthcare professionals worldwide.

Compounding Services

Our Compounding Services segment provides pharmacies and hospitals with ready-to-use sterile and non-sterile compounds in regions where this practice is permitted. As quality standards and regulatory requirements become more stringent, more pharmacies and clinics are choosing to outsource compounding. In response, Fagron has developed a robust compounding network that draws on raw materials from Essentials and formulations from Brands. With facilities in the Netherlands, Belgium, Colombia, Israel, the Czech Republic, the United Kingdom, the United States, and South Africa, Fagron offers safe and reliable compounding solutions tailored to patient needs.

We are also exploring the registration of specific compounds in select markets. Although registration is a complex process that can take several years, it allows us to expand our compounded medications portfolio and increase the benefit from our global footprint.

Our value chain

Fagron's value chain spans from the procurement of raw materials to the delivery of personalized medications. We source materials globally, categorized into five groups: APIs (Active Pharmaceutical Ingredients), pharmaceutical excipients, finished pharmaceutical products, equipment, and packaging. APIs, excipients, and pharmaceutical products together comprise around two-thirds of our total procurement.

Across our segments, we add value at every step:

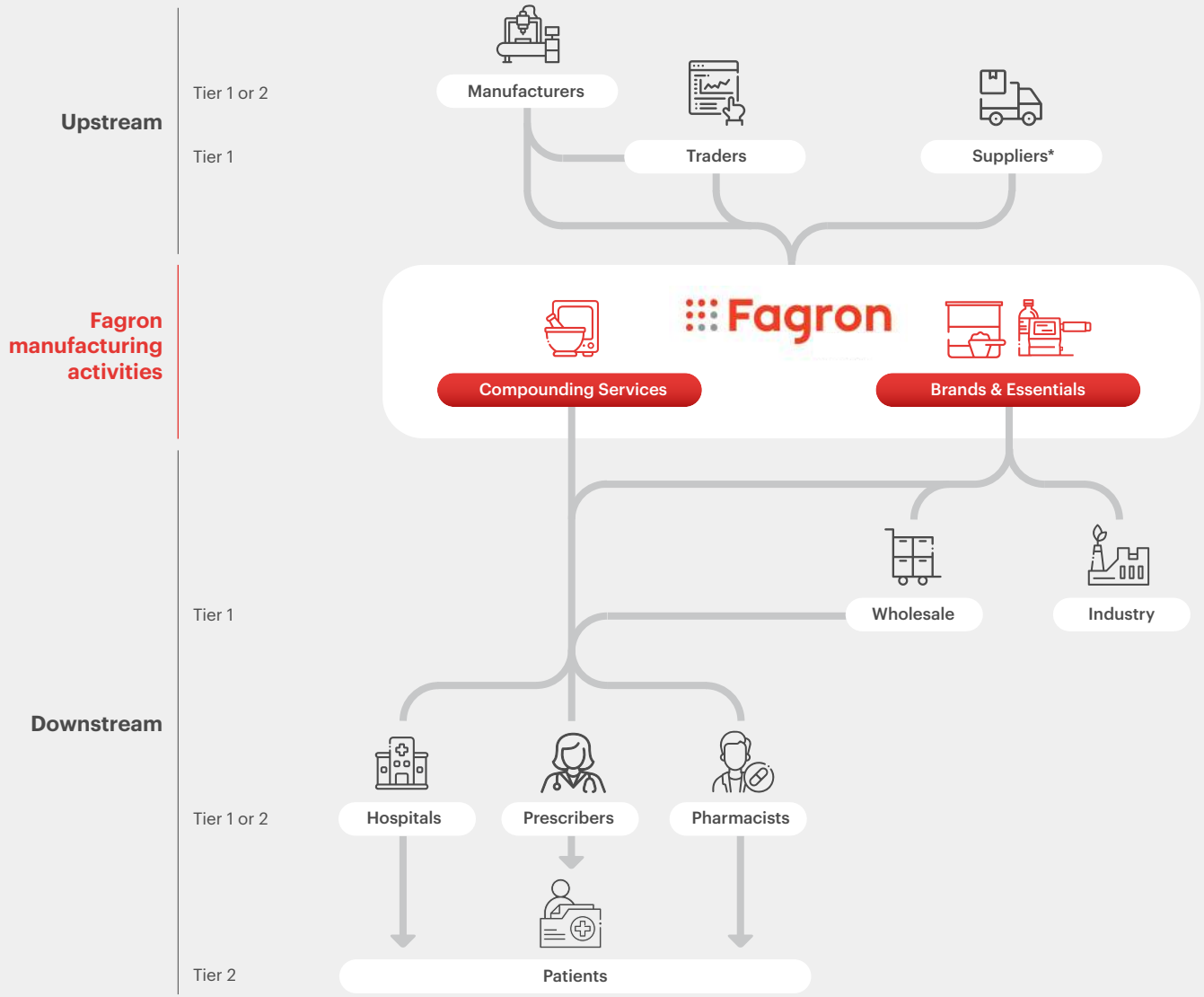
- Essentials: We source, test, and repackage raw materials in precise quantities for pharmacists and healthcare providers, fully in compliance with cGMP standards (including clean-room requirements). Importantly, raw material testing (ensuring compliance with specifications defined by each country's pharmacopeia) is performed in Fagron's own laboratories. By insourcing this critical step in quality assurance, we gain agility and create synergies when these materials are used in our own compounding processes. The broader our assortment, the better we can serve customers and address personalizing medication needs. One of Fagron's key strengths is its extensive product portfolio, with more than 25,000 SKUs globally.
- Brands: We develop excipients, ingredients, testing solutions, and compounding equipment designed to enhance safety and efficacy for our customers during the compounding process. A Fagron brand represents proprietary intellectual property, innovative solutions, and evidence proving safety, quality and efficacy. In addition, Fagron develops proprietary formulations and shares its expertise through training programs offered by the Fagron Academy. Brands are often bundled with Essentials to differentiate our offering, strengthen customer loyalty, and drive cross-selling opportunities. This combined approach is frequently referred to as "B&E" (Brands and Essentials).
- Compounding Services: Using raw materials from Essentials and formulations from Brands, we prepare sterile compounds (injectables, vials, IV bags) and non-sterile compounds (creams, capsules) tailored to patient prescriptions for pharmacies and healthcare facilities. Compounding Services operate under two models in the U.S.:
  - Patient-specific compounding on a prescription-by-prescription basis, regulated through 503A pharmacies.
  - Bulk compounding in large facilities, regulated through 503B pharmacies, which enables economies of scale.

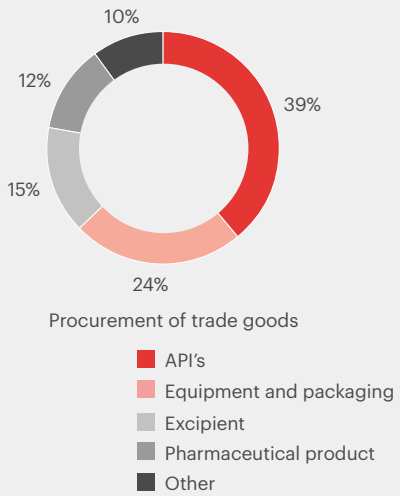
Fagron has built long-standing relationships with a well-diversified base of suppliers and customers, avoiding significant concentration risk. At the drug mix level, Fagron offers an extensive assortment of more than 25,000 SKUs, designed not only to better serve customers through our Brands & Essentials offering for compounding medications but also to minimize product concentration and dependency.

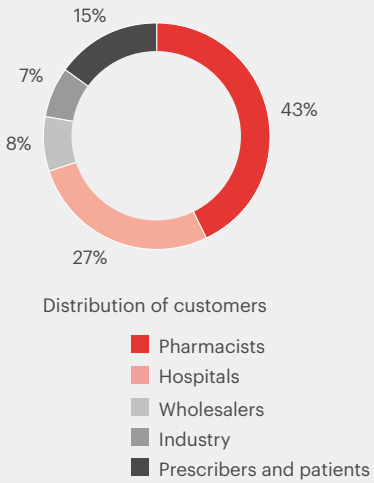
Around 85% of our customers are pharmacists, hospitals, prescribers, and patients, with the remaining portion of our customer base comprising wholesalers and industry partners. Our vertically integrated approach allows us to support the entire process of pharmaceutical compounding - from raw material selection to final compounded product -ensuring the highest standards of quality and consistency throughout.

Our business model and value chain

Our value chain







* such as packaging and cleaning material, utilities, quality checks, IT, legal support and maintenance

Our strategy

Together, we create the future of personalizing medicine. As a trusted partner to pharmacists, prescribers, hospitals, and the broader industry, Fagron is dedicated to making personalized medicine accessible to patients, contributing to the health and well-being of people worldwide.

As a vertically integrated global player, Fagron holds an unique position in the fragmented, niche market of pharmaceutical compounding. Our scale, global operations, market expertise, and innovative capacity reinforce our competitive edge and ensure our leadership.

To maintain and expand this position, we focus on four strategic objectives. In parallel, we have established a long-term value creation strategy – "Future Forward: Personalizing medicine" – that balances our business activities with societal and environmental responsibilities.

Strategic objectives

Objective 1: Strengthening our global leadership in Essentials

Fagron ambitions to strengthen its #1 position in the repackaging and distribution of pharmaceutical raw materials across core markets while driving operational excellence through SKU harmonization, sourcing optimization, and regulatory preparedness.

Objective 2: Accelerating our growth in Brands

The Global Brands Strategy will be a key growth and margin driver, increasing its share of Brands & Essentials revenue. The company is scaling proven Brands globally, supported by scientific validation, prescriber engagement, and infrastructure readiness. As such, we aim to achieve a 35% contribution from Brands within the total Brands & Essentials revenue by 2030.

Objective 3: Expanding our sterile compounding services

Fagron is investing in high-quality sterile capacity and capabilities across all regions, aiming to become a leading global platform for personalized sterile medicines. In this sense, the new Tampa facility is being operational in 2025 and has obtained its California license, allowing us to transition from the old site. In addition, we have announced expansions at our 503B facilities in Wichita, Kansas, and Las Vegas, Nevada, as well as at our outsourcing facility in the Netherlands.

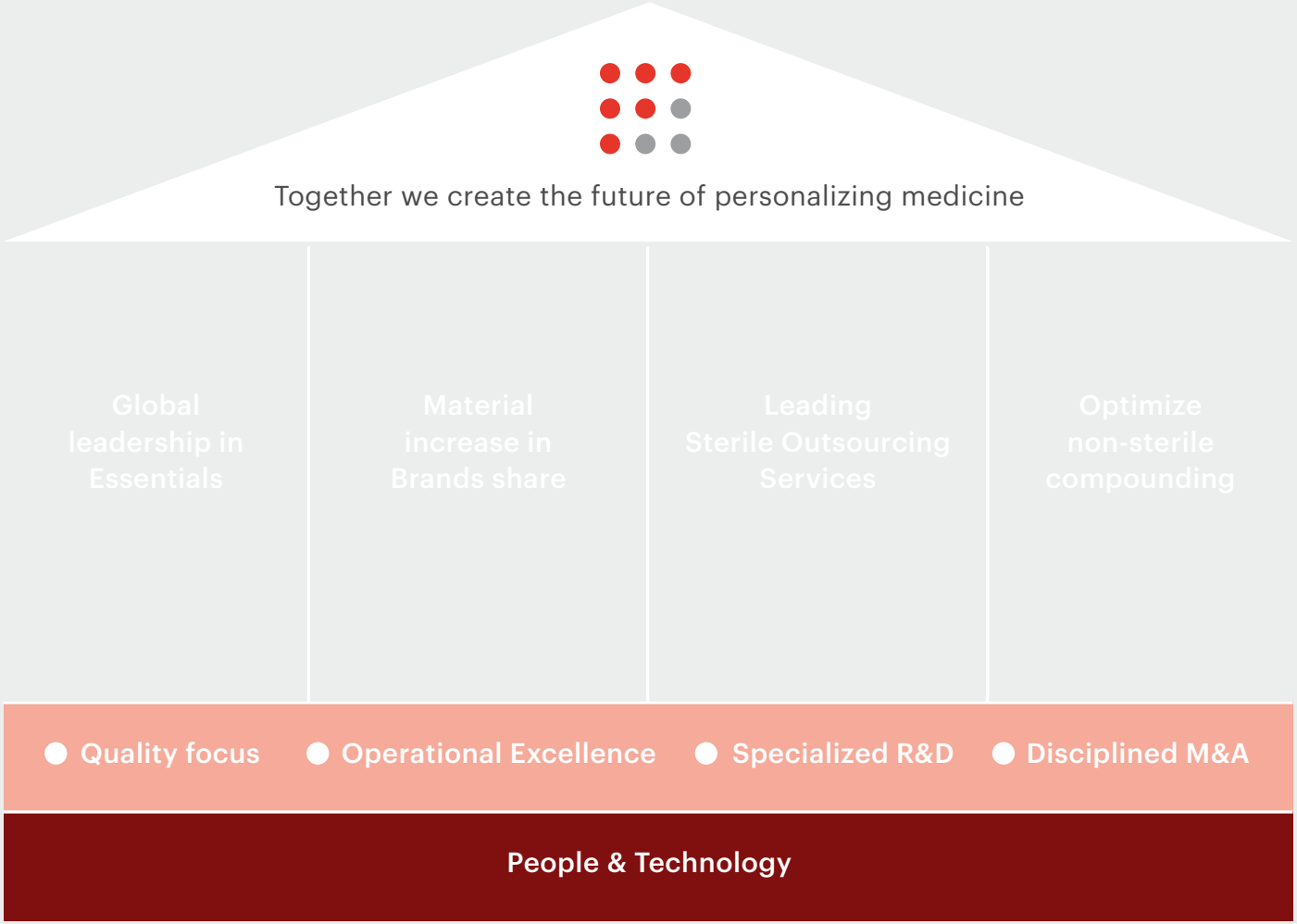
Objective 4: Optimizing non-sterile compounding business

In non-sterile compounding, our focus is on margin improvement through operational leverage, automation, and improved quality processes.

Our strategy

Our House

In this section, we outline the key enablers that support Fagron in achieving its strategic objectives. These enablers are essential to executing our mission: Together we create the future of personalizing medicine.



Enablers

Quality focus

Quality is at the core of Fagron's operations, from raw material selection to final product delivery. Our commitment to rigorous quality assurance includes on-site audits, strict adherence to Good Manufacturing Practices (GMP), and continuous quality control measures. By consistently meeting the highest standards, Fagron adapts to evolving market demands while maintaining a strong competitive edge in the pharmaceutical industry.

Operational excellence

Operational excellence is fundamental to Fagron's success. By leveraging local expertise to establish global best practices, we aim to strengthen the resilience and competitiveness of our business. Our operations team focuses on:

- Unlocking procurement savings (3% target by 2030)
- Optimizing product availability (95% target by 2030, up from 84% in 2024)
- Expanding capacity (expansions of our facilities in Wichita, Las Vegas, Hoogeveen, and Tampa)
- Securing manufacturing savings through process standardization and digitalization
- Improving inventory efficiency through advanced demand planning

We also prioritize building responsible value-chain partnerships and are implementing a science-based climate transition strategy to create sustainable, future-proof operations.

Specialized R&D

Fagron is uniquely positioned in personalized medicine because our Specialized R&D is purpose-built for compounding: it develops evidence, standards, and enabling platforms that help pharmacists and prescribers deliver individualized therapies safely, consistently, and at scale. In a knowledge-intensive niche where trust determines adoption, we differentiate through validated vehicles and technologies, robust compatibility/stability and performance programs, and a strong track record of scientific publication.

To accelerate implementation and confidence among healthcare professionals, Fagron invests in Fagron Academy, our global knowledge engine. In 2025, Global Innovation supported the relaunch and scaling of the Academy with three core assets: an expanded Formulary (scientific formulation database), an upgraded multilingual Video Platform to train pharmacists and prescribers, and a strengthened Library that consolidates scientific resources and publications. Together, Specialized R&D and Fagron Academy reduce barriers to adoption, strengthen customer loyalty, and support sustainable growth as we continue to expand our Brands and work toward a 35% share of the combined Brands & Essentials by 2030.

Our strategy

Key figures

Global Research & Development

80 FTEs dedicated to R&D and innovations

13 global brands

275 products

11 pharmaceutical software solutions

4,100+ users

1,500+ studies on our global brands

18 partnerships with Universities & research centers

Global Academy

Fagron Academy

93 pharmaceutical specialists & PhDs **supporting** & **educating** our customers

115,000+ participants in our seminars yearly

Formulation Support | Video Platform | Study Platform | Library

22,000+ formulations in our formulary database

170+ articles on Fagron products in our library

450+ online courses & trainings available on our video platform

Disciplined M&A

Alongside organic growth, Fagron pursues strategic acquisitions to consolidate markets where we operate, enhance our capabilities (achieving greater vertical integration), and expand into adjacent markets with attractive compounding dynamics. Pharmaceutical compounding is a fragmented niche, with most competitors being local, family-owned businesses. This gives Fagron the opportunity to engage with these companies for potential strategic acquisitions, as we share a long-term vision for compounding. In many cases, founders of acquired companies join and remain within the Group, helping drive the next level of growth by leveraging our innovation, branded products, and procurement advantages.

Our People and Technology

People and Technology are two of Fagron's most valuable enablers, forming the foundation of all our strategic pillars.

Our holistic approach to employee development (empowering individuals to become the best version of themselves) has driven an exceptional employee engagement score of 87%, which is three percentage points above the pharmaceutical sector average.

When we speak about *People*, we also mean *Culture*: fostering a shared identity and sense of belonging across the entire Fagron family. This includes promoting common principles and "Family Rules" that align with our external values (See our Family Rules and Core Values).

Technology is evolving rapidly, and AI is becoming integral to business operations. Fagron's technology strategy focuses on equipping teams with secure, advanced tools and platforms that enhance expertise, improve collaboration, and streamline processes. Investments in automation and digital solutions strengthen efficiency and support consistent quality standards. This approach positions Fagron to leverage innovation as a driver of value creation for customers and shareholders.

Medium-term financial objectives

During our Capital Markets Day in April 2025, Fagron outlined the following medium-term financial objectives for the period to 2025 – 30 (Compounding for Growth plan (2025-30)[1]

- Organic revenue CAGR at CER: high single digit to low double digits
  - EMEA: mid-single-digit organic sales growth rate (CAGR) at constant exchange rates;
  - Latin America: high-single-digit organic sales growth rate (CAGR) at constant exchange rates; and
  - North America - Pacific: low-mid teens organic sales growth (CAGR) at constant exchange rates;
- REBITDA margin: c.21.0% by 2027, with a progressive increase through 2030
- Operating Cash Flow conversion: ≥70%
- Free Cash Flow conversion: ≥50%[2]
- Capex as a percentage of revenue: 3.5%
- Net debt to EBITDA mid-term target of 2.8x. Maximum leverage of 3.5x
- Capital allocation strategy focused on value creation through a combination of organic investments, M&A and an steady dividend policy

Progress in achieving the strategic and financial objectives is reported in the regional descriptions included in the Performance chapters.

[1] Assuming no significant changes in current market conditions
[2] Free Cash Flow conversion excluding one-off Capex

Our strategy

Acquisitions in past 5 years

Fagron

2021

Acquisition of **US Compounding** in the United States (CS) and 20% stake in **HeW Pharma** in Belgium (B&E).

2022

Acquisition of **Letco** in the United States (B&E), **Pharma-pack** in Belgium (B&E), **Curaphar** in the Netherlands (CS), **Hiperscan** in Germany (B&E) and **sterile compounding facility** in Boston in the United States (CS).

Divestment of **CMO activities** in the United States (B&E).

2023

Acquisition of **Wildlife Pharmaceuticals** in South Africa (CS), and of registration and exclusive distribution and licensing rights in the Benelux of some products (CS).

2024

Acquisition of **Parma Produkt** in Hungary (B&E), **London Specialist Pharmacy** in the United Kingdom (CS) and **Ritedose's** 503B book of business in the United States (CS).

2025

Acquisition of **EuroOTC** in Germany (B&E), **Guinama** in Spain (B&E), **Active Pharma** in the United Kingdom (B&E), **Uni-Chem** in Serbia (B&E), **SB Trade** in Serbia (B&E), **CareFirst** in the United States (CS), **Bella Corp** in Australia (B&E) and **Amara** book of business in Poland (B&E).

B&E = Brands & Essentials
CS = Compounding Services

As of the date of publication of this Annual Report, the following transactions have also been completed: **Purifarma** (January 2026) in Brazil (B&E), **UCP** (January 2026) in the United Stated (CS), **Pharmavit** (February 2026) in the Netherlands (B&E), and **Vepakum** (March 2026) in Brazil (B&E), and only **Injeplast** in Brazil (B&E) and **Amber** in Singapore and Malaysia (CS) remain pending to be completed.

Our strategy

In 2025, Fagron executed numerous transactions, including additional deals finalized after the end of the reporting period. As of the publication date of this Annual Report, the following transactions have been executed[1]:

Transaction	Country	Region / Segment	Strategic rationale	Status
EuroOTC[1]	Germany	EMEA / B&E	Market consolidation	Completed
CareFirst	US	NA-Pac / CS	Market consolidation	Completed
Injeplast	Brazil	LatAm / B&E	Product capabilities	Pending closure
Guinama	Spain	EMEA / B&E	Market consolidation	Completed
Active Pharma	UK	EMEA / B&E	Market consolidation	Completed
Uni-Chem	Serbia	EMEA / B&E	Geographical expansion	Completed
SB Trade	Serbia	EMEA / B&E	Geographical expansion	Completed
Bella Corp	Australia	NA-Pac / B&E	Geographical expansion	Completed
UCP	US	NA-Pac / CS	Market consolidation	Completed
Magilab	Hungary	EMEA / B&E	Market consolidation	Completed
Amara	Poland	EMEA / B&E	Market consolidation	Completed
Amber	Singapore & Malaysia	EMEA / CS	Geographical expansion	Pending closure
Vepakum	Brazil	LatAm / B&E	Product capabilities	Completed
Purifarma[2]	Brazil	LatAm / B&E	Market consolidation	Completed
Pharmavit[3]	Netherlands	EMEA / B&E	Product capabilities	Completed

1 EuroOTC was announced in 2024 but completed in 2025
2 Purifarma was announced in 2024 and completed in 2026
3 Pharmavit was announced and completed in 2026

1 Please be aware that the status of our M&A activity is subject to change following potential new transaction announcements and the completion of deals that have been signed but not yet closed.

Creating long-term value

At Fagron, we are committed to shaping the future of personalized medicine. Our "Future Forward: Personalizing medicine" sustainability strategy enables greater access to customized treatments worldwide, while promoting responsible and sustainable growth for years to come.

Creating long-term value supported by "Future Forward: Personalizing medicine"

In 2024, Fagron further sharpened its sustainability focus by establishing an integrated sustainability strategy entitled "Future Forward: Personalizing medicine". This supports our overarching goal of creating long-term value by expanding access to personalized medicine while acting responsibly as an employer, a trusted business partner and an advocate for science-based compounded medicine.

The strategy is guided by our core values of Customer focus, Creativity, Quality, Entrepreneurship and Agility, and is built around three key focus areas:

- People: Building a culture of belonging, togetherness and wellbeing enabling our people to become the best version of themselves.
- Operations: Developing responsible value chain partnerships and future-proof centralized operations to deliver affordable personalized medicine meeting the highest quality and sustainability standards.
- Compounding: Sustainably growing our global presence in the pharmaceutical compounding market to increase access to medication through compounding knowledge development.

Our Future Forward strategy is guided by the principles of safety, affordability, and accessibility, and strives to balance our business activities with societal and environmental impacts. This strategy is supported by actionable roadmaps and measurable progress, details of which are available in our Sustainability performance section.

Our Value Creation Model

Fagron's value creation model provides a comprehensive framework for understanding how our sustainability strategy complements our business goals, leading to long-term value creation for all stakeholders.

Our model begins with the essential assets or inputs that support our business, highlights our strategic focus on sustainable, responsible growth, and shows the positive impact we aspire to achieve for our customers, employees, investors, and society.

Future Forward People	Future Forward Operations	Future Forward Compounding
Enabling our people to become the best version of themselves.	Affordable personalized medicine meeting the highest quality- and sustainability standards.	Increased access to medication through compounding knowledge development.

Creating long-term value

Future Forward Value creation

Our assets

Our people & in-house expertise

4,297 Employees
630 In-house pharmacists

Our presence & local entrepreneurship

92 Facilities (total)
3,000+ Suppliers

Our products & services

13 Global Brands
19 Compounding facilities

Our knowledge partnerships

18 University partnerships

Our financial position

€1,024 mn Invested capital*

Creating the future of personalized medicine

Our Values

Customer is number 1 | Creativity | Quality | Entrepreneurship | Agility

The long-term value we build

We focus on	We track progress of	Impact vision
People Building a culture of belonging, togetherness and well-being.	Sustainable engagement score	Enabling our people to become the best version of themselves.
Operations Developing responsible value chain partnerships and future-proof resilient operations.	% of suppliers adhering to Fagron ESG standards % of CO_2-reduction	Affordable personalized medicine meeting the highest quality- and sustainability standards.
Compounding Sustainably growing our global presence in the pharmaceutical compounding market.	% of revenue from Fagron Brands	Increased access to medication through compounding knowledge development.

*Invested capital to be calculated from data from Consolidated statement of financial position = equity, debt and lease liabilities.

Performance 2025

Financial performance 2025 39
Operational performance 2025 45
Sustainability performance 55
Share performance 70

Financial performance 2025

Consolidated income statement

(x 1,000 euros)	2021	2022	2023	2024	2025
Net revenue	573,808	683,881	762,991	871,960	952,169
REBITDA[1]	118,339	130,724	148,954	173,987	192,907
EBITDA	116,770	133,389	147,944	171,456	192,639
EBIT	87,438	97,909	108,633	130,696	146,211
Profit (loss)	61,378	70,066	71,044	81,001	91,522
Recurring net result[2]	61,171	63,677	74,522	84,261	91,180
Gross margin	58.6%	58.9%	60.5%	62.3%	62.6%
REBITDA margin	20.6%	19.1%	19.5%	20.0%	20.3%
EBITDA margin	20.3%	19.5%	19.4%	19.7%	20.2%

1 REBITDA is EBITDA after corporate costs and before non-recurrent result.
2 Recurrent net result equals sum of net profit from continued operations before non-recurring items and revaluation of financial derivatives, corrected for taxes.

Revenue and gross margin

Consolidated revenue increased by 9.2% (12.9% at CER) compared to 2024 to 952.2 million euros. Organic revenue growth was 5.4% (9.1% at CER) compared to 2024.

EMEA delivered a strong performance, underpinned by resilient, broad-based momentum across the region and segments, with an additional contribution from acquisitions. Brands and Essentials continued to perform well, supported by healthy underlying demand, improvements in product availability, a balanced and diversified geographical footprint, and a continued focus on operational excellence. Compounding Services benefited from solid demand across the region. This included higher volumes in both sterile and non-sterile compounding across pharmacies and hospitals, new customer wins and continued drug shortages in specific categories. We also remained active in M&A across the region, completing the acquisitions of EuroOTC, Guinama, Active Pharma, Uni-Chem, SB Trade, Amara, Magilab (completed in 2026) and Amber. This year, in 2026, we have also announced the acquisition of Pharmavit in the Netherlands. These transactions strengthen our market positions and broaden our capabilities, with integrations progressing in line with plan.

Latin America maintained strong momentum throughout the year, driven primarily by Brazil. Brands delivered strong growth, particularly in Brazil, supported by new product launches,

strong innovation power, a broad product portfolio, targeted educational efforts and increased adoption among prescribers. In Latin America, M&A activity focused on Brazil with the acquisitions of Purifarma (completed in 2026), Injeplast (pending completion) and Vepakum. These acquisitions support our vertical integration, portfolio expansion and reinforce our market leadership.

Revenue growth in North America - Pacific was driven by strong performances in Essentials and Compounding Services, partially offset by the absence of the tailwind from GLP-1 shortages. Brands and Essentials performance benefited from drug shortages, better product availability and enhanced supply chain and procurement processes. Compounding Services delivered strong growth as the onboarding of new customers continues, coupled with an expanded product portfolio and higher revenues from existing customers. In the United States, we expanded our presence through the acquisitions of CareFirst and UCP (completed in 2026), while also entering the APAC region with Bella Corp, broadening our geographic footprint and growth opportunities. Following the routine FDA inspection at the Wichita facility, the Agency verified the implementation of corrective and preventive actions following the warning letter received in December 2024, with no repeat observations compared to the prior inspection. During the inspection, the FDA also validated the previously announced capacity expansion.

Gross margin increased by 9.6% to 596.0 million euros. Gross margin as a percentage of revenue increased 30 basis points compared to 2024 to 62.6%. The improvement in the gross margin is mainly driven by operational excellence and Brands in Brazil.

REBITDA and EBITDA

REBITDA (EBITDA before non-recurring result) increased by 10.9% (14.7% at CER) compared to 2024 to 192.9 million euros. REBITDA margin increased by 30 basis points compared to 2024 to 20.3%.

The EMEA REBITDA margin was 21.9%, reflecting operating leverage, mix and productivity initiatives.

For Latin America, the REBITDA margin was 18.3%, supported by a higher share of sales in Brands and execution of operational excellence initiatives.

The North America - Pacific REBITDA margin ended at 19.7%, reflecting improved operational performance, partly offset by facilitation of strong volume growth, overlapping costs at Anazao Tampa. The pending license needed for the transition into the new facility in Tampa was received at the end of last year, while the investment in Anazao's Las Vegas facility is progressing as planned.

The non-recurring result amounted to 0.3 million euros and related mainly to acquisition costs, partially offset by the release of an earn–out amount. EBITDA increased by 12.4% to 192.6 million euros.

Depreciation and amortization

Depreciation and amortization increased by 13.9% compared to 2024 to 46.4 million euros. This increase is driven by the impact of purchase price allocation (PPA) following the acquisitions completed during the period.

EBIT and EBIT margin

EBIT increased by 11.9% to 146.2 million euros (2024: 130.7 million euros). EBIT margin increased by 40 basis points ending at 15.4%.

Results and taxes

Profit before income tax increased by 12.7% amounting to 117.6 million euros. The effective tax rate as a percentage of profit before income taxes was 22.2% compared to 22.3% in 2024. The effective cash tax rate was 21.9% compared to 26.2% in 2024.

Net profit and earnings per share

Data per share (euros)	2021	2022	2023	2024	2025
Average number of outstanding shares	72,643,423	72,874,673	72,999,583	72,937,168	73,077,626
Profit (loss)	0.84	0.96	0.97	1.10	1.25
Recurrent net result	0.84	0.87	1.02	1.16	1.25
Dividend	0.20	0.25	0.30	0.35	0.40
Closing price (year-end)	14.80	13.27	16.61	16.76	21.30
Market capitalization[1]	1,079,810,279	968,612,519	1,216,332,095	1,227,316,431	1,569,147,655

1 Market capitalization equals number of shares outstanding at year-end multiplied by closing price on last trading day of relevant year.

Net profit increased by 13.0% to 91.5 million euros compared to 2024. Earnings per share attributable to shareholders increased by 13.6% compared to 2024 to 1.25 euro.

Consolidated statement of financial position

Balance sheet (x 1,000 euros)	2021	2022	2023	2024	2025
Total assets	800,421	971,010	1,006,954	1,083,518	1,243,130
Equity	325,466	410,518	467,627	505,358	556,255
Operating working capital[1]	59,070	71,203	71,058	104,649	116,553
Net operational capex[2]	20,731	18,497	38,473	40,796	30,612
Net financial debt[3]	264,941	274,042	233,735	270,660	283,328
Net financial debt/annualized REBITDA	2.11	1.93	1.42	1.40	1.22

1 Operational working capital equals sum of inventory and trade receivables, minus trade payables.
2 Net operational capex equals acquired and produced intangible assets and property, plant and equipment (excluding acquisitions), minus assets sold.
3 Net financial debt equals sum of long-term and short-term financial liabilities, minus cash (excluding financial instruments) and cash equivalents.

Consolidated total assets increased by 14.7% from 1,083.5 million euros in 2024 to 1,243.1 million euros in 2025 and will be explained as part of the assets.

Operating working capital as a percentage of revenue amounted to 12.2%, a increase of 20 basis points compared to 2024.

Assets

Total non-current assets totalled 780.3 million euros, up 59.3 million euros from from 2024 mainly driven by acquisitions.

Goodwill increased by 24.2 million euros to 471.1 million euros as a result of the acquisitions of EuroOTC (Germany), Guinama (Spain), CareFirst (USA) and smaller acquisitions.

Intangible fixed assets increased by 38.3 million euros to 99.7 million euros mainly driven by the acquisition of a book of business from Amara and purchase price allocation (PPA) following the other acquisitions. Tangible fixed assets decreased by 4.2 million euros to 129.6 million euros mainly driven by a weaker dollar compared to 2024.

Net operating Capex was 30.6 million euros (3.2% of revenue) in 2025. A decrease of 10.2 million euros compared to 2024 (4.7% of revenue). The capex is mainly composed of investments in existing and new facilities and investments in software implementations.

Lease and similar rights amounted to 51.4 million euros compared to 40.0 million euros in 2024.

Financial fixed assets amounted to 3.1 million euros in 2025, compared to 4.2 million euros in 2024.

Financial instruments decreased by 0.2 million euros to 0.3 million euros while the fixed assets decrease to 2.8 million euros compared to 4.8 million euros in 2024.

Deferred tax assets increased by 7.3 million euros and represents a value of 22.2 million euros.

Total current assets amounted to 462.8 million euros in 2025 compared to 362.6 million euros in 2024, an increase of 100.3 million euros:

- Inventories increased by 21.9 million euros to support business growth;
- Trade receivables increased by 13.3 million euro, mainly due to the business growth;
- Financial instruments decreased by 0.9 million euros;
- Other current assets decreased by 3.9 million euros; and
- Cash and equivalents increased by 69.9 million euros, in anticipation of completing acquisitions beginning of 2026.

Equity and liabilities

Total equity amounted to 556.3 million euros. This is an increase of 50.9 million euros compared to 2024. This increase due to:

- Total comprehensive income for the period (71.1 million euros);
- Capital increase (8.3 million euros)
- Purchased own shares (-4.1 million euros);
- Dividend made payable (-25.5 million euros) and;
- Share-based payments (1.0 million euros).

Total liabilities increased from 578.2 million euros in 2024 to 686.9 million euros in 2025. This is an increase of 108.7 million euros.

Provisions increased compared to previous year to 2.5 million euros.

Pension liabilities remained the same as the previous year 3.1 million euros.

Deferred tax liabilities relate to, among other things, temporary differences between reporting and tax accounting for the local entities. These amounted to 5.4 million euros in 2025 compared to 1.8 million euros in 2024.

Long-term interest-bearing financial liabilities (long-term loans and lease obligations) amounted to 456.6 million euros in 2025, an increase of 80.4 million euros compared to 2024.

Short-term interest-bearing financial liabilities (short-term loans and lease obligations) amounted to 11.6 million euros in 2025, an increase of 2.1 million euros compared to 2024.

At December 31, 2025 net financial debt (the total of current and long-term interest-bearing financial liabilities plus other long-term liabilities minus cash and cash equivalents) amounted to 283.3 million euros, compared to 270.7 million euros at the end of 2024.

Current trade payables are, in line with our business growth, 23.3 million euros higher than in 2024, at 137.6 million euros.

Tax liabilities related to the current year were 2.8 million euros, a decrease of 3.8 million euros compared to 2024.

Other current taxes, remuneration and social security amounted to 39.8 million euros, a decrease of 1.4 million euros compared to 2024.

Other current payables amounted to 26.5 million euros in 2025 compared to 22.5 million euros in 2024 mainly driven by acquisitions payable.

Financial instruments remained the same as the previous year at 0.6 million euros.

Consolidated cash flow statement

Cash flow

(x 1,000 euros)	2021	2022	2023	2024	2025
Cash flow from operating activities	78,419	109,458	124,633	109,893	155,255
Cash flow from investing activities	-31,923	-69,269	-44,758	-69,743	-100,356
Cash flow from financing activities	-61,648	13,852	-74,278	-54,012	19,537
Net cash flow for the period	-15,152	54,042	5,599	-13,862	74,436

The consolidated cash flow statement begins with the result before taxes of 117.6 million euros.

This amount is reduced by pre-tax cash outflows of 25.8 million euros. Subsequently, the elements from operating activities not having a cash flow effect or not directly related to operating activities were reintroduced. This was a total of 75.0 million euros. This amount is consists of depreciation and amortization of tangible and intangible assets, interest paid, changes in provisions, and deferred taxes. Thereafter, changes in working capital are accounted for in the cash flow statement (a negative effect of 11.5 million euros, driven by 18.8 million euros reduction of factoring). Total cash flow from operating activities was 155.3 million euros, an increase of 41.3% compared to 109.9 million euros in 2024.

Total cash flows from investing activities resulted in an outflows of 100.4 million euros, related to net investments of 30.6 million euros, payments for existing (subsequent payments) and new participations of 69.7 million euros, related to the acquisition of EuroOTC, Guinama, Amara, CareFirst, some smaller acquisitions and deferred payments.

Total cash flows from financing activities represented outflows of -19.5 million euros. New debt resulted in an inflow of 171.3 million euros, Capital increase resulted in an inflow of 8.3 million euros and the interest received resulted in an inflow of 4.8 million euros.

Outgoing cash flows consisted of the payment of interest on loans and other financial elements of 31.7 million euros, the payment of the dividend (26.0 million euros), purchase of own shares (4.1 million euros) and the repayment of loans and payments for lease obligations of 102.9 million euros.

Overall, cash and cash equivalents increased by 74.4 million euros in 2025 from 115.0 million euros at the beginning of the period to 184.9 million euros at the end of the period. The difference of -4.6 million euros between the changes in cash and equivalents of 74.4 million euros and the increase in cash and equivalents of 69.9 million euros, was caused by exchange rate differences.

Significant events after balance sheet date

Information concerning significant events after the balance sheet date can be found in note 34 Sgnificant events after the balance sheet date, as included in the notes to the consolidated financial statements.

Research and development

Information about research and development is included in note 15 Intangible fixed assets and goodwill of the consolidated financial statements.

Financial instruments

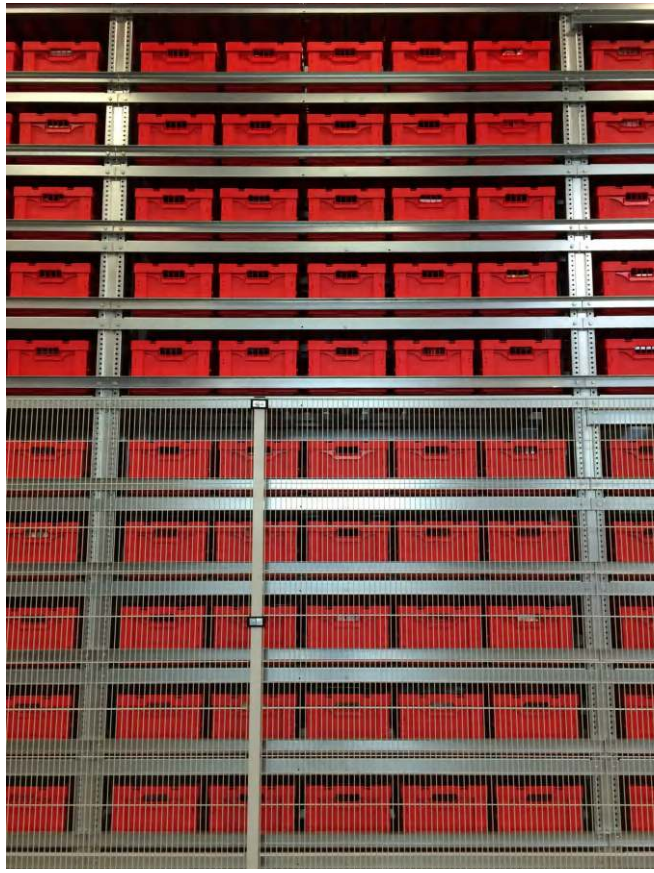
The financial instruments used by the Group are the Sustainable syndicated credit facility, various privately placed loans and ISDA agreements. Please refer for details to the Chapter Other legal information that must be disclosed by listed companies in the Corporate Governance Statement in combination with note 3 Management of financial risks and note 24 Financial debt and financial instruments of the consolidated financial statements.

Description of risk management

Information concerning Fagron's risk management can be found in Risk management and note 3 Management of financial risks of the consolidated financial statements.

Non-financial information

Non-financial information is included in the Sustainability performance and the Sustainability Statement.



Operational performance 2025

Fagron EMEA

Revenue (in million euros)
355.1

REBITDA (EBITDA before non-recurring results, in million euros)
77.9

Fagron Latin America

Revenue (in million euros)
183.0

REBITDA (EBITDA before non-recurring results, in million euros)
33.6

Fagron North America - Pacific

Revenue (in million euros)
414.1

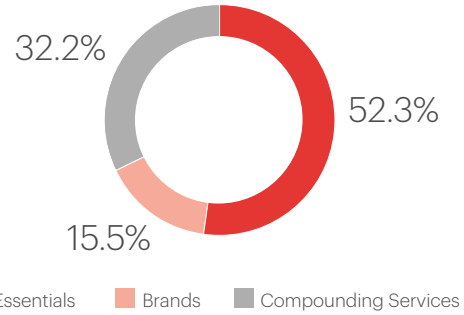
REBITDA (EBITDA before non-recurring results, in million euros)
81.4

Operational performance 2025

Fagron EMEA

Fagron has been operating in Europe since its foundation in 1990. In 2025, Fagron operated in more than 30 countries in the EMEA region. Fagron operates in all countries with Brands & Essentials and in Belgium, Israel, the Netherlands, the Czech Republic, Hungary, the UK and South Africa with Compounding Services as well. Fagron has a presence in Asia, where we source many of our raw materials. In 2025, the EMEA region generated 37.1% of Fagron's total revenue.

Revenue 2025



Revenue (in million euros)

355.1 ↑ +12.6%

2025	**355.1**
2024	315.4
2023	284.9

REBITDA (EBITDA before non-recurring results, in million euros)

77.9 ↑ +14.9%

2025	**77.9**
2024	67.8
2023	61.1

61
Number of facilities

10
Compounding facilities

13
Repackaging facilities

2
Laboratories

17
Warehouses

19
Offices/other

1,774
Employees

4.0
Units of compounded medicine supplied (in millions)

5,659
Scope 1 and 2 GHG emissions (in metric tons CO_2-eq, market-based Scope 2)

83%
Sustainable Engagement Score*

*2024 is the latest available data, as no survey has been conducted this year. A new one is planned for 2026.

Market Dynamics

The EMEA region delivered strong and consistent performance throughout 2025, driven by robust growth across all segments and supported by recent acquisitions. Our diversification strategy is already yielding results, and the region is transitioning toward a stronger growth trajectory. This momentum, combined with operational excellence initiatives, enabled us to expand REBITDA margins year over year, making EMEA the strongest contributor to profitability improvement at Group level.

Demand for compounded medications in EMEA continues to rise, fueled by structural trends such as aging populations, supply shortages, and the shift toward personalized treatments. Looking ahead, we aim to achieve mid-single-digit organic growth at constant exchange rates for the 2025–30 period, supported by the expansion of our Dutch outsourcing facility.

Brands & Essentials

Revenue growth in Brands & Essentials in 2025 reflected the strength of our Global Brands and the resilience of our diversified footprint. Our activity in the region was supported by healthy underlying demand, improvements in product availability, a balanced and diversified geographical footprint, and a continued focus on operational excellence.

Compounding Services

Compounding Services benefited from solid demand across the region. This included higher volumes in both sterile and non-sterile compounding across pharmacies and hospitals, new customer wins and continued drug shortages in specific categories.

Operational excellence

Operational excellence remains a cornerstone of our EMEA strategy. Across the region, we improved product availability and achieved procurement savings (fueled by recent M&A activity). These initiatives, combined with enhancements in supply chain management, are driving efficiencies and supporting sustainable growth.

Konstantinos (Kostas) Kouloridas, Area Leader EMEA:
"2025 has been a year of strong for EMEA, driven by robust growth across all segments and supported by recent acquisitions. Our diversification strategy is delivering results, and the region is moving toward a stronger growth trajectory. This momentum, combined with operational excellence initiatives, enabled us to expand REBITDA margins year over year. As we continue integrating acquisitions and leveraging the strengths of our diverse portfolio and footprint, I am confident in our ability to deliver sustained growth and create long-term value for all stakeholders."

Operational performance 2025

M&A

2025 has been an exceptional year for M&A across EMEA. We seized the opportunity to consolidate key existing markets (EuroOTC in Germany, Guinama in Spain, Active Pharma in the UK, Amara's book of business in Poland and Magilab in Hungary -completed in 2026-), while expanding into adjacent markets: the compounding market in Serbia through the acquisitions of Uni-Chem and SB Trade and the attractive markets of Singapore and Malysia with the acquisition of Amber, which will be managed by our EMEA team. This year, in 2026, we have also announced the acquisition of Pharmavit in the Netherlands. Lastly, the integration of previous acquisitions such as LSP (UK) and Parma Produkt (Hungary) continued to progress well.

Collectively, these transactions have strengthened Fagron's scale, sourcing capabilities, and customer reach, reinforcing our leadership position and solidifying our presence in the Brands & Essentials market.

Fagron Brands EMEA

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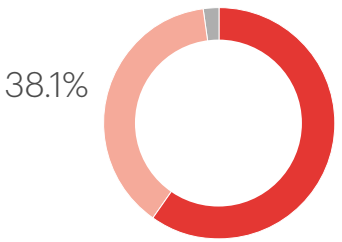
Operational performance 2025

Fagron Latin America

Fagron has been operating in Latin America, specifically Brazil, since 2010. In 2025 Fagron is present in Brazil and Mexico with Brands & Essentials and Colombia with Compounding Services. Brazil is Fagron's largest market in Latin America, representing over 85% of sales in this region. In 2025, the Latin America region generated 19.2% of Fagron's total revenue.

Revenue 2025



Essentials | Brands | Compounding Services

Revenue (in million euros)

183.0 ↑ +5.4%

2025	183.0
2024	173.6
2023	169.2

REBITDA (EBITDA before non-recurring results, in million euros)

33.6 ↑ +6.3%

2025	33.6
2024	31.6
2023	28.0

16
Number of facilities

3
Compounding facilities

2
Repackaging facilities

1
Laboratories

3
Warehouses

7
Offices/other

1,031
Employees

751
Scope 1 and 2 GHG emissions
(in metric tons CO_2-eq, market-based Scope 2)

0.1
Units of compounded medicine supplied
(in millions)

87%
Sustainable Engagement Score*

*2024 is the latest available data, as no survey has been conducted this year. A new one is planned for 2026.

Market Dynamics

Fagron continued to outperform the market in Latin America, maintaining strong growth momentum at Brands and Essentials. The competitive environment also improved significantly, enabling the region to achieve double-digit organic growth at constant exchange rates and at the same time expand its EBITDA margin. Brazil led the region's performance, driven by innovative product launches, operational enhancements, and a broad product portfolio. Mexico and Colombia also delivered strong operational improvements, which are expected to further support momentum going forward.

Brands & Essentials

Brazil, our largest market for Brands & Essentials in Latin America, delivered outstanding performance in 2025, driven by exceptional contribution from our branded products. This success enabled Brands to represent 38.9% of the B&E segment in the region (+3.6% p.p year on year), surpassing the 35% target set for 2030. The growth was supported by new product launches, strong innovation power, a broad product portfolio, targeted educational efforts and increased adoption among prescribers, further strengthening Fagron's market leadership amid continued improvement in underlying trends.

Compounding Services

In the first half of the year, the Compounding Services segment (Colombia) reflected the impact of changes in the healthcare system, which affected customer purchasing patterns. Additionally, we began construction of a new laboratory in Medellín, aimed at enhancing our market competitiveness by improving delivery times. Combined with new customer acquisitions and growing demand for personalized medicine, this initiative is expected to continue driving growth for personalized medical solutions in the region.

Operational excellence

2025 marked a strong year for improving operational excellence. Product availability in Latin America reached high levels, progressing well towards the targeted levels by 2030. Additionally, our repackaging facility began processing raw materials for our North American - Pacific operations, enhancing scale and improving procurement terms for both regions.

Geraldino Neder, Area Leader Fagron Latin America

"2025 was a remarkable year, with very strong contribution from Brands. The region saw successful product launches such as EVA 360 and significant growth of recently introduced products like Peptistrong. As a result, all our companies in Brazil grew at double digit in local currency. This strong progress is driven by a relentless focus on innovation, operational excellence, and quality. In addition, Mexico and Colombia delivered significant operational improvements, laying a solid foundation for future growth. I am excited about the future prospects of Fagron Latin America and would like to warmly welcome the newly acquired companies and their teams to the Fagron family."

M&A

In 2025, we demonstrated strong inorganic execution in the region by announcing the acquisition of Injeplast (pending completion) and Vepakum and securing regulatory clearance for Purifarma (completed in January 2026).

Vepakum and Injeplast, packaging manufacturers for compounding medication, will further strengthen Fagron's vertical integration. Their integration will support our Essentials strategy by broadening our product portfolio and customer base in Latin America and beyond.

The acquisition of Purifarma enables Fagron to consolidate a key competitor in Brazil, significantly scaling up operations and unlocking procurement benefits not only across Latin America but throughout our global footprint. Additionally, Purifarma presents substantial potential to enhance its profitability over the next 18 months through an expanded product and brand portfolio, increased operational leverage, and the aforementioned procurement efficiencies.

Fagron Brands Latin America[1]

Fagron personalizing medicine
Fagron solutions
Fagron genomics
Fagron tech
SOVITÁ ATIVOS PARA A VIDA
infinity pharma
Florien
CEDROSA
Purifarma

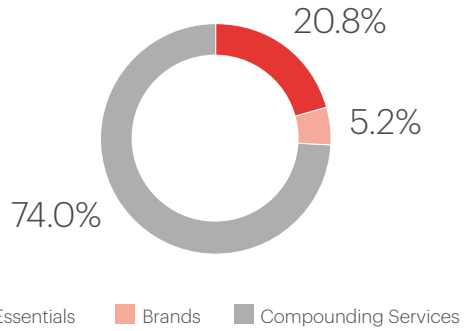
[1] Purifarma acquisition was completed in 2026

Operational performance 2025

Fagron North America - Pacific

In North America – Pacific, Fagron is present in the United States with Brands & Essentials and Compounding Services, and in Australia and Canada with Brands & Essentials. In 2025, the North America – Pacific region generated around 43.5% of Fagron's total revenue.

Revenue 2025



Revenue (in million euros)

414.1 +8.1%

2025	**414.1**
2024	383.0
2023	308.9

REBITDA (EBITDA before non-recurring results, in million euros)

81.4 +9.1%

2025	**81.4**
2024	74.6
2023	59.8

15
Number of facilities

6
Compounding facilities

1
Repackaging facilities

1
Laboratories

4
Warehouses

3
Offices/other

1,492
Employees

2,270
Scope 1 and 2 GHG emissions
(in metric tons CO_2-eq, market-based Scope 2)

69.2
Units of compounded medicine supplied
(in millions)

89%
Sustainable Engagement Score*

*2024 is the latest available data, as no survey has been conducted this year. A new one is planned for 2026.

Market Dynamics

North America - Pacific remained delivering outstanding growth in 2025, driven by Essentials and Compounding Services. This strong performance was achieved despite the absence of the GLP-1 drug shortage tailwind in the second half of the year (impacting the year-on-year comparison), and the temporary reduction in manufacturing output caused by the validation of additional capacity at our FSS facility in Wichita. This growth underscores the resilience and visibility of the underlying trends and growing demand that support our business and led to the decision to expanding capacity at our Las Vegas facility (Anazao Health), together with the existing expansion plans at our Wichita facility (Fagron Sterile Services US). The region's REBITDA margin improved, reflecting improved operational performance, partly offset by facilitation of strong volume growth and overlapping costs at Anazao Tampa.

Brands & Essentials

Brands & Essentials delivered a very solid performance in North America - Pacific, benefiting from drug shortages (in the first half of the year), better product availability and enhanced supply chain and procurement processes.

Compounding Services

Compounding Services delivered strong growth as the onboarding of new customers continues, coupled with an expanded product portfolio and higher revenues from existing customers.

To meet rising demand and scale our offering, we announced a one-time investment to expand Anazao's 503B facility in Las Vegas in exchange of a one-off Capex of c.$29 million. At FSS, a $25 million capacity expansion was validated at our Wichita facility in 2025, while the larger capacity expansion is progressing well on track (expected finalization by 2027 in exchange of a one-off Capex of c.$39 million).

Andrew Pulido, Area Leader Fagron North America - Pacific:
"North America - Pacific continued to deliver strong growth in a year where we successfully addressed FDA's prior concerns, signed new contracts with large GPOs, onboarded new customers, and obtained the California license for our FSS and Anazao Health facilities in Boston and Tampa, respectively. These licenses mark key milestones to increase capacity utilization, improve profitability and reinforce an integrated operation across all our facilites, enabling nationwide coverage and unlocking further opportunities with key customers in California. Altogether, these achievements place us in a strong position to sustain growth and deliver value to our customers and stakeholders."

Operational excellence

Operational excellence remained a key focus in North America - Pacific, with product availability improving steadily throughout the year. We also initiated a new procurement strategy by rerouting part of our raw materials through our FDA-registered facility in Brazil. This approach enables us to consolidate volumes, unlock procurement efficiencies, and generate manufacturing cost savings. Meanwhile, the expansions of our Wichita and Las Vegas facilities are progressing on track. These developments are expected to allow Fagron to improve automation as the new capacity is added.

Following the routine FDA inspection at the Wichita facility, the Agency verified the implementation of corrective and preventive actions following the warning letter received in December 2024, with no repeat observations compared to the prior inspection. During the inspection, the FDA also validated the previously announced capacity expansion.

M&A

In North America -Pacific we selectively acquired specialty pharmacies (503A pharmacies), including CareFirst in New Jersey (which its integration is progressing well) and UCP (completed in January 2026) in San Diego, California. These acquisitions enable a differentiated coast-to-coast presence and reinforce Fagron's strategy to build a nationwide compounding platform in the U.S., spanning both 503A (patient-specific) and 503B (outsourcing) services at our lifestyle prevention business.

Fagron acquired Bella Corp, a supplier of premium-quality materials, equipment, and supplies to compounding pharmacies. This strategic acquisition marks Fagron's entry into the APAC region with a solid market position in the Brands & Essentials segment, initiating a new chapter in a region characterized by strong compounding dynamics in several countries. We look forward to exploring further opportunities in this promising market.

Fagron Brands North America - Pacific[1]

Fagron
Fagron Sterile Services
Fagron genomics
Letco
AnazaoHealth Corporation
University Compounding Pharmacy
CareFirst Rx Specialty Pharmacy
bella corp

[1] UCP acquisition was completed in 2026

Sustainability performance

Fagron's sustainability strategy "Future Forward: Personalizing medicine" is not just a commitment. It is our guideline to a responsible, resilient, and innovative tomorrow by embedding sustainability into every aspect of our business.

Future Forward: Personalizing medicine

"Future Forward: Personalizing medicine" supports our ambition to increase access to personalized medicine while growing responsibly as an employer, a trustworthy business partner and an enabler of science-based compounded medicine. Fagron's sustainability strategy embeds sustainability across three sustainability pillars: People, Operations and Compounding.

"Future Forward: Personalizing medicine" includes three roadmaps, that ensure our high-level goals are implemented effectively:

- a strategic roadmap centered on the material sustainability topics for each of our three sustainability pillars
- a foundational roadmap, which ensures alignment with market practices and compliance with legal requirements across all sustainability topics foundational to our business
- a good governance roadmap emphasizing sound business practices to sustain and enhance the value we create.

Strategic roadmap

Fagron's strategic sustainability roadmap details a plan to advance personalized medicine, split over the three sustainability pillars:

- Future Forward: People
- Future Forward: Operations
- Future Forward: Compounding

Spanning 25 years, the roadmap outlines ambitious targets for 2030 and 2040, and a long-term ambition for 2050.

Foundational roadmap

Fagron's strategic sustainability roadmap is supported by a foundational roadmap designed to ensure compliance with legal requirements and alignment with market practices. This roadmap serves as the bridge between vision and execution, enabling us to achieve our sustainability targets but to do so in a compliant, efficient, and accountable manner.

Good governance roadmap

Fagron considers good corporate governance of the utmost importance to preserve and enhance the value we create. To promote responsible company-wide business practices we focus on the following:

- Compliance with laws and regulations in all regions where we operate.
- Code of Conduct & Ethics to ensure legal and ethical behavior of Fagron employees.
- Responsible M&A incorporating sustainability considerations and ensuring alignment with sustainability goals.
- Grievance mechanism for employees to report misconduct, including corruption and unethical behavior.

Sustainability performance

Future Forward Personalizing medicine

	Future Forward People	Future Forward Operations		Future Forward Compounding
Impact vision	Enabling our people to become the best version of themselves.	Affordable personalized medicine meeting the highest quality- and sustainability standards.		Increased access to medication through compounding knowledge development.
	Thriving people	Responsible supply chain	Science-based climate transition	Science-based compounded medicine
Goal 2030	All Fagron companies reach a sustainable engagement score above the country norm	75% of Tier 1 suppliers adhere to Fagron ESG standards	42% reduction of Scope 1 and 2 emissions 25% reduction of Scope 3 emissions	35% of revenue from Fagron Brands
Goal 2040	Fagron Group reaches a sustainable engagement score above the high-performance norm	85% of all suppliers adhere to Fagron ESG standards 100% of Tier 1 suppliers adhere to Fagron ESG standards	Climate neutral own operations 50% reduction of Scope 3 emissions	Double the number of scientific publications about compounding or Fagron Brands
Ambition 2050	All Fagron companies reach a sustainable engagement score above the high-performance norm	All suppliers adhere to Fagron ESG standards	Climate neutral value chain	Main compounding knowledge partner for pharmacists, prescribers and the wider medical community

For more information see our Sustainability Statement.

Sustainability performance

Our sustainability strategy "Future Forward: Personalized medicine" launched in 2024 uses insights from our Update of Double Materiality Assessment and stakeholder engagement. It addresses the most important sustainability topics for us and the world around us.
All material sustainability topics are divided over the three sustainability pillars, and an overarching good governance roadmap as shown in the table below.

This chapter outlines our strategic roadmap, the 2025 performance on key strategic metrics and provides a short summary of the progress made in 2025 on our good governance roadmap.

For more detailed information on our strategic and good governance metrics and the sustainability metrics from our foundational roadmap see our Sustainability Statement.

	People	Operations	Compounding
Strategic roadmap	Future Forward: People Focusing on Employee engagement	Future Forward: Operations Focusing on Climate Change and Energy and Human rights & labor rights of value chain workers	Future Forward: Compounding Focusing on Access to healthcare
Foundational roadmap	• Compensation & benefits • Diversity & inclusion • Health and safety of Our people • Human rights & labor rights of Our people • Training & development • Working hours	• Chemical use & pollution • Health & safety of value chain workers • Product quality & safety • Waste	• Privacy of end-users
Good governance roadmap	Good Governance Including Compliance, Corruption & bribery, and Grievance mechanism		

Benchmarking for continuous improvement

Since 2022, Fagron has been included in the Euronext AEX and BEL ESG indices. In 2025, our strong commitment to sustainability was further recognized by:

- Sustainalytics, a leading global provider of ESG research and ratings: we are continued to be rated with an ESG risk profile as negligible, positioning us in the Top 1% of our industry.
- MSCI awarded us its highest ESG rating, AAA, highlighting that Fagron "Leads peers in corporate governance practices".
- S&P Corporate Sustainability Assessment (CSA), where our score has steadily increased to 37. This means we are in the 80th percentile in our industry.

2025 Performance

In 2025, we again made positive progress on most of our metrics included in our strategic sustainability roadmap.

We execute our Global Employee Survey every 2 years, last time in 2024. In 2026, a new survey will be launched.

In terms of Operations we further increased the percentage of suppliers that have signed our Business Partner Code of Conduct, however those who have set ESG targets remains stable.

We have reduced our Scope 1 and 2 emissions with 41% in comparison with our 2021 base year, on track towards our 2030 goal. Our Scope 3 emissions are still increasing due to the further growth of our company. Implementation of our climate transition plan will require additional efforts to reduce these emissions in the coming years.

In terms of Compounding our revenue in the Brands segment remained stable, with strategic plans in place to increase this revenue.

More details on progress and targets can be found in the Sustainability Statement.

	2018	2020	2022	2024
Sustainable Engagement Score	80%	83%	84%	87%
Employee participation rate in Global Employee Survey	79%	87%	89%	93%

	2021	2022	2023	2024	2025
Suppliers that have signed the Business Partner Code of Conduct	-	11%	12%	27%	33%
Suppliers with science-based targets	1%	3%	8%	15%	16%

	2021	2022	2023	2024	2025
Change in Scope 1 and 2 greenhouse gas emissions compared to 2021 (market-based Scope 2)	-	-13%	-3%	-26%	-41%
Change in Scope 3 greenhouse gas emissions compared to 2021[1]	-	0%	3%	12%	10%

1 Scope is limited to selected scope 3 categories. Selected Scope 3 categories are 3, 4, 5, 6, 7, 9 and 12 as shown in the table "Greenhouse gas emissions - Details".

	2021	2022	2023	2024	2025
Revenue from Fagron Brands (x1,000 euros)	102,682	115,058	122,087	131,875	146,012
% of total revenue from Fagron Brands	17.9%	16.8%	16.0%	15.1%	15.3%

Future Forward: People

Our vision

"Future Forward: People" centers around the belief that engaged employees are at the heart of our success as a business. That is why we focus on building a culture of togetherness, belonging and well-being to enable our people to become the best version of themselves.

Employee engagement

When employees feel engaged, they thrive. They bring their best, perform at their highest, and find fulfillment in their work, benefiting both themselves and the company. By 2030 we aim for all Fagron companies to have a sustainable engagement score above the norm in their respective country. Our aim is that by 2050 all Fagron companies reach a sustainable engagement score surpassing the high-performance norm.

The sustainable engagement score measured in our Global Employee Survey reflects all our efforts to create a workplace where employees can thrive and serves as a key metric to assess the effectiveness of our actions. Since 2016, we have conducted the Global Employee Survey every two years to track progress and gather feedback on our performance. We are proud to report that in 2024 we have achieved an 87% sustainable engagement score, with a 93% participation rate.

As a result of the 2024 survey, we have developed an action plan for the next two years focusing on thriving people at every location and prioritizing actions related to leadership communication, equity and balance of compensation, and "safe space to share". This feedback loop allows Fagron to refine our people strategies and practices by integrating employees' insights into tailored action plans for each region, ensuring that employees feel heard, valued, and engaged. Read more about Employee engagement in the Sustainability Statement.

From ambition to reality

"Future Forward: People" is supported by an action plan focusing on togetherness, belonging and physical and mental well-being.

Togetherness

At Fagron, we believe that the future of personalized medicine is something we build together. Employees and leaders work as a team to contribute to a shared goal.

Our global presence makes it essential to actively foster unity among employees. We keep our people informed through our internal communication platform and organize global initiatives, such as Fagron Impact Day, a day when all locations come together to strengthen togetherness. We also encourage all Fagron locations to organize one annual event to boost team spirit, and all teams are invited to participate in local team outings.

To further foster a sense of togetherness, we strive to ensure that every employee feels like a valued member of their team and the company. In 2023, we launched the "Feedback is a Gift" campaign to boost our culture of continuous feedback. To make giving feedback easy, we added a Kudo Bot to our internal communication platform in 2024 and introduced Kudo Awards to celebrate those who use it.

To further strengthened this initiative in 2025 by embedding Kudos into our continuous feedback cycle and integrating them into our annual performance review process.

We have also introduced a new public shout-out feature in Workvivo, providing our employees with an additional way to recognize each other in front of their teams and taking the culture of feedback to the next level across the organization. Together, these initiatives support a culture of feedback and connection.

We also ensure every employee has regular feedback check-ins with their people leader, focused on performance, growth, and development. In 2025, 97,2% of employees participated in an annual performance and career development review, a number that has steadily increased over the years. Read more about Training & development in the Sustainability Statement.

Belonging
Fagron focuses on creating a culture of belonging where all employees feel they can identify with our vision, core values and purpose. We do this by embracing diversity and fostering an inclusive environment where every employee feels they can be themselves.

As part of our diversity and inclusion efforts, we promoted five global Awareness Month Campaigns and monthly Diversity and Inclusion initiatives. These were developed by the Diversity & Inclusion Soundboard, consisting of volunteers from Fagron entities around the globe who meet monthly to brainstorm ideas and implement improvements in their local locations, ensuring ideas are acted upon and feedback is addressed.

The Awareness Month Campaigns aim to educate and create an inclusive workplace that celebrates diversity. In 2024, we introduced the role of Equality Ambassadors at Fagron, appointing at least one ambassador per location across all regions. In 2025, our Equality Ambassadors received two trainings and we aim to continue and expand these trainings in the coming years.

Read more about Diversity & inclusion in the Sustainability Statement.

As part of our efforts to help employees connect with our vision, we highlight the positive impact of our products. To support regular "Proud of Products" presentations at Fagron locations, we have included dedicated slides in the Global Townhall template and share success stories of how we help patients across Fagron through our internal communications platform.

Physical well-being
Fagron is committed to providing a safe and comfortable work environment for all employees, with a zero-tolerance policy for actions that could jeopardize health and safety.

In 2025, we continued to deliver our annual health and safety training for all our people, with a focus on fostering a “safe to share” culture that encourages employees to speak up about health and safety concerns. 99% of our people participated in the training, compared to 86% in 2024, demonstrating year on year progress and supporting our long-term participation target.

In 2025, Fagron companies continued to monitor and enhance workplace conditions to support an optimal working environment. Across the Group, several improvement initiatives were implemented. AnazaoHealth in Tampa moved into a new state-of-the-art facility, while HiperScan, the Shared Services Center in Barcelona and Ma’ayan Haim in Israel relocated to larger, more modern offices. Capacity expansions were completed at AnazaoHealth in Las Vegas, Fagron Sterile Services in Wichita and Brands & Essentials in Decatur. Additional wellbeing initiatives included a central coffee and library space in Belgium, a dedicated quiet, lactation and prayer room in the Netherlands, and a multifunctional relaxation room at ApodanNordic PharmaPackaging.

Read more about Health & safety in the Sustainability Statement.

Mental well-being
Fagron is committed to supporting the mental well-being of all employees by fostering a supportive, inclusive, and safe work environment that encourages healthy habits and empowers employees to speak up.

In 2025, we strengthened our focus on mental well-being through our Global Employee Survey action plan, particularly related to the themes “Safe to Share” and “Equity and Balance”.

Building on initiatives launched in 2024, we ensured continued visibility of mental health resources via our internal communication platforms and marked International Mental Health Awareness Month globally, encouraging open conversations across all locations. We also continued to promote inclusion and psychological safety through targeted training for Equality Ambassadors.

In addition, access to confidential counselors was expanded in 2025 and now covers 100% of employees[1], ensuring that everyone has access to a confidential counselor in their local language and location. Together, these initiatives reinforce trust, inclusion, and employee well-being across Fagron.

Read more about our Grievance mechanism in the Sustainability Statement.

List of topics

All topics, including operational topics, covered by "Future Forward: People" are described in more detail in our Sustainability Statement. These include:

- Compensation & benefits
- Diversity & inclusion
- Employee engagement
- Health & safety (Our people)
- Human rights & labor rights (Our people)
- Training & development
- Working hours

[1] Excluding acquisitions completed during the reporting year.

Case study: Fagron Impact Day

Fagron Impact Day returned for its second edition in 2025 with an even bigger impact. 100% of Fagron locations participated, demonstrating our continued commitment to making a positive difference while fostering togetherness across the organization.

The day and collective efforts made a significant impact. Teams around the world donated approximately 7,000 products, including hygiene items, toys, school materials, food, and clothes, volunteered over 2,500 hours, and raised around 10,000 euros for local organizations.

The Fagron Run, an initiative launched in Poland in 2024, continued to inspire employees globally. 212 participants from multiple locations ran 2,795 Km, generating the same amount as donations for charitable causes and strengthening the ripple effect of collective action across Fagron.

The 2025 edition of Fagron Impact Day reinforced the spirit of solidarity and the power of teamwork. Next year, we will come together again to create an even greater impact beyond Fagron.

Future Forward: Operations

Our vision

At Fagron we recognize that the future of personalized medicine depends on sustainable and ethical practices throughout the entire value chain. "Future Forward: Operations" embodies our commitment to deliver affordable, high-quality medicine that meets the highest sustainability standards. To achieve this, we focus on building responsible value chain partnerships and creating future-proof operations driven by a science-based approach to climate transition.

Delivering affordable personalized medicine

Building responsible value chain partnerships
A responsible value chain is essential for us to achieve our ambition of delivering affordable, high-quality, and sustainable personalized medicine. By establishing Fagron ESG standards we promote responsible and efficient practices across the supply chain, resulting in high-quality products with reduced environmental and social impact. These improvements enable us to provide medicine that meets the highest standards without compromising affordability. To track our progress, we monitor the number of suppliers meeting our expectations, with the goal of having 75% of our Tier 1 suppliers adhere to Fagron ESG standards by 2030.

Our ultimate ambition is ESG compliance among all our suppliers by 2050.

Building future-proof operations
Future-proofing our operations contributes to reducing operational costs by streamlining processes and taking proactive steps to minimize our carbon footprint. This approach lowers compliance costs related to climate change mitigation. To track our progress, we monitor our greenhouse gas emissions, and have set the following targets: by 2030, we aim for a reduction of 42% of Fagron's Scope 1 and 2 emissions, and 25% reduction in selected Scope 3 categories, compared to our 2021 baseline. Our targets were approved by the Science Based Targets initiative (SBTi) in October 2023. Our ultimate ambition is to achieve climate neutrality across our entire value chain by 2050.

From ambition to reality

Responsible supply chain
Fagron is committed to build responsible value chain partnerships where high standards in labor practices and environmental responsibility are the norm. Fagron's ESG standards for suppliers currently consist of:

- Being a signatory to our Business Partner Code of Conduct and filling out our Fagron Business Partner ESG questionnaire.
- Having set science-based targets for their Scope 1 and 2 greenhouse gas emissions in line with the 1.5°C pathway.

After rolling out an updated Business Partner Code of Conduct in 2024, we began designing an action plan related to the supply chain entitled "Future Forward: Responsible supply chain". We are still in the process of finalizing. The plan will include an audit and monitoring plan aimed at those suppliers that are at risk of non-compliance with our Business Partner Code of Conduct.

Business Partner Code of Conduct
Our Business Partner Code of Conduct (publicly available via investors.fagron.com) describes the requirements and expectations that we have of all our business partners regarding, for example, human rights and labor rights, and occupational health and safety. As part of the Fagron ESG standards for our suppliers, it is our goal that 75% of our Tier 1 suppliers adhere to these standards in 2030, with 33% of all Tier 1 suppliers[1] having signed the Business Partner Code of Conduct in 2025 as part of the Fagron Business Partner ESG questionnaire. Read more about our Business Partner Code of Conduct in the Sustainability Statement.

SBTi targets across our supply chain
In 2025, 16% of Tier 1 suppliers[1] have set science-based targets for their Scope 1 and 2 greenhouse gas emissions – stable compared to 2024. Our analysis on the details reveals that given the current evolution across the globe SBTi has way less traction than it had when we set our target. We therefore believe that our

[1] % of spend on trade goods, see the Consolidated income statement.

interim goal of having 60% of these suppliers set science-based targets by 2027 appears not to be realistic. We will keep on reporting on the evolution however the interim goal is not further retained. Read more about Climate change in the Sustainability Statement.

Responsible supply chain plan

In 2024, we became a member of the Pharmaceutical Supply Chain Initiative (PSCI) aiming to learn from other leaders in the pharmaceutical sector in terms of responsible supply chain practices. This will help us to design Future Forward: Responsible supply chain plan in line with the PSCI Guiding Principles, regarding human rights, ethics, labor, health, safety, and the environment.

Science-based climate transition

Fagron adopts a science-based approach to reduce our carbon footprint and transition to low-carbon operations. We have set ambitious climate targets in line with the Paris agreement's goal of keeping global warming within 1.5°C above the average temperature in the pre-industrial era (1850 - 1900). In 2030, we aim for a reduction of 42% of Fagron's Scope 1 and 2 emissions, and 25% reduction of Scope 3 emissions in selected Scope 3 categories compared to our 2021 baseline. Our targets were approved by the Science Based Targets initiative (SBTi) in October 2023.

In 2025, we achieved a reduction in our Scope 1 and 2 emissions of 41% compared to our 2021 baseline. Following a linear pathway, the reduction should have been 17% this year, which means that we are on the right path. In terms of Scope 3 emissions for our selected emission categories there was an increase in emissions of 10% compared to our 2021 baseline. Given the continuous increase in our activities, implementation of our new climate transition plan will require additional efforts to achieve our targeted 25% reduction by 2030.

In 2024, we finalized our Climate Transition Plan (CTP) – Future Forward: Science-Based Climate Transition. This plan underlines our commitment by providing greater transparency, clearly outlining our ambitions, governance, and the action we are taking to reach our goal of becoming climate neutral by focusing on the following:

1. Energy efficiency
2. Electrification
3. Renewable electricity
4. Sustainable travel and commuting
5. Sustainable transportation and distribution
6. Improving waste treatment
7. Green products and end-of-life

Read more about Climate change in the Sustainability Statement. The entire climate transition plan is accessible via investors.fagron.com.

List of topics

All topics, including operational topics, covered by "Future Forward: Operations" are described in more detail in our Sustainability Statement. These include:

- Climate change and energy
- Chemical use & pollution
- Health & safety (Supply chain workers)
- Human rights & labor rights (Supply chain workers)
- Product quality & safety
- Waste

Sustainability performance

Future Forward Science-based climate transition plan

Future Forward — Our climate ambition

-42%

Absolute reduction
Scope 1 and 2
(market-based)

2021 baseline	2030 target
14,1 kt CO_2-eq	8,2 kt CO_2-eq

-25%

Absolute reduction
Scope 3

2021 baseline	2030 target
91,6 kt CO_2-eq	68,7 kt CO_2-eq

Future Forward — Our actions

Action area	Key actions
Energy efficiency	• Operational excellence • Building insulation • Energy efficiency equipment • Process optimization
Electrification	• Electrify heating and cleanroom humidification
Renewable electricity	• Install solar panels • Purchase renewable electricity
Sustainable travel and commuting	• Electric mobility • Incentivize sustainable commuting
Sustainable transportation and distribution	• Electrify internal transport and transport to client
Improving waste treatment	• Recycle non-hazardous waste
Green products and end-of-life	• Implement sustainable packaging

Future Forward: Compounding

Our vision

Fagron is expanding its global leadership in personalized medicine by enabling pharmaceutical compounding as a safe, science-based solution when standard medicines do not meet patient needs. Future Forward: Compounding sets out how we strengthen the sector through knowledge, evidence, and enabling platforms, helping pharmacists and prescribers deliver individualized therapies with consistent quality and confidence, and supporting broader access to appropriate medication worldwide.

Increasing access to medication

Compounding is the preparation of patient-specific medicines by pharmacists, based on a prescriber's instruction, when standard products do not meet an individual patient's needs. Advancing compounding knowledge increases access to medication by enabling the creation of personalized treatments, addressing niche conditions, ensuring local availability, and providing cost-effective alternatives.

For instance, by prescribing a compounded medication instead of off-the-shelf medication a doctor considers a patient's specific needs, potentially reducing side effects and minimizing the need for further treatment. Additionally, compounding is crucial during drug shortages as medications can be prepared directly from active pharmaceutical ingredients (APIs), ensuring that patients continue to receive vital treatments despite supply chain disruptions.

Through advancing compounding knowledge, Fagron supports:

1. Awareness creation among prescribers and pharmacists to the significant benefits of compounding, ultimately increasing access to medication.
2. The production of high-quality compounded products by providing robust scientific evidence on their compatibility, stability, safety, and efficacy.

To track our progress in increasing access to science-based, compounded medicine, we look at the sales of Fagron Brands. This represents how pharmacists and prescribers understand pharmaceutical compounding and use Fagron Brands to help their patients. By 2030, we aim for 30% of our revenue to originate from Fagron Brands. Our ultimate ambition is that by 2050, we will have doubled our scientific publications compared to 2030 and positioned ourselves as the main compounding knowledge partner for pharmacists, prescribers, and the wider medical community. In 2025, 15.3% of our revenue came from the Brands segment, slightly higher than the 15.1% in 2024. Additionally, we participated in the publication of more than 170 scientific studies on compounding and Fagron Brands.

From ambition to reality

To translate our ambitions into measurable progress, we focus on scaling the knowledge and implementation capabilities that enable personalized medicine in daily practice.

Knowledge sharing based on scientific development

Central is our Fagron Academy with three global, scalable assets:

- Video Platform: training for pharmacists and prescribers, strengthening confidence in when and how personalized therapy can be implemented safely and consistently. Launched in 2024, it now includes over 450 educational videos in 10 languages, ensuring pharmacists and prescribers stay up to date with the latest practices and innovations in compounding.
- Formulary: a structured database of formulations that helps pharmacists compound using standardized approaches, supporting reproducibility in practice. The number of formulations is expanding fast from 2,000 in 2023 to over 22,000 in 2025.
- Library: a curated collection of scientific publications and technical studies that underpins our claims and reinforces our science-driven position in a specialized niche. Our library includes more than 1,500 studies on our global brands and more than 170 publications in scientific journals.

More than 170 pharmaceutical specialists & PhDs are developing and testing our products or providing supporting & educating our customers.

Together, these assets support sustainable growth by accelerating adoption of our solutions, reducing implementation friction, and strengthening long-term customer retention through trust and demonstrated competence. Because these tools can be deployed globally with low marginal cost, they also improve cost-to-serve efficiency as the customer base expands—reinforcing recurring demand and durable differentiation in a niche market where scientific credibility is a key driver of customer choice.

Sustainable & ethical products

Fagron is committed to delivering ethical, high-quality products that support healthcare professionals in providing sustainable compounded medicines.

Ethical products

We have strict guidelines concerning the ethics of our products, as highlighted in our Code of Conduct & Ethics. This includes the pledge that none of the products that we develop (Fagron Brands), or products that leave our manufacturing facilities, are tested on animals.

Sustainable products

Personalized, compounded medicine in general offers sustainability benefits. When medications are compounded directly from active pharmaceutical ingredients (APIs), rather than from pre-packaged formulations, it minimizes spillage and waste. This process reduces the environmental impact associated with excess materials and overproduction.

Additionally, as part of our "Future Forward: Operations" strategy we aim to reduce greenhouse gas emissions and ensure that our suppliers meet Fagron ESG standards. In terms of our products, this means we are committed to sourcing high-quality APIs and excipients from suppliers who meet strict environmental and social standards, and we are actively exploring eco-friendly packaging solutions to minimize the footprint of compounded products.

Client satisfaction

Several Fagron companies currently track customer satisfaction. By 2027, we want to consistently conduct client satisfaction surveys throughout the Fagron Group to ensure that we meet the requirements set by our clients and that our products can be used to help more patients.

Market & portfolio expansion
Fagron expands its portfolio through a disciplined innovation engine designed for personalized medicine and pharmaceutical compounding. Rather than relying on a small number of "big-bet" launches, we manage a broad pipeline of parallel programs across three complementary domains (compounding vehicles, FagronLab technologies, and genomics solutions) each progressing through a stage-gated development process from opportunity scouting and feasibility to validation, regulatory documentation, launch, and lifecycle management. This approach enables predictable, repeatable portfolio renewal while maintaining high scientific and quality standards.

Our current pipeline includes more than 30 active initiatives across these three domains, reflecting both new product creation and structured line extensions, Compounding Vehicles, FagronLab, and Genomics. These programs span multiple dosage forms and real-world use cases that matter in daily practice (e.g., oral liquids, films, transdermal, dermatology, women's health, pediatrics, and workflow-enabling devices).

This pipeline reflects both new product creation and structured line extensions, covering multiple dosage forms and use cases that matter in daily practice (e.g., oral liquids, films, transdermal, dermatology, women's health, pediatrics, and workflow-enabling devices). It includes innovations such as new and expanded vehicle platforms (including oral, film, and transdermal concepts), next-generation compounding and packaging tools within FagronLab, and continued development of our genomics portfolio and digital platform to support therapy personalization. Based on our 2025 pipeline planning and governance, these programs are expected to translate into a steady cadence of launches and upgrades through 2030, strengthening our Brands portfolio and expanding our addressable markets.

This pipeline-led model supports sustainable growth by (i) continuously broadening the solutions available to pharmacists and prescribers, (ii) increasing adoption through evidence-backed platforms and practical usability, and (iii) enabling global scaling with a controlled development and documentation system—reinforcing Fagron's differentiated position in a knowledge-intensive niche.

Read more about our buy-and-build strategy in the chapter About Fagron.

List of topics

All topics, including operational topics, covered by "Future Forward: Compounding" are described in more detail in our Sustainability Statement. These include:

- Access to healthcare
- Privacy of end-users

Good Governance

Fagron prioritizes effective corporate governance and good company-wide business practices to maintain and enhance the value we create. All Fagron policies are available on our website, here we give a summary of the most important policies related to governance. More detailed information about good governance can be found under Governance information in our Sustainability Statement.

Compliance

We strive to comply with laws and regulations in all jurisdictions in which we operate. Failure to comply with laws and regulations may negatively impact Fagron and our stakeholders.

Code of Conduct & Ethics

The Fagron Code of Conduct & Ethics serves as our guiding document, outlining the expected behavior of our employees. In particular, the document contains information on how to act legally and ethically in day-to-day business operations. All employees and management have access to the Code of Conduct & Ethics via the Fagron intranet, and the document is publicly available at investors.fagron.com. Every year, all employees and members of management are provided with a Code of Conduct & Ethics training course. In 2025, 99% of our people who received an invitation completed the training.

Read more about the Code of Conduct & Ethics in the Sustainability Statement.

Responsible M&A

Fagron pursues growth through both innovation-driven organic expansion and targeted acquisitions. These acquisitions focus on geographic and portfolio expansion, new therapeutic areas, and market consolidation. To manage acquisition risks, Fagron carefully selects targets based on cultural and organizational fit. The acquisition process follows a disciplined structure, involving a detailed transaction setup and rigorous due diligence.

In line with Fagron's updated sustainability strategy "Future Forward: Personalizing medicine", we also incorporate key strategic ESG factors into our M&A strategy. This includes evaluating potential acquisition targets for their sustainability practices and ensuring that newly acquired entities align with Fagron's sustainability goals.

Grievance mechanism

Fagron has established a comprehensive grievance mechanism for employees, providing a structured approach for reporting suspicions of misconduct, including corruption and bribery, or behavior inconsistent with the Code of Conduct & Ethics.

The Fagron grievance mechanism consist of three distinct steps to ensure accessibility for employees:

1. Contacting the direct manager or supervisor.
2. Expressing a concern or complaint to HR or the site manager.
3. Submitting an official complaint via the Fagron Integrity Line. In 2025, there were 17 complaints filed through the Fagron Integrity Line.

Should an employee require guidance, they can always reach out to a Confidential Counselor. The Confidential Counselor is trained to guide employees towards the proper channel based on the concerns/grievance. We can confirm that in 2025 all our entities (except for the 2025 acquisitions) have a Confidential Counselor.

Read more about our Grievance mechanism in the Sustainability Statement.

List of topics

All topics that fall under "good governance" are described in more detail in our Sustainability Statement. These include:

- Compliance
- Corruption & bribery
- Grievance mechanism

Share performance

Stock exchange listing

Fagron shares are listed on Euronext Brussels and Euronext Amsterdam. The stock is included in the BEL Mid index, the AMX index, the BEL ESG Index and the AEX ESG Index. Options on ordinary Fagron shares are traded on Euronext Derivatives Brussels, Euronext's derivatives market. These American-style options expire on the third Friday of the contract month and have initial terms of 1, 2, 3, 6, 9, and 12 months. Each option represents 100 Fagron shares and is cleared by LCH.Clearnet SA. On December 31, 2025, Fagron's market capitalization amounted to 1,569,147,655 euros, up 27.9% from December 31, 2024. On December 31, 2025, the number of shares issued was 73,668,904.

Number of shares outstanding

On December 31, 2025, the number of voting securities was 73,668,904. The total number of voting rights (denominator) was 73,668,904. The capital amounted to 506,745,841.93 euros.

Shares
ISIN code: BE0003874915
Euronext: FAGR

Options
ISIN code: BE0003874915
Euronext Derivatives Brussels: RCU

Shareholder structure

Fagron received notifications of shareholding pursuant to the Belgian Act of 2 May 2007 concerning the disclosure of major shareholdings in listed companies. The table shows the shareholder structure per 31 December 2025 (based on the notifications received). Article 11 of Fagron's Articles of Association stipulates that shareholdings must be disclosed as soon as a threshold of 3%, 5%, and multiples of 5% have been passed.

Share ownership	Number of shares	% of effective voting rights
The Goldman Sachs Group, Inc.[1]	13,209,148	17.93%
AOC Pharma S.à.r.l.	8,102,492	11.00%
Mawer Investment Management Ltd.	3,632,837	4.93%
FMR LLC	3,019,960	4.10%
BNP Paribas Asset Management Holding	2,405,870	3.27%
Aberdeen Group	2,390,331	3.24%

1 This represent the share holding of Goldman Sachs Group, Inc. including the share held through NN Group N.V. Please see document available on our website investors.fagron.com/share-holders/

Shares owned by the Board of Directors	Number of shares
Koen Hoffman	0
Rafael Padilla	179,580
Karin de Jong	40,000
Ira Bindra	0
Ann Desender	0
Rob den Hoedt	0
Philipp Klecka	See holding AOC Pharma S.à r.l.
Neeraj Sharma	0

Dividends

Fagron's Board of Directors will propose to the Annual General Meeting of Shareholders on May 11, 2026, to pay a gross dividend of 0.40 euros per share for the financial year 2025.

Investor Relations policy

Fagron values transparent, timely, and constructive communication with its investors, analysts, and other stakeholders with a financial interest in the company. Our goal is to inform them as effectively and promptly as possible about Fagron's strategy, performance, and relevant developments.

We actively engage with both existing and potential investors, as well as with analysts who follow our share, to foster a clear understanding of Fagron's risk profile and and our key opportunities.

In 2025, Fagron hosted its second Capital Markets Day, a well-attended event aimed at providing deeper insights into the underlying trends and growing demand that support our business. The event also highlighted the operational levers available to capitalize on these trends and included the issuance of an updated mid-term guidance for the 2025–30 period. For more information please see *Medium-term financial objectives*

Additionally, Fagron entered into a Liquidity Provider Agreement with KBC Securities to enhance the trading liquidity of our shares and improve demand dynamics. Fagron has seen a nice improvement in the average daily volume, a lowered bid-ask spread and also the volatility of the share has decreased significantly since the LP agreement.

All other relevant information, such as (semi) annual results, trading updates, press releases, and background information, can be accessed on Fagron's website under Investors (investors.fagron.com). Investors and potential investors, analysts, journalists, and other interested parties are invited to direct questions to:

Ignacio Artola
Global Head of Investor Relations
+34 6 70 385 795
investors@fagron.com

Financial calendar

April 9, 2026[1]	Trading update first quarter 2026
May 11, 2026	Annual General Meeting of Shareholders
July 30, 2026[1]	Half year results 2026
October 8, 2026[1]	Trading update third quarter 2026

1 Results and trading updates will be published at 7:00 a.m. CET.

Trading	2021	2022	2023	2024	2025
Highest price	€ 21.56	€ 18.73	€ 18.19	€ 20.05	€ 23.50
Lowest price	€ 13.11	€ 10.80	€ 12.97	€ 15.14	€ 16.38
Closing price end of the financial year	€ 14.80	€ 13.27	€ 16.61	€ 16.76	€ 21.30
Highest day volume	525,563	614,569	880,546	374,292	270,281
Lowest day volume	15,223	28,179	15,108	10,841	5,752
Dividends	€ 0.20	€ 0.25	€ 0.30	€ 0.35	€ 0.40
Dividend yield at closing price	1.4%	1.9%	1.8%	2.1%	1.9%
Market capitalization at the end of the financial year	€ 1,079,810,279	€ 968,612,519	€ 1,216,332,095	€ 1,227,316,431	€ 1,569,147,655

Reasons to invest in Fagron

Fagron is well positioned due to a resilient business model, strong underlying growth, and attractive cash generation.

1

Defensive with Strong Growth

Fagron operates in a resilient niche supported by long-term secular drivers (please see Trends and market developments). These trends, aligned with our mission to create the future of personalizing medicine, support robust organic growth.

Fagron is both a pharmaceutical compounder and a *financial compounder*: strong top-line visibility underpins an attractive outlook of high single-digit to low double-digit organic revenue growth (at constant exchange rates) for 2025–30.

2

Specialization and Expertise

The pharmaceutical compounding niche benefits from structural advantages, including high operational and regulatory complexity.

Within this context, Fagron occupies the leading position as the only global player operating at scale across the full value chain. Our diversified footprint and strong sourcing capabilities support cost efficiencies, consistent product availability, and a broader assortment for customers.

Our competitive position is supported by scalability, agility and an integrated ecosystem across our segments.

In addition, Fagron has strengthened differentiation through proprietary, science-based branded products. Our Brands segment reflects the Group's continued effort and progress in building and scaling differentiated formulations.

3

Asset-Light Business Model

Our asset-light model delivers attractive cash conversion from EBITDA, underpinned by low Capex requirements of c. 3.5% of revenues [1]. This provides flexibility to support disciplined value creation.

Guidance for 2025–2030:

- ≥70% Operating Cash Conversion from EBITDA
- ≥50% Free Cash Flow Conversion[1] from EBITDA

4

Inorganic Growth Optionality

In addition to organic growth, Fagron pursues a disciplined M&A strategy to consolidate markets, strengthen capabilities through vertical integration, and expand into adjacent niches. The compounding market remains fragmented and is often characterized by local, family-owned businesses, which creates a consistent pipeline of opportunities.

In 2025 alone, Fagron announced twelve acquisitions, strengthening our presence in key

[1] Excluding one-off Capex projects

markets and expanding into attractive adjacent segments, reflecting our track record as a disciplined acquirer.

Additionally, our disciplined M&A approach has both expanded our footprint and attracted entrepreneurial talent to the group, further reinforcing our agility and entrepreneurial culture.

5

Strong Track Record

Over the course of the last 8 years, Fagron has consistently delivered results. Earnings per share have increased by around 9% per annum, reflecting disciplined execution and prudent balance sheet management.

This consistent delivery has strengthened the Group's capabilities, broadened the global footprint and enhanced financial flexibility.

6

Purpose

Fagron's purpose is aligned with long-term healthcare needs including growing demand for personalized medicine and the role of compounding in supporting access to medicines, including during period of shortages.

The Group's ESG execution further supports long-term value creation, reflected in its AAA rating from MSCI.

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Message from the Chair

2025 was a year marked by international trade tensions and tariffs, yet Fagron demonstrated resilience thanks to its scale, agility and integrated compounding platform. These strengths enabled the Company to successfully navigate a complex environment and continue building a competitive advantage.

In today's challenging environment, Fagron continued to deliver strong performance, driven by our resilient business model and unwavering commitment to customers through quality and innovation. Our dedication to operational excellence and strict quality standards has strengthened our market position and enabled us to capture the growing demand for personalized medicine. As a result, we achieved solid growth across all regions and segments.

EMEA improved its growth trajectory, supported by a successful geographic diversification strategy. Key transactions throughout the year reinforced our leadership in core markets (Germany, Iberia, the UK, Poland and Hungary) and enabled entry into attractive new ones (such as Serbia or Singapore and Malaysia, which will be managed by our EMEA team). In addition, in 2026 we have also completed the acquisition of Pharmavit, a leading distributor of nutraceutical raw materials based in the Netherlands.

In Latin America, our innovation capabilities continued to drive outstanding performance in our Brands segment, further strengthening our market position. The completion of the Purifarma and Vepakum acquisitions, and the upcoming completion of Injeplast, will enhance our scale advantages and deepen our vertical integration.

In North America - Pacific, our Compounding Services segment successfully offset the impact of GLP1 phase-out through sustained robust demand. We are well-positioned to capture future growth driven by visible underlying trends, supported by capacity expansions at our Wichita and Las Vegas facilities. Additionally, we acquired specialty pharmacies by adding CareFirst in New Jersey and UCP in California, to support our Anazao's platform, and entered into the Australian market through the acquisition of Bella Corp (which will be managed by our North America - Pacific team).

Quality remains a cornerstone of our value proposition. We successfully addressed prior FDA concerns in North America - Pacific and remain committed to continuously improving our quality standards.

Looking ahead, 2025 was crucial in defining our mid-term priorities. The Board of Directors approved the updated strategy presented at our Capital Markets Day, with a new "Compounded for Growth" plan. This plan includes an upgraded revenue growth outlook, a clear capital allocation framework and an operational excellence ambition designed to deliver long-term shareholder value.

Our ambition reflects Fagron's outlook as we execute on our mission to create the future of personalized medicine, driven by secular megatrends fueling organic growth, selective M&A opportunities, and an asset-light business model ensuring strong cash generation.

But creating the future of personalized medicine goes beyond financial performance. It is about responsible growth and holistic contribution to all stakeholders. This commitment underpins our Sustainability Strategy, launched in 2024 under the theme "Future Forward: Personalizing Medicine." Sustainability is also explicitly integrated into our executive incentive compensation framework.

The Board of Directors consists of eight members: AHOK BV, represented by myself as Chair; Rafael Padilla (CEO); Karin de Jong (CFO); Ann Desender BV, represented by Ann Desender (Chair of the Audit and Risk Committee); Ira Bindra, succeeding Els Vandecandelaere as independent director (Chair of the Nomination and Remuneration Committee); Robert ten Hoedt; Philipp Klecka, succeeding Klaus Röhrig, in representation of Active Ownership S.à r.l. (AOC), which indirectly holds a shareholding in Fagron; and Neeraj Sharma. Each member brings valuable expertise and insight, contributing to Fagron's governance and strategic direction. The nominations of Ira Bindra and Philipp Klecka were made by co-optation and will be submitted for confirmation at Fagron's 2026 Annual General Meeting.

At our 2025 Annual General Meeting, held on May 12, 2025, 80% of share capital was represented at the hybrid meeting. All agenda items were approved, including the reappointment of Ann Desender BV as an independent director and the designation of PricewaterhouseCoopers as Group Statutory Auditor.

On behalf of the Board of Directors, I want to express my sincere gratitude to all our employees for their dedication, commitment, and loyalty throughout the past year. I also extend my appreciation to our shareholders, partners, customers, and stakeholders worldwide for your continued trust and confidence in Fagron.

Koen Hoffman
Chair of the Board of Directors

Corporate Governance Statement

Fagron adopted the 2020 Belgian Corporate Governance Code (the "Code"[1]) as its reference code within the meaning of article 3:6, §2 of the Belgian Code on Companies and Associations (the "BCCA"). The Corporate Governance Statement (the "Statement") contains a description of Fagron's governance framework and reports annually on its compliance with the Code.

Governance principles

The most important aspects of Fagron's governance policy - in particularly the role, responsibilities, the composition and functioning of the Board of Directors, its permanent advisory Committees, and the Executive Leadership Team - are set out in Fagron's Corporate Governance Charter (the "CG Charter"). The Board of Directors regularly reviews the CG Charter, amending it as and when required. The CG Charter was last amended and modified on October 27, 2022, to align it with the provisions of the Code and Fagron's governance structure. The most recent version of the CG Charter can be consulted on the Fagron investor page (investors.fagron.com).

The CG Charter also describes the policy regarding transactions and other contractual ties between Fagron and members of the Board of Directors as well as the Executive Leadership Team. In addition, the Board of Directors has adopted rules to prevent the misuse of insider information and market manipulation. These internal policy documents are available in the 'Governance' section of the investor page on the Fagron website (investors.fagron.com). Any material admendments to the CG Charter will be disclosed on the same investor page, in the 'Governance' section.

As of the date of this report, Fagron fully complies with the provisions of the Code, with the exception of a limited deviation from provision 7.6, which recommends that a portion of the remuneration of non-executive directors be paid in shares, as further explained in the relevant section of this Statement.

[1] The Code is available online at corporategovernancecommittee.be/en.

One-tier governance structure

Fagron transformed its governance structure in 2021 to a one-tier board model as described in articles 7:85 *et seq*. BCCA. The Board of Directors evaluates at least once every five years whether the chosen governance structure is still appropriate. The next evaluation is scheduled to take place in 2026 and will be conducted as part of the Board's periodic evaluation process, including the assessment of its Committees.

Under the current governance structure, the Board of Directors, as a collegial governing body, is empowered to take all actions necessary or relevant for achieving the objectives of Fagron, except for the acts reserved by law or by the Articles of Association to the General Meeting. The Board of Directors retains the right to delegate specific executive powers to the Executive Leadership Team, which exercises such powers under the CEO's chairmanship.

Board of Directors

Composition of the Board of Directors

The Company's Articles of Association provide that the Board of Directors consists of at least five and no more than eleven directors. The CG Charter stipulates that at least half of the directors should be non-executive. A minimum of three directors must qualify as an independent director in the meaning of article 7:87 BCCA, complying at least with the independence criteria set forth in provision 3.5 of the Code, in accordance with article 7:86/1 BCCA. Additionally, the Board of Directors ascertains that at least one-third of the directors are of a different gender than the other directors, in accordance with article 7:86 BCCA.

The composition of the Board of Directors reflects the following principles:

- There is sufficient expertise in the various activities of Fagron, as well as sufficient diversity in competences, background, age and gender, thus enabling the Board to fulfill its role as required;
- Each director meets the specific qualitative requirements set out in the CG Charter, which include demonstrating commitment to Fagron's strategic objectives, including its environmental, social human rights and governance (ESG) objectives, and maintaining an impeccable reputation, including being in no professional ban situations as outlined in article 20 of the Belgian law of 25 April 2014 on the statute of and the supervision on credit institutions;
- None of the directors can hold more than five director mandates in a listed company;
- The directors' term of office will end at the General Meeting in the calendar year in which the director reaches seventy years of age, unless the Board of Directors decides otherwise upon recommendation of the Nomination and Remuneration Committee.

As of the date of this report, the Board of Directors comprises eight members and is composed as follows:

- Two executive directors;
- Six non-executive directors, five of whom qualify as independent directors within the meaning of article 7:87 BCCA. These directors meet at least the independence criteria set out in provision 3.5 of the Code, in accordance with article 7:86/1 BCCA;
- Three female members and five male members serve on the Board, thereby complying with the gender diversity requirements set out in article 7:86 BCCA.

Changes in the composition of the Board of Directors with respect to financial year 2025:

- Els Vandecandelaere (as permanent representative of Els Vandecandelaere LLC) voluntarily stepped down from the Board of Directors as an independent director with effect from October 1, 2025. The Board subsequently co-opted Ira Bindra as an independent non-executive director to succeed the resigning director for the remainder of her mandate. In view of her extensive expertise and experience in this field, as reflected in her professional biography below, the Board also appointed her Chair of the Nomination and Remuneration Committee. Her co-optation is subject to confirmation by the 2026 Annual General Meeting;
- Klaus Röhrig voluntarily stepped down from the Board of Directors as a non-executive director with effect from November 30, 2025. The Board subsequently co-opted Philipp Klecka as a non-executive director to succeed the resigning director for the remainder of his mandate. The Board further decided that he would assume his predecessor's membership of both the Audit and Risk Committee and the Nomination and Remuneration Committee, taking into account the contribution he is expected to make to these Committees. His co-optation is subject to confirmation by the 2026 Annual General Meeting.

Mandates expiring at the 2026 Annual General Meeting:

- The mandates of Rafael Padilla (CEO) and Karin de Jong (CFO), both executive directors, as well as,
- The mandates of Neeraj Sharma and Ira Bindra, both independent directors, will expire at the close of the 2026 Annual General Meeting.

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors will propose to the Annual General Meeting of May 11, 2026, that these mandates be renewed for a further four-year term, ending at the close of the 2030 Annual General Meeting, relating to the financial year ending December 31, 2029. The Board believes that their reappointment will contribute to the continuity and effective functioning of the Board.

The table below sets out the composition of the Board of Directors and its permanent advisory Committees, as well as the Board members' attendance at all Board and Committee meetings held in 2025. Decisions adopted by written procedure are not included in this overview. The following pages provide the professional biographies of the individual Board members.

Corporate Governance Statement

Composition of Board of Directors during financial year 2025	Term of office	Independent director	Nomination and Remuneration Committee	Audit and Risk Committee	Presence[1]
AHOK BV, permanently represented by Koen Hoffman (Chair)	AGM 2027	•	•	•	BoD: 5/5 AC: 3/3 NRC:4/4
Rafael Padilla - Chief Executive Officer	AGM 2026				BoD: 5/5
Karin de Jong - Chief Financial Officer	AGM 2026				BoD: 5/5
Ira Bindra[2]	AGM 2026	•	• (Chair)		BoD: 2/2 NRC: 1/1
Ann Desender BV, permanently represented by Ann Desender[3]	AGM 2029	•		• (Chair)	BoD: 5/5 AC: 3/3
Rob ten Hoedt	AGM 2028	•			BoD: 4/5
Philipp Klecka[2]	AGM 2027		•	•	-
Klaus Röhrig[4]	-		•	•	BoD: 5/5 AC: 3/3 NRC: 4/4
Neeraj Sharma	AGM 2026	•			BoD: 5/5
Els Vandecandelaere LLC, permanently represented by Els Vandecandelaere[5]	-	•	• (Chair)		BoD: 3/3 NRC: 3/3

1 The denominator of the fraction represents the total number of Board or Committee meetings held during the director's term of office.
2 Appointed by co-optation, subject to confirmation by the 2026 Annual General Meeting.
3 Ann Desender holds her directorship through her management company, Ann Desender BV, with effect from May 12, 2025.
4 Voluntary resignation as a non-executive director and member of both advisory Committees, effective November 30, 2025, with Philipp Klecka succeeding him.
5 Voluntary resignation as an independent director and Chair of the Nomination and Remuneration Committee, effective October 1, 2025, with Ira Bindra succeeding her.

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AHOK BV
permanently represented by
Koen Hoffman
Chair of the Board of Directors

Koen Hoffman holds a master's degree in Applied Economics and an MBA from the Vlerick Business School. From 1992 to July 2016, he worked for the KBC Group where he started his career in the corporate finance department and became the CEO of KBC Securities in October 2012.
Since August 2016, he has been the CEO of the asset manager Value Square.
Koen Hoffman is also an independent director at the listed company MDxHealth (Chairman).

Rafael Padilla
Chief Executive Officer

Rafael Padilla started his career in 2002 at Fagron in the Netherlands and has been Fagron's CEO since 2017. Rafael Padilla has a long-time operational and commercial track record within Fagron. Under his leadership, Fagron has been able to successfully expand its activities in Southern Europe and Latin America since 2010 through strong organic growth and acquisitions.
Rafael Padilla obtained a degree in Pharmaceutical Sciences from the University of Barcelona and followed a Program for Management Development (PMD) at the IESE Business School.

Karin de Jong
Chief Financial Officer

Karin de Jong has been CFO of Fagron since May 2016. Karin de Jong has been with Fagron since 2008, when she started as corporate controller; she was appointed Group Controller in 2013. After finishing her degree in business administration, accounting and control, Karin de Jong completed the post-doctoral registered controller program at Erasmus University Rotterdam.

Ann Desender BV
permanently represented by
Ann Desender

Ann Desender has been CFO at Barco since 2016. She started her career at Barco more than 14 years ago as Vice President Corporate Finance & Controlling and has since grown into her current position within the organization. She started her career at Anderson (now Deloitte). Ann Desender holds a master's degree in Applied Economics and completed the Advanced Management Program at the IESE Business School.

Corporate Governance Statement

Rob ten Hoedt

Up to most recently, Robert (Rob) ten Hoedt was Medtronic's Executive Vice President & President, Global Regions, which encompasses the Americas, Europe, Middle East, Africa and Asia Pacific, and a member of Medtronic's Executive Committee, with full commercial responsibility for Medtronic's products and therapies across these regions. Rob ten Hoedt has held numerous international sales, marketing and general management positions in the medical technology industry and was at Medtronic since 1991. From 2014 to 2023, Rob was the Chairman of the Board of Directors of Medtech Europe, the European interest group for the medical technology industry. Currently, he holds the position of Chairman of the Board of both Onward Medical and medmix AG (both based in Switzerland). Rob is also member of the Board of Directors of Salvia Bio-Electronics (based in the Netherlands). Rob ten Hoedt holds a bachelor's degree in commercial economics and business administration and a master's degree in marketing from the Netherlands Institute for Marketing (NIMA).

Philipp Klecka

Philipp Klecka is an Investment Manager at Active Ownership Group (AOC), which indirectly holds a shareholding in Fagron. He started his career at Goldman Sachs in London, where he spent six years as Merchant Banking Investment Professional, focusing on private equity and private credit transactions in the European large-cap segment. In 2021, he joined AOC, where he is responsible for identifying value opportunities, developing investment cases, and actively engaging with portfolio companies to drive operational improvements and long-term value creation. Philipp Klecka holds a Bachelor of Economics and Business Administration from Vienna University of Economics and Business, and a Master of Science in Accounting and Finance from The London School of Economics and Political Science.

Neeraj Sharma

Neeraj Sharma is Chief Executive Officer at OneSource, a publicly listed specialty biopharmaceutical CDMO offering global services in biologics, drug-device-combinations, sterile injectables, and oral technologies. In a career of 3 decades, he has worked in leadership roles in multiple countries including India, Myanmar, Vietnam, Latin America, Belgium, Italy, the United Kingdom and The Netherlands. He is well networked in the industry, and has previously served on the Executive Committee of Medicines for Europe, an industry body that represents the European generic, biosimilar and value added pharmaceutical industries. Neeraj holds a Bachelor's degree in Engineering and a Master's in Business Management.

Ira Bindra

Prior to joining Reliance, Ira served as Vice President & Head of Human Resources for Global Regions at Medtronic, where she played a pivotal role in integrating operations across Americas, EMEA, and APAC regions, overseeing a team spanning over 120 countries. With a proven track record of driving strategic HR initiatives and creating award-winning workplace environments, Ira is set to bring her bold and collaborative approach to further elevate Reliance's growth and transformation efforts. Ira Bindra holds a master's degree in Business Administration from Maastricht School of Management.

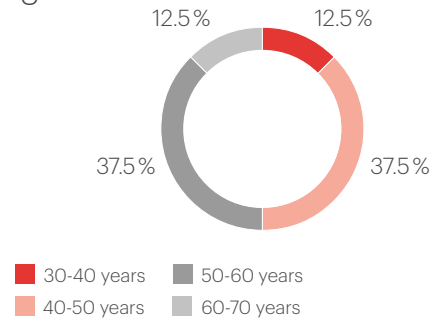
Diversity in the Board of Directors

The Board of Directors complies with its obligations regarding gender diversity as stipulated in article 7:86 BCCA, which provides that at least one-third of the members of the Board of Directors must be of the opposite gender than the other members. As mentioned, the Board meets the target of having at least three female directors among the total of eight directors (the remaining five are male). In addition, in the composition of the Board of Directors, Fagron values complementary skills, experience, knowledge and age diversity.

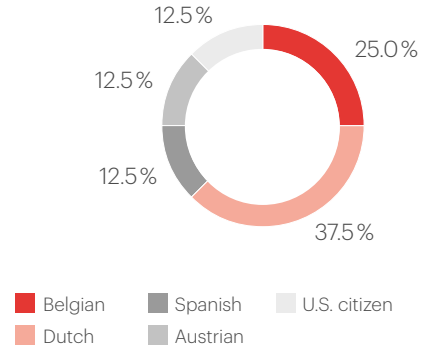
When appointing or renewing directors' terms, as well as when selecting members of the advisory Committees, diversity in gender, age, education, and professional background shall be taken into account, together with complementary skills, experience and knowledge as it appears from their professional biographies.

As part of the self-evaluation process, special attention is also paid to complementarity and diversity in the composition of the Board of Directors and its advisory Committees. The Board of Directors has representatives from five nationalities across different age groups.

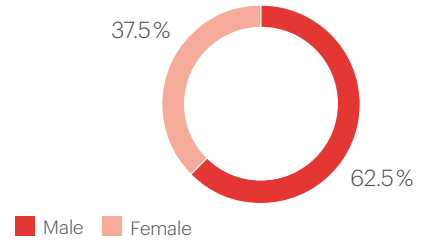
Age



Nationality



Gender



Expertise and skills of the Board of Directors

Fagron operates in the pharmaceutical compounding sector. Several members of the Board of Directors bring extensive experience in pharmaceutical compounding and outsourcing, along with international expertise across the Company's global operations. This includes knowledge of international and national developments in the (niche) pharmaceutical markets in which Fagron is active, as well as of the relevant products, technologies, and industry trends. Additionally, the Board members provide complementary expertise in pharmaceutical regulation and quality, operations and supply chain management, business development and M&A, financial management and reporting, risk management and internal control, human resources, and information technologies. A large majority of the Board members also possess relevant experience in ESG (Environmental, Social and Governance), corporate governance, and business ethics.

In the last quarter of 2025, the Board conducted a self-assessment based on a competence matrix proposed by the Nomination and Remuneration Committee. This matrix maps the competences, areas of knowledge, and expertise represented within the Board of Directors and its advisory Committees. The diagram below reflects the outcome of this assessment and illustrate the overall range of expertise within the Board.

Function and role of the Board of Directors

The Board of Directors has established internal regulations as part of the CG Charter. In addition to its statutory responsibilities, the Board of Directors is entrusted with the following duties:

- Determining strategy, risk profile, values and key policies;
- Ensuring that the necessary financial and human resources are in place to achieve the objectives;
- Monitoring and reviewing the financial and operational performance and forward-looking development of Fagron's business results;
- Adopting an internal control and risk management framework;
- Structuring the Executive Leadership Team, defining its powers and duties and evaluating its performance;
- Overseeing the quality and completeness of disclosed financial messages as well as the integrity and timely disclosure of financial statements and other material financial and non-financial information;
- Determining the corporate governance structure and monitoring compliance

with the provisions of the Code, establishing specialized Committees, defining their internal regulations and assessing their effectiveness;
- Encouraging effective dialogue with shareholders and potential shareholders;
- Approving contracts for the appointment of the CEO and other members of the Executive Leadership Team;
- Establishing the Company's ESG strategy and monitoring the evolution of its implementation;
- Selecting the Statutory Auditor on the recommendation of the Audit and Risk Committee and monitoring its performance and overseeing the internal audit function; and
- Implementing the Company's ESG strategy and policies, including those related to business behavior[1].

The Chair ensures that decision-making processes are constructive and efficient. The Chair presides over the General Meeting and the meetings of the Board of Directors, ensures effective communication with shareholders, and serves as the primary point of contact for all matters falling within the Board's remit. The Chair is also committed to fostering effective interaction between the Board of Directors and the Executive Leadership Team.

Meeting of the Board of Directors

The executive and non-executive members of the Board of Directors met jointly five times in 2025. A majority of the directors attended the meetings in person, while others participated by videoconference. Certain meetings were attended - in part - by members of the Executive Leadership Team when topics falling within their area of competence were discussed.

Activities of the Board of Directors in 2025

In 2025, the Board's main focus was on the following matters:
- Overseeing the strategic development of Fagron, including the further development of its growth and acquisition strategy;
- Conducting a global business review;
- Analyzing, researching and assessing Fagron's financing structure;
- Reviewing Fagron's financial and business results;
- Convening the Annual General Meeting and adopting its agenda;
- Monitoring, strengthening and supporting the Company's ESG policy, including the implementation of the Corporate Sustainability Reporting Directive (CSRD);
- Further defining and refining the internal audit function and monitoring the compliance activities of the Company;
- Monitoring and analyzing digital developments and security within the Company;
- Following up on the progress of budget reviews at a regional level for the current financial year and subsequent analyzing and approving the budget for the subsequent financial year;
- Approving and following up on investment opportunities and acquisition processes;
- Evaluating and analyzing the performance of the members of the Executive Leadership Team;
- Monitoring compliance with the requirements of the Market Abuse Regulation;
- Discussing the remuneration policy for non-executive directors, taking into account the recommendations of the Code;
- Reviewing press releases prepared for the release of the periodic, and (semi-)annual financial results; and
- Assessing information provided by members of the Executive Leadership Team on material impacts (results of ESG policy, materiality analysis), risks and opportunities, implementation of due diligence, and the results and effectiveness of policies, measures, benchmarks, and targets set to act on them.

[1] ESRS 2 GOV-1 G1 §5a.

Board of Directors evaluation process

The Board of Directors periodically reviews its size, composition, functioning and that of its Committees and its interaction with the Executive Leadership Team. The Chair and the exercise of his role within the Board of Directors are also evaluated. The aim is to encourage the continuous improvement of Fagron's corporate governance by recognizing the Board's strengths while identifying areas for improvement. The Board self-evaluation is coordinated by the Chief People & Culture Officer, under the leadership of the Chair of the Board, and is monitored by the Nomination and Remuneration Committee.

This self-assessment has four objectives:

1. Assessing the functioning of the Board of Directors and its Committees;
2. Ensuring that important issues are thoroughly prepared and discussed;
3. Reviewing each director's actual contribution to the work of the Board, his or her attendance at Board and Committee meetings and his or her constructive involvement in meetings and decision-making; and
4. Assessing (i) the governance structure, (ii) the composition of the Board, and (iii) the directors, in light of the desired composition of the Board of Directors.

The most recent evaluation of the Board's functioning, as regards to its size, composition, operation, and that of its Committees and of its interaction with the Executive Leadership Team, took place on May 8, 2023, under the leadership of the Chair of the Board. This evaluation resulted in a favorable assessment in terms of the current governance structure, the cooperation and dynamics within the Board of Directors, the interaction with the Committees and the Statutory Auditor, and the contribution and involvement of each director. In line with the recommendations of the Code, periodic evaluations are conducted at least every three years. Accordingly, the next evaluation is scheduled for 2026.

Specialized Committees of the Board of Directors

The Board of Directors has established two advisory Committees: the Audit and Risk Committee and the Nomination and Remuneration Committee. Their role, tasks, functioning, and composition are defined in accordance with the BCCA and the recommendations of the Code, and are described in their internal regulations, which are attached as an appendix to the CG Charter. These Committees assist the Board in specific matters, which they follow up thoroughly and on which they make recommendations to the Board. Final decision-making remains with the Board. After each meeting the Chairs of each Committee report to the full Board of Directors.

Audit and Risk Committee

Composition of the Audit and Risk Committee

The Audit and Risk Committee consists of at least three non-executive directors appointed by the Board of Directors. At least one member of the Audit and Risk Committee is an independent director within the meaning of article 7:87 BCCA, who meets at least the criteria set out in provision 3.5 of the Code.

As at the date of this report, the Audit and Risk Committee consists of the following members:

- Ann Desender BV, permanently represented by Ann Desender (Chair) - Independent non-executive director;
- AHOK BV, permanently represented by Koen Hoffman - Independent non-executive director;
- Philipp Klecka - Non-executive director.

The composition of the Audit and Risk Committee complies with all the requirements stated in the Code and the BCCA. All members of the Audit and Risk Committee have collective expertise in Fagron's business and have sufficient accounting and audit technical experience, as evidenced by their professional biographies (see above).

Function and role of the Audit and Risk Committee

The Audit and Risk Committee met three times in 2025. During these meetings all serving members of the Audit and Risk Committee were present. Also, the CEO, CFO, the Global Internal Audit Leader and the Statutory Auditor attended the meetings at the request of the Audit and Risk Committee. The Audit and Risk Committee may invite other persons to attend its meetings.

The Audit and Risk Committee serves as the primary liaison between the internal audit function and the Statutory Auditor. While respecting the statutory responsibilities of the Board of Directors, the Audit and Risk Committee is responsible for developing a long-term audit program covering all of the Company's activities. Specifically, the Committee is responsible for:

- Determining internal financial reporting to the Board;
- Monitoring the financial reporting process;
- Monitoring the effectiveness of the Company's internal control and risk management systems;
- Monitoring internal audits and their effectiveness;
- Monitoring of the statutory audit of the financial statements, including the sustainability statement and consolidated financial statements, as well as following up on questions and recommendations formulated by the Statutory Auditor; and
- Assessing and monitoring the independence of the Statutory Auditor, with particular attention to the provision of additional services to the Company.

The Audit and Risk Committee mainly addressed the following topics in financial year 2025:

- Monitoring the consolidated half-year and annual results, and the single and consolidated financial statements;
- Monitoring the accounting treatment of specific IFRS transactions and applications;
- Monitoring and evaluating the Statutory Auditor's performance;
- Monitoring improvements in Fagron's internal control and risk management systems and their effectiveness;
- Reviewing and approving the three-yearly (internal) audit plan and following up on progress of activities;
- Following up on pending litigation reported by subsidiaries;
- Monitoring compliance with the Code of Conduct and overseeing the follow-up of whistleblowing reports and related actions, in accordance with applicable confidentiality and anonymity requirements;
- Following up on major regulatory developments and changes, and assessing their possible impact;
- Assessing whether internal audit recommendations of the Internal Audit function have been implemented;
- Overseeing measures aimed at preventing fraud, illegal acts, and internal control deficiencies; and
- Following up on CSRD guidelines and ESRS (European Sustainability Reporting Standards).

In financial year 2025, Fagron's independent Internal Audit function continued to strengthen its global coverage and control environment, supported by the onboarding of two new regional auditors in Latin America and North America - Pacific. This expansion enhanced the department's capacity to execute the audit plan effectively and provided broader geographical assurance.

Key activities of the Internal Audit function in 2025 included:

- Developing and maintaining a flexible, risk-based audit plan aligned with evolving priorities and risks. Periodic updates were presented to the Audit and Risk Committee to ensure continued relevance and proper alignment with the organization's strategic direction;
- Successfully executing the annual audit plan, as approved by the Audit and Risk Committee;
- Conducting regional risk assessments in Latin America and North America - Pacific, while ensuring continued risk-based coverage of EMEA through the annual audit cycle;
- Performing in-depth process reviews and targeted investigations, providing assurance

on the effectiveness of internal controls, and supporting management in mitigating potential risks;
- Providing periodic reporting to the Audit and Risk Committee and senior management, covering audit results, significant findings, remediation progress, and updates on Internal Audit's resources and activities;
- Identifying and reporting significant issues related to internal controls, while collaborating closely with responsible stakeholders to validate corrective actions and monitor progress toward timely remediation;
- Conducting continuous follow-up meeting ensuring that agreed-upon action plans from audits issued were effectively implemented; and
- Refining internal audit methodologies, work instructions, and templates, further improving audit quality, process consistency, and efficiency across all regions.

Nomination and Remuneration Committee

Composition of the Nomination and Remuneration Committee
The Nomination and Remuneration Committee consists of at least three non-executive directors appointed by the Board of Directors. At least the majority of its members are independent directors within the meaning of article 7:87 BCCA, who meet at least the criteria set out in provision 3.5 of the Code.

As at the date of this report, the Nomination and Remuneration Committee consists of the following members:
- Ira Bindra (Chair) - Independent non-executive director;
- AHOK BV, permanently represented by Koen Hoffman - Independent non-executive director;
- Philipp Klecka - Non-executive director.

The composition of the Nomination and Remuneration Committee complies with all the requirements stated in the Code and the BCCA. The members of the Nomination and Remuneration Committee collectively possess the necessary competence and expertise in remuneration matters and remuneration policy, as evidenced by their professional biographies (see above).

Function and role of the Nomination and Remuneration Committee
The Nomination and Remuneration Committee met four times in 2025. During these meetings, all serving members of the Nomination and Remuneration Committee, the CEO and the Chief People & Culture Officer were present. The CEO is invited to attend meetings of the Nomination and Remuneration Committee when the Committee discusses the appointment or remuneration of the other members of the Executive Leadership Team. The Nomination and Remuneration Committee may invite other persons to attend its meetings.

The Committee's main tasks in terms of appointments include:
- Drafting appointment procedures for members of the Board of Directors and the Executive Leadership Team;
- Nominating suitable candidates for vacant directorships;
- Formulating proposals for the (re)appointment of directors;
- Reviewing and making recommendations on the composition of the Board of Directors and its Committees;
- Advising on proposals relating to the appointment and dismissal of members of the Board of Directors and the Executive Leadership Team; and
- Evaluating potential candidates for a position within the Executive Leadership Team.

The Committee's main tasks in terms of remuneration consist of:
- Preparing, reviewing and making proposals to the Board of Directors on the remuneration policy to be pursued for members of the Board of Directors and the Executive Leadership Team and, where applicable, on the resulting proposals made by the Board of Directors to shareholders;
- Preparing, reviewing and making proposals to the Board of Directors on the individual remuneration of members of the Board of Directors and the Executive Leadership

Team, including variable remuneration (including, setting financial and non-financial performance objectives) and long-term incentives, whether or not tied to shares, in the form of stock options or other financial instruments, and of severance payments, and where applicable, on the resulting proposals made by the Board of Directors to shareholders;
- Preparing performance target recommendations for the CEO and other members of the Executive Leadership Team;
- Preparing recommendations on the allocation of annual bonuses and long-term incentives for the CEO and other members of the Executive Leadership Team;
- Discussing the functioning and performance of members of the Executive Leadership Team;
- Discussing at least annually with the CEO both the operation and performance of the Executive Leadership Team;
- Preparing the remuneration policy, the remuneration report that is included in the Corporate Governance Statement by the Board of Directors and communicating the remuneration report to the works council, or, if there is none, to the employee delegates in the Committee for Prevention and Protection at Work or, if there is none, to the trade union delegation; and
- Explaining the remuneration report and policy during the Annual General Meeting.

The Nomination and Remuneration Committee mainly dealt with the following matters during financial year 2025:
- Monitoring changes in the regulatory framework and recommendations regarding governance and remuneration;
- Reviewing and discussing possible changes to the remuneration policy, including the update of the shareholding guidelines for the members of the Executive Leadership Team;
- Discussing and making proposals to the Board of Directors, in consultation with the CEO, regarding the composition of, and functions within, the Executive Leadership Team, including the assessment and appointment of the new Area Leader EMEA;
- Assessing and setting performance criteria and targets for members of the Executive Leadership Team for short-term and long-term variable remuneration;
- Consideration of matters relating to remuneration, award of annual bonuses and long-term incentive awards to members of the Executive Leadership Team; and
- Overseeing talent reviews and succession planning for the Executive Leadership Team.

Executive Leadership Team

The day-to-day and operational management of Fagron is carried out by the Executive Leadership Team, with the CEO responsible for day-to-day management in close cooperation with the CFO.

Composition of the Executive Leadership Team

The members of the Executive Leadership Team are appointed by the Board of Directors, based on recommendations of the Nomination and Remuneration Committee and after consultation with and a recommendation from the CEO. Members are appointed for an indefinite term and may be dismissed at any time by the Board of Directors. The remuneration and terms of dismissal of each member of the Executive Leadership Team are set out in an individual agreement between the respective member and Fagron.

Below are concise curricula vitae of the members of the Executive Leadership Team.

Rafael Padilla
Chief Executive Officer

Rafael Padilla started his career in 2002 at Fagron in the Netherlands and has been Fagron's CEO since 2017. Rafael Padilla has a long-time operational and commercial track record within Fagron. Under his leadership, Fagron has been able to successfully expand its activities in Southern Europe and Latin America since 2010 through strong organic growth and acquisitions.
Rafael Padilla obtained a degree in Pharmaceutical Sciences from the University of Barcelona and followed a Program for Management Development (PMD) at the IESE Business School.

Karin de Jong
Chief Financial Officer

Karin de Jong has been CFO of Fagron since May 2016. Karin de Jong has been with Fagron since 2008, when she started as corporate controller; she was appointed Group Controller in 2013. After finishing her degree in business administration, accounting and control, Karin de Jong completed the post-doctoral registered controller program at Erasmus University Rotterdam.

Vera Bakker
Chief Operations Officer

Vera Bakker started working at Fagron in 2022 as COO. Before joining Fagron, Vera Bakker worked at Unilever for 25 years, lastly as Vice President Global Supply Chain Foods. During her career at Unilever, she fulfilled various roles with a focus on various parts of the supply chain. Vera Bakker holds a master's degree in Chemical Engineering and an MBA from the Katz Business School, University of Pittsburgh.

Geraldino Neder
Area Leader Latin America

Geraldino Neder has been Area Manager of Fagron Latin America since 2022. He was responsible for setting up Fagron's operations in Brazil end of 2010 and has been Business Leader of Fagron Brazil since then. Geraldino has 30+ years of experience in the Brazilian pharmaceutical compounding market. Geraldino Neder studied Administration at PUC Campinas and has a post grade in Business Management at Unicamp.

Konstantinos Kouloridas
Area Leader EMEA

Konstantinos Kouloridas joined Fagron in 2014 as General Manager for Greece, following the acquisition of Kertus. Before joining Fagron, Konstantinos cofounded Kertus (a pharmaceutical compounding company) in Greece in 2007. After joining Fagron, Konstantinos grew within the ranks to Functional Area Manager Greece – Croatia and then to Regional Business Leader Southeastern Europe, where he demonstrated profound knowledge of the niche specialised pharmaceutical industry. Konstantinos holds a master's degree in clinical pharmacy, international practice and policy from London School of Pharmacy, United Kingdom, and a PhD degree from the University of Thessaly, Greece. He also attended the Senior Leadership Program at IESE Business School, Barcelona, Spain.

Andrew Pulido
Area Leader North America – Pacific

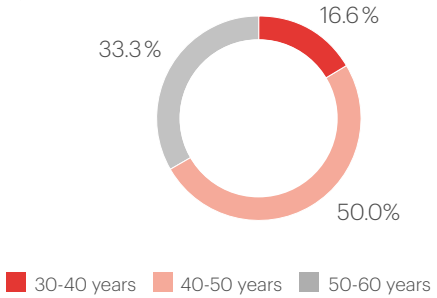
Andrew Pulido was President of Humco until Humco was acquired by Fagron, when he became President of Fagron United States and then President of Fagron North America – Pacific. Andrew Pulido has held various leadership positions within Humco, including President Global Pharmaceuticals and Vice President Corporate Development.
Before joining Humco, Andrew Pulido worked in Investment Banking at Merrill Lynch.
Andrew Pulido studied Economics (BA) at Vanderbilt University.

Diversity in the Executive Leadership Team

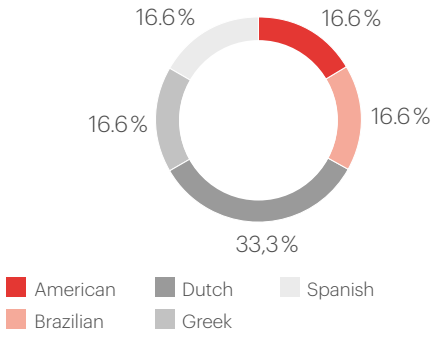
In the composition of the Executive Leadership Team, Fagron values complementary skills, experience, knowledge, and diversity. The appointment of members of the Executive Leadership Team takes into account diversity in terms of gender, age, education and professional background, as well as complementary skills, experience and knowledge.

As at the date of this report, the Executive Leadership Team consists of two female members and four male members. The Executive Leadership Team is composed of representatives of five nationalities from various age groups. In line with their respective roles within Fagron, members have diverse educational backgrounds, professional experience and career paths, ensuring a complementary set of knowledge and skills within the Executive Leadership Team. The Global Head of M&A and Legal and member of the Executive Leadership Team, Johan Verlinden, stepped down in 2025 due to personal reasons. Following his departure, the responsibilities of the role were reallocated among newly appointed leaders within the organisation to ensure continuity in both the M&A and Legal functions.

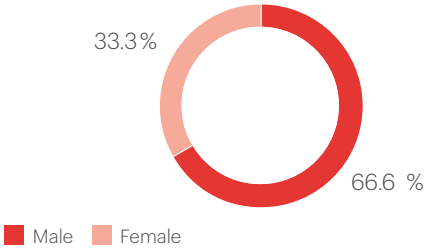
Age



Nationality



Gender



Function and role of the Executive Leadership Team

As previously noted, Fagron has operated under a one-tier governance structure since 2021, with the Board of Directors delegating day-to-day management to the CEO. Day-to-day management comprises all actions and decisions that do not go beyond the day-to-day needs of the Company, as well as those that, due their limited significance or urgent nature, do not justify the intervention of the Board of Directors.

The CEO has individual power of representation in the field of day-to-day management. The CEI may validly represent the Company pursuant to a specific mandate from the Board of Directors and may sub-delegate any of the specific powers granted to him. The CEO shall submit the proposals of the Executive Leadership Team to the Board of Directors or the advisory Committees, depending on the topic.

The role of the Executive Leadership Team is to oversee and manage the global operations of Fagron, under the leadership of the CEO, taking into account the overall strategy of Fagron as determined by the Board of Directors. The main responsibilities of the Executive Leadership Team are to develop strategic guidelines, analyze budgets and operational objectives, and oversee local management teams. The individual members of the Executive Leadership Team have powers and responsibilities assigned to them

by the Board of Directors, based on the proposals of the Nomination and Remuneration Committee, and after consultation with, and upon recommendation of, the CEO.

Depending on the issue or decision proposed to the Board of Directors, a member of the Executive Leadership Team may, at the request of the CEO and with the agreement of the Chair, be invited to provide explanations or advice at a Board meeting. The Board of Directors may also, through the CEO, request special written or oral reports from members of the Executive Leadership Team individually. In discharging its responsibilities, the Executive Leadership Team is assisted by a team of key personnel from across Fagron's divisions.

The main responsibilities of the Executive Leadership Team are:

- Elaborating and implementing the vision, mission, strategic objectives and direction of Fagron, and advising the Board of Directors on these, with a focus on long-term value creation by the Company;
- Observing the day-to-day and operational management of Fagron;
- Researching potentially interesting investment opportunities and making proposals to the Board of Directors in this regard;
- Rolling out strategic partnerships with key customers and building and maintaining strong customer relationships;
- Organizing and monitoring internal controls, without prejudice to the supervisory role of the Board of Directors;
- Overseeing the complete, timely, reliable and accurate preparation of financial statements in accordance with Fagron's accounting principles and policies;
- Following up on Fagron's mandatory publication of financial statements, annual reports and other material financial and non-financial information;
- Assessing Fagron's financial situation and budget, and providing information to the Board of Directors on Fagron's financial results and financial position;
- Advising and implementing the decisions taken by the Board of Directors, and exercising the powers delegated to them by the Board of Directors; and
- Providing all information required by the Board of Directors in a timely manner to enable it to carry out its duties.

The Executive Leadership Team is a collegial body that meets regularly and may be convened at any time, if necessary, to ensure the proper functioning of the Company's day-to-day and operational management. It is chaired by the CEO.

Save in exceptional circumstances, the CEO, on behalf of the Executive Leadership Team, provides relevant information at each meeting of the Board of Directors on the progress of matters within the Board's remit, as well as on key aspects of the day-to-day and operational management of the Company.

Executive Leadership Team evaluation process

The CEO and the Nomination and Remuneration Committee annually evaluate both the operation and performance of the members of the Executive Leadership Team. The evaluation of the Executive Leadership Team is performed as part of the annual salary review of the Executive Leadership Team members.

Statutory Auditor

The Annual General Meeting of May 12, 2025, appointed PricewaterhouseCoopers Bedrijfsrevisoren BV (PwC), with its registered office at Culliganlaan 5, 1831 Diegem (Belgium), and registered in the Crossroads Bank for Enterprises under number 0429.501.944, as Statutory Auditor for a term of three years. The Annual General Meeting also decided to appoint PwC Bedrijfsrevisoren BV to be entrusted with the assignment concerning limited assurance of the Company's consolidated sustainability information in accordance with the Belgian law of 2 December 2024 regarding the disclosure of sustainability information by certain companies and groups, and the assurance of sustainability information and containing various provisions, for a term of three years. In accordance with article 3:60 BCCA, Lien Winne BV was designated to carry out the mandate,

with Lien Winne, statutory auditor, acting as its permanent representative. The mandate expires after the Annual General Meeting relating to the financial year ending December 31, 2027.

Details of the Statutory Auditor's remuneration in 2025 are included in explanatory note 33 of this report.

Rules to prevent conflicts of interest

In relation to conflicts of interest, Fagron is subject to the applicable statutory provisions set forth in articles 7:96 and 7:97 BCCA. In addition, Fagron applies additional rules included in its CG Charter, which govern transactions and other contractual relationships between the Company and members of the Board of Directors or the Executive Leadership Team that are not covered by the statutory conflict-of-interest arrangements.

Conflicts of interest within the meaning of Article 7:96 BCCA

Where a director has a direct or indirect interest of a financial nature that conflicts with a decision or a transaction falling within the competence of the Board of Directors, the director concerned must notify the other directors pursuant to article 7:96 BCCA, at the start of the meeting and comply with the procedure laid down in that article. The director may not participate in the Board of Directors' deliberations on the relevant decision or transaction, nor vote on the matter.

During the financial year 2025, no transaction or decision gave rise to the application of the rules to prevent conflicts of interest covered by article 7:96 BCCA.

Conflicts of interest within the meaning of Article 7:97 BCCA

A company must also comply with the procedure of article 7:97 BCCA when it, or a subsidiary, is considering a transaction with a related company (subject to certain exceptions). Such a decision or transaction must be reviewed and assessed beforehand by a committee of (at least) three independent directors, possibly assisted by one or more independent experts of their choice. Pursuant to article 7:97 BCCA, the Board of Directors, after taking note of the committee's advice, will deliberate on the proposed decision or transaction. The Statutory Auditor must deliver an opinion as to the consistency of the financial and accounting information contained in the committee's advice and the minutes of the Board of Directors with the information available to the Statutory Auditor within the framework of its assignment.

During the financial year 2025, no transaction or decision gave rise to the application of the rules to prevent conflicts of interest covered by article 7:97 BCCA.

Policy on transactions and other contractual ties between the Company and its directors or members of the Executive Leadership Team not covered by the conflict-of- interest rules

The Board of Directors has a number of guidelines on transactions and other contractual relationships between Fagron and its directors or members of the Executive Leadership Team that are not covered by the statutory conflict-of-interest rules. All members of the Board of Directors and the Executive Leadership Team are expected to avoid actions, positions or interests that are contrary to, or give the impression of being contrary to, the interests of Fagron or any of the Group companies.

Furthermore, all transactions between Fagron and members of the Board of Directors or the Executive Leadership Team (or their permanent representatives), are subject to the approval of the Board of Directors. When members of the Board of Directors or the Executive Leadership Team (or their permanent representatives) face a potentially conflicting interest in a decision or transaction of Fagron, they must inform the Chair of the Board of Directors as soon as possible.

If article 7:96 BCCA applies, the director concerned shall further refrain from participating in the deliberations and from the vote.

In the financial year 2025, no transaction or decision gave rise to the application of the rules to prevent conflicts of interest not covered by article 7:96 BCCA.

Rules for the prevention of abuse of inside information and market manipulation

In view of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (the "Market Abuse Regulation"), the Board of Directors has established rules to prevent privileged information from being used unlawfully by directors, shareholders, members of management, employees and certain third parties (collectively: "Insiders"). These rules form an integral part of an appendix to the CG Charter and can be accessed in the 'Governance' section of the investor page on the Fagron website (investors.fagron.com/governance).

In this context, the Board of Directors has appointed a Compliance Officer whose responsibilities include monitoring compliance with these rules by the Insiders. The role of Compliance Officer is currently exercised by Karin de Jong. Insiders, and persons closely associated with them, who intend to deal in Fagron shares must first obtain prior clearance from the Compliance Officer. Transactions that are required to be disclosed under the Market Abuse Regulation are reported in accordance with the applicable disclosure obligations.

Remuneration report and policy

Remuneration policy

The adjusted remuneration policy that applies from January 1, 2025, was approved by the Annual General Meeting of May 12, 2025 and is available in the 'Governance' section of the investor page on the Fagron website (investors.fagron.com).

The starting point of the remuneration policy for the members of the Board of Directors and the Executive Leadership Team is the alignment of this policy with the Fagron culture (being, the Fagron values and 'Family Rules'), with the business strategy and growth ambitions and with the long-term interests of all stakeholders. The requirements of the Code and the Shareholder Rights Directive as converted into Belgian law on April 28, 2020, have also been taken into account. The Company also engaged in regular dialogue with investors and corporate governance advisors on governance and remuneration matters as one way to inform the discussions within the Remuneration and Nomination Committee and ultimately set in place remuneration structures that are fair and proportionate, and at the same time reward performance and meet the growth ambitions.

For the components and the amount of the remuneration for non-executive directors, consideration is given to Fagron's size, the fact that it is a listed company, the sector in which Fagron operates and relevant benchmarks in relation to designated comparable companies and general international market practices. When determining the remuneration of the non-executive directors, consideration is given to the directors' general and specific responsibilities and the associated risks.

The remuneration for members of the Executive Leadership Team is determined by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee. Remuneration is aimed at attracting, motivating, and retaining highly qualified and promising leadership talent and at aligning the interests of leadership and all Fagron stakeholders. The level and components of their remuneration are analyzed annually by the Nomination and Remuneration Committee, taking into account relevant benchmarks and performance.

Remuneration of the non-executive members of the Board of Directors

In accordance with the remuneration policy, non-executive directors do not receive performance-related bonuses, nor do they receive benefits in kind or benefits associated with pension plans.

In 2023, the independent external remuneration advisor conducted a benchmark analysis against a European sector-specific reference market (this consists of pharmaceutical companies, relevant to Fagron from a labor market perspective) as well as against a reference market consisting of Belgian and Dutch companies (focus on BEL Mid and AMX indices) with an international footprint comparable to Fagron in terms of size. Non-executive directors' fees for the Board of Directors and all Committee fees were positioned below the 25th percentile of both reference markets (Chair of the Board of Directors below the median of both markets). Consequently, Fagron submitted an increase in the non-executive directors' fees for approval at the Annual General Meeting of May 13, 2024.

As approved by the Annual General Meeting of May 13, 2024, with effect January 1, 2024, the Chair receives an annual fee of 110,000 euros, regardless of the number of Committees of which the Chair is a member. The remaining non-executive directors of the Company receive an annual remuneration of 40,000 euros, plus 12,000 euros for the Chair of the Audit and Risk Committee, 10,000 euros for

Remuneration Board of Directors 2024 - 2025

In euros	2024	2025
AHOK BV, permanently represented by Koen Hoffman Independent non-executive Director Chair of Board of Directors, Member of Audit and Risk Committee, Member of Nomination and Remuneration Committee	110,000	110,000
Ira Bindra (as from October 1, 2025) Independent non-executive Director Chair of Nomination and Remuneration Committee	-	12,500[1]
Ann Desender BV, permanently represented by Ann Desender Independent non-executive Director Chair of Audit and Risk Committee	52,000	52,000
Rob ten Hoedt Independent non-executive Director	40,000	40,000
Philipp Klecka (as from December 1, 2025) Non-executive Director Member of Audit and Risk Committee, Member of Nomination and Remuneration Committee	-	4,533[1]
Klaus Röhrig Non-executive Director Member of Audit and Risk Committee, Member of Nomination and Remuneration Committee	54,400	49,867[1]
Neeraj Sharma Independent non-executive Director	40,000	40,000
Els Vandecandelaere LLC, permanently represented by Els Vandecandelaere Independent non-executive Director Chair of Nomination and Remuneration Committee	50,000	37,500[1]

1 Calculated on a pro-rata basis in accordance with the duration of the director's mandate during financial year 2025.

the Chair of the Nomination and Remuneration Committee and 7,200 euros for the remaining members of both Committees. The relevant members of the Executive Leadership Team do not receive any separate compensation for their membership of the Board of Directors.

According to principle 7.6 of the Code non-executive directors should receive part of their remuneration in shares in the Company. Fagron continues to consider not providing for equity-based remuneration to its non-executive directors because this could create a conflict of interest for their long-term mandate as they should engage in pursuing all stakeholders' interests rather than shareholders' interests only. The Nomination and Remuneration Committee will continue to review whether and to what extent the allocation of Fagron shares to non-executive directors as part of their remuneration should be reconsidered and provide recommendations about the future remuneration of the non-executive directors, including any changes that should be recommended in that regard.

Remuneration of the members of the Executive Leadership Team

The daily operational management of Fagron rests with the Executive Leadership Team chaired by the CEO. The executive directors who are members of the Executive Leadership Team receive no separate compensation for their membership of the Board of Directors.

In addition to the CEO and the CFO, the Executive Leadership Team consists of the COO (Vera Bakker), the Area Leader EMEA (Konstantinos Kouloridas), the Area Leader North America - Pacific (Andrew Pulido) and the Area Leader Latin America (Geraldino Neder).

This report describes the remuneration on an individual basis for the executive board members and as a whole for the other members of the Executive Leadership Team as it exists on the date of this report.

The remuneration package of the members of the Executive Leadership Team consists of a fixed remuneration, an annual bonus (short-term variable remuneration), a long-term variable remuneration and any additional benefits. The Nomination and Remuneration Committee reviews on an annual basis the compensation levels, the compensation structure and how the performance criteria for the annual bonus have been met. It then makes a proposal to the Board of Directors for approval.

As determined in the remuneration policy, the Nomination and Remuneration Committee calls on an external service provider for a market comparison of the remuneration packages of the members of the Executive Leadership Team. This analysis compares the remuneration packages with comparable (in terms of scope and complexity) multinational companies in - depending on the place of residence of the job holder - Europe, Latin America, or the United States.

In 2025, the Remuneration and Nomination Committee requested its independent external remuneration advisor to conduct such a market comparison for the remuneration of the members of the Executive Leadership Team to verify that the remuneration levels remain aligned with the market positioning defined in the remuneration policy. In terms of market positioning, Fagron focuses on the median of the reference market for fixed remuneration and benefits, and on the upper quartile of the market for variable remuneration.

The pay-for-performance targets for the Executive Leadership Team are reviewed annually by the Nomination and Remuneration Committee, and the proposed quantum and policy for the following year are set during these meetings.

The reference group for market comparison of the CEO, CFO and other European executives' remuneration is set out in the table below.

Fixed remuneration
The annual revisions of the fixed remuneration are made based on expected inflation, general salary increases in the different geographic markets, and the salary increase margins for the broader workforce, taking into account the responsibilities, individual performance, experience and competences of each member of the Executive Leadership Team, as well as the aforementioned market comparison and the overall business results.

Based on these criteria, the fixed (gross) remuneration of Rafael Padilla (CEO) and of Karin de Jong (CFO) was increased by 10.2% to 625,000 euros and by 4.0% to 416,000 euros respectively, effective January 2025.

The fixed remuneration for the other members of the Executive Leadership Team overall increased by 16.0%. This reflects individual salary increases rewarded to the Executive Leadership Team (average increase 5.5%), while in the previous year 2024 the Area Leader EMEA started in his role mid-year.

The table on the right provides an overview of the fixed remuneration paid to the members of the Executive Leadership Team in 2024 and 2025, including the fixed remuneration of the Global Head of Legal and M&A, whose contract was terminated in 2025.

Reference group for market comparison 2025

Galenica	Orion	ALK-Abello
Hikma Pharmaceuticals	Dermapharm Holding	Bastide le Confort
Gerresheimer	Euroapi	Vetoquinol
Medios	Indivior	Boiron
Oriola	Almirall	Faes Farma
Siegfried Holding	ROVI	Reig Jofre

Fixed remuneration Executive Leadership Team 2024 - 2025

In euros	2024	2025	%
Rafael Padilla Executive Director Chief Executive Officer	567,000	625,000	10.2%
Karin de Jong Executive Director Chief Financial Officer	400,000	416,000	4.0%
Other members of Executive Leadership Team	1,328,019[1]	1,540,669[1]	16.0%

1 Total in euros at constant exchange rates (December 31, 2025).

Annual bonus
The annual bonus scheme is designed to realize short-term operational performance with a view to long-term value creation, and is structured as outlined in the scheme on the right.

The Nomination and Remuneration Committee has evaluated the bonus criteria for the members of the Executive Leadership Team drawn up for 2025, based on the Company's audited results. Based on the input from the Nomination and Remuneration Committee, the Board of Directors approved the bonuses.

The bonus criteria concern financial targets - (1) revenue, (2) REBITDA and (3) OWC - and (4) individual, generally qualitative, objectives. For the financial criteria, a minimum achievement threshold of 90% for each of the set targets and a maximum of 105% apply. Minimum levels are also set for the personal objective(s), as well as what is considered over-performance.

The financial targets for Area Leaders relate to the performance of the region in combination with targets relating to the performance of the Fagron Group. The financial targets for the other members of the Executive Leadership Team relate to the performance of the Fagron Group. The bonus targets and their relative weight are determined annually at the beginning of the calendar year, taking into account the annual budget as approved by the Board of Directors.

In 2025, the Group-level revenue target (102%), the REBITDA target (103%) and the OWC target (108%) were overachieved. The relative weight of each of the financial targets was equal.

In terms of regions, revenue targets were partially achieved in EMEA and exceeded in Latin America and North America - Pacific. The REBITDA target was overachieved in all regions. The OWC target was not achieved in Latin America but overachieved in the other two regions.

The individual objectives for the CEO (regarding quality, transfer of excipients and reduction in customer complaints) and for the CFO (regarding diversification of the financing structure and digital transformation) have been exceeded. The individual objectives for the other members of the Executive Leadership Team have also been overachieved.

The final pay-out of the annual variable remuneration also depends on the achievement of predetermined sustainability objectives (bonus-malus). The sustainability target for 2025 was to reduce greenhouse gas emission intensity in absolute scope 1 + 2 by 19% compared to 2021. This is in line with the climate objectives for Fagron, as described in the Sustainability Statement. If these sustainability objectives are achieved, the annual compensation is paid out at 110%. If these are not achieved, the payment percentage is 90%.

The sustainability objective for the bonus reference year 2025 was exceeded as a result of which the multiplier of 110% was applied.

In addition, there is a similar multiplier if the set quality objectives are met. The quality objective has also been achieved. Therefore, the multiplier was applied.

In Euros and %

For the bonus reference year 2025, a clawback right for acquired bonuses has been provided. No such right of recovery was invoked in 2025.

The tables below provide an overview of the bonuses achieved and paid out for the bonus reference year 2025 as well as the performance conditions and achievement of the annual bonus metrics for the CEO, the CFO, and the average achievement of the annual bonus metrics for the other members of the Executive Leadership Team, including the Global Head of Legal and M&A, whose contract was terminated in 2025.

Achieved bonus targets 2025 (x 1,000 euros)	Weight	Threshold performance	Target performance	Maximum performance	Achievement
Revenue (excl. acquisitions)	25%	843.9	937.7	984.6	957.4[1]
REBITDA (excl. acquisitions)	25%	168.8	187.5	196.9	193.2[1]
OWC (excl. factoring)	25%	16.9%	15.4%	14.6%	14.2%
Specific targets CEO	25%		yearly defined		overachieved
Specific targets CFO	25%		yearly defined		overachieved

1 Calculated against budget 2025 FX rates.

Bonuses Executive Leadership Team 2025 (In euros)	On-target bonus (% of fixed remuneration)	Bonus achieved (% of on-target bonus)	Pay-out ratio sustainability (90% or 110%)	Pay-out ratio quality (90% or 110%)	Total bonus
Rafael Padilla Executive Director Chief Executive Officer	100%	138%	110%	110%	1,042,629
Karin de Jong Executive Director Chief Financial Officer	75%	138%	110%	110%	520,481
Other members of Executive Leadership Team	75%[1]	125%[2]	110%[2]	110%[2]	2,432,078[3]

1 150% for the Area Leader North America.
2 Average percentages.
3 Total in euros at constant exchange rates (December 31, 2025).

Long-term variable incentive awards
Based on the Performance Share (Unit) Plan, all members of the Executive Leadership Team - with the exception of the Area Leader North America - Pacific due to a specific North American plan (see below) - were awarded performance shares in 2025. The award for the period 2025 - 2027 is equal to 150% of the annual compensation for the CEO, 125% for the CFO and 100% for the other members of the Executive Leadership Team.

The performance objectives are based on a combination of financial objectives and sustainability objectives. These criteria provide an important benchmark for measuring the successful implementation of the business strategy. In this way, the LTI plan is also directly linked to the long-term value creation of Fagron.

The table below provides an overview of the LTI criteria for the performance period 2025 - 2027.

Taking into account compensation practices in the United States, a specific LTI plan is in place for the Area Leader North America - Pacific (as described in the remuneration policy) that is comparable to the LTI plan that applies to the other members of the Executive Leadership Team.

The performance objectives for this LTI plan are also based on a combination of financial and sustainability objectives with specific metrics for organic revenue growth, REBITDA and operational working capital for Fagron North America - Pacific.

LTI criteria for performance period 2025 - 2027	Category	Weight	KPI detail for target
Financial (80%)	Relative TSR	20%	Compared to MidCap (BelMid / AMX)
	Organic sales growth	20%	CAGR %
	REBITDA	20%	REBITDA %
	Cash flow	20%	Operating cash conversion (% of REBITDA)
ESG (20%)	Environment	10%	ESG questonnaire filled out by suppliers
	Social	10%	Leadership communication

Vesting of long-term variable incentives
Until 2021, the long-term variable remuneration consisted of granting warrants and subscription rights to the members of the Executive Leadership Team. The vesting of such warrants and subscription rights takes place after the expiry of a predetermined period. All outstanding warrants and subscription rights are vested.

In 2025, Andrew Pulido exercised 85,000 warrants awarded under the Warrant Plan 2019 at an exercise price of 19.03 euros (the stock price at exercise was 21.16 euros). No warrants or subscription rights were exercised by the other members of the Executive Leadership Team.

The vesting of the performance shares granted on the basis of the Performance Share (Unit) Plan takes place at the end of the performance period, provided that the beneficiaries are still connected to the Company or one of its subsidiaries through an employment or service agreement and that the performance criteria and any other criteria established at the time of award have been met.

There was no vesting under the Performance Share (Unit) Plan in 2025, as no performance period ended in 2025.

Overview of outstanding subscription rights
The table below lists all the outstanding subscription rights of members of the Executive Leadership Team.

Outstanding subscription rights In euros	Plan	Award	Vesting	Term	Exercise Price	Outstanding balance as of December 31, 2025
Rafael Padilla	Subscription Rights Plan 2020 Subscription Rights Plan 2020	2020 2021	3 year (100%) 3 year (100%)	10 year 10 year	18.52 19.44	112,500 112,250
Karin de Jong	Subscription Rights Plan 2020 Subscription Rights Plan 2020	2020 2021	3 year (100%) 3 year (100%)	10 year 10 year	18.52 19.44	75,000 75,000
Vera Bakker	–	-	-	-	-	-
Konstantinos Kouloridas	Subscription Rights Plan 2020 Subscription Rights Plan 2020	2020 2021	3 year (100%) 3 year (100%)	10 year 10 year	18.52 19.44	7,500 22,500
Geraldino Neder	Subscription Rights Plan 2020 Subscription Rights Plan 2020	2020 2021	3 year (100%) 3 year (100%)	10 year 10 year	18.52 19.44	22,500 22,500
Andrew Pulido	-	-	-	-	-	-

Shareholding
According to provision 7.9 of the Code, the Board of Directors should determine a minimum threshold of shares to be held by the members of the Executive Leadership Team. In 2024, the Board of Directors decided to modify the minimum shares to be held by the CEO from 100% to 200% of the annual fixed remuneration over a period of five years.

The Board also introduced a requirement for the other members of the Executive Leadership Team to build up a shareholding in Fagron to an amount equal to 100% of their individual annual fixed remuneration over a period of five years from the first vesting of their performance shares.

All members of the Executive Leadership Team hold Fagron shares. The CEO, the CFO and the Area Leader Latin America already meet the shareholding requirement.

An overview of the Fagron shares held by the members of the Board of Directors and the Executive Leadership Team is available in the 'Shareholders' section of the investor page on the Fagron website (investors.fagron.com).

Other benefits
Fagron strives, where applicable, to grant other benefits in line with local market practices in the geographical reference markets. In general, the members of the Executive Leadership Team participate in the benefits plans that exist for the other employees of the company with which they are affiliated.

The CEO's benefits package consists of health insurance and a company car (no pension plan). The CFO has a Dutch employment contract and is affiliated with the collective pension plan (defined contribution plan). She may also opt for either a company car or a mobility allowance.

The COO has a Spanish employment contract that provides for a mobility allowance and an allowance for joining a private pension plan. The Area Leader EMEA is an independent service provider and is therefore not affiliated with any benefits plan. The Area Leader North America - Pacific is affiliated with a group health and life insurance plan and with a pension plan (401(k)). The Area Leader Latin America has a company car and health insurance.

Remuneration overview
The table below provides an overview of the compensation of the members of the Executive Leadership Team.

Total remuneration of Executive Leadership Team 2025 In euros	Fixed remuneration	Annual bonus	Vested LTI[1]	Pension costs	Other benefits	Ratio of fixed to variable
Rafael Padilla Executive Director Chief Executive Officer	625,000	1,042,629	-	-	12,909	37%/63%
Karin de Jong Executive Director Chief Financial Officer	416,000	520,481	-	16,013	25,623	43%/57%
Other members of Executive Leadership Team[2]	1,540,660[3]	2,432,078[3]	-	22,517[3]	75,627[3]	38%/62%[4]

1 Valuation at market value on vesting date.
2 Including the former Globel Head of Legal and M&A, whose contract was terminated in 2025.
3 Total in euros at constant exchange rates (December 31, 2025).
4 Average percentages.

Severance pay
The contract of Johan Verlinden (former Head of Legal and M&A) was terminated, effective October 1, 2025. A notice period of twelve months applied.

Deviations from the remuneration policy
There have been no deviations from the remuneration policy in 2025.

Annual change in remuneration and internal pay ratio
In accordance with the Shareholder Rights Directive (EU) 2017/828 as transposed into Belgian law, the table on the next page provides a joint overview of the annual change in remuneration, the annual change in the development of the Company's performance and the annual change in average remuneration, expressed in full-time equivalents of the executive and non-executive directors for the most recent five financial years. The ratio is also stated between the highest remuneration of the aforementioned executive directors and the lowest remuneration (in full-time equivalent) of the other employees of the Company.

In order to be able to display the annual changes in director remuneration in a consistent and transparent manner and to compare them with the average and the lowest remuneration of other Fagron employees, the following principles are applied:

- To calculate the total remuneration of the executive directors and other employees, the total of the fixed remuneration and the annual bonus paid are taken into account. The subscription rights and performance shares granted to the executive directors have not been taken into account, as the subscription rights were not granted on an annual basis and therefore do not allow a consistent comparison. Other benefits are also disregarded.
- For the non-executive directors, the fixed remuneration for the Chair, fixed remuneration for the other non-executive directors and the additional remuneration for the advisory Committees as determined uniformly are taken into account. A comparison on an individual basis is not relevant as certain board members were members of the Audit and Risk Committee and/or the Nomination and Remuneration Committee in certain financial years and not in other years.
- Given Fagron's active buy-and-build strategy with multiple acquisitions in different countries - with often significant differences in remuneration levels between these countries - taking into account the average remuneration of all employees worldwide would provide an overly volatile and therefore inconsistent and irrelevant basis for comparison. For this reason, it has been decided to include the average remuneration of Fagron employees employed in Belgium in the comparison.

Leadership Remuneration In euros		2021	2022	2023	2024	2025
Executive directors						
Rafael Padilla - CEO	Remuneration[1]	606,749	986,780	1,106,409	1,331,201	1,667,629
	Δ %	-30.2%	+62.6%	+12.1%	+20.3%	+25.3%
Karin de Jong - CFO	Remuneration[1]	382,094	621,978	629,910	683,309	936,481
	Δ %	-19.6%	+62.8%	+1.3%	+8.5%	+37.0%
Non-executive directors						
Chairman Board of Directors	Remuneration	100,000	100,000	100,000	110,000	110,000
	Δ %	+33.3%	+0.0%	+0.0%	+10.0%	+0.0%
Fixed remuneration for other non-executive directors	Remuneration	30,000	30,000	30,000	40,000	40,000
	Δ %	+33.3%	+0.0%	+0.0%	+33.3%	+0.0%
Additional remuneration for members of permanent advisory Committees within Board of Directors	Remuneration	7,200	7,200	7,200	7,200	7,200
	Δ %	+33.3%	+0.0%	+0.0%	+0.0%	+0.0%
Company performance (in million euros)						
Revenue		573.8	683.9	763.0	872.0	952.2
Total growth at CER	Δ %	+3.2%	+10.3%	+12.5%	+15.9%	+9.1%
REBITDA		118.3	130.7	149.0	174.0	193.0
Total growth	Δ %	-4.5%	+10.5%	+13.9%	+16.8%	+10.9%
Remuneration of other employees						
Average remuneration (FTE)		56,369	61,527	63,845	65,902	65,068
	Δ %	-0.6%	+9,2%	+3.8%	+3.2%	-1.3%
Lowest remuneration (FTE)		28,708	31,947	32,586	34,877	35,575
	Δ %	+3.5%	+11.2%	+2.0%	+7.0%	+2.0%
Ratio between highest remuneration and lowest remuneration		21.1	30.9	34.0	38.2	46.9

1 Remuneration refers to the fixed remuneration and the annual bonus.

Other legal information that must be disclosed by listed companies

Based on article 3:6, §1 BCCA and article 34 of the Royal Decree of November 14, 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market, this section contains the information that must be disclosed under this legislation and that is not contained in other sections of this report.

Restrictions on the transfer of securities

Fagron's Articles of Association do not impose any restrictions on transfers of shares or other securities.

The subscription rights granted to some members of the Executive Leadership Team cannot be transferred *inter vivos*.

Special control rights

No special control rights have been granted to Fagron's shareholders.

Legal or statutory restrictions on exercising the voting right

Article 7 of Fagron's Articles of Association states that if a shareholder has not made the requested payment on his/her shares within the period determined by the Board of Directors, the exercise of the voting rights attached to the shares will be suspended by operation of law as long as this payment has not been made. The capital was fully paid up on December 31, 2025.

In accordance with article 9 of Fagron's Articles of Association, the Board of Directors may suspend the exercise of the rights attached to a share if these rights are divided among several persons, until a single representative has been designated as a shareholder vis-à-vis Fagron. The same rules apply to other securities issued by Fagron.

Shareholder agreements known to the issuer that can lead to a restriction in the transfer of securities and/or exercise of the voting right

The Board of Directors is not aware of any shareholder agreements that could give rise to restrictions on the transfer of securities and/or the exercise of voting rights.

Procedure for amending the Articles of Association

In accordance with article 7:153 BCCA, an amendment to Fagron's Articles of Association can only be implemented with the consent of at least 75% of the valid votes cast at the Extraordinary General Meeting at which at least 50% of the Company's capital is present or represented. For the calculation of the votes, abstentions are not counted in either the numerator or the denominator. If the attendance quorum of 50% is not reached a new Extraordinary General Meeting of Shareholders must be convened at which the shareholders can decide on the agenda items regardless of the percentage of the capital present or represented at this meeting.

Rules for appointing or replacing directors

Directors of the Company are appointed by the General Meeting. The Chair of the Nomination and Remuneration Committee is responsible for the appointment procedure. The Nomination and Remuneration Committee recommends suitable candidates to the Board of Directors. The Board of Directors then makes a proposal to the General Meeting for appointment as director. The Nomination and Remuneration Committee determines the requirements regarding independence, competence and other qualifications of the members of the Board of Directors. After consultation with the Chair of the Board of Directors, the Nomination and Remuneration Committee takes all necessary actions to optimize the composition of the Board of Directors.

For each new appointment, an evaluation of the skills, knowledge and experience already available and required at the Board of Directors level is made and a profile of the vacancy is established. Fagron attaches great importance to diversity, so that there is particular attention paid to diversity and complementarity with regard to the various backgrounds and abilities in nominating candidates for the position of director.

After consultation with the Nomination and Remuneration Committee, the Board of Directors determines the profile of each new independent director, taking into account the

applicable independence requirements as set out in the CG Charter. The Nomination and Remuneration Committee starts the search for suitable candidates for each vacancy as an independent director and may, if desired, engage an external consultant to supervise the selection procedure.

The Nomination and Remuneration Committee's proposal to the Board of Directors for a vacant position as independent director contains the following information: (i) an overview of all persons contacted and all applications received, (ii) a detailed curriculum vitae of the proposed candidate, (iii) an advice from the Nomination and Remuneration Committee with regard to the proposed candidate, and (iv) any report submitted to the Nomination and Remuneration Committee by an external consultant (if appointed).

The Nomination and Remuneration Committee ensures that the Board of Directors has sufficient information about the candidate to be able to take them into consideration, such as a curriculum vitae, the assessment based on an initial interview, a list of the mandates that the candidate already holds and, if necessary, the information needed to assess the independence of the director.

The decision of the Board of Directors to nominate a candidate to the General Meeting for appointment as independent director requires a special majority of two-thirds of the vote. The proposal is accompanied by a recommendation from the Board of Directors and relevant information on the professional qualifications of the candidate director, including a list of positions previously held. This procedure also applies to the reappointment of a director.

Fagron's Articles of Association stipulate that the directors are appointed for a maximum term of four years. The mandate ends at the conclusion of the General Meeting, which is set as the end date for the appointment. Exiting directors can be reappointed. A director's mandate can be revoked at any time with simple majority at the General Meeting.

In the event of a premature vacancy on the Board of Directors, the other directors have, in accordance with article 15 of the Articles of Association, the right to appoint a new director to temporarily fill the vacancy until the General Meeting appoints a new director. The appointment will be placed on the agenda of the next General Meeting. The director shall be appointed for the remainder of the term of the director they replace.

Important agreements that take effect, undergo changes, or expire in the event of a change in control over the Company

The following agreements entered into by the Company (and certain of its subsidiaries) contain a change-of-control provision, which must be submitted for approval (in the case of the first agreement listed below), or has already been approved, by the Annual General Meeting in accordance with article 7:151 BCCA:

- 225,000,000 US dollars multi-currency private notes agreement, dated November 21, 2025, between among others the Company and PGIM Private Capital (Ireland) Limited, with initial senior unsecured note issuance of an aggregate principal amount of 125,000,000, to the initial note holders, being, Lotus Reinsurance Company LTD, Pruco Life Insurance Company, Pruco Life Insurance Company of New Jersey, Prudential Arizona Reinsurance Captive Company and The Prudential Insurance Company of America;
- 575,000,000 euros multi-currency term and revolving facilities agreement dated February 19, 2025 between, among others the Company and BNP Paribas Fortis SA/NV, ING Belgium SA/NV and KBC Bank NV as book running mandated lead arrangers, Banco Bilbao Vizcaya Argentaria S.A., Belgian Branch, Bank of America Europe Designated Activity Company, Belfius Bank SA/NV and HSBC Continental Europe as mandated lead arrangers, BNP Paribas Fortis SA/NV and ING Belgium SA/NV as sustainability coordinators and ING Bank N.V. as agent, coordinated by KBC Bank NV;
- ISDA 2002 Master Agreement dated March 10, 2020 concluded between the Company and Belfius NV/SA and associated schedule dated March 10, 2020 to the ISDA Master Agreement;
- ISDA 2002 Master Agreement dated March 7, 2018 concluded between the Company

and ING Belgium NV/SA and associated schedule dated March 7, 2018 to the ISDA Master Agreement;
- 2002 ISDA Master Agreement dated May 23, 2017 concluded between the Company and KBC Bank NV and associated schedule dated May 23, 2017 to the ISDA Master Agreement;
- ISDA 2002 Master Agreement dated January 10, 2018 concluded between the Company and HSBC Bank PLC and associated schedule dated January 10, 2018;
- ISDA 2002 Master Agreement dated July 27, 2017 between the Company and BNP Paribas Fortis NV/SA and associated schedule dated July 27, 2017;
- The Subscription Rights Plan 2020.

No agreements have been concluded between Fagron and its directors or employees that provide for compensation if, as a result of a public takeover bid, the directors resign or have to resign without a valid reason or the employment of the employees is terminated.

Description of key features of internal control and risk management systems

The Board of Directors is responsible for Fagron's strategy with the associated risk profile and the design and operation of the internal risk management and control systems. These systems aim to:
- with a reasonable degree of certainty -to be constantly informed of the extent to which Fagron is achieving its strategic and operational objectives,
- to ensure the reliability of financial reporting, and
- to act in accordance with the laws and regulations applicable to Fagron.

Fagron gives priority to internal control and risk management and to the design of these internal risk management and control systems with regard to Fagron's strategic, operational, compliance and financial reporting risks. Partly in view of the development of Fagron and the environment in which it operates, the design and operation of these internal risk management and control systems are continuously evaluated and are continuously subject to further refinement and improvement.

Despite the various controls that have been implemented to manage the risks that could undermine the realization of the strategic objectives, these cannot provide absolute certainty that no material inaccuracies will occur at Fagron.

In concrete terms, Fagron's internal governance is composed of the following building blocks.

Control environment

Fagron conducts conscious risk management based on an internal control system that is achieved by encouraging a corporate culture in which all employees are authorized to fulfil their tasks and responsibilities according to the highest standards of integrity and expertise. Internal control and management is continuously assessed and further professionalized, with attention to the governance structure, processes, systems and controls and awareness among management and employees of the importance of their correct application.

Without prejudice to the responsibilities of the Board of Directors as a whole, the Audit and Risk Committee monitors the effectiveness of the internal control and risk management systems set up by Fagron's management in order to monitor that the main risks are identified (including those related to compliance with laws and regulations), managed and brought to the attention of the responsible persons, all within the framework established by the Board of Directors.

The Audit and Risk Committee meets the Statutory Auditor at least three times a year to discuss matters within its competence and all other matters arising from the audit work. In addition, management provides a status update of pending disputes to the Audit and Risk Committee on a regular basis. The risk is always quantified and qualified.

Fagron has an internal audit function. The Audit and Risk Committee reviews the internal auditor's risk analysis, the internal audit charter, and the internal audit plan, and receives internal audit reports for discussion and

review on a regular basis. The mission of the internal auditor includes independent and objective quality assurance and support, and thus aims to create added value through improvement of the underlying business cycles and associated internal controls. Deficiencies in internal control identified by internal audits are communicated to management in a timely manner and are monitored periodically to ensure that the necessary remedial action is taken.

Strategy Development

Based on developments in the market, the opportunities and threats that are identified, an analysis of strengths and weaknesses and a strategic risk assessment, Fagron's strategy and the associated objectives and ambitions are critically assessed annually and adjusted where necessary. The Board of Directors is responsible for this.

Budgets

The strategic objectives, including the main opportunities and risks, are discussed with the Executive Leadership Team. Fagron's strategic objectives form the basis for budgeting the business components. For each business unit, in addition to a financial budget, the budget contains a number of concrete business objectives that are translated into KPIs, which are measured for progress during the year.

Reporting, analysis, and review

The financial results and expectations are reviewed monthly using the Fagron Management Information System, both at the local and central level. This system is available to management and business controllers, as well as to the Executive Leadership Team and the Corporate Controlling department.

The management and business controllers report monthly on the progress of the realization of their business plan, the resulting KPIs and financial performance to the Executive Leadership Team and to the Corporate Controlling department. Progress discussions are regularly held on the basis of this report, in which at least the following are discussed: the actions agreed in previous reviews, the financial results and the updated expectations, the turnover and recruitment of employees and the progress and developments in the business.

Fagron's financial reporting and reporting process can be summarized as follows:

- A closing program with checklist includes the tasks to be completed for the monthly, quarterly, half-yearly and annual closing of the company and its subsidiaries.
- The finance department provides the accounting figures under the supervision of the head of accounting or the financial director of each group company.
- The controllers shall verify the accuracy of these figures and report thereon. This involves both coherence tests through comparisons with historical or budgetary figures and sample checks of transactions. As part of the closing process, extensive reporting with financial and operational data must also be provided.
- The Audit and Risk Committee assists the Board of Directors in monitoring the integrity of the financial information. It shall monitor the relevance and consistency of the application of the accounting standards, including the criteria for the consolidation of the accounts of the group companies.
- Management shall inform the Audit and Risk Committee of the methods used regarding the accounting treatment of significant and unusual transactions whose accounting treatment may be subject to various approaches. The Audit and Risk Committee discusses the financial reporting methods with both the Executive Leadership Team and with the Statutory Auditor.

Supervision of internal control is exercised by the Board of Directors, assisted by the work of the Audit and Risk Committee and the internal auditor. The Statutory Auditor annually conducts an analysis of the internal control with regard to the risks associated with Fagron's financial statements. In this context, the Statutory Auditor makes recommendations, if necessary, on the internal control and risk management systems, which will be formalized in a management letter. Management takes actions to address the findings and further improve the internal control environment. These measures are monitored, and the Audit and Risk Committee examines the extent to which the Executive Leadership Team complies with the Statutory Auditor's recommendations.

Global Policies and Code of Conduct

Responsibilities, powers, guidelines, and procedures at Fagron are laid down in a clear and accessible manner in the Global Policies and Code of Conduct of Fagron. Every important process is addressed. Management and business controllers of the business units are responsible for the correct application of the processes and systems. As soon as there is further integration, acquisitions are also integrated in terms of guidelines, procedures and processes and systems.

Compliance reviews and external audits

In addition to the internal and external audits, various compliance reviews take place, both on the quality system used as well as on the administrative organization and the financial results.

The Statutory Auditor focuses on the operation of internal control measures that are important for the creation of the financial statements. The results of the Statutory Auditor's audits are reported orally and in writing to Corporate Controlling, the CFO and the Audit and Risk Committee. The compliance reviews are carried out by Corporate Controlling and also focus on the correct application and compliance with internal procedures and guidelines. The orientation is on both financial and operational audits. The objective is to use the results to achieve continuous professionalization of internal control. In addition, these instruments contribute to a continuous increase in risk awareness within Fagron.

Information for shareholders

Number of shares and evolution of the capital

Fagron NV was founded on 29 June 2007 (under its previous name Arseus NV). At the time of incorporation, the share capital was 61,500 euros, represented by 100 registered shares without nominal value, fully paid up in cash, with each share representing an identical fraction of Fagron's share capital.

The evolution of the capital as well as the issuance of shares from the year 2021 is described below. For the changes that took place from 2007 to 2020, previous annual reports may be consulted.

On June 9, 2021, 482,500 new shares were issued as a result of the exercise of warrants under the Warrant Plan 2016, 2018 and 2019. The number of Fagron voting securities amounted to 72,960,154. The total number of voting rights (denominator) amounted to 72,960,154. The capital amounted to 501,870,567.62 euros.

On June 10, 2022, 32,500 new shares were issued as a result of the exercise of warrants. The total number of voting securities after the issue amounted to 72,992,654, which is equal to the total number of voting rights (denominator). The capital amounted to 502,094,125.17 euros after the issue.

On May 2, 2023, 236,250 new shares were issued as a result of the exercise of warrants. The total number of voting securities after issue amounted to 73,228,904, which was equal to the total number of voting rights (denominator). The capital amounted to 503,719,216.61 euros after issue.

A share buyback program was carried out between August 14, 2023 and December 31, 2023, in which 138,372 Fagron shares were purchased so that Fagron could meet its obligations under the Long-Term Incentive Plan as approved at the 2023 General Meeting of Shareholders.

A share buyback program was carried out between August 19, 2024 and September 14, 2024, in which 150,000 Fagron shares were purchased so that Fagron could meet its obligations under the Long-Term Incentive Plan as approved at the 2024 General Meeting of Shareholders.

On June 6, 2025, 85,000 new shares were issued as a result of the exercise of warrants. The total number of voting securities after issue amounted to 73,313,904, which was equal to the total number of voting rights (denominator). The capital amounted to 504,303,905.59 euros after issue.

On September 29, 2025, 355,000 new shares were issued as a result of the exercise of warrants. The total number of voting securities after issue amounted to 73,668,904, which was equal to the total number of voting rights (denominator). The capital amounted to 506,745,841.93 euros after issue.

A share buyback program was carried out between October 16, 2025 and November 14, 2025, in which 200,000 Fagron shares were purchased so that Fagron could meet its obligations under the Long-Term Incentive Plan as approved at the 2024 General Meeting of Shareholders

The capital therefore amounts to 506,745,841.93 euros as at December 31, 2025, represented by 73,668,904 shares, without indication of nominal value with a par value of 1/73,668,904th of the capital.

Shareholder structure and notifications of shareholding

In accordance with article 11 of Fagron's Articles of Association, for the purposes of article 6 of the Belgian law of May 2, 2007 on the disclosure of major shareholdings in issuers whose shares are admitted to trading on a regulated market and subject to various provisions, the applicable quotas are determined at 3%, 5% and multiples of 5%.

When these thresholds are exceeded, those involved must send a notification to the FSMA (Financial Services and Market Authority/ Financial Services and Markets Authority) and to the Company.

The chapter Share Performance describes the shareholder structure of Fagron as at December 31, 2025, based on the notifications received under the transparency legislation.

Warrants and Subscription Rights

On April 12, 2019, the Board of Directors approved the 2019 Warrant Plan for the benefit of employees and managers/consultants of Fagron NV and its subsidiaries. This was confirmed by decision of the Extraordinary General Meeting of May 13, 2019 in the presence of notary Liesbet Degroote, whereby it was decided to issue 300,000 warrants.

On August 4, 2020, the Board of Directors approved and issued the 2020 Subscription Rights Plan for employees and managers/ consultants of Fagron NV and its subsidiaries under the authorized capital in the presence of notary Stijn Raes, whereby it was decided to issue 2,600,000 subscription rights.

For further details regarding the modalities of the Warrant Plan 2019 and the Subscription Rights Plan 2020 and the movements in the number of subscription rights during financial year 2025, please refer to explanatory note 21 in the consolidated financial statement.

Authorized capital

By decision of the Extraordinary General Meeting of May 9, 2022, the authority of the Board of Directors to increase the issued capital as stated in article 5b of the Articles of Association dated May 8, 2017 was renewed

and extended for a period of five years from May 30, 2022, the date of the publication of the amendment of the Articles of Association published in the Appendices to the Belgian Official Gazette.

By decision of the Extraordinary General Meeting of May 9, 2022, the Board of Directors was granted the authority, with a majority of at least three quarters of the votes, for a period of five years from the date of publication of the decision in the Appendices to the Belgian Official Gazette, to increase the share capital on one or more occasions, in the manner and under the conditions determined by the Board of Directors, by an amount equal to ten percent of the capital.

Acquisition of treasury shares

The General Meeting or the Articles of Association determine in particular the maximum number of shares, profit sharing certificates or certificates to be acquired, the duration for which permission has been granted to acquire them, which may not exceed five years from the publication of the deed of incorporation, the amendment of the Articles of Association or the authorization of the General Meeting, as well as the minimum and maximum value of the compensation.

The Extraordinary General Meeting of May 13, 2024 authorized the Board of Directors to acquire its own shares, by purchase or exchange, directly or through a person acting in his own name but on behalf of the Company, at a price that may not be lower than one euro and not higher than the average of the closing prices of the ten working days prior to the day of purchase or exchange, increased by ten percent and this in such a way that the company will at no time own its own shares, the par value of which will be higher than twenty percent of the issued capital of the Company.

On October 9, 2025, the Company announced that it would start purchasing a maximum of 200,000 Fagron shares on October 16, 2025 to cover its obligations under Fagron's long-term variable remuneration scheme, which was approved during the 2024 General Meeting. The share buyback program was successfully completed on November 14, 2025. A total of 200,000 Fagron shares were purchased at an average price of 20.68 euros per share, which corresponds to a total amount of 4,136,093 euros, representing 0.27% of the capital.

As of the date of this report, Fagron owns 426,376 of its own shares.

Access to documents

The statutory and consolidated financial statements, Articles of Association, annual reports and other information provided for the purpose of shareholders can be obtained free of charge at the registered office.

These documents can also be accessed digitally on the investors page of the Fagron website (investors.fagron.com).

Risk management

Fagron's risk management approach is designed to safeguard the company's long-term strategic objectives and support sustainable value creation for all stakeholders.

Introduction

Robust risk management and control systems enable Fagron to effectively support our overall business strategy. These systems are continuously refined and improved, taking into account both external developments—such as changes in laws and regulations—and internal factors like growth and expansion.

The control environment consists of standards, processes, culture, and structures that form the foundation for carrying out internal control across the organization. The Board of Directors, Executive Leadership team and staff collectively set the tone at the top as to the importance of internal control including expected standards of conduct.

Legal requirements and standards are incorporated into Fagron's Code of Conduct and Ethics, Business Partner Code of Conduct, as well as internal policies, and procedures, all of which are readily accessible to everyone. Each year, we raise awareness and educate our employees about the importance of adhering to our code of conduct in business practices. For further details, please see the Sustainability statement.

Risk management framework

The Board of Directors is responsible for determining Fagron's overall group strategy and the corresponding risk profile, ensuring both are embedded in the design and operation of the Group's internal control and risk management systems. These systems are subject to ongoing evaluation and updates to ensure they comprehensively address the governance structure, processes, systems, and controls. Management and employees receive regular updates and are continually reminded of the importance of correctly applying these systems.

Responsibility for managing specific risks is determined by the nature and type of each risk, with accountability assigned either to local management—supported by the local finance team—or to the relevant group-level team.

The Corporate Governance chapter contains a more detailed Description of key features of internal control and risk management systems within Fagron. This chapter also elaborates on the role of the Audit and Risk Committee.

Internal control system

Fagron's risk management system is based on the three lines of defense model. The first line directly deals with risks in daily activities, the second line monitors and provides policies and guidance, and the third line is responsible for auditing to assure and evaluate the effectiveness of the risk management and control processes.

The internal control framework extends beyond the summarized elements listed below, which represent controls applied at both local and corporate levels. We utilize an integrated approach to control, with effectiveness evaluated either through self-assessment or by oversight from the second and third lines.

Business control framework

Business controls encompass a variety of policies, procedures, systems, and other safeguards. They are designed to provide reasonable assurance that operations run effectively and efficiently, and that results align with expectations to support the company's strategy and objectives. At the organizational level, core components include business planning and management review processes. Guided by Fagron's strategy and plans, annual budget targets are determined and then shared across responsibility areas such as business units and operational teams. Quarterly forecasts project company performance through year-end, updating these estimates as needed. The Executive Leadership Team assesses business performance each month and quarter using a set of key performance indicators, comparing actual outcomes to budgets, quarterly forecasts, and prior-year figures. Frequent visits to local entities facilitate discussions about business activities and related risks, actual versus budgeted performance, and other important issues within each area.

Legal and Tax

Local management is responsible for compliance with laws and regulations. The Legal department is consulted by local management on an ongoing basis. Material issues are handled by the Legal department and discussed with the Executive leadership team and Risk and Audit Committee on a regular basis.

Within the governance framework, the conduct of the group's tax affairs and the management of tax risks are delegated to the group's tax department with support and assistance from the group and local finance departments. Fagron considers paying taxes a part of our corporate social responsibility. We aim to pay the appropriate amount of tax depending on where value is created in each of the jurisdictions we operate in, following the normal course of commercial activity and in accordance with domestic and international rules and standards.

Insurance

Insurance plays an important role in our risk management strategy by helping to mitigate the financial impact of potential risks. Decisions regarding external insurance coverage are guided by careful consideration of cost-effectiveness. We regularly review and benchmark our insurances to ensure they provide appropriate and competitive coverage.

Internal Audit

Internal audit supports in accomplishing our objectives by providing a systematic, disciplined approach to the evaluation and improvement of our internal control and governance. The Internal Audit Charter is approved by the Audit and Risk Committee.

Internal Audit evaluates the implemented risks and control systems and supports continuous improvements by identifying best practices and recommending improvement opportunities to management. The audit plan is prepared, discussed, and agreed with relevant stakeholders including the Leadership team and the Audit and Risk Committee. The audit plan is approved annually by the Board of Directors and Audit and Risk Committee. As priorities evolve, the plan is adjusted accordingly, with all changes discussed with the Audit and Risk Committee. Regular updates —including summaries of audit reports and the status of open internal audit items—are provided to and discussed with the Audit and Risk Committee.

Identification and analysis of risks 2025

A periodic risk assessment on group level is important for effective risk management. This risk assessment takes place every year. With in-depth understanding of the organization's strategy and objectives.

Fagron's risk management involves identifying all major risks, implementing plans to limit these risks, and taking measures for their effective management. Due to the regional distribution of its business activities, our diverse product portfolio, and our broad supplier base, the risk of economic changes is diversified for Fagron.

Risk management

Identification of risks

In line with strategy, a risk assessment was performed during 2025. The risk assessment methodology has not changed compared to the previous year. All members of the Executive Management Team and various key people within the organization were invited to complete a questionnaire in 2025. The weights per individual can change depending on the knowledge and expertise of the person.

The outcomes were documented, and the results are reflected in the risk matrix shown below.

Main risks

This section describes the main risks with the likelihood and impact of each risk. Some risks may not yet be known to us or are currently considered immaterial but could ultimately impact the company.

Fagron distinguishes the following four risk categories: strategic risks, operational risks, financial risks and compliance risks.

Risk matrix

Detailed explanation of selected risks

In the following paragraphs, we provide a more detailed discussion of the risks that are currently considered most relevant for Fagron. The relevance of these risks depends on a range of internal and external factors. Compared with the prior year, there has been a slight increase in the likelihood of Acquisition and Integration risk and IT risk, reflecting the higher number of acquisitions completed in 2025. A similar increase in likelihood applies to currency risk, driven by macro–economic uncertainty and increased exposure to multiple currencies, primarily the US dollar. These developments do not affect the overall positioning of these risks within the risk matrix. The classification of the other principal risks remains largely unchanged compared with the previous year.

Compared to 2024 there is one risk added as a subsection of *Changing customer demand* (number 2). Customer demand can change due to changes in reimbursement (2a). *Reimbursement risk* means failure to obtain or maintain adequate reimbursement, pricing or market access for products which could negatively impact revenue and profitability. Diversification of products and regions help mitigate this risk. Due to the high number of products in the portfolio currently the exposure is classified as moderate as well as the likelihood.

Acquisition and integration risk

Fagron is pursuing an active acquisition strategy to support growth and enter into new markets. These M&A activities present inherent risks such as integration challenges, cultural differences, and unexpected financial liabilities. These acquisitions could also fail to deliver expected synergies. Integrations could potentially lead to significant operational disruptions. Due to the increased number of acquisitions, there is a slight increase in risk qualification compared to last year. This however does not impact the overall classification of the risk.

Mitigation actions:
Fagron follows disciplined and structured process when acquiring companies. The targets are carefully identified, including paying attention to the cultural and organizational fit. Acquisitions are conducted following a structured process, which includes defining the transaction structure and a thorough due diligence process. Acquisition activities are carried out by an experienced internal M&A team supported by regional business and finance teams with oversight of the Executive Leadership team. Acquisition activities are, where necessary, supported by reputable external advisers. Fagron's integration manager who is part of the M&A team, manages the post-acquisition integration process together with the regional teams. The role of the M&A integration specialist is important to ensure that the relevant teams work together smoothly and effectively, creating value and achieving objectives.

Changing customer demand and reimbursement risk

Fagron operates in EMEA, North America - Pacific and Latin America. Customer demand for Fagron's products can be affected by changing prescribers' habits, macroeconomic changes, unavailability of certain drugs, regulatory and reimbursement changes, or geopolitical circumstances in these regions. Sales can be impacted by these changes.

Mitigation actions:
Fagron monitors the markets for any of these changes. We operate in multiple different markets and segments with a broad range of prescribed medications, this diversification helps mitigate the risk in case demand for a product shifts. There is limited concentration of customers and products in certain areas. We try to have flexibility in our operations to be able to scale production up or down, if demand changes. Close contact with prescribers in combination with bringing new innovations to the market helps us to stay ahead of changing customer preferences

IT risk

Fagron relies on IT systems to support core business processes, financial reporting, customer engagement, and data management. Disruptions, failures, or security breaches could adversely affect operations, financial performance, regulatory compliance, and reputation. The Group's IT risk profile increased slightly in the year, primarily driven by an acceleration in merger and acquisition activity. The integration of diverse IT infrastructures and operating models following acquisitions increases exposure to operational disruption and cybersecurity risk during transition periods. The overall classification did not change.

Mitigation actions:
Fagron mitigates IT risks through a structured and continuously evolving control framework designed to safeguard the availability, integrity, and security of its information systems. Particular attention is given to periods of increased risk, such as post–acquisition integration phases.

Mitigating measures include structured post–merger IT integration processes, phased harmonisation of systems, data, and control frameworks, and strengthened cybersecurity monitoring. These measures aim to reduce operational disruption, limit cybersecurity exposure, and ensure business continuity as newly acquired entities are integrated into the Group's IT landscape.

Awareness and training initiatives support employees in applying IT security and control standards consistently across the organisation, reinforcing a strong control environment and risk–aware culture.

Supply chain risk

Fagron depends on third parties for supply and production and is therefore exposed to supply chain risks. These risks can entail potential disruptions due to geopolitical tensions, natural disasters, or supplier non-compliance with quality standards. This can result in product quality risks, reduced product availability, and increased costs of these purchased products.

Mitigation actions:
Fagron mitigates supply chain risks through active supplier management and diversification of its supplier base. The company aims to reduce dependence on individual suppliers by strengthening relationships with key suppliers while maintaining a broad and diversified sourcing structure. This approach helps to limit the impact of potential disruptions arising from geopolitical developments, natural disasters, or supplier non–compliance with quality standards.

In addition, the breadth of Fagron's product portfolio contributes to mitigating supply chain risk by reducing reliance on specific products or raw materials. Ongoing monitoring of supply availability and supplier performance supports continuity of production, product quality, and customer service.

Compliance and regulatory risk

Fagron operates within the highly regulated pharmaceutical sector meaning that non-compliance with regulations could result in penalties, product bans, or operational disruptions.

Mitigation actions:
To address this, Fagron maintains comprehensive regulatory vigilance, invests in regular training programs for employees, and engages with health authorities to stay aligned with current and emerging compliance requirements. There is a robust quality system in every production facility managed by local teams and with oversight from a regional quality manager.

The regulatory environment related to compounding finished products in North America continues to develop. The United States Pharmacopeia ("USP") issued new and enhanced quality standards for the compounding of sterile and nonsterile products in 503A pharmacies. Fagron's North America pharmacies are well-positioned to comply with these enhanced standards. The developing regulatory environment is also affecting 503B Outsourcing Facilities in North America. The FDA has increased regulatory pressure on Outsourcing Facilities to address quality concerns with the largest facilities. Fagron's Outsourcing Facilities are

not immune from this pressure, and we are continuously investing in quality to comply with these increasing standards.

Product Quality & Safety risk

Fagron operates in the highly regulated pharmaceutical sector, where the safety and quality of products—and the compounding process itself—are critical to patient well-being, regulatory compliance, and the company's reputation. Fagron faces risks related to the safety and quality of its products or pharmaceutical compounding in general.

Mitigation actions:
To address these risks, Fagron employs a robust quality management system, operating out of GMP-certified facilities that are regularly audited by regulatory bodies. The company uses specialized software to streamline quality processes, overseen by a regional quality manager and supported by local quality teams. Continuous investment in quality, regular training for employees, and engagement with health authorities are key strategies to ensure compliance and maintain high standards.

Human capital risk

Fagron faces the risk that it may lose key personnel, including senior management and specialized talent, or encounter challenges in attracting and retaining enough qualified staff to support its ongoing growth ambitions. Such losses or shortages could disrupt business continuity, hinder strategic initiatives, and impact the company's ability to innovate and compete effectively in the market. The inability to maintain a robust talent pipeline may also affect operational efficiency and the achievement of long-term objectives.

Mitigation actions:
Fagron fosters a culture of belonging and inclusion to encourage employees to develop themselves offering training and development to support employee growth.

The company also regularly benchmarks its compensation and benefit packages to try to remain competitive in the market.

More details on the management of the various financial risks are included in note 3 of the annual financial report.

Sustainability Statement

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General information

Fagron's sustainability strategy, policies, and reporting comply with both national and international laws and regulations. Fagron reports on non-financial information as mandated by Corporate Sustainability Reporting Directive (CSRD) and article 8 of the Taxonomy Regulation (EU Regulation 2020/852). In the ESRS Index, we list which disclosure requirements as described in the European Sustainability Reporting Standards (ESRS) are included in this annual report. All data points that we report on in this Sustainability Statement have been assessed as being material according to our double materiality assessment. The contents of the sustainability statement were subject to a limited assurance report in accordance with ISAE 3000 (Revised).

General basis for preparation

Scope of sustainability reporting
This Sustainability Statement has been prepared on a consolidated basis and is aligned with the scope of consolidation of the financial statement. All legal entities which are under the control of Fagron - and consolidated in the financial statement applying the integral method - are considered 'own operations' in this sustainability statement.

For some indicators (environmental, social and governance) acquisitions of the year are not included in the measurement, due to lack of data (quality). If this the case, this is clearly indicated next to the indicator. For instance, data collection of scope 1 and scope 2 GHG emissions for new acquisitions are not included. However, based on the materiality assessment performed per datapoint, we believe that no material information has been omitted.

The Sustainability Statement covers both the up- and downstream activities of our value chain, ensuring that all significant environmental, social, and governance (ESG) impacts throughout our operations and supply chain are addressed. In this Sustainability Statement we clearly indicate when information applies to Fagron's own operations, and when it applies to the up- and downstream value chain.

Fagron uses the option to omit information required by ESRS E1, ESRS E2, ESRS E5, and ESRS S2 in accordance with Appendix C of ESRS 1 in accordance with the Quick–Fix Delegated Act of 11 July 2025, which extends the transitional provisions under Appendix C of ESRS 1.

Metrics, estimations, assumptions and uncertainties
For certain metrics, such as those related to climate change and working hours, we rely on estimates and assumptions when primary data is unavailable. Metrics involving value chain data may carry a higher level of uncertainty compared to those that apply solely to Fagron. We provide details on any estimates, assumptions, and uncertainties related to value chain information alongside the reported metrics.

There is no change in the calculation methodology compared to 2024. However, while performing the 2025 measurement, we noted calculation errors in the formula and one error in the definition. We have therefore restated the 2024 values for:

- The waste category non-hazardous waste to other disposal operations was incorrectly totalised, and some smaller refinements in other waste categories; the related GHG emissions (scope 3 category 5) and total (scope 3) GHG emissions
- Total substances of concern (metric tons): substances should have been counted only once in the total substances of concern although they are part of multiple classes
- EU taxonomy disclosure on CapEx as the it did not take into account business combinations and IFRS16.

In reporting forward-looking information in accordance with the ESRS, management of Fagron is required to prepare the forward-looking information based on disclosed assumptions about events that may occur in the future and possible future actions by the company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. Forward-looking information relates to events and actions that have not yet occurred and may never occur.

Internal controls over sustainability reporting
The majority of the primary data for the Sustainability Statement is collected via our sustainability data software tool. This tool allows for a review (four-eye principle) of all data points, in addition to a sign-off. Controls are in place to ensure that a proper review occurs of all material data points. Depending on the indicator, final sign-off of the metric for publication occurs by the CFO, COO, Global ESG Officer, Chief People & Culture Officer or Global Head of Legal Affairs. No internal audit occured yet on the accounting and control process of sustainability data in this Sustainability Statement. We are considering including this in the scope of the internal audit function, see Risk management for more information.

Incorporation by reference
To increase the readability of our sustainability information, and prevent duplication, we have included an information box with references in each of the four main sections of the Sustainability Statement. These boxes guide the reader to information reported in this Sustainability Statement, or in other parts of this annual report.

Assurance of sustainability statement
This sustainability statement and all information incorporated by reference has been assured (limited assurance) by our sustainability assurance provider. No other third party has provided assurance or validation. The Independent Auditor's Report on a Limited Assurance Engagement can be found in Report of the statutory auditor on the consolidated Sustainability Statement.

Disclosures incorporated by reference

The following information can be found in another part of this annual report, and is incorporated into the Sustainability Statement by reference:

- About Fagron
- Activities of the Board of Directors in 2025
- Composition of the Board of Directors
- Diversity in the Board of Directors
- ESRS Index
- Expertise and skills of the Board of Directors
- Remuneration report and policy
- Risk management
- Sustainability performance

The following information can be found in another part of this Sustainability Statement and is incorporated into the chapter "General information" by reference:

- Scope of reporting on material environmental topics see Environmental information.
- Scope of reporting on material social topics see Social information.
- Scope of reporting on material governance topics see Governance information.

For the exact location of each disclosure - see the ESRS Index.

Update of Double Materiality Assessment

The 2025 Annual Report should reflect current material sustainability topics as is expected by the ESRS. This assessment establishes if a topic can be material from either a financial perspective (financial materiality) or an impact perspective (impact materiality). According to the CSRD, a sustainability topic is considered material if it meets the criteria for financial materiality, impact materiality, or both. We therefore have updated our Double Materiality Assessment to ensure we align with amongst others internal and external changes, with new or changing risks and trends and integrate the effect of our acquisitions.

The aim of this update is not to redo the full DMA but to have a robust approach in line with EFRAG's expectations. The outcome should provide confidence to our stakeholders that we are addressing in our Sustainability Statement those topics that are material to Fagron group. It is Fagron's ambition to conduct a materiality assessment every two to three years, with the next comprehensive assessment scheduled for 2026.

The DMA update followed a four–step process:

1. Peer benchmarking and trend update: We compared our material topics and IRO's with those of our peer group and analyzed general, sector and regulatory trends (e.g., Green Deal, Omnibus, geopolitical shifts, AI, data breaches, emerging environmental topics, compounding sector trends) as well as the outcome of the 2024 Global Employee Survey.
2. New acquisitions: We assessed the activities from the new acquisitions and how they are aligned with the activities of the Fagron group. Given the buy and build strategy of Fagron the acquired entities fit Fagron's existing activities and geographies, and are focused on strengthening our position in the different markets.
3. Internal topical expert stakeholder engagement: We have set up individual workshops with the topical experts from Fagron to validate whether last year's IROs and materiality scoring remains valid, complete, and correctly scoped. These workshops addressed the different topics and involved People&Culture, Quality, Product Innovation, Operations, Legal, Investor relations and Group sustainability. We have discussed the outcome of our analysis in step 1 and 2 and reassessed whether the IRO's Fagron had determined as material were properly reflecting the material aspects of sustainability for our group.
4. Approval by the governance bodies in line with the CSRD requirements: approval by the Executive Leadership Team (ELT) and Audit Committee/Board of Directors.

Overall, the material topics did not change compared to last year, although impact materiality score of the topic "Diversity and inclusion" changed from low to moderate. However, this does not have an effect on the disclosure on this topic. We refer to Material topics for the visualization of the outcome of the updated DMA. This update also lead to a change in the wording and classification of some IRO's to better reflect the the real or potential impact, risk or opportunity. For instance, the wording of the IRO determined in the 2024 DMA outcome representing a negative impact on the topic "Training & development" was "Not offering training and development opportunities may, in individual cases, negatively impact employees if an individual does not feel like they can develop themself.". The wording has been adapted to "Access to training and development enhances employees' skills and knowledge, enabling them to become the best version of themselves, thrive in their roles, and contribute to the company's success.". The scoring on impact materiality however did not change. The full list of updated IRO's can be found in the Overview of material Impacts, Risks and Opportunities.

As from this year, we have incorporated the material topics and the material IRO's in each of the section, supporting the connection between the outcome of the DMA and our approach, targets, actions and performance.

The detailed description of the process of the first double materiality assessment, conducted in 2023 in line with the requirements of the ESRS as described in the 2024 annual report is repeated as from here:

Several members of our ESG team and the Executive Leadership Team (ELT) were involved in reviewing the materiality assessment, which was finally approved by the Board of Directors in 2023.

Fagron has taken the following steps in its materiality assessment:

1. Identify potential material topics
2. Identify stakeholders
3. Assess financial materiality
4. Assess impact materiality
5. Plot materiality in matrix

Identify potential material topics

Firstly, we made a long list of potential material topics by considering:

- all potential topics listed in the ESRS
- information from the MSCI Industry Materiality Map
- SASB Materiality Finder
- topics that Sustainalytics identified as material for Fagron
- topics from materiality assessments of healthcare companies listed in Belgium or the Netherlands
- topics included in previous Fagron materiality assessments

We grouped the identified topics into what we call Fagron sustainability topics. This resulted in a short-list of 31 topics. Two topics were excluded from this shortlist, because they are not applicable to Fagron:

- Animal welfare: Fagron does not produce active pharmaceutical ingredients (APIs) or patented drugs intended for human use. Fagron neither conducts nor contracts animal testing for its repackaged and compounded products, and none of its contract manufacturers perform animal testing on Fagron products. No final products sold under any Fagron brand have undergone animal testing, but animal testing may have occurred during the development of the APIs in our supply chain.
- Community rights: Overall, our facilities have a small physical footprint and have not displaced people. None of our compounding and repackaging facilities or laboratories are located in residential areas. They are situated in industrial parks or zones. Fagron's activities do not negatively impact the economic, social, cultural, or civil rights of individuals living or working within 500 meters of our facilities. Additionally, to the best of our knowledge, none of Fagron's facilities are on land claimed or previously claimed by Indigenous peoples.

Identify potential stakeholders

Fagron has identified two key stakeholder groups: affected stakeholders and users of sustainability information. You can read more about these and the ways we engage with them in Stakeholder engagement. Not all of our sustainability topics are relevant to every stakeholder. Therefore, we have categorized these according to the potentially affected stakeholder group for the assessment of impact materiality.

Stakeholder group	Fagron sustainability topics
Communities in which we operate	Corruption & bribery, Chemical use & pollution, Resource use, Rights of communities, Tax transparency, Waste, Water use
Customers/end-users	Access to healthcare, Ethical selling practices, Lobbying & political engagement, Privacy of end-users, Product quality & safety, Sustainable products
Environment/world-at-large	Animal welfare, Biodiversity, Climate change, Compliance with rules and regulations (general), Energy use, Remuneration of executives
Our people	Compensation & benefits, Diversity & inclusion, Employee engagement, Grievance mechanism, Health & safety, Human rights & labor rights, Security of employment, Training & development, Working hours.
Suppliers and value chain workers	Health & safety, Human rights & labor rights, Payment practices.

Assessing financial materiality
A sustainability topic can be financially material in two ways:

- If it presents risks or opportunities that could significantly impact Fagron's development, financial performance, cash flow, access to finance, or cost of capital.
- If the information is important to users of general financial reports, such as shareholders or credit providers, in making decisions about providing financial resources to Fagron.

Risk assessment
We used data from our 2022 risk assessment as input for our materiality assessment and have updated and reviewed the materiality assessment based on the most recent risk assessment. Most sustainability topics were covered as either risks or contributing factors, with the exception of energy use and sustainable products, which were viewed as opportunities. Access to healthcare was not included, as it underpins Fagron's business model. The table at the end of this section shows the related risks from the risk assessment, as well as the risks assessed as Low, Moderate or High. For more information on the risk assessment, see Risk management.

Shareholders
As part of our double materiality assessment, we engaged with shareholders representing over 50% of our outstanding capital[1] from mid-June to mid-July 2023. The goal was to identify what sustainability topics could deter them from investing, trigger divestment, influence voting at shareholder meetings, or prompt requests for information.

For that purpose, the following questions were discussed:

1. Does your organization have exclusion criteria for investing in specific markets/types of products that are related to ESG? And if so, what are these?
2. Does your organization have exclusion criteria in place regarding ESG performance (e.g., in terms of rating)? And if so, what are these?
3. Is there any ESG-related performance indicator that would trigger your organization to sell Fagron shares? And if so, what are these? And do you apply thresholds?
4. Does your organization have any ESG related voting guidelines/standpoints for shareholder meetings? And if so, what are these?
5. Does your organization actively engage with the companies you invest in, in terms of ESG? If yes, what are the most important topics?

[1] Based on available information as of May 2023

Each Fagron sustainability topic that was mentioned was classified according to assessment framework shown in the overview on financial materiality.

Credit providers

As part of our double materiality assessment, we evaluated the sustainability indicators included in our credit facility, which focus on climate change and employee engagement. Meeting these targets allows us to maintain favorable conditions, leading us to classify both topics as "Moderate." Fagron did not engage with credit providers for this assessment, as the [1]majority of our current credit facility will mature in 2026. We plan to include this stakeholder group in our materiality assessment update in 2026.

Regulators/authorities

Fagron did not engage directly with regulators/authorities for the 2023 materiality assessment as a user of sustainability information. However, we did consider their influence on our development, financial position or performance, cash flow, access to finance, and cost of capital in our financial materiality assessment. We are exploring the possibility of engaging with regulators and authorities in our 2026 materiality assessment.

Outcome of financial materiality assessment

We do not apply weighting in our assessment.

[1] Update of 2025: Credit facilities were refinanced in 2025.

Impact on Fagron[1]	Outstanding capital[2]	Financial materiality
Potential loss of financial resources	10% or more	High
	>3% but <10%	High
	>1% but <3%	Moderate
Performance requirement to maintain favorable/current conditions	10% or more	High
	>3% but <10%	Moderate
	>1% but <3%	Low
Data collection and reporting requirement	10% or more	Moderate
	>3% but <10%	Low
	>1% but <3%	Low

1 Magnitude of impact on Fagron: Loss of financial resources has a higher impact on Fagron than data collection requirements.
2 Likelihood of impact on Fagron: The larger the share of the outstanding capital the more likely that a shareholder will e.g., divest.

A topic is therefore considered to have a "High" materiality if it was rated "High" in the risk assessment or in the shareholder engagement.

The results of the financial materiality assessment are displayed on the axis labeled "Potential or actual impact on Fagron Value" in our materiality matrix, see Plot materiality assessment in matrix.

General information

Fagron sustainability topic(s)	Related risk in risk assessment	Risk assessment	Shareholder engagement	Outcome financial materiality assessment
Access to healthcare	-	No risk	Moderate (Opportunity)	Moderate (Opportunity)
Energy use	-	Moderate	Moderate	Moderate
Sustainable products	-	Low (Opportunity)	Low	Low
Compliance	Compliance [1]	High	High	High
Corruption & bribery	Corruption & Bribery [1]	Low	High	High
Climate change, Health & safety (Our people)	Health, safety, and environmental incidents	Moderate	High	High
Compensation & benefits	Human capital risk	Moderate [2]	Moderate	Moderate
Diversity & inclusion	Human capital risk	Low [2]	High	High
Employee engagement	Human capital risk	High [2]	Moderate	High
Security of employment	Human capital risk	Low	Low	Low
Training & development, Working hours	Human capital risk	High [2]	-	High
Product quality & safety	Product quality & safety	High	High	High
Chemical use & pollution	Reputational risk	Low [3]	High	High
Ethical selling practices, Grievance mechanism (Our people), Lobbying and political engagement, Tax transparency	Reputational risk	Low [3]	Low	Low
Human rights & labor rights (Our People, Value chain workers, End-users[4]), Remuneration of executives	Reputational risk	Moderate	High	High
Waste, Health & safety (Value chain workers)	Reputational risk	Low [3]	Moderate	Moderate
Payment practices	Supply chain risk [1]	Low [5]	Low	Low
Resource use (incl. Biodiversity and water use)	Supply chain risk [1]	Low	Moderate	Moderate

1 The scoring of these risks in the risk assessment has been amended in comparison to the 2022 risk assessment, as described in the annual report of 2023. These changes do not have an impact on the outcome of the materiality assessment.
2 Scoring of factors that contribute to human capital risk (employees leaving) has been done based on the annual leaver's survey.
3 Assessed as not being one of the main reputational risks in the risk assessment.
4 For end-users, human rights & labor rights are related to Access to healthcare, Privacy of end-users and Product quality & safety. This scoring is based on Privacy or end-users.
5 Assessed as not being one of main supply chain risks in the risk assessment.

Assessing impact materiality
A sustainability topic is considered material from an impact perspective if it leads to an actual or potential positive or negative impact on people or the environment in the short, medium, or long term.

Impacts can arise from Fagron's own operations or through the upstream or downstream value chain. For our 2023 materiality assessment, we considered impacts from our own operations for all stakeholder groups and impacts in the upstream and downstream value chain for all stakeholder groups, excluding the environment and the environmental impact on communities (with the exception of climate change). Due to insufficient information about the supply chain, we were unable to conduct a thorough analysis. We plan to address this in our 2026 materiality assessment.

For all stakeholder groups, we assess the severity of a negative impact using the following framework (see also table below):

- A non-remediable and grave impact, such as death or permanent physical or mental injury, will always be classified to have a 'High' impact materiality, regardless of its likelihood or the number of people affected.
- A remediable but grave impact refers to a sustainability topic that prevents a person from building healthy, long-lasting relationships, whether at home, work or in the community. For example, because of displacement due to environmental degradation. We classify any remediable grave impact with an actual or high likelihood of affecting more than 100 people to have a 'High' impact materiality; all other cases are classified as 'Moderate' impact materiality.
- A non-grave and remediable impact refers to any impact Fagron has on people or the environment that may hinder someone's self-development, such as learning new skills. We classify these impacts as 'Low' impact materiality, unless they have an actual or very likely impact on more than 100 people, in which case we classify them to have a 'Moderate' impact materiality.

For positive impacts, we use the same assessment framework, viewing them as reducing the risk of negative impacts. For example, providing access to healthcare by compounding treatments during drug shortages ensures patients receive medications despite shortages. Without this support, patients could face non-remediable and grave consequences. Since Fagron supplies treatments to over 100 people annually, this positive impact is classified to have a 'High' impact materiality.

In our materiality matrix, the results of the impact materiality assessment are located on the axis labelled "Potential or actual impact on society and environment", see Plot materiality assessment in matrix.

		Severity of impact[1]					
		Impact is remediable & not grave		Impact is remediable & grave		Impact is non-remediable & grave	
		1-100 people affected	>100 people affected	1-100 people affected	>100 people affected	1-100 people affected	>100 people affected
Likelihood of impact happening	High/ Actual impact	Low	Moderate	Moderate	High	High	High
	Moderate	Low	Low	Moderate	Moderate	High	High
	Low	Low	Low	Moderate	Moderate	High	High

1 A positive impact occurs when a negative impact is prevented. We see the number of people affected as "the scope" and the type of impact as "scale" of the impact.

Interests of Our people

Fagron wants to provide a healthy and safe work environment for everyone. Pharmaceutical compounding can involve handling chemicals, biologicals, and potentially toxic products. Ensuring safety measures are implemented, such as proper protective equipment and ventilation, mitigates these risks. Due to the environment in which we operate, we classify Health & safety as a 'High' impact topic for employees.

Fagron gains a comprehensive understanding of employee interests, and assesses potential impacts, through our Global Employee Survey. This survey, conducted every two years, aims to assess employee needs and priorities. It can also serve to gather feedback on Fagron's sustainability topics. Additionally, employees have the opportunity to express their feelings about working at Fagron.

For the 2023 double materiality assessment, we conducted a detailed analysis of the 2022 Global Employee Survey, covering all topics except "Human rights & labor rights" and "Security of employment". The potential impact of the latter two was assessed theoretically using our assessment framework. The results from the 2024 Global Employee Survey did not differ significantly enough to require a reassessment of the impact materiality for our employees. We will incorporate the 2024 Global Employee Survey results into our 2026 double materiality assessment.

Based on the Employee Survey results, Fagron develops an action plan focusing on key improvement areas. The results and proposed action plans are presented to the Board of Directors, which provides feedback and approves the action plans, after reaching consensus. For more information on the latest survey and action plans, please see Employee engagement.

In the subsequent Global Employee Survey, employees are asked whether they feel their feedback was adequately addressed. In 2024, 60% of employees were happy with the progress made, and 40% believed that Fagron could further improve, or were neither explicitly content with the progress, or believed that it was necessary for Fagron to further improve.

Fagron does not specifically engage with non-employees regarding sustainability topics and does not target any specific employee groups. Given that the number of non-employees is small compared to employees (see Stakeholder group: Our people) and that their interests are similar, we believe we are not missing any crucial information.

Interests of suppliers and value chain workers

Fagron gains a comprehensive understanding of the interests of our direct (Tier 1) suppliers through our Fagron Business Partner ESG questionnaire. We ask suppliers to complete this questionnaire as part of our overall supply chain due diligence process (for more information see Stakeholder group: Value chain workers). At the end of 2024, the Fagron Business Partner ESG questionnaire included questions about working hours, climate change, human rights and labor rights, pollution control and due diligence further down the supply chain. However, the questionnaire does not assess whether Fagron has a negative impact on our suppliers or value chain workers, concerning payment terms, for example.

For the 2023 materiality assessment, we did not consider the results from the Fagron Business Partner ESG questionnaire as not all Fagron sustainability topics were included, and we only recently began requesting a significant number of suppliers to complete the questionnaire. We will incorporate these results into our 2026 double materiality assessment. They will also be discussed with the Board of Directors as part of action plan(s) related to the supply chain, which will be presented to the Board of Directors in 2026 (for more information see Future Forward: Operations).

Currently, Fagron does not have a structured approach for engaging directly with value chain workers. As a result, we conducted a theoretical evaluation of Fagron's impact on these workers using our assessment framework for the 2023 materiality assessment. In 2024, we became a member of the Pharmaceutical Supply Chain Initiative (PSCI), and we believe that information about value chain workers can be obtained via this initiative.

Interests of customers/end-users

As Fagron generally does not sell directly to end-users (patients), our impact on them is indirect, mediated through our customers. We assume that our customers consider the interests of end-users when interacting with us.

There is currently no structured engagement with customers regarding potential negative impacts, and Fagron does not conduct customer satisfaction surveys at group level, though we will focus on this in the near future (see Future Forward: Compounding). No additional analysis or engagement was performed for the 2023 materiality assessment to understand the interests of customers or end-users. For the 2023 materiality assessment, we therefore assessed Fagron's impact on customers or end-users solely theoretically by using our assessment framework.

Since no new insight was obtained concerning the views and interest of customers/end-users, these views have also not been discussed explicitly with the Board of Directors.

Interests of communities in which we operate

During our 2023 materiality assessment, we did not engage directly with the communities in which we operate. Instead, we utilized information from the United Nations to understand Fagron's current and potential impact on communities regarding "Tax transparency"[1] and used data from the Global Corruption Perception index to evaluate "Corruption & bribery".[2] All environmental topics were assessed as part of the stakeholder group "environment/world-at-large", we therefore believe we have not overlooked any vital information. Since no new insights were gained regarding the views and interest of communities, these topics were not explicitly discussed with the Board of Directors.

Interests of environment/world at large

In order to understand our impact on the world regarding compliance with rules and regulations and executive remuneration, we relied solely on our assessment framework for the 2023 materiality assessment.

To establish the number of people potentially impacted by Fagron's environmental effects, we utilized (scientific) research:

- For climate change, we compared the estimated additional emissions per climate change casualty from a recent study[3] with Fagron's total annual carbon footprint.
- For pollution, we compared the thresholds of pollutants listed by the ESRS and the chemicals of (very high) concern identified by ECHA with the quantity of chemicals purchased by Fagron annually for each facility involved in compounding, repackaging, or storing these chemicals.
- For water scarcity, we compared the annual water use in our production facilities situated in areas with water scarcity[4] with the average water use per household in the same country/region. The facility with the highest water usage consumes approximately 20 times more water than a single household does in a year.
- For biodiversity and ecosystems, we compared the physical locations of Fagron facilities with protected biodiversity areas designated by UNESCO, Natura 2000, and the Digital Observatory for protected areas (DOPA), and assessed our (inter)dependencies with local ecosystems.
- For resource use, we compared the EU's list of critical raw materials with the materials purchased by Fagron annually.

1 ESRS E3 stipulates that aggressive strategies to minimize taxation can have a negative impact on communities, particularly in developing countries. Out of the countries in which Fagron operates the United Nations classifies Brazil, Colombia, Israel, Mexico, and South Africa as developing countries.
2 Out of the countries in which Fagron operates the 2023 Corruption perceptions index from Transparency international classifies Brazil, Colombia, Hungary, Mexico, and South Africa as countries that score below the global average in terms of corruption.
3 R. Daniel Bressler, the mortality cost of carbon, Natura Communications 12, Article number 4457 (2021).
4 Currently experiencing high water stress, or likely to have high water stress in the future according to the Aqueduct Water Risk Atlas tool of the World Resources Institute.

General information

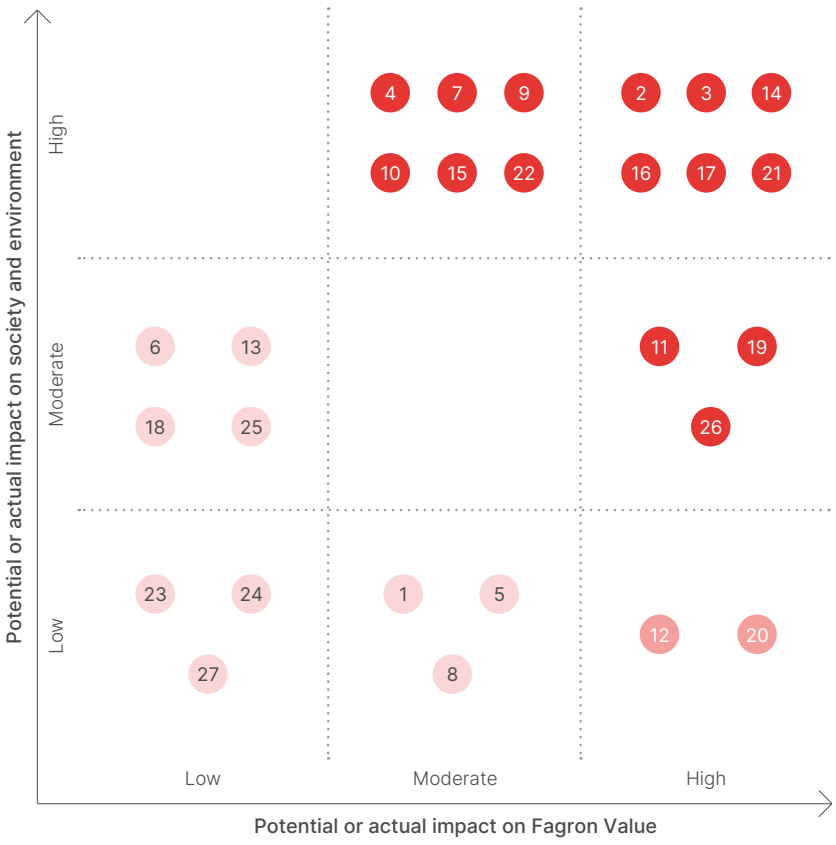
Energy use, sustainable products and waste all contribute to climate change or help reduce its impact; therefore, they are considered material, albeit to a lesser extent than climate change. Potential physical and transition risks and opportunities were considered and no broader systemic risks were identified.

Plot materiality assessment in matrix
The results of our materiality assessment are shown in the matrix. Any topic classified as having 'High' financial or impact materiality is considered a material sustainability topic for Fagron. Additionally, we regard any topic rated as 'Moderate' in both impact and financial materiality as a material Fagron sustainability topic.

Material topics

We report on our material topics in this annual report. These are the same material topics as in our 2024 annual report. Most of these topics are covered by disclosure requirements under the ESRS. For "Access to healthcare", "Employee engagement", and "Product quality & safety", where the ESRS does not specify requirements, we provide an indication of our positive or negative impacts using Fagron-specific metrics. We also report on a number of Fagron-specific metrics for other material topics in addition to the metrics that are obligatory under the ESRS.

Double materiality matrix



MATERIALITY Low Moderate High

LEGEND

Environment
1 Biodiversity
2 Climate change
3 Chemical use & pollution
4 Energy use
5 Resource use
6 Sustainable products
7 Waste
8 Water use

Social
9 Access to healthcare
10 Compensation & benefits
11 Diversity & inclusion
12 Employee engagement
13 Grievance mechanism
14 Health & safety (employees)
15 Health & safety (supply chain)
16 Human rights & labor rights
17 Product quality & safety
18 Security of employment
19 Training & development
20 Working hours

Governance
21 Compliance
22 Corruption & bribery
23 Ethical selling practices
24 Lobbying & political engagement
25 Payment practices
26 Remuneration executives
27 Tax transparency

Fagron's sustainability strategy and management

Fagron's sustainability strategy addresses all topics identified as material in our materiality assessment. The strategy was updated in 2024 and includes three roadmaps: a strategic roadmap, a good governance roadmap, and a foundational roadmap. The updated strategy is not available as a separate document, but all relevant information is reported in this annual report. For more information on the strategy, see Sustainability performance.

While developing this strategy, Fagron engaged internal stakeholders, including the Executive Leadership Team (ELT) and key staff members, in setting targets. No other stakeholders were directly consulted in developing the strategy or defining targets, but insights from the general stakeholder engagement (see Stakeholder engagement) were considered.

Defining the sustainability strategy and policies

Fagron's Board of Directors approves the overall sustainability strategy, the underlying roadmaps, and initiates adjustments to it, where necessary. The Board is also ultimately responsible for implementation and therefore the policies and (detailed) action plans for implementation and it has appointed the CFO to oversee this process on its behalf.

Fagron's Board of Directors approved the strategic roadmap of Fagron's new sustainability strategy in October 2024.

Implementation

Fagron's ESG team is responsible for the implementation of the overall sustainability strategy, policies and action plans. The team discusses material sustainability developments on a regular basis. The team consists of the CFO, Global Head of Finance and dedicated ESG personnel.

Responsibility for day-to-day management differs per Fagron sustainability pillar or topic. Those responsible are:

1. People: the Chief People & Culture Officer, with the exception of Health & safety for which the responsibility is shared with the COO and the Global ESG Officer.
2. Operations: Responsible supply chain (including Product quality & safety, Human rights & labor rights, and Health & safety) falls under the COO, while the climate transition as well as other environmental topics are entrusted to the Global ESG Officer.
3. Compounding: the Global Innovations Director, with the exception of Privacy of end-users which the CIO is tasked with.
4. Good governance: the Chief People & Culture Office, with the exception of Compliance with laws and regulations which is the responsibility of the Global Head of Legal Affairs.

Those responsible for the day-to-day management are also tasked with ensuring engagement with the applicable stakeholder group(s). This means that, for example, the Chief Peope & Culture Officer is responsible for engagement with the stakeholder group employees.

As our locations play an important role in the implementation of Fagron's sustainability strategy, policies, and action plans the ESG team keeps in regular contact with those responsible for the day-to-day management of a sustainability pillar/topic, as well as the location managers.

Monitoring of progress

Progress of the sustainability strategy is discussed during (almost) every Board of Directors meeting, as part of the monitoring process. The focus per meeting differs, and can focus either on progress, on (strategic) sustainability metrics, or on (proposed) changes to the sustainability strategy, policies and action plans. For more information on the topics discussed during the Board of Directors meetings in 2025, see Activities of the Board of Directors in 2025.

The ELT also discusses progress on sustainability policies and strategies. They review the sustainability results and consider sustainability in the context of Fagron's overall strategy and the annual budget.

Strengthening and adjusting Fagron's sustainability strategy and policies
The Board of Directors is ultimately responsible for overseeing sustainability impacts, risks and opportunities and ensuring that they are adequately reflected in Fagron's sustainability strategy and policies. The CFO advises the Board of Directors in this regard. Fagron's sustainability policies and action plans are strengthened and adjusted during an annual evaluation of the policies per material topic, and through an evaluation of these topics in the materiality assessment every two to three years.

We evaluate on a continuous basis our policies and action plans based on our performance, questions raised or feedback received. Our evaluation of these policies and action plans in 2025 did not reveal significant gaps, although our performance might urge us to step up our efforts. For the performance of 2025 on the different topics we refer to the specific sections in the Sustainability Statement. Currently, the evaluation process does not involve direct engagement with stakeholders, other than what is described under Stakeholder engagement.

Stakeholder engagement

Fagron's stakeholders
Stakeholders who have an interest in Fagron's sustainability performance can be divided into affected stakeholders and users of sustainability information:

- Affected stakeholders: Fagron is likely to have an actual or potential impact on its employees and other people working for Fagron (Our people)[1], suppliers and value chain workers, and customers/end-users. In addition, Fagron has an impact on the environment, therefore it is also a stakeholder. We see these stakeholder groups as key stakeholders. Because Fagron does not have a material impact on local communities, we do not consider local communities as key stakeholder.
- Users of sustainability information: Important users of Fagron's sustainability information are existing and potential investors, credit providers, customers, and regulators/authorities. We also see these stakeholder groups as key stakeholders. There are currently no other users of sustainability information who regularly reach out to us on this topic.

These stakeholders may have either a potential or actual impact on Fagron.

Stakeholder engagement activities
Fagron engages with its key stakeholders on a regular basis through different channels and with different outcomes. The table on the next page shows more information per stakeholder group.

Additionally, the double materiality assessment conducted in 2023 included specific engagements and analyses to understand the actual and potential impacts on affected stakeholders and the interests of users of Fagron's sustainability information. See Assess impact materiality.

Fagron does not engage with stakeholders that are not considered key stakeholder groups, including local communities, and currently has no plans to change this approach in the near future.

[1] See Stakeholder group: Our people for the definition of Our People.

General information

Key stakeholder group	Stakeholder type	Why we engage	How we engage	Examples of results of engagement
Our people	Affected	Creating a workplace where everyone can be the best version of themselves.	• Global Employee Survey • Diversity & Inclusion committee • Performance and career development reviews • Grievance mechanism	• Action plans based on outcomes Global Employee Survey • Global diversity and inclusion actions and campaigns
Suppliers and supply chain workers	Affected	Building responsible value chain partnerships.	• Fagron Business Partner ESG questionnaire • Membership of Pharmaceutical Supply Chain Initiative (PSCI)	• Future Forward: Responsible supply chain plan (under development)
Customers / end-users	Affected User of sustainability information	Providing affordable personalized medicine that meets the highest quality and sustainability standards. Increasing access to science-based medicine.	• Customer service • Fagron Academy • Privacy Officer	• Launch of video platform on Fagron Academy • Launch of new Fagron Brands tailored to customer demands
Environment	Affected	Building future-proof operations.	The environment is a silent stakeholder, with which we cannot engage. We make use of scientific literature to understand our environment.	• Future Forward: Science-Based Climate Transition, our climate transition plan
Investors	User of sustainability information	Optimizing valuation.	• Capital market days • Direct investor contact (e-mail, call, roadshows) • ESG ratings	• Adapted communication on sustainability strategy • Adopted new investor relations plan
Credit providers	User of sustainability information	Obtain favorable terms for new credit facility	• Direct engagement	• Integration of sustainability criteria in credit facility
Regulators/authorities	User of sustainability information	Ensuring regulatory compliance	• Direct engagement with regulators/authorities • Providing requested information to regulators/authorities	• Amending processes and procedures based on (changing) legislation

Environmental information

We have updated our DMA in 2025 and identified the following topics and IRO's to be material in relation to our environment:

Topic	Scope[1]	Time horizon	IRO	Description
Climate Change and Energy	Value chain	Short, medium, long term	Negative impact	• Greenhouse gas emissions negatively impact health and safety of people worldwide. • Energy use contributes to climate change.
			Risk	• Not meeting expectations in terms of climate change targets and actions is considered a significant reputational risk.
Chemical use & pollution	Value chain	Short, medium, long term	Negative impact	• Pollutants released into the environment may negatively impact human health or the environment.
			Risk	• Potential negative effect on Fagron's reputation in case of insufficient chemical use and pollution management practices or incidents.
Waste	Value chain	Short, medium, long term	Negative impact	• Waste management contributes to climate change and may contribute to pollution.
			Risk	• Inappropriate waste management could impose a moderate risk to Fagron's reputation.

1 Value chain refers to the upstream value chain, Fagron's own operations and downstream value chain

Disclosures incorporated by reference

The following information can be found elsewhere in this annual report, and is incorporated into the Sustainability Statement by reference:

- Remuneration report and policy
- EU Taxonomy

The following information can be found elsewhere in this Sustainability Statement and is incorporated into the chapter "Environmental information" by reference:

- Materiality assessment
- Fagron's sustainability strategy and management

For the exact location of each disclosure see the ESRS Index.

Our Approach

Material topics included under our Environmental Information are:

- Climate Change and Energy
- Chemical use & pollution
- Waste

To align with our financial reporting and meet the requirements of the CSRD we report on environmental topics for all legal entities within the Fagron Group from the moment they are consolidated, except for the acquisitions which are included in the climate change, energy and waste data as from the beginning of the year following their acquisition. This is clearly indicated next to the indicator. We have performed a materiality assessment performed per datapoint and we believe that no material information has been omitted.

Fagron is not overly dependent on fossil fuels in our operations and we can electrify our operations. We can therefore state that we have a low risk in terms of locked-in greenhouse gas emissions in our own operations. We believe that our climate transition plan clearly outlines how we intend to work on climate change mitigation until 2030. Additionally, Fagron sells equipment that uses energy (Fagron lab equipment). This equipment does not use fossil fuel directly and the contribution of the category "use of sold products" to our total Scope 3 carbon footprint is small. We can therefore state that we have a low risk in terms of direct-use phase emissions of our sold products. Fagron has not conducted an extensive analysis of potential locked-in greenhouse gas emissions but will do so in the coming years.

Fagron has conducted a climate-related physical risk assessment. This risk assessment started by identifying Fagron locations and downstream value chain currently at risk from extreme weather under present climate conditions and evaluates how these risks evolve in response to changing climate scenarios, including a climate scenario compatible with limiting global warming to 1.5°C. We include the physical risk of hurricanes, tornadoes, wildfires, coastal floods, and floods from rivers for the assessment, incorporating data from sources such as the US Federal Emergency Management Agency database and the EU Flood Risk Areas Viewer. By examining mid-century temperature projections of 2 °C and 3-4 °C warming, we gain insights into how rising temperatures may influence the frequency of extreme weather events and the associated risks under the different climate scenarios.

The result of the assessment indicates that there generally are no significant risks today. However, extreme weather events may become more frequent, increasing our exposure under future climate scenarios. Our Tampa facilities, in particular, face rising hurricane risks, with potential loss rates increasing as the climate changes; however, this site represents only a small portion of total revenue. Similar applies to our customers: same region in North America is most at risk, representing relatively small portion of our total revenues. We remain aware of these evolving risks and are committed to mitigating future climate change impacts that the company will be facing. Fagron has not conducted a climate-related physical risk assessment for its upstream value chain. We will do so in the coming years.

Furthermore, we have conducted a climate change transition risk assessment to evaluate the potential impacts of the global shift toward a low-carbon, more sustainable economy across Fagron's value chain including our own operations, upstream and downstream value chain. The assessment identifies and analyzes key transition risks arising from changes in policy, market preferences, technology and societal expectations in response to climate change, with a focus on how these shifts may affect Fagron's business model as a global provider of personalized pharmaceutical compounding solutions. The outcome of this assessment indicates that there are currently no significant transition risks, while identifying one major opportunity related to personalization of medicine.

We will conduct a resilience analysis in terms of climate change adaptation in the up- and downstream value chain in the coming years, as we have not done so yet.

Climate Change and Energy

Climate change negatively affects the health and safety of people worldwide, with over half of the global population living in vulnerable areas. These areas face rising temperatures and sea levels, as well as increased risks of storms, flooding, and droughts.

We aim to reduce greenhouse emissions from our own operations, as well as those in our upstream and downstream value chains. We have developed targets to ensure progress on our climate ambition such as science-based targets and greenhouse gas intensity targets, for details refer to section Targets and Actions. This commitment is in line with the Paris agreement's goal of limiting global warming to 1.5°C above pre-industrial levels (1850–1900).

Targets and actions

Fagron's climate change targets cover both own operations (Scope 1 and 2 emissions) and our upstream and downstream value chain (Scope 3 emissions) as reported under Performance.

Science-based targets

Our near-term targets consist of a set of targets that we aim to achieve by 2030. Our targets were approved by the Science Based Target initiative (SBTi) in October 2023. This approval confirms that our targets align with the SBTi's criteria on limiting global average temperature rise to 1.5°C. Our targets are divided into three parts:

- Our own operations (Scope 1 and 2)
- Purchased goods and services (Scope 3)
- Other selected parts of our value chain (Scope 3)

Our operations consist of compounding and repackaging, warehouses and offices in North America - Pacific, Latin America and the EMEA regions, as well as a small fleet of vehicles.

We aim to reduce absolute Scope 1 and 2 greenhouse gas emissions (market-based) of our operations by 42% by 2030, compared to 2021, our baseline year. Scope 1 emissions cover greenhouse gas emissions from burning fossil fuels in a facility or vehicles. For Fagron, this means primarily emissions from natural gas used for heating or refrigerants for cooling our facilities and petrol and diesel used in our (lease) cars. Scope 2 emissions cover greenhouse gas emissions from purchased energy. For Fagron, these are emissions from the "chimney" at the electricity company from which we buy our electricity.

Our value chain consists of all activities outside our own operations, including resource extraction, intermediary production, transportation, use and end-of-life. According to the GHG Protocol, Scope 3 includes emissions from suppliers during the production of goods and services that we purchase and other categories such as transportation and distribution, business travel and employee commuting.

As part of this plan, we have put forward an interim target by 2027 for our suppliers of Scope 3 trade goods: suppliers representing 60% of emissions from purchased goods and services committing to science-based targets. This means that our suppliers of these goods and services will have adopted targets for their Scope 1 and 2 emissions in line with the 1.5°C pathway.

Furthermore, we aim to reduce emissions in the following selected Scope 3 categories by 25% by 2030, using 2021 as the baseline year:

- Fuel and energy-related activities.
- Upstream and downstream transportation and distribution.
- Waste generated in operations.
- Business travel.
- Employee commuting.
- End-of-life treatment of sold products.

The targets approved by the SBTi for Scope 1 and 2 are based on the cross-sector reduction pathway required to achieve net-zero in 2050. We have selected 2021 as the baseline year to comply with SBTi requirements.

Greenhouse gas intensity targets

Fagron used to have a sustainability linked loan with the interest rate linked to the achievement of specific sustainability objectives. This loan ended in the course of 2025, yet we committed to present the evolution on these objectives also for 2025. One of these objectives is to reduce our Scope 1, Scope 2 (location-based) and Scope 3 business travel greenhouse gas emissions intensity by 30% by 2025, using 2019 as the baseline year (5% reduction annually). This target has been developed with a long-term goal of achieving net zero by 2040. To support this target, we applied a linear greenhouse gas intensity reduction for the period from 2019 to 2040.

In 2024 we finalized our climate transition plan: "Future Forward: Science-based climate transition" focusing on the following key areas:

1. Energy efficiency (Scope 1 and 2)
2. Electrification (Scope 1 and 2)
3. Renewable electricity (Scope 2)
4. Sustainable travel and commuting (Scope 1, 2 and 3)
5. Sustainable transportation and distribution (Scope 3)
6. Improving waste treatment (Scope 3)
7. Green products and end-of-life (Scope 3)

The outline of the climate transition plan was approved by the Board of Directors in December 2024 and is integrated in our business strategy. It also includes a description of the financial resources required to implement Scope 1 and 2 actions.

In 2025, we implemented several initiatives across our operations to reduce emissions and improve resources efficiency. These initiatives demonstrate early progress in implementing our climate transition plan, particularly moving towards renewable energy and increasing energy efficiency and first steps in waste reduction. These initiatives illustrate the practical steps we are taking to decarbonise our value chain and improve operational efficiency in the short term.

In terms of capital expenditures related to Scope 1 and 2 actions, we expect energy efficiency measures to be financed through savings achieved earlier or within the same year. Investments in solar panels will only proceed if the payback is within five years. Between 2025 and 2030, we anticipated spending approximately 750,000 euro on solar panel projects. An amount of 170,000 euro was spent in 2025.

Electrification costs are not budgeted separately but are integrated into general capital expenditure proposal for new builds and major refurbishments. In 2024, we initiated a project to design a natural gas-free facility in Hoogeveen with the associated capital cost included into the design phase. The facility is designed as a 100% electrified site, and next step is to obtain the building permit. Once completed, it will eliminate natural gas use at this location and contribute directly to our broader decarbonisation goals.

In terms of operational expenditures, costs will primarily relate to purchasing renewable electricity. We estimate a maximum of 100,000 euro in 2030, though this depends on renewable market price evolution.

Currently, the climate transition plan does not include a description of financial resources required for Scope 3 actions, these are under development and will be addressed in a future update. Financial indicators related to climate change mitigation actions in 2025 are available in the EU Taxonomy appendix.

Fagron does not finance actions through carbon credits, nor, do we apply internal carbon pricing schemes. The full climate transition plan is accessible via investors.fagron.com and on our employee intranet.

Energy efficiency

Greenhouse gas emissions from energy use in our facilities is the largest contributor to our Scope 1 and Scope 2 carbon footprint. Reducing energy consumption is therefore a key strategic action. By 2030, we expect to reduce emissions by 2.2 kton CO_2-eq compared to a business as usual scenario. Some smaller projects are ongoing and mainly relate to relative decreases, resulting in an increased turnover yet with similar level of energy use.

Electrification

We aim to phase out natural gas by electrifying heating and humidification of our systems. This transition is feasible as our processes do not require high temperatures. Currently, about 34 buildings use natural gas, with an average consumption per facility of around 32,000 m^3 per year; this is a reduction of around 16% compared to 2024. Our goal is to electrify at least five of these facilities between 2026 and 2030, resulting in an expected reduction of 0.5 kton CO_2-eq by 2030. As indicated above, for one facility plans are already ready.

Renewable electricity

We continue to increase renewable electricity use through solar panels installations (where feasible according to the local regulations and our rights to the buildings) and purchasing renewable electricity. Our goal is to generate about 10% of total electricity from solar panels by 2030. In 2025, we installed solar panels on one of the facilities in Brazil, bringing the total to 12 facilities with solar panels. There are also two facilities with solar panels that are not owned by Fagron, but the electricity production of those are fed into the electricity mix of the building. It was our plan to equip five more facilities in 2025 with solar panels however we did not succeed in this. Business case combined with practical implementation are holding us back. Still, we expect solar panels to reduce our emissions by 1.5 kton CO_2-eq, while renewable electricity purchases by 2030 compared to business-as-usual scenario is a minimum of 7.1 kton CO_2-eq, making total expected 8.6 kton CO_2-eq reduction. In 2025, we avoided 0.4 kton CO_2-eq. (market based) thanks to our solar panels installations.

In addition to generating renewable electricity on-site, Fagron also purchases renewable electricity as part of electricity contracts or separate energy attribute certificates such as Guarantee of Origin, REC, and I-REC. We additionally acquired renewable energy certificates (RECs) for two of our large facilities in the United States in 2025, covering more than 90% of their electricity consumption. In 2025, 66% of the electricity used by Fagron globally was either generated by our own solar panels or purchased from renewable sources (compared to 43% for 2024). This means that in 2025 we realize our ambition of purchasing a minimum of 60% of our electricity use from renewable sources by 2030. And such, the current achieved reduction of purchasing renewable electricity is 8.4 kton CO_2-eq. in 2025 (market-based).

Sustainable travel and commuting

We are minimizing the impact of our owned and leased car fleet by electrifying mobility in the EMEA region where the majority of our fleet is located, along with a few vehicles in Mexico, Brazil, and the USA. We aim for at least 85% of our car fleet to be fully electric by 2030, with the remaining vehicles being either plug-in-hybrids or energy efficient models. At the end of 2025, nearly 50% of our lease cars in EMEA were fully electric. The total reduction expected by 2030 is 0.6 kton CO_2-eq compared to 2021. The current achieved reduction due to electric mobility is relatively limited to less than 0.1 kton CO_2-eq in 2025.

Our business-as-usual scenario for flights continues to reference our 2023 baseline. Although flight activity in 2025 exceeded 2024 level, the overall GHG is lower thanks to an update in the emission factors by about -45%. Our ambition remains to limit business travel to not more than our baseline by further stimulating the use of virtual meetings and promoting train travel where feasible. The total expected emissions reduction by 2030, compared with this business as usual scenario, is estimated at 2.2 kton CO_2-eq, realizing 0.5kton CO_2-eq in 2025, primarily thanks to the change in emission factors.

In 2025, we conducted again a global employee commuting survey. The enhanced survey is a first step and provides better insights into how our employees travel to and from work, helping us identify potential initiatives to make commuting more sustainable across our locations in future. We also encourage remote working and sustainable commuting options such as electric cars, public transport, or walking/biking. Our goal is to increase the number of days employees work from home between 2025 and 2030 with one additional day per week or commute sustainably. The total expected reduction by 2030 compared to a business-as-usual scenario is 1.1 kton CO_2-eq.

Improving waste management

We aim to enhance waste management by increasing recycling rates, targeting 75% recycling of non-hazardous waste by 2030 and by diverting zero waste to landfill by 2030 unless no viable alternative is available. For more details on waste management targets and performance see Waste section. Total expected reduction by 2030 compared to a business-as-usual scenario is 4.1 kton CO_2-eq. There is an ongoing effort at Fagron to optimise and improve our waste–management practices across the globe. Educational sessions have been organised for employees who handle waste streams, supported by clear instructions to ensure proper waste management and to divert waste from disposal wherever possible.

Sustainable transportation and distribution

We have put forward to goals by 2030: on the one hand, 75% of internal transport distance to be covered using sustainable methods and on the other hand 50% of transport distance from our locations to clients to be sustainable. By sustainable, we mean for example electric transportation vehicles or biofuel powered trucks and vans. Total expected reduction by 2030 compared to a business-as-usual scenario is 30.0 kton CO_2-eq.

We maintain ongoing dialogue across the organisation to identify and implement more efficient and sustainable distribution methods, as well as to improve packaging solutions, optimise box utilisation, and increase load per shipment. Our first engagements with our transportation suppliers did not result in immediate positive impacts on our emissions, mainly due to two reasons. The market of electric transportation is still relatively new and many of our products require strict temperature control, specific handling conditions, and reliable delivery timelines. These considerations naturally guide our choices in transportation and logistics and, in some cases, may limit the feasibility of switching to transport modes that, while less energy–intensive, cannot meet the required product conditions.

Green products and end-of-life treatment

No specific actions were taken in 2025 regarding green products or end-of-life treatment. Our target is to ensure that by 2030, 75% of products compounded and repackaged by Fagron will use sustainable packaging, such as biobased plastics or cardboards. Total expected reduction by 2030 compared to a business-as-usual scenario is 6.5 kton CO_2-eq.

Performance

Greenhouse gas emissions

Our measurement is in line with the GHG protocol and excludes acquisitions completed in the reporting year for all data that is collected via the ESG tool, being Scope 1, Scope 2 and Scope 3, Category 3, Category 5 and Category 6, and Category 7 as these entities were not part of the employee survey. We have analyzed the potential impact for each of these datapoints and concluded that this does not lead to a material omission. We also have adapted our calculation method for 2 categories of scope 3: category 1 Purchased goods and services and category 12 End of Life. This refinement is triggered by the outcome of our analysis between applying detailed data for the calculation versus more general information. As the outcome of both measurements are similar, we apply the general approach.

In 2025, Fagron's absolute Scope 1 and 2 greenhouse gas emissions (location-based) were 14,853 metric ton CO_2-eq, representing a 17% increase compared to the 2021 baseline year. This increase is due to companies that were acquired by the Fagron Group from 2021 to 2024. When adjusting the 2021 baseline for these acquisitions, emissions increased by 3% compared to 2021. This is a relatively limited increase in GHG emissions compared to the increase in production thanks to the positive effect from the installation of or changing to more energy efficient temperature and humification systems and more energy efficient buildings.

Fagron's absolute Scope 1 and 2 greenhouse gas emissions (market-based) in 2025 were 8,680 metric ton CO_2-eq, representing a 33% decrease compared to the base year 2021. After adjusting the baseline for changes in group composition, the reduction is up to 41%, nearly achieving our 2030 target of 42% reduction.

The estimated absolute Scope 3 greenhouse gas emissions of Fagron for selected categories in 2025, (see our Science-based targets), were ~104,351 metric ton CO_2-eq, a 33% increase compared to the baseline year 2021. When adjusting the baseline year 2021 for new acquisitions, the increase is 10%. This increase can be explained by the increased production and sales volumes in our existing facilities.

Scope 3 emissions account for the majority of Fagron's total greenhouse gas emissions. The largest contributors are purchased goods and services (~178,561 metric ton CO_2-eq) and transportation of goods to and from Fagron, (~81,337 metric ton CO_2-eq).

Environmental information

Greenhouse gas emissions

(tCO_2-eq)	2021	2024[1]	2025[2]
Fagron Group			
Scope 1: Direct emissions	3,639	3,871	4,367
Scope 2: Indirect emissions from energy generation - location-based	9,102	9,246	10,486
Scope 2: Indirect emissions from energy generation - market-based[3]	9,400	6,554	4,313
Scope 1+2 - location-based	**12,741**	**13,117**	**14,853**
Scope 1+2 - market-based	**13,038**	**10,425**	**8,680**
Scope 3: Other indirect emissions	225,762	281,999	292,835
Total GHG emissions - location-based	**238,503**	**295,116**	**307,688**
Total GHG emissions - market-based	**238,801**	**292,424**	**301,515**
Adjusted for changes in composition of Fagron Group			
Scope 1: Direct emissions	4,804	3,871	4,367
Scope 2: Indirect emissions from energy generation - location-based	9,682	9,246	10,486
Scope 2: Indirect emissions from energy generation - market-based[3]	9,947	6,554	4,313
Scope 1+2 - location-based	**14,486**	**13,117**	**14,853**
Scope 1+2 - market-based	**14,750**	**10,425**	**8,680**
Scope 3: Other indirect emissions	273,110	292,516	292,835
Total GHG emissions - location-based	**287,596**	**305,633**	**307,688**
Total GHG emissions - market-based	**287,861**	**302,941**	**301,515**

1 Values are restated to reflect the restated value in the waste category non-hazardous waste to other disposal operations and some smaller refinements in other waste categories.
2 Excluding acquisitions completed during the reporting year for all data that is collected via the ESG tool, being Scope 1, Scope 2 and Scope 3, Category 3, Category 5 and Category 6, and Category 7 as no data was collected via the employee survey
3 If we do not have definite proof that purchased heat or electricity is renewable, we assume that it originates from fossil sources.

Environmental information

Greenhouse gas emissions - Scope 3

(tCO_2-eq)	2021	2024[1]	2025[2]
Fagron Group			
Scope 3: Selected emission categories[3]	78,734	101,360	104,351
Scope 3: Other emission categories	147,029	180,639	188,483
Total Scope 3 emissions	**225,762**	**281,999**	**292,835**
Adjusted for changes in composition of Fagron Group			
Scope 3: Selected emission categories	94,985	104,767	104,351
Scope 3: Other emission categories	178,125	187,749	188,483
Total Scope 3 emissions	**273,110**	**292,516**	**292,835**

1 Values are restated to reflect the restated value in the waste category non-hazardous waste to other disposal operations and some smaller refinements in other waste categories.
2 Excluding acquisitions completed during the reporting year for all data that is collected via the ESG tool, being Scope 1, Scope 2 and Scope 3, Category 3, Category 5 and Category 6, and Category 7 as no data was collected via the employee survey
3 Selected Scope 3 categories are 3, 4, 5, 6, 7, 9 and 12 as shown in the table "Greenhouse gas emissions - Details".

	Retrospective				Milestones and target years		
	2021 (Base year)	2024[1]	2025	% 2025 / 2024	2025	2030	Annual % target / Base year
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions (tCO_2-eq)	3,639	3,871	4,367	113%	-[2]	-	-
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%	0%	0%	-	-	-	-
Scope 2 GHG emissions							
Gross location-based Scope 2 GHG emissions (tCO_2-eq)	9,102	9,246	10,486	113%	-[2]	-	-
Gross market-based Scope 2 GHG emissions (tCO_2-eq)[3]	9,400	6,554	4,313	66%	-[2]	-	-
Significant scope 3 GHG emissions							
Total Gross indirect (Scope 3) GHG emissions (tCO_2-eq)	225,762	281,999	292,835	104%	-[4]	-	-
1 Purchased goods and services	137,974	167,669	178,516	106%	-[4]	-	-
2 Capital goods	5,364	10,224	7,565	74%	-[4]	-	-
3 Fuel and energy-related activities (not included in Scope 1 or 2)	2,121	1,672	1,401	84%	-[4]	-	-
4 Upstream transportation and distribution	59,897	77,266	81,337	105%	-[4]	-	-
5 Waste generated in operations	2,098	2,386	2,724	114%	-[4]	-	-
6 Business traveling[5]	902	2,680	2,186	82%	-[4]	-	-
7 Employee commuting	3,490	4,553	4,619	101%	-[4]	-	-
8 Upstream leased assets[6]	0	0	0	-	-[4]	-	-
9 Downstream transportation[6]	0	0	0	-	-[4]	-	-
10 Processing of sold products	1,322	1,161	861	74%	-[4]	-	-
11 Use of sold products	2,282	1,310	1,372	105%	-[4]	-	-
12 End-of-life treatment of sold products	10,225	12,803	12,085	94%	-[4]	-	-
13 Downstream leased assets[6]	0	0	0	-	-[4]	-	-
14 Franchises[6]	0	0	0	-	-[4]	-	-
15 Investments	87	275	169	62%	-[4]	-	-
Total GHG emissions							
Total GHG emissions (location-based) (tCO_2-eq)	238,503	295,116	307,688	104%		-	-
Total GHG emissions (market-based) (tCO_2-eq)	238,801	292,424	301,515	103%		-	-

1 Values are restated to reflect the restated value in the waste category non-hazardous waste to other disposal operations and some smaller refinements in other waste categories.
2 Fagron has a combined target for Scope 1 and Scope 2 this does not fit in this mandatory table template from ESRS E1-6.
3 If we do not have definite proof that purchased heat or electricity is renewable, we have assumed that it originated from fossil sources.
4 Fagron has a target for a combination of Scope 3 categories, this does not fit in this mandatory table template from ESRS E1-6.
5 Data quality as from 2024 is much better than in previous years, values are therefore not comparable.
6 Upstream leased assets, downstream transportation, downstream leased assets and franchises are not material for Fagron.

Greenhouse gas intensity

Fagron monitors and reports greenhouse gas intensity to assess the efficiency of its operations relative to the Group's revenue. Greenhouse gas intensity is calculated using different scopes and methodologies:

- GHG intensity for limited scope (at location-based Scope 2), based on the revenue of all companies that were part of Fagron Group for the entire financial year at 2019 exchange rates. This metric includes Scope 1, Scope 2, and business travel emissions.
- Full scope GHG intensity (at market-based Scope 2), based on the revenue of all companies that were part of Fagron Group, for the entire financial year. This metric includes all Scope 1, Scope 2, and Scope 3 emissions.
- Full scope GHG intensity (at location-based Scope 2), based on the revenue of all companies that were part of Fagron Group, for the entire financial year. This metric includes all Scope 1, Scope 2, and Scope 3 emissions.

In 2025, Fagron's greenhouse gas intensity, adjusted to 2019 exchange rates, was 16.6, representing a 35% reduction compared to the 2019 baseline year. This reduction marks a significant progress over the last 2 years.

Fagron's non-adjusted greenhouse gas intensity based on location-based Scope 2 emissions decreased by 22% as compared to 2021. Similarly, when considering market-based Scope 2 emissions, the non-adjusted greenhouse gas intensity decreased by 24% compared to 2021. The increase in turnover clearly outweighs the increase in GHG emissions.

The difference between adjusted and non-adjusted greenhouse gas intensity primarily relates to the application of 2019 exchange rates. Additionally, the variation between location-based and market-based calculations reflects differences in emission factors used to account for the impact of purchased electricity.

GHG intensity (limited scope) - at 2019 exchange rate

	2019	2024[1]	2025[2]
GHG emission (limited scope) (location-based) (tCO_2-eq)[3]	13,009	15,132	17,039
Total revenue at 2019 exchange rate (million euros)[4]	507	888	1028
GHG intensity (location-based) (tCO_2-eq / million)	**25.7**	**17.0**	**16.6**

1 Values are restated to reflect the restated value in the waste category non-hazardous waste to other disposal operations and some smaller refinements in other waste categories.
2 Excluding acquisitions completed during the reporting year for all data that is collected via the ESG tool, being Scope 1, Scope 2 and Scope 3, Category 3, Category 5 and Category 6, and Category 7 as no data was collected via the employee survey
3 Greenhouse gas emissions of Scope 1, Scope 2, and business travel (only flights and distance compensation).
4 Revenue of companies that were part of Fagron Group for full year, at 2019 exchange rate.

GHG intensity

	2021[1]	2024[2]	2025[3]
Total GHG emissions (location-based) (tCO_2-eq)	238,503	295,116	307,688
Total GHG emissions (market-based) (tCO_2-eq)	238,801	292,424	301,515
Total revenue (million euros)[4]	574	872	952
GHG intensity (location-based) (tCO_2-eq / million euro)	**415.7**	**338.5**	**323.1**
GHG intensity (market-based) (tCO_2-eq / million euro)	**416.2**	**335.4**	**316.7**

1 Values are updated compared to the values in 2023 annual report, to ensure comparability over the years.
2 Values are restated to reflect the restated value in the waste category non-hazardous waste to other disposal operations and some smaller refinements in other waste categories.
3 Excluding acquisitions completed during the reporting year for all data that is collected via the ESG tool, being Scope 1, Scope 2 and Scope 3, Category 3, Category 5 and Category 6, and Category 7 as no data was collected via the employee survey
4 Total revenue of companies that were part of Fagron Group, see consolidated financial statements.

Energy

Fagron's total energy use has been increasing since 2019, with a small dip in 2022.
Total energy use in 2025 was 52,001 MWh. This increase is primarily explained by the acquisitions of 2024. Due to Fagron's buy-and-build acquisition strategy it is unlikely that this trend will change. The total amount of renewable energy consumption has increased, relative to the total amount of energy use thanks to the engagement for renewable energy taken up in the NA region. Total renewable energy consumption in 2025 was 23,964 MWh, compared to 14,118 MWh in 2024.

In 2025, 46.1% of Fagron's energy consumption was sourced from renewable energy. The majority of this share comes from the purchase of renewable electricity. Additionally, 4% of our total electricity consumption was generated by solar panels installed at Fagron locations.

As more detailed information is now available, the indicator "Energy from nuclear sources" was added to the table of energy mix.

Energy intensity

	2024	2025[1]
Total energy consumption (MWh)	49,183	52,001
Of which in high climate impact sectors (MWh)	**48,302**	**51,073**
Total revenue (million euro)[2]	872	952
Of which in high climate impact sectors (million euro)	**857**	**936**
Energy intensity ratio in high climate impact sectors (MWh / million euro)	**56.4**	**54.6**

1 Excluding acquisitions completed during the reporting year
2 Total revenue as given in the Consolidated income statement.

Fagron operates in the following high climate impact sectors: Manufacturing (NACE Section C) and Wholesale (NACE Section G).
The turnover in these sectors has been used to calculate the energy intensity ratio in high climate impact sectors. When considering only energy consumption within these sectors, Fagron's energy intensity in 2025 was 54.6 MWh/million euro, a relative decrease thanks to further optimization of energy use overall.

Environmental information

Energy use (MWh)	2024	2025[1]
Fuel consumption from coal and coal products	0	0
Fuel consumption from crude oil and petroleum products[2]	3,702	3,557
Fuel consumption from natural gas[3]	12,488	12,007
Fuel consumption from other fossil sources	0	0
Total fuel consumption, fossil sources[4]	**16,191**	**15,564**
Consumption of purchased steam and cooling from fossil sources	0	0
Consumption of purchased heat from fossil sources[5]	310	252
Consumption of purchased electricity from fossil sources[5]	18,564	10,422
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources[4]	**18,874**	**10,673**
Total energy consumption from fossil sources[4]	**35,065**	**26,237**
Percentage of energy consumption from fossil sources	71%	50.5%
Total energy consumption from nuclear sources	**0[6]**	**1,800**
Percentage of energy consumption from nuclear sources	0%	3.5%
Fuel consumption from renewable sources	0	0
Consumption of purchased steam and cooling from renewable sources	0	0
Consumption of purchased heat from renewable sources[5]	0	0
Consumption of purchased electricity from renewable sources[5]	12,448	22,514
Renewable energy production	*2,021*	*1,773*
Renewable energy sold	*-351*	*-323*
Consumption of self-generated non-fuel renewable energy	1,670	1,450
Total energy consumption from renewable sources[4]	**14,118**	**23,964**
Percentage of energy consumption from renewable sources	**28.7%**	**46.1%**
Total energy consumption	**49,183**	**52,001**

1 Excluding acquisitions completed during the reporting year
2 Conversion factor used for diesel is 35.72 MJ/liter, for petrol 33.18 MJ/liter and for LPG 24.41 MWh/liter.
3 Conversion factor used for low calorific natural gas used in Belgium, Germany, and the Netherlands is 35.17 MJ/m3, for all other natural gas we use the conversion factor 40.09 MJ/m3.
4 Due to rounding, numbers might not add up.
5 If we do not have definite proof that purchased heat or electricity is renewable, we have assumed that it originated from fossil sources.
6 Not calculated due to lack of data.

Suppliers with science-based targets

By the end 2025, at least 16% of our suppliers of purchased goods and services (measured by spend)[1] had set science-based targets, of 60% by 2027. Our analysis on the details reveals that given the current evolution across the globe SBTi has way less traction than it had when we set our target. We therefore believe that our interim goal of having 60% of these suppliers set science-based targets by 2027 appears not to be realistic. We will keep on reporting on the evolution however the interim goal is not further retained.

Suppliers with science-based targets

	2024	2025
% of Fagron suppliers that have set science-based targets[1]	15%	16%

1 Measured as total spend on purchased goods by suppliers that have science-based targets at 31 December divided by total spend on purchased goods.

1 The value reported only includes suppliers of trade goods. Reporting on service providers is put on hold given the limited evolution on suppliers of trade goods.

Chemical use & pollution

Fagron uses chemicals that are classified as chemicals of concern or chemicals of very high concern by the European Union. Fagron tries to contribute to the realization of a clean(er) living environment by minimizing emissions of pollutants and ensuring careful handling of chemicals of (very high) concern.

Targets and actions

Fagron is not mandated by law to report on chemical use and pollution, other than the CSRD because:

1. Fagron operates in the pharmaceutical industry, and this industry is exempted from the REACH regulation.
2. Fagron is not a large polluter and does not submit pollution data for the E-PRTR/IEPR.

The topic chemical use and pollution is not part of our strategic sustainability roadmap. However, to mitigate any potential impacts from pollution, it is included in the foundational roadmap.

As of 2024, the foundational roadmap states that Fagron will:

- Implement mitigation methods in all locations that are at risk of emitting material amounts of air pollutants
- Implement mitigation methods in all locations that are at risk of emitting material amounts of pollutants to water

Fagron does not have any specific targets related to chemical use, because these chemicals are pharmaceutical raw materials or are vital in quality testing of these products. We had planned to develop further targets and action plans for pollution to air and water in 2025 however this is delayed and will only start in 2026.

Performance

The calculation method for chemical use & pollution can be found in the Calculation method chemical use & pollution.

Emissions to air and water

Emissions to air and water are very limited across the group. And even more in 2025, as there was a temporary stop in repackaging activities of some products in Mexico.

Pollution to air or water

	2024	2025
Mercury and compounds	28	0
Zinc and compounds	224	0
Total pollutants to air or water (kg)	**252**	**0**

Substances of (very high) concern

Fagron uses a wide range of substances of very high concern and substances of concern, mostly because they are included as part of medical products or are used in quality analysis in one of our laboratories.

Overall, the sales of these substances are relatively stable, resulting mainly from two compensating effects: the temporary repackaging stop of some products in Mexico, partly compensated by the sales in the newly acquired facilities such as Bella Corp in Australia and Uni-Chem in Serbia. Yet, with respect to the substances of high concern, the turnover is still increasing as there was not stop on the repackaging of these products in our Mexican facility. The focus on limiting inventory explains the decrease in procured products in substances of concern compared to 2024.

Please note that the total value of substances of concern for 2024 has been restated in order to count each substance only once.

Substances of very high concern

	2024		2025	
	Procured	Leaving Fagron facilities	Procured	Leaving Fagron facilities
Phenolphthalein	5	7	6	10
Total substances of very high concern in hazard class carcinogenic (metric tons)	**5**	**7**	**6**	**10**
Decamethylcyclopentasiloxane	4	3	3	4
Total substances of very high concern in hazard class Persistent, Bioaccumulative and Toxic or Very Persistent, Very Bioaccumulative properties (metric tons)	**4**	**3**	**3**	**4**
Boric acid	25	31	29	31
Total substances of very high concern in hazard class reproductive toxicity (metric tons)	**25**	**31**	**29**	**31**
Glutaral[1]	0	0	0	0
Total substances of very high concern in hazard class respiratory sensitization (metric tons)	**0**	**0**	**0**	**0**
Total substances of very high concern (metric tons)	**34**	**41**	**38**	**44**[2]

1 Rounded value
2 Difference due to rounding

Environmental information

Substances of concern

	2024		2025	
	Procured	Leaving Fagron facilities	Procured	Leaving Fagron facilities
Aniline	0	0	0	0
Benzene	0	0	0	0
Distillates (coal tar)	0	0	0	0
Hydroquinone	9	14	25	53
Paraffin oil	60	66	52	58
Phenolphthalein	5	7	6	10
Total substances of concern in hazard class carcinogenic (metric tons)	**75**	**87**	**83**	**121**
2-amino-2-methylpropanol	2	3	3	3
Bisoctrizole	1	1	0	0
Bromelain	3	3	2	3
Cyclohexane	0	0	0	0
Disulfiram	0	0	0	1
Heptane	0	0	0	0
Lead acetate	0	0	0	0
Mercury	0	0	0	0
N,N-diethyl-m-toluamide	0	0	0	1
Permethrin	0	0	0	0
Potassium chlorate	5	5	2	3
Potassium permanganate	1	1	2	1
Silver nitrate	0	0	0	0
TCA	4	4	1	3
Thymol	3	2	0	2
Triclosan	1	1	0	1
Zinc chloride	0	0	0	0
Zinc oxide	104	121	75	83
Total substances of concern in hazard class chronic hazard to the aquatic environment (metric tons)	**125**	**141**	**85**	**102**
Bromelain	3	3	2	3
Glutaral	0	0	0	0
Papain	10	8	4	5
Pepsin A	3	2	1	2
Protease	4	3	1	2
Total substances of concern in hazard class respiratory sensitization (metric tons)	**20**	**16**	**8**	**12**

	2024		2025	
	Procured	Leaving Fagron facilities	Procured	Leaving Fagron facilities
Aniline	0	0	0	0
Disulfiram	0	0	0	0
Chlorocresol	0	0	0	1
Hydroquinone	9	14	25	53
Permethrin	0	0	0	0
Total substances of concern in hazard class skin sensitization (metric tons)	**10**	**15**	**25**	**54**
Aniline	0	0	0	0
Benzene	0	0	0	0
Colecalciferol	0	0	0	0
Disulfiram	0	0	0	1
Lead acetate	0	0	0	0
Mercury	0	0	0	0
Phenol	9	10	10	11
Toluene	0	0	0	0
Trichloromethane	0	0	1	1
Total substances of concern in hazard class specific organ toxicity, repeated exposure (metric tons)	**10**	**11**	**11**	**14**
Methanol	4	5	13	12
Total substances of concern in hazard class specific organ toxicity, single exposure (metric tons)	**4**	**5**	**13**	**12**
Aniline	0	0	0	0
Benzene	0	0	0	0
Hydroquinone	9	14	25	53
Phenol	9	10	10	11
Toluene	0	0	0	0
Total substances of concern falling in hazard class germ cell mutagenicity (metric tons)	**19**	**24**	**35**	**64**
Decamethylcyclopentasiloxane	4	3	3	4
Total substances of very high concern in hazard class Persistent, Bioaccumulative and Toxic or Very Persistent, Very Bioaccumulative properties (metric tons)	**4**	**3**	**3**	**4**
Boric acid	25	31	29	31
Total substances of very high concern in hazard class reproductive toxicity (metric tons)	**25**	**31**	**29**	**31**
Total substances of concern (metric tons)[1]	**225[2]**	**250[2]**	**192**	**249**

1 Substances are only counted once
2 Restated value due to calculation error in formula

Waste

Fagron processes pharmaceutical raw materials, and generates hazardous waste. If such hazardous waste is not properly handled by Fagron or third-party service providers this could lead to toxic pollution. The impact of pollution is covered under Chemical use & pollution.

The treatment of both hazardous and non-hazardous waste leads to greenhouse gas emissions. Greenhouse gas emissions are covered under Climate change and energy.

By maintaining a well-functioning waste management system Fagron tries to reduce its climate change impact and the potential impact of pollution.

Targets and actions

Fagron strives to minimize the impact of waste management by reducing the quantity of waste produced in our own operations and by increasing waste recycling. The topic waste is included in the foundational roadmap of our sustainability strategy Future Forward: Personalizing medicine. As part of our efforts to reduce our Scope 3 carbon footprint emissions, we also focus on waste as part of our strategic roadmap.

We aim to achieve the following goals related to waste:

- As part of our strategic roadmap: Recycle 75% of non-hazardous waste by 2030.
- As part of our foundational roadmap: Zero waste to landfill unless no viable alternative is available by 2030.

With these targets, Fagron wants to ensure that all waste is treated in the best possible way. In the case of zero waste to landfill, this means diverting waste from landfill to incineration with heat recovery and, wherever possible, to recycling. Fagron's targets and actions on waste management only apply to Fagron's own operations.

In addition, we focus on eco-friendly packaging to reduce greenhouse gas emissions from the category 'End-of-life treatment of sold products'. See Climate change and energy for more information.

In 2025, we kicked off our waste action plan with some targeted local actions. For instance, several of our facilities have improved their waste separation by implementing clear instructions for separating, increasing the number of bins to separate more waste than before and also improve data quality by getting a better understanding how the waste is disposed. At one of our compounding facilities in the United States, we replaced disposable batteries by rechargeable batteries across the entire facility – from pharmacy scales and operational tools to keyboards or even restroom dispensers. Over the next years, we will develop a more comprehensive action plan covering all group entities.

Performance

Total waste generated in our own operations in 2025 was 7,037 metric tons (compared to 5,714 metric tons in 2024) or an increase of 23% compared to last year. Main reason for this increase in waste is the increase in compounding and repackaging activities, and the new acquisitions of 2024.

423 metric tons were hazardous waste (6.0%, compared to 7.0% in 2024), and 6,614 metric tons were non-hazardous waste. The largest part of the waste went to landfill in 2025, similar to 2024[1]. The largest hazardous waste streams going to disposal are "hazardous medical waste" and "other hazardous waste"[2] while the largest non-hazardous waste streams consist of "general waste/residual waste", "paper and cardboard" and "mixed packaging". For a large part of this waste we expect that there is a viable alternative to landfilling. We will continue our in-depth analysis of how to achieve our target on diverting waste to landfill over the next years.

[1] We assume all waste for which there is no proof of the treatment method, ends up in landfill.
[2] This is all hazardous waste for which there is no proof that clearly states that it is pharmaceutical or medicine and has an unknown state (solid or liquid). For example, EU waste code 16 03 05 (organic wastes containing hazardous substances).

Environmental information

Total waste generated[1]

	2024[2]			2025		
	Hazardous waste[3]	Non-hazardous waste	Total waste	Hazardous waste[3]	Non-hazardous waste	Total waste
Waste to preparation for reuse	0	34	34	0	28	28
Waste to recycling	0	1,242	1,242	0	1,672	1,672
Waste to other recovery operations	0	5	5	0	82	82
Total waste diverted from disposal (metric tons)	**0**	**1,280**	**1,280**	**0**	**1,781**	**1,781**
Waste to incineration	170	264	434	214	433	647
Waste to landfill	15	126	140	4	1,079	1,083
Waste to other disposal operations[4]	214	3,646	3,859	205	3,320	3,525
Total waste directed to disposal (metric tons)	**398**	**4,036**	**4,433**	**423**	**4,832**	**5,255**
Total waste generated (metric tons)	**398**	**5,316**	**5,714**	**423**	**6,614**	**7,037**

1 Excluding acquisitions completed during the reporting year; assessment of the potential impact did not reveal material omissions.
2 2024 values are restated to correct error in calculation formula in the category "Waste to other disposal operations" and some smaller refinements in the other waste categories.
3 Fagron does not generate radioactive waste.
4 All waste for which there is currently no evidence of the exact treatment method is included under "other disposal operations".

1,781 metric tons were diverted from disposal. A total of 24% of waste went to recycling (compared to 22% in 2024), which means that 76% was not recycled. The recycled waste was for a 100% non-hazardous waste. The recycled, non-hazardous waste consists largely of the waste streams "paper and cardboard", "mixed packaging" and "plastic". Efforts will need to be made in the near future to achieve our target of 75% recycling for non-hazourdous waste.

Percentage of non-recycled waste[1]

	2024[2]	2025
Waste to recycling	1,242	1,672
Non-recycled waste	4,472	5,365
Total waste generated (metric tons)	**5,714**	**7,037**
% of non-recycled waste	**78%**	**76%**

1 Excluding acquisitions completed during the reporting year
2 2024 values are restated to correct error in calculation formula in the category "Waste to other disposal operations" and some smaller refinements in the other waste categories.

Social information

Stakeholder group: Our people

For clarity, we have organized our reporting on social information into three key stakeholder groups - Our people, end-users, and value chain workers. This section focuses on the Our people stakeholder group.

The Double Materiality Assessment indicated the following IRO's as material:

Topic	Scope[1]	Time horizon	IRO	Description
Employee engagement	Fagron	Short, medium, long term	Opportunity	• Enhanced employee engagement results in higher motivation and productivity.
Diversity & inclusion	Fagron	Short, medium, long term	Positive impact	• Inclusive culture enhances well-being, engagement, and sense of belonging.
			Opportunity	• Leveraging diverse perspectives enhances creativity and innovation, supporting long-term financial performance. Inclusive practices increase employee engagement, motivation, and productivity.
Training & development	Fagron	Short, medium, long term	Positive impact	• Access to training and development enhances employees' skills and knowledge, enabling them to become the best version of themselves, thrive in their roles, and contribute to the company's success.
			Opportunity	• Access to training and development enhances employees' skills, career growth, and engagement, fostering a culture of continuous learning and performance improvement. • Improved skills and knowledge increase efficiency, productivity, and adaptability to new technologies and processes.
Health & safety	Fagron	Short, medium, long term	Negative impact	• Incidents or unsafe working conditions may cause injury, health impairment, or stress.
			Risk	• Accidents can reduce productivity and cause operational disruptions.
Compensation & benefits + Remuneration of executives	Fagron	Short, medium, long term	Negative impact	• Misalignment with internal equity or external market benchmarks may reduce motivation and affect employee retention.
			Risk	• Misalignment of compensation with internal equity or market benchmarks may reduce employee engagement, affect employee retention and overall reputation.
Working hours	Fagron	Short, medium, long term	Risk	• High workload and stress can lead to higher employee turnover and reduced retention.
			Opportunity	• Reasonable and flexible working hours support employees' well-being, work–life balance, and healthy relationships, enhancing engagement, and overall performance.
Human rights & labor rights	Fagron	Short, medium, long term	Negative impact	• Employees may be exposed to discrimination, harassment, or unfair treatment.
			Risk	• Reputational damage that may reduce customer and investor trust.

1 Fagron refers to Fagron's own operations

Disclosures incorporated by reference

The following information can be found elsewhere in this Sustainability Statement and is incorporated into the chapter "Social information" by reference:

- Fagron's sustainability strategy and management
- Stakeholder engagement
- Update of Double Materiality Assessment
- Fagron's sustainability strategy and management
- Grievance mechanism

For the exact location of each disclosure the, see ESRS Index.

Our Approach

Our strategic sustainability pillar "Future Forward: People" reflects Fagron's conviction that engaged, healthy, and empowered employees are essential to both our operational performance and our long-term sustainability. The same people priorities that drive performance - togetherness, belonging, and physical and mental well-being - also form the backbone of our social sustainability strategy.

As described in the Our vision section, we focus on building a culture in which employees feel connected to our purpose, supported in their development, and safe to speak up. Within the Sustainability Statement, this ambition is translated into a structured and measurable approach that is aligned with the requirements of the ESRS and informed by our Double Materiality Assessment.

Our approach is embedded in a foundational roadmap that integrates people-related topics into our broader sustainability strategy, "Future Forward: Personalizing medicine". Rather than managing social topics in isolation, we apply a coherent framework that centers on fostering togetherness through collaboration, communication, and shared ownership; strengthening belonging by promoting inclusion, equity, and respect for diversity; and safeguarding physical and mental well-being by ensuring safe, healthy, and supportive working conditions across all locations.

Employee engagement serves as the central guiding metric within this framework and is measured through our bi-annual Global Employee Survey. Insights from this survey, together with quantitative indicators, inform global priorities and are translated into targeted action plans at global, regional and local levels. This approach enables continuous improvement and ensures that our people initiatives remain responsive to employee feedback and evolving organizational needs.

Our people strategy is underpinned by a comprehensive set of People & Culture policies, such as the Global People & Culture policy, the Global Talent Acquisition policy and the Global Payroll policy. These policies establish a consistent global baseline for responsible people management, while allowing for local implementation that reflects applicable legal requirements and cultural contexts. These policies define governance frameworks, approval processes and minimum standards across key people processes. This includes approval requirements for changes to payroll elements, minimum process and approval requirements for recruitment activities, and governance regarding policy ownership, updates and oversight. They also cover core people processes such as performance management, promotion guidelines, termination processes and the use of a single global HR Information System. The policies apply to our own workforce, including employees, temporary workers[1] and self-employed managers. They do not extend to workers in our value chain. All People & Culture policies are available to employees via the company intranet, ensuring transparency and accessibility across the organization.

Across all people-related topics, Fagron aims to foster a culture in which employees feel safe to speak up and share concerns, are treated fairly and respectfully, and are supported in both their professional growth and personal well-being. The sections below report on the targets, actions, and performance for each material topic related to Our people and demonstrate how our people strategy contributes to sustainable business performance and long-term value creation.

To align with our financial reporting and comply with CSRD requirements, we report on social topics for all legal entities within the Fagron Group from the moment they are consolidated, unless explicitly stated otherwise. For these indicators, acquisitions completed during the reporting year are included from the start of the financial year following their acquisition.

For more details on our strategic sustainability pillar, see Future Forward: People.

[1] Temporary workers are workers that are employed via an employment agency or any other companies active under NACE code N78. We include temporary workers if they work at Fagron for more than 0.3 FTE for at least 3 months.

Strategic priorities for 2025-2026
Building on the insights from the 2024 Global Employee Survey, as discussed in the Performance section, our focus for 2025-2026 is on strengthening the conditions that enable employees to thrive across all Fagron locations. While we continue to support the growth and success of our people across the organization, survey feedback has helped us identify a set of priority themes that guide our actions during this period and ensure continuity between our performance and sustainability ambitions.

A first priority is strenghtening leadership communication, which directly supports our ambition to foster togetherness across the organization. By enhancing the clarity, consistency, and transparency of communication on key business developments and decision-making, we aim to reinforce alignment, trust, and collaboration between leaders and employees at all levels. Clear and timely communication helps employees feel informed, connected, and part of a shared direction, contributing to a stronger sense of unity across teams and locations.

A second priority is captured under the theme "Safe to share", which is closely linked to both belonging and mental well-being. Through this focus area, we seek to further strengthen psychological safety and encouraging open dialogue, diverse perspectives, and constructive feedback throughout the organization. By creating an environment in which employees feel comfortable speaking up, sharing ideas, and raising concerns without fear of negative consequences, we support a culture of inclusion, mutual respect, and emotional well-being.

The third priority centers on equity and balance and supports our ambition to strengthen belonging and overall well-being. In this area, we continue to review and refine our compensation and benefits structures and to improve transparency around these topics, with the aim of reinforcing both fairness and the perception of fairness. At the same time, we promote a sustainable balance in workload and responsibilities, recognizing that equitable treatment and manageable demands are essential for long-term employee well-being and engagement.

Together, these priorities translate employee feedback into concrete and actionable focus areas and provide clear direction for targeted initiatives at global, regional, and local levels. By aligning these priorities with the core themes of togetherness, belonging, and physical and mental well-being, we ensure that our people strategy remains coherent, responsive, and closely connected to both our performance outcomes and our long-term sustainability ambitions.

The disclosed information generally concerns Fagron employees. When deemed applicable, we also report on self-employed managers and temporary workers. Employees, self-employed managers, and temporary workers together make up “Our people”. Disclosures on Our people concern Fagron and do not apply to our upstream and downstream value chain.

Our people

At December 31, 2025, Fagron's workforce consisted of 4,297 employees and 83 other people. The latter comprises 23 self-employed managers and 60 temporary workers. This total of 4,380 people is what we refer to as "Our people". The workforce increase reflects both acquisitions completed in 2025 and organic growth across all regions, with most of the organic headcount expansion occurring in operational roles.

Our people

	2024	2025
Fagron employees	3,935[1]	4,297[1]
Self-employed managers	18	23
Temporary workers[2]	86	60
Total Our people	**4,039**	**4,380**

1 Note 9 of financial statements refers to the same headcount.
2 Temporary workers are workers that are employed via an employment agency or any other companies active under NACE code N78. We include temporary workers if they work at Fagron for more than 0.3 FTE for at least 3 months.

Employee turnover

During 2025, a total of 1,011 employees left Fagron due to voluntary resignation, the expiration of temporary contracts, dismissal, retirement, or death. As Fagron regularly acquires companies throughout the year, employee turnover is calculated using the average number of employees, excluding acquisitions completed during the year. Based on this methodology, the total employee turnover rate was 0.25 in 2025. The voluntary employee turnover rate in 2025 was approximately 0.10. Turnover levels varied by region, partly reflecting regional differences in commonly used employment contract types. Voluntary employee turnover ranged from 0.07 in Latin America to 0.14 in North America - Pacific, while the rate in EMEA was 0.08.

Employee turnover

	2024	2025
Employees who have left Fagron	**783**	**1,011**
Number of employees on January 1	3,538	4,058
Number of employees on December 31[1]	3,935	4,125
Average number of employees	**3,736**	**4,091**
Rate of total employee turnover	**0.21**	**0.25**

1 Excluding acquisitions completed during the reporting year

Contract types

To align with local market practices across the countries in which we operate, we tailor our employment contract types accordingly. This leads to regional variations. For example, employment in the United States is generally "at will", whereas in Europe employment contracts are required, providing higher levels of job protection.

Contract types for Fagron employees

	2024					2025				
	Female	Male	Other	Not disclosed	Total	Female	Male	Other	Not disclosed	Total
Number of employees	**2,223**	**1,703**	**9**	**0**	**3,935**[1]	**2,474**	**1,814**	**9**	**0**	**4,297**[1]
Number of permanent employees[2]	2,129	1,649	9	0	3,787	2,384	1,767	9	0	4,160
Number of fixed-term employees[3]	66	41	0	0	107	69	35	0	0	104
Number of non-guaranteed hours employees[4]	28	13	0	0	41	21	12	0	0	33

1 Note 9 of financial statements refers to the same headcount.
2 Permanent employees are employees under contract (including at-will contracts) with no fixed end date.
3 Fixed-term employees are employees under contract (including at-will contracts) with a fixed end date.
4 Non-guaranteed hours employees are employees with an on-call contract or zero-hour contract.

Employees per country
The largest portion of Fagron's workforce is employed in EMEA (1,774 people in 2025), closely followed by North America - Pacific. We show employees by country in all countries where we employ at least 50 employees.

Employees per country

Country/region	2024	2025
United States of America	1,441	1,483
Other countries North America – Pacific		9
Total employees North America – Pacific	**1,441**[1]	**1,492**
Brazil	793	884
Colombia	80	84
Mexico	68	63
Total employees Latin America	**941**	**1,031**
Belgium	101	110
Czech Republic	209	239
Germany	131	132
Greece		50
Hungary	81	79
Israel	88	99
Netherlands	321	333
Poland	234	284
Serbia		52
South Africa	94	104
Spain	84	129
UK	73	70
Other countries EMEA and China	137	93
Total employees EMEA and China	**1,553**	**1,774**
Total Fagron employees	**3,935**	**4,297**

1 Note 9 of financial statements refers to 1,471 FTE in North America - Pacific, 1,037 FTE in Latin America and 1,626 FTE in EMEA. Financial statements do not include employee headcount per region.

Employee engagement

Fagron firmly believes that engaged employees are not only productive but also demonstrate higher performance levels. This engagement contributes not only to individual satisfaction but also to the overall success of Fagron. Fagron is therefore committed to ensuring that Our people feel valued and recognized for the work they do.

Targets and actions

As part of our strategic roadmap "Future Forward: People", we have set the following target related to employee engagement:

- By 2030, all Fagron companies aim to achieve a sustainable engagement score above the country norm.

Employee engagement

	2022	2024
Employee participation rate in Global Employee Survey	89%	93%
Sustainable Engagement Score	84%	87%

To reach this ambition, our long-term actions on employee engagement are structured around the core elements of our people framework: togetherness, belonging, and physical and mental well-being. These focus areas are directly reflected in the strategic priorities for 2025–2026, which emphasize leadership communication, "safe to share", and equity and balance as key levers to strengthen sustainable employee engagement across all Fagron locations. While these priorities guide our global focus, we continue to support employee thriving at all locations by addressing local needs and challenges. To ensure a targeted and region-specific approach, the priorities are translated into concrete action plans at global, regional and local levels.

Performance

We have conducted the Global Employee Survey every two years since 2016. This survey includes a Sustainable Engagement Score, which reflects the level of connection between our employees and Fagron. The most recent Global Employee Survey was conducted in 2024, and the next survey is scheduled for 2026.

Starting from the 2026 Global Employee Survey, we will report on performance in relation to our 2030 engagement target.

Diversity & inclusion

A diverse workplace drives innovation, creativity, and effective problem-solving. At Fagron, we work with diverse teams and value every individual's unique contribution. We believe in equal opportunities for all, irrespective of gender, age, sexual orientation, nationality, ethnicity, or other personal characteristics. Guided by mutual respect, we collaborate across diverse backgrounds and talents to foster a pleasant, safe, and inclusive work environment.

Targets and actions

As part of our foundational roadmap, we have set the following diversity and inclusion targets:

- 50/50 male/female representation at all management levels[1] by 2030.
- At least one-third female representation in top management by 2025 and 40-60% by 2040.
- A gender pay gap between -5% and 5% across all management levels by 2030.

These diversity and inclusion targets apply to Fagron employees only, except for the senior management target, which also includes self-employed managers.

Our diversity and inclusion actions are embedded in two complementary action plans:

- Our strategic action plan to increase sustainable employee engagement, as part of our Future Forward: People roadmap.
- Our operational action plan to increase gender diversity and gender equality.

Diversity & inclusion focus group

We continue to work with our diversity & inclusion focus group to ensure that we take appropriate and impactful actions. In 2025, this group was specifically involved in the realization of five Awareness Month campaigns, as well as other Diversity and Inclusion initiatives.

Diversity and inclusion campaigns and initiatives

In 2025, five Awareness Month campaigns were organized to educate and foster an inclusive workplace that celebrates diversity and promotes belonginess within the organization. Throughout the year, these campaigns addressed topics including LGBTQ+ equality, women's visibility, mental health, breast cancer awareness, and men's health, raising awareness, fostering respect, and promoting early detection education across Fagron.

To celebrate Pride Month in June, we shared anonymous testimonials from Fagron's LGBTQ+ employees on what makes them feel accepted at work. For Breast Cancer Awareness Month, we highlighted employees living with breast cancer and those who have supported them, sharing their experiences and what made them feel supported. By giving a voice to employees through company-wide communications during these awareness months, we encourage reflection and action toward greater inclusion, reinforcing our commitment to creating a workplace where everyone feels valued and respected.

As an organization, we want our employees to be safe and take care of themselves. That's why, in Movember, we ran an email campaign for men over 45 to encourage regular check-ups, and during International Mental Health Month, we invited all employees to seek help and support when needed. These campaigns help build psychological safety, strengthen connections, and continue fostering a workplace where support, understanding, and care are at the heart of everything we do.

In addition to these awareness campaigns, we continue to run other Global Diversity and Inclusion initiatives throughout the year to strengthen connection and belonging, including region-specific actions such as in Brazil, where we maintain publicly advertised open vacancies for people with disabilities, reinforcing our commitment to equal opportunities and accessible employment. By celebrating individual contributions and encouraging open sharing of perspectives, we create an environment where everyone feels respected, valued, and included.

[1] See Gender diversity for the definition of all management levels.

Female Mentorship Program

To support our targets on gender equality in leadership, we introduced a Female Mentorship Program in 2022. The program is open to all women at Fagron who wish to pursue their ambitions and explore their opportunities to further develop their careers. The program runs annually over a six-month period, during which mentors and mentees meet regularly to discuss challenges, goals, and career aspirations, and to share experiences.

In 2025, 14 ambitious women participated in this program as a mentees. As part of the 2025 program, we organized several sessions to guide and support them through their development journey and increase their networking opportunities, one of which was a panel session where we invited two female members of Fagron's Board to share their personal leadership experiences and career journeys, providing participants with additional perspectives and inspiration.

The program will be continued in 2026. Feedback collected from both mentors and mentees at the end of each cycle is used to further develop and optimize the program, ensuring it remains aligned with participants' needs and reinforces our commitment to building a diverse, inclusive, and empowered leadership landscape at Fagron.

Developing gender-neutral selection and promotion process

In 2025, we took further steps to strengthen our commitment to a gender-neutral selection and promotion process. While our existing procedures showed no evidence of bias, we proactively aimed to further reduce the risk of unconscious bias in decision-making. To support this objective, we updated the Global Talent Acquisition Policy and Process to include gender-neutral guidelines, removed honorifics (Mr./Ms.) from candidate communications, introduced an inclusive hiring training module for people leaders, and enhanced our applicant tracking system with AI functionality to support the creation of inclusive and gender-neutral job advertisements.

Exit surveys with female leaders

In 2025, we introduced a more structured approach to exit surveys to gain a deeper understanding of the reasons employees choose to leave Fagron. The revised exit survey enables consistent feedback collection and analysis across leadership levels and genders, helping to identify patterns and underlying drivers of employee turnover.

From a diversity and inclusion perspective, this analysis allows us to assess whether female leaders leave Fagron for different reasons compared to other employee groups. Insights from this analysis will be reviewed in 2026 to identify opportunities for improvement and targeted actions.

In-depth gender pay gap analysis

In 2024, we reported for the first time on our unadjusted gender pay gap and continued this work in 2025 (see Gender pay gap). In 2026, we will build on these analyses to ensure our gender pay gap reporting is fully aligned with the EU Pay Transparency Directive by 2027.

Performance

Gender diversity

We report on the gender diversity across top management, all management levels, and the overall employee population, using the following definitions:

- Top management: all managers within Korn Ferry grade levels 18 to 28, including those reporting directly to the CEO and those in managerial positions one level below.
- Management: All managers within Korn Ferry grade levels 16 to 28.

All gender diversity indicators are based on the number of employees on December 31, and exclude self-employed managers, except for top management, where self-employed managers are included to avoid skewing results.

Our target is to reach 50% female representation in management by 2030. In 2025, 43.1% of management positions were held by women, compared to 44.0% in 2024. In 2025, women represented 29.1% of top management, slightly below the target of at least one-third. Further numerical details are provided on the following page.

Diversity in terms of age

In 2025, Fagron had a diverse workforce in terms of age. The higher the organizational level, the greater the proportion employees in older age categories. Most employees are between 30 and 50 years old.

Age diversity employees

% of employees[1]	2024[2]	2025
<30 years old	25%	26%
30-50 years old	56%	56%
>50 years old	18%	18%
Age unknown	0%	0%

1 Percentage of employees by headcount on December 31.
2 Due to rounding numbers do not add up to 100%.

Social information

Gender distribution in top management

	Number of top managers		% of top management	
	2024[1]	2025[1]	2024[1]	2025[1]
Male	66	73	68.8%	70.9%
Female	30	30	31.3%	29.1%
Other gender	0	0	0.0%	0.0%
Total people in top management	**96**	**103**	**100.0%**	**100.0%**

1 Numbers include employees and self-employed managers.

Gender distribution in management

	Number of managers		% of managers	
	2024[1]	2025[1]	2024[1]	2025[1]
Male	153	181	56.0%	56.9%
Female	120	137	44.0%	43.1%
Other gender	0	0	0.0%	0.0%
Total people in management	**273**	**318**	**100.0%**	**100.0%**

1 2024 and 2025 numbers exclude self-employed managers.

Gender distribution employees

	Number of employees		% of employees	
	2024[1]	2025[1]	2024[1]	2025[1]
Male	1,703	1,814	43.3%	42.2%
Female	2,223	2,474	56.5%	57.6%
Other gender	9	9	0.2%	0.2%
Total employees	**3,935**[2]	**4,297**[2]	**100.0%**	**100.0%**

1 2024 and 2025 numbers exclude self-employed managers, but include employees with an on-call contract.
2 Note 9 of financial statements refers to the same headcount.

Gender pay gap

We calculate the gender pay gap based on gross hourly pay including:

- Fixed remuneration (base salary)
- Short-term variable remuneration (e.g. annual bonuses, overtime)
- Long-term variable remuneration (e.g. subscription rights, performance shares)
- Other benefits (e.g. company car)

This calculation includes gross salary, company-paid pension contributions, and all variable remuneration and benefits. Taxable benefits are included in line with local legislation. Paid family-related leave and sick leave funded by the company are also included.

In 2025, the unadjusted gender pay gap amounted to 13%, compared to 15% in 2024, reflecting changes in the average pay levels of female and male employees year-on-year. As in the prior year, this figure represents an unadjusted pay gap and does not account for differences in function, seniority, or geographic location.

When calculating the unadjusted pay gap, two important factors drive the average pay higher for men:

- A larger proportion of men hold management roles in regions with higher wage levels.
- Men more frequently occupy higher-level management positions. As compensation increases with job level, this raises the average male salary. Women, on the other hand, are more often in production and operational roles, which are typically lower-level positions with lower pay.

Gender pay gap

	2024	2025
Average pay level female employees (euro per hour)	21.8	22.2
Average pay level male employees (euro per hour)	25.5	25.6
Gender pay gap[1]	**15%**	**13%**

1 Excluding acquisitions completed during the reporting year

Training & development

We believe that investing in employee development strengthens both company performance and individual growth. Through training and career development opportunities, we enhance employability, retention, and job satisfaction, while improving the overall quality of work.

Targets and actions

As part of our foundational roadmap, we have defined the following targets related to training and development:

- By 2030, 95% of employees participate in an annual career development and performance review.

In 2025, we began tracking learning hours per employee. Based on the insights gained, we will evaluate the setting of a learning hours target in the coming years.

Performance reviews and feedback discussions have long been embedded in our People & Culture policies. Each year, employees collaborate with their people leader to define individual development objectives and career aspirations. These objectives may include internal or external training, on-the-job learning, or mentorship opportunities. Regular check-ins throughout the year support a continuous feedback cycle, and insights gathered during these conversations serve as input for the comprehensive annual feedback summary, conducted from December through first quarter of the following year.

Our actions related to training and development are embedded in two action plans:

- Our strategic action plan to increase sustainable employee engagement, as part of our Future Forward: People roadmap.
- Our operational action plan focused on annual career development and performance reviews.

Leadership development

Strengthening leadership communication was a key focus area in 2025 and will remain a priority in 2026. Our aim is to enhance the clarity, consistency, and transparency of leadership communication on key business developments and decision-making across the organization. To support this ambition, we are further clarifying and structuring our leadership development offerings, ensuring they are accessible, coherent, and aligned with our leadership expectations. In parallel, we provide leaders with practical tools and resources to support professional and effective communication. In addition, leaders are encouraged to assess their own communication style and receive guided feedback, enabling continuous development and reinforcing consistent leadership behaviors across Fagron.

Performance

Giving and receiving feedback

In 2023, we laid the foundation for strengthening the role of feedback within our organization. Through diverse initiatives, we embedded continuous feedback more deeply into the way we work, encouraging open dialogue, recognition, and ongoing development.

As part of our continued efforts, we further strengthened this approach by adding Kudos to our continuous feedback cycle and integrating it into our annual performance review process. Building on the successful launch of the KudoBot in 2023, which allows employees to recognize each other for behaviors that reflect Fagron values and the way we collaborate across teams.

We have also introduced a new public shout-out feature in Workvivo, providing our employees with an additional way to recognize each other in front of their teams and taking the culture of feedback to the next level across the organization. Together, these initiatives support a culture of feedback and connection.

In addition, we have redesigned the annual performance review process to a more focused approach, emphasizing the essential elements of performance, development, and future growth. This streamlined design enables more constructive feedback conversations between our people leaders and their teams.

In our 2024 Global Employee Survey, our employees rated our feedback culture at 82%, representing a 9% increase compared to the 2022 Survey, when feedback was first placed on our strategic roadmap. Our feedback culture will be measured again in 2026 as an ongoing driver of our employee engagement and development.

Performance and career development reviews

In 2025, 97.2% of employees[1] participated in an annual performance and career development review with their people leader or supervisor, again surpassing our long-term target. This percentage is calculated based on employees[2] who were employed at the time the invitations for the annual performance and career development reviews were sent and who remained employed through the review deadline of March 31, 2025.

In line with our commitment to continuous feedback, employees and people leaders are encouraged to engage in multiple feedback check-ins throughout the year. In 2025, employees participated in an average of 1.7 reviews per employee, unchanged from 2024. This figure is calculated based on the average number of employees employed during the year.

Performance and career development reviews

	2024[1]	2025[2]
% of employees with annual performance and career development review	98.2%	97.2%
% of female employees with annual performance and career development review	98.4%	97.2%
% of male employees with annual performance and career development review	97.9%	97.1%
Number of performance and career development reviews per employee	1.7	1.7

1 Percentages apply to all employees employed at the time that the invitations for the annual performance and career development review were sent out and that were still employed at the deadline for the review. This excludes employees with an on-call contract and employees that did not have a user account in the first quarter of 2025.
2 Excluding acquisitions completed during the reporting year

1 With the exception of employees with an on-call contract and employees that did not have a user account in the first quarter of 2025. The ESRS S1 requires reporting on employees with an on-call contract. However, these employees are currently not included in our performance and career development review cycle.
2 Excluding acquisitions completed during the reporting year

Learning hours

In 2025, we began tracking learning hours per employee. Excluding employees from companies acquired during 2025, the average number of learning hours per employee was 2.7, with no difference between male and female employees.

Average learning hours per gender

	2025[1]
Male	2.7
Female	2.7
Other gender	1.2
Total employees	**2.7**

1 Excluding acquisitions completed during the reporting year

Health and safety

Fagron is committed to ensuring that Our people can perform their work in a clean, orderly, and safe environment. We apply a zero-tolerance approach to actions or behaviors that could endanger the health and safety of employees or others. By proactively identifying, addressing, and mitigating risks, we aim to prevent or minimize injuries and adverse health impacts among Our people.

Targets and actions

As of 2024, our foundational roadmap includes the following health and safety targets:

- Zero fatalities and zero serious, long-term, or permanent work-related injuries.
- A 95% participation rate in annual health and safety training by 2030.

Our highest priority is to prevent fatalities and incidents resulting in serious, long-term, or permanent injuries. Incidents causing minor injuries are treated as warning signals and prompt a review and, where necessary, adjustment of our procedures and emergency response plans. Our health and safety policies and targets apply to all Our people. Over recent years, health and safety management has primarily been organized at the level of individual Fagron companies, with close adherence to applicable local occupational health and safety legislation in all jurisdictions where we operate. At group level, health and safety oversight has mainly focused on monitoring and reporting.

In 2024, we strengthened our health and safety culture by requiring all Fagron companies to conduct annual health and safety reviews and implement corresponding improvement plans. We also standardized follow-up procedures for health and safety incidents across the group.

In 2025, we continued to deliver our annual health and safety training for all our people, with a focus on fostering a "safe to share" culture that encourages employees to speak up about health and safety concerns. Participation increased to 99% in 2025, compared to 86% in 2024, demonstrating year-on-year improvement and supporting our long-term participation target.

Our health and safety actions are embedded in two action plans:

- Our strategic action plan to increase sustainable employee engagement, as part of the Future Forward: People roadmap.
- Our operational action plan to reduce health and safety accidents.

Performance

Focus on well-being

Fagron is committed to supporting the well-being of employees. In 2025, we have continued to prioritize the mentall well-being of our employees by fostering a supportive and inclusive work environment. Building on our 2024 initiatives, we are now also reinforcing mental well-being through our Global Employee Survey action plan, related to "Safe to Share" and "Equity and balance".

This approach encourages employees to openly share their ideas, experiences, and concerns without fear of judgment, promoting constructive dialogue, diverse perspectives, and meaningful feedback across all levels of the organization. By fostering an environment where everyone feels safe to speak up and workloads are balanced, we aim to strengthen trust, collaboration, and overall well-being.

To support this, our Equality Ambassadors received two trainings in 2025 focused on addressing unconscious biases and fostering inclusive conversations. These ambassadors help build psychological safety across all

Annual health and safety training

	2024	2025
Number of Our people who completed the Health & Safety training	3,489	3,774
Number of Our people at start date of Health & Safety training	4,049	3,828[1]
% of Our people at start date of training that completed the Health & Safety training	**86%**	**99%**

1 Number of Our people employed on the 18th of August 2025.

Fagron locations, ensuring employees feel supported and empowered to share their perspectives. We plan to continue and expand these trainings in the coming years.

Our ongoing commitment to inclusion (See Diversity & Inclusion) complements our well-being focus by creating spaces where employees feel supported and empowered to share experiences.

Work-related injuries

In 2025, 29 employees experienced recordable work-related injuries, compared to 22 in 2024. None of the injuries in 2025 resulted in long-term or permanent harm. Actions taken to prevent future accidents may include additional education and training, as well as adjustments to procedures or emergency response plans.

In 2025, there were no fatalities among non-employees in our own workforce.

As Fagron does not monitor the actual number of hours worked by employees, an estimation was made to determine the rate of work-related injuries. Based on this estimation, the rate of work-related injuries in 2025 was 4.0 . We aim to further improve the accuracy and robustness of this metric in the coming years.

Fagron did not measure any of the ESRS indicators related to work-related ill health or days lost due to work-related injuries, work-related ill health, and fatalities. Work to establish a structured monitoring system for these indicators was initiated in 2024 and remains ongoing. Further development and refinement of the system will continue, with the objective of enabling consistent monitoring and future reporting in line with CSRD requirements.

Number of work-related injuries and fatalities

	2024	2025
Work-related fatalities (employees)	0	0
Work-related fatalities (non-employees in own workforce)	0	0
Work-related fatalities (value chain workers on Fagron sites)	-[1]	0
Total fatalities own workforce and value chain workers on Fagron sites	**0**	**0**
Work-related long-term or permanent injuries (employees)	0	0
Other recordable work-related injuries (employees)	22[2]	29
Total recordable work-related injuries employees	**22**	**29**

1 Not measured
2 Of one of these incidents, the person has not made a full recovery yet. We expect that a full recovery can be made, making it a non-permanent injury.

Rate of work-related injuries and fatalities

	2024	2025
Total recordable work-related injuries employees	22	29
Total hours worked by employees	6,488,300	7,253,610
Rate of work-related injuries (per million hours)	**3.4**	**4.0**

Health and safety mechanisms

Fagron monitors the availability of occupational health and safety mechanisms across the organization. These include health and safety training, access to confidential counselors, and the presence of health and safety representatives. In 2025, these mechanisms covered on average 99% of employees, excluding acquisitions completed during the reporting year. These mechanisms support prevention, awareness and reporting related to workplace health and safety risks.

Compensation & benefits

Compensation and benefits are key pillars in attracting and retaining talent and fostering employee satisfaction. Fagron recognizes the importance of offering attractive compensation and benefits to all employees. By doing so, we not only support employee well-being and engagement but also contribute to the local economies and communities in which we operate.

Targets and actions

As part of our foundational roadmap, we have set the following targets related to compensation and benefits:

- All employees earn an adequate wage by 2026.
- Median base pay, variable pay, and benefits for all employees are benchmarked against the market by 2030.
- All employees have access to Fagron Global Standard Benefits by 2030.

Our policies and targets concerning compensation and benefits apply exclusively to Fagron employees and do not extend to other workers in our workforce.

In 2025, Fagron reviewed its reward and working conditions strategy to assess alignment with the company's sustainability strategy. Following this review, no changes were required, as the existing strategy remains aligned with the company's strategic direction. The reward strategy continues to guide implementation by People & Culture professionals and is available to all employees. As part of the continued evolution of this framework, work on defining Global Standard Benefits remains ongoing, with the aim of further enhancing consistency and transparency in benefit practices across the organization while allowing for local adaptation to legal and market conditions. In 2026, we will further communicate on this reward and working conditions strategy internally to ensure continued clarity and understanding across the organization.

Performance

Global Employee Survey

Employee perceptions of compensation and benefits are monitored through the Global Employee Survey and exit interviews.

In the 2024 Global Employee Survey, employees rated the Fagron compensation package close to the global pharmaceutical industry benchmark. As the Global Employee Survey is conducted bi-annually, no new results on employee perceptions of the Fagron compensation package were collected in 2025. The next survey will take place in 2026.

Adequate wage

In 2024, we assessed for the first time whether all employees earn an adequate wage, using the following regional definitions. These same definitions were maintained in 2025.

- EEA countries: Applicable minimum wage as determined by legislation or collective bargaining.
- Brazil: Applicable wage as defined by collective bargaining, considering a decent standard of living.
- Israel: Statutory minimum wage, assessed as sufficient to support a decent standard of living.
- UK: National Living Wage as determined by the UK government.
- USA: Applicable minimum state wage, or federal minimum wage where the state wage is lower.
- China, Colombia, Mexico, South Africa: Living wage benchmarks derived from the Global Living Wage Coalition, as statutory minimum wages do not provide for a decent standard of living[1].

These benchmarks were compared with the wages paid to employees, including base pay and fixed, guaranteed additional payments. The analysis is based on information excluding acquisitions made in 2025.

Based on the selected benchmarks, 99.2% of all our employees[2] were paid an adequate wage. The exceptions are Colombia where 37% of employees earned below the adequate wage benchmark (31 employees) and Mexico where 3% of employees earned below the adequate wage benchmark (2 employees).

[1] Regional benchmark reports published by the Global living Wage Coalition for the region closest to our operations; the most recent benchmarks unadjusted for inflation were used.
[2] Excluding acquisitions completed during the reporting year

Ensuring that all employees earn an adequate wage by the end of 2026 remains part of our sustainability strategy. To support this, we will further assess wage levels and benchmark suitability in Colombia and Mexico.

Pay ratio - Highest-paid individual and median employee remuneration

Executive remuneration at Fagron is designed to align with the long-term interests of shareholders and to attract and retain executive talent, while also maintaining a reasonable balance between executive and employee pay. This approach is closely linked to our broader compensation and benefits policies (see Compensation & benefits).

While no explicit targets are set for the pay ratio between the highest-paid individual and the median employee pay, sustainability performance is embedded in both short-term and long-term incentive structures.

A description of our remuneration policy and action hereon can be found in the Remuneration report and policy.

The actions taken in 2025 regarding the remuneration of executives is listed in the remuneration report.

In 2025, the ratio between the highest-paid individual and the median annual total remuneration of all employees (excluding the highest-paid individual) was 104.0, compared to 77.3 in 2024. While the median annual total remuneration of employees increased year on year, the ratio rose primarily due to the payout of long-term variable remuneration to the highest-paid individual in 2025.

The following remuneration components are included in this calculation:

- Fixed remuneration (base salary)
- Short-term variable remuneration (e.g. annual bonuses, overtime)
- Long-term variable remuneration (e.g. subscription rights, performance shares)
- Other benefits (e.g. company car)

Annual total remuneration ratio

	2024	2025
Annual remuneration highest-paid individual (x 1.000 euro)	1,954	2,854
Median annual remuneration employees (x 1.000 euro)[1]	25	27
Annual total remuneration ratio	**77.3**	**104.0**

1 Excluding acquisitions completed during the reporting year

The calculation includes gross salary and voluntary employer contributions (e.g. pension costs), as well as all variable remuneration and benefits, excluding expense reimbursements such as commuting costs. Company car benefits are calculated based on taxable values as defined in local legislation. Paid family-related leave and sick leave funded by the company are included, regardless of statutory requirements.

Working hours

At Fagron, we prioritize ensuring that Our people do not structurally exceed their contracted working hours. Maintaining reasonable working hours supports employee well-being and helps reduce the risk of occupational health and safety incidents. By enabling a healthy balance between work and personal life, we aim to support employees in leading fulfilling lives outside the workplace.

Targets and actions

As of 2024, our roadmap includes the following targets related to working hours:

- The standard Fagron workweek is a maximum of 44 hours per week and 8 hours per day.
- For employees in Korn Ferry grade levels 1 to 14, the maximum number of working hours per day, including overtime, is 10 hours.
- Overtime for employees in Korn Ferry grade levels 1 to 14 is always compensated, either through time-for-time or financial compensation.

Our working hours targets apply to all Our people.

We aim for full alignment across all Fagron companies and for these targets to apply to all employees no later than 2030, and preferably earlier.

Performance

Fagron complies with local legislation governing maximum working hours and overtime compensation.

In 2025, we conducted the planned gap analysis and confirmed that most countries in which Fagron operates are already aligned with our target of a maximum 44-hour workweek. Mexico is currently the only country not yet aligned; however, changes in local labor legislation are anticipated by 2030. Fagron will continue to monitor these developments and implement adjustments in line with applicable local regulations.

Human rights & labor rights

At Fagron, we believe in treating everyone with respect and fairness, and in providing a safe and supportive work environment for all employees. We are committed to preventing violations of human rights and labor rights across all our facilities worldwide.

Targets and actions

As of 2024, our roadmap includes the following commitments:

- Zero tolerance for slavery, forced labor, and child labor, and respect for freedom of association and collective bargaining.
- Zero tolerance for discrimination, intimidation, abuse, or any behavior that may be considered as intimidating, offensive, or discriminatory.

These commitments apply to all Our people, including employees and other individuals in our workforce.

Our Code of Conduct & Ethics explicitly addresses key human rights and labor rights topics and is informed by internationally recognized standards, including the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises. These frameworks guide our commitment to responsible business conduct and respect for internationally recognized human rights:

- Discrimination and harassment: Fagron is committed to equal pay for equal work and to providing a workplace free from violence, intimidation, bullying, or other forms of threat. The Code of Conduct & Ethics prohibits discrimination based on racial or ethnic origin, color, sex, sexual orientation, gender identity, disability, age, religion, marital status, or any other characteristic protected by applicable law.
- Slavery and forced labor: Fagron has issued a Modern Slavery Statement, incorporated into the Code of Conduct & Ethics, to prevent and address modern slavery and human trafficking within our operations and supply chain. This includes forced and compulsory labor.
- Child labor: We strictly prohibit child labor worldwide. All employees must meet the applicable legal minimum working age. Where the legal minimum age is below 18, additional care is taken to ensure that young employees perform appropriate work under suitable conditions.
- Freedom of association and collective bargaining: All individuals working at Fagron are free to join trade unions or representative organizations of their choice. This commitment aligns with relevant ILO conventions on freedom of association and collective bargaining.

For more information on our Code of Conduct & Ethics, see Compliance.

We believe that a combination of education on our Code of Conduct & Ethics, an effective grievance mechanism, and initiatives to promote diversity and inclusion reduces the risk of human rights and labor rights infringements. Our grievance mechanism provides a structured process for addressing substantiated concerns and ensures timely and appropriate follow-up.

All Our people, including members of management, are required to complete annual Code of Conduct & Ethics training, which includes specific attention to human rights and labor rights. For more information, see Annual Code of Conduct & Ethics training.

Any questions or concerns employees may have in relation to the Code of Conduct & Ethics can be reported through our grievance mechanism. The grievance mechanism includes a structured way to remedy any substantiated grievances, including those related to human rights and labor rights. For more information on the grievance mechanism, see Grievance mechanism.

For more information on the ways that Fagron is advancing diversity and inclusion, see Diversity & inclusion.

Performance

Discrimination, harassment and intimidation

In 2025, 8 reports of potential discrimination, harassment and intimidation were submitted

through the Fagron Integrity Line. These comprised 1 report related to discrimination, 5 to harassment and 2 to intimidation. All reports were investigated during the year, and 7 cases were substantiated. Appropriate measures were taken in response to these findings.

In 2025, no fines, penalties or compensation for damages were paid as a result of reports of discrimination and harassment.

For more information about the Fagron Integrity Line and reports concerning other topics than discrimination and harassment, see Grievance mechanism.

Severe human rights incidents

There were no cases of severe human rights incidents related to Fagron's workforce reported in the Fagron Integrity Line in 2025 (see Grievance mechanism). This means that there were no reports filed regarding forced labor, human trafficking, and child labor. No fines, penalties or compensation for damages were paid as result of reports of severe human rights incidents.

In 2025, there were three employees under the age of 18 within Fagron (2024: 0). These employees were engaged on non-guaranteed hours contracts and worked only a limited number of hours per month. Based on the nature of these roles and our employment practices, the risk of child labor is assessed as low. More broadly, Fagron assesses its workforce as not being exposed to material risks related to forced labor, compulsory labor, or child labor.

Freedom of association and collective bargaining

By end 2025, 1,450 Fagron employees were covered by a collective bargaining agreement (equaling 34% of all employees). Across the countries in the European Economic Area (EEA) where Fagron is active, multiple collective bargaining agreements effectively apply to - a portion of - our employees in countries such as the Netherlands and the Czech Republic. At end 2025, there were workers' representatives in (some of the facilities in) Brazil, Colombia, Czech Republic, Germany, Hungary, and Italy.

Fagron has not entered into any agreement with employees on representation by an EWC (European Works Council), SE (Societas Europaea) Works Council or SCE (Societas Cooperative Europaea) Works Council.

The percentage of employees covered by collective bargaining agreements and workers' representatives underscores Fagron's commitment to respect the right to collective bargaining and social dialogue.

Collective bargaining coverage and social dialogue[1]

	Collective bargaining coverage		Social dialogue
Coverage Rate	Employees – EEA (for countries representing >50 employees)	Employees – Non-EEA (per region)	Workplace representation – EEA (for countries representing >50 employees)
0-19%	Germany, Greece, Hungary, Poland	United States	Belgium, Greece, Netherlands, Poland, Spain
20-39%	Netherlands		Germany
40-59%			
60-79%	Czech Republic		Czech Republic
80-100%	Belgium, Spain	Latin-America	Hungary

1 This table differs slightly from the table required according to ESRS S1, we have opted to report for all countries where we have more than 50 employees in the EEA area instead of only for those countries where more than 10% of total employees are situated.

Stakeholder group: Value chain workers

For clarity, we have organized our reporting on social information into three key stakeholder groups - Our people, end-users, and value chain workers. This section focuses on the value chain workers stakeholder group.

Our updated DMA identified the following material topics and IRO's included under our Social information, which apply to the stakeholder group "value chain workers":

Topic	Scope[1]	Time horizon	IRO	Description
Health & Safety	Upstream and downstream	Short, medium, long term	Negative impact	• Incidents or unsafe working conditions may cause injury, health impairment, or stress.
			Risk	• Accidents can reduce productivity and cause operational disruptions.
Human rights & labor rights	Upstream and downstream	Short, medium, long term	Negative impact	• Workers in the supply chain may be exposed to discrimination, harassment, or unfair treatment at their employer.
			Risk	• (Allegations of) Infringements of human or labor rights might cause reputational damage for Fagron that may reduce customer and investor trust.

1 Upstream and downstream refers to upstream value chain and downstream value chain of Fagron

Our Approach

As part of our strategic sustainability pillar "Future Forward: Operations" we are committed to building responsible value chain partnerships where high standards in labor practices and environmental responsibility are the norm. We discuss labor practices here, and environmental responsibility under Environmental information. For more information about our sustainability strategy see Future Forward: Personalizing medicine.

The disclosed information concerns our direct suppliers, and thus the value chain workers who work for these suppliers. Disclosures on value chain workers therefore concern our upstream value chain as well as business partners in our downstream value chain. We do not currently differentiate in types of value chain workers, such as value chain workers in the up- or downstream value chain.

To provide insight into sustainability risks and reveal and/or prevent violations, Fagron established a Business Partner Code of Conduct, updated in 2024. The Code describes requirements and expectations regarding:

- Human and labor rights
- Health & safety at work
- Environment: regulatory compliance, waste and emissions, discharges, and environmental sustainability
- Ethics: combating bribery and corruption, safeguarding fair competition and animal welfare
- Management systems: regulatory compliance, risk management, documentation, supplier selection and supplier monitoring

The Fagron Business Partner Code of Conduct is publicly available via investors.fagron.com.

At present, Fagron does not have a dedicated channel for value chain workers to raise concerns in relation to for instance their human rights and labor rights or working conditions (including health & safety). Fagron also does not have any direct engagement with value chain workers, we may consider changing this in the future.

Health & safety

Non-functioning occupational health and safety systems (as part of working conditions) at suppliers could result in permanent physical injury or even death of supply chain workers. Fagron therefore finds it important to pay specific attention to occupational health and safety in the supply chain.

Targets and actions

The Fagron Business Partner Code of Conduct specifically pays attention to the following health and safety topics for value chain workers:

- Safety of the work environment
- Worker protection, health and wellbeing
- Process safety
- Housing standards.

Performance

Fagron indirectly follows up on the health and safety in the value chain and more specifically at its suppliers, via the completed ESG questionnaires. Current year performance on the percentage of suppliers who signed Fagron's Business Partner Code of Conduct can be found in the section below on Human rights & labor rights.

Furthermore, Fagron also follows up on the work-related accidents on Fagron site, of own employees and also of value chain workers. This year, for the first time, data has been collected and is disclosed in relation to fatalities of value chain workers on site. We refer to topic Health & Safety in the section on "Our people".

Human rights & labor rights

We consider respecting human rights and labor rights as important because of the impact that a potential violation could have on value chain workers. Fagron is committed to the Universal Declaration of Human Rights (UDHR) and makes an effort to combat any violation of human rights and labor rights. Policies, targets and actions related to human rights & labor rights apply to all value chain workers in our upstream value chain as well as value chain workers working for business partners in our downstream value chain.

Targets and actions

We expect our business partners to commit to respect the human and labor rights of internal and external stakeholders ensuring to treat them with dignity and respect. More specifically, our Business Partner Code of Conduct sets out our expectations regarding the right to freely chosen employment (including to avoid trafficking in human beings, forced labor and compulsory labor), child labor and young workers, non-discrimination, fair treatment, compensation and benefits (including working hours) and freedom of association. Our ambitions are clear:

- Zero tolerance to modern slavery and human trafficking
- No forced, bonded, or indentured labor
- No use of child labor
- No discrimination for reasons such as age, race, color, ethnicity, religion, sexual orientation, gender identity, marital status, disability, political affiliation, union membership, or any other characteristics protected by applicable laws
- A workplace free of harassment, harsh and inhumane treatment
- Respect applicable wage laws
- Free association, seek representation and collective bargaining, as defined in local laws
- And more can be found in the Business Partner Code of Conduct

We have put forward the following target related to our Fagron Business Partner Code of Conduct, as part of our strategic sustainability roadmap:

- By 2030, 75% of our Tier 1 suppliers adhere to our Fagron ESG standards. One of the conditions of the Fagron ESG standards is that suppliers sign the Fagron Business Partner Code of Conduct.

We calculate the percentage by dividing the spend on trade goods of the suppliers who have signed the Fagron Business Partner Code of Conduct by the total spend on trade goods[1].

Furthermore, Fagron conducts extensive quality screenings before purchasing from a supplier (see Product quality & safety). All Fagron's suppliers of pharmaceutical raw materials comply with GMP or ISO 19001 certification. To ensure compliance with GMP/ISO 19001 Fagron conducts regular quality audits, these audits have never revealed an indication of human rights violations[2]. Fagron does not actively investigate compliance with social and environmental criteria when selecting suppliers, nor do we conduct specific auditing on these matters.

In 2024 we were admitted as a member of the Pharmaceutical Supply Chain Initiative (PSCI) . We are an associate member for three years so that we can learn from leaders in the pharmaceutical sector in terms of responsible supply chain practices.

With the help of the knowledge available at PSCI we have started developing a responsible supply plan titled "Future Forward: Responsible Supply Chain Plan". This plan will at least contain:

- A standardized risk assessment framework
- An audit and monitoring plan aimed at those suppliers who are at risk of non-compliance with our Business Partner Code of Conduct.
- Correction plan to be used in case of non-compliance. Corrections could include the business partner remedying the situation or Fagron ceasing business relationships.

In 2025, we have taken a first step in setting up this risk assessment by reviewing in detail the ESG questionnaire confirmations and following up more closely on those suppliers who did not respond to our request to sign the ESG questionnaire.

1 Total value spend on trade goods can be found in the consolidated income statement in our Financial Statements.
2 Or any other cases of non-respect of the UN Guiding principles or other international frameworks referred to in ESRS S2.

Performance

Fagron Business Partner Code of Conduct

We actively ask our suppliers to fill out our Fagron Business Partner ESG questionnaire. At the end of the questionnaire, we ask our business partners to sign the Fagron Business Partner Code of Conduct. Since 2023, this Fagron Business Partner ESG questionnaire is part of the qualification process for suppliers. In 2025, we continued our active engagement with business partners to fill out our ESG questionnaire focusing on those business partners with whom we spend above 100.000 euro per year. This provides us with insights into the sustainability policies, targets and actions of our business partners.

% of suppliers who have signed the Business Partner Code of Conduct

	2024	2025
% of suppliers who have signed the Business Partner Code of Conduct	27%	33%

In 2025, the Business Partner Code of Conduct was signed by 33% of our Tier 1 suppliers, reflecting continued growth over the years (27% in 2024). This value includes the suppliers who already signed the Business Partner Code of Conduct in 2023 and 2024. We will continue our efforts to meet our goal of 75% by 2030.

Stakeholder group: End-users

For clarity, we have organized our reporting on social information into three key stakeholder groups - Our people, end-users, and value chain workers. This section focuses on the end-user stakeholder group.

The outcome of our updated DMA shows the following topics and IRO's to be material for our end-users:

Topic	Scope[1]	Time horizon	IRO	Description
Access to healthcare	Downstream	Short, medium, long term	Positive impact	• Access to scientifically based healthcare solutions creates a positive impact on health of end-users.
			Opportunity	• Fagron's specialised R&D pipeline is positioned to bridge the quality gap, recognized by regulatory authorities, between industrially produced pharma products and compounded medication for end-users and creates as such an opportunity to Fagron.
Product quality & safety	Downstream	Short, medium, long term	Negative impact	• Failure to meet product quality and safety standards may lead to severe side-effects for end-users.
			Risk	• Failure to maintain high product quality and patient safety can result in reputational damage, regulatory fines, loss of operating license affecting the company's profitability and shareholder value.
Privacy of end-users	Downstream	Short, medium, long term	Negative impact	• Unwanted exposure of patient data may negatively impact end-users in terms of physical and emotional safety (for example when patient data can be linked to sexual orientation in countries where homosexuality is not accepted)
			Risk	• A data breach would impact Fagron's operations and ultimately also reputation.

1 Downstream refers to Fagron's downstream value chain

Our Approach

In line with Fagron's business model, we do not have consumers as defined under ESRS, but instead focus on customers and end-users within our value chain. Disclosures on end-users concern Fagron's downstream value chain. Disclosures apply to all end-users.

All above identified material IRO's relate to human rights of our customers and end-users in the broad sense and are addressed in Fagron's Code of Business Conduct & Ethics. With patients as our most vulnerable and valuable customer, Fagron adheres to all laws and regulations which are designed to protect every patient. Quality and safety are core considerations at every stage of the research, development, manufacturing, storage, and distribution of our products. We also commit to communicating honest product information to our customers and end-users. Furthermore, Fagron is committed to respecting the confidentiality of personal information of all its stakeholders, including our end-users.

Fagron currently provides two channels for addressing concerns of customers and end-users:

- Our Privacy Office, as outlined in our EU Privacy Statement, is available to handle complaints and inquiries regarding data privacy.
- We offer dedicated channels for reporting product quality and safety issues, as detailed in our quality complaints procedures (see Quality complaints and recall procedures).

At present, Fagron does not have a channel available for consumers or end-users of our products dedicated for raising concerns related to human rights and labor rights in general. There are currently no plans to establish such a channel.

Access to healthcare

Access to healthcare depends on more than having medicines on the market. It also depends on whether patients can receive the right therapy in the right form and dose (the very principle of personalized medicine and pharmaceutical compounding).

Fagron supports access by enabling personalized medication when standard, mass-produced products do not fit a patient's needs (for example due to dose requirements, formulation intolerance, or administration constraints). Our contribution is grounded in a science-based approach that helps healthcare professionals deliver individualized therapy with confidence and consistent quality.

Fagron provides the enabling infrastructure for this niche of personalized medicine. We supply specialized products, services, and tools to pharmacies and hospitals, which use them to prepare and dispense patient-appropriate treatments. This includes solutions from our Brands & Essentials segments used in daily compounding practice, as well as Compounding Services, where Fagron produces compounded products for customers in a controlled environment. Together, these activities help make personalized therapy more accessible, reliable, and scalable across healthcare systems.

Targets and actions

Our strategic sustainability pillar "Future Forward: Compounding" centers around our belief that by advancing compounding knowledge we can increase access to medication by enabling healthcare professionals worldwide to provide science-based personalized compounded medicine. As part of our strategic roadmap "Future Forward: Compounding" we have set the following targets related to access to healthcare:

- Generate 30% of our revenue from Fagron Brands by 2030
- Double the number of scientific publications about compounding and Fagron Brands by 2040 compared with 2030.

The percentage of revenue coming from Fagron Brands is a practical proxy for adoption of our standardized compounding solutions and related enabling platforms, which can ultimately be an indicator of how many pharmacists and prescribers use pharmaceutical compounding to help their patients.

To increase the use of compounding and access to healthcare, we have defined actions in relation to knowledge sharing, scientific development, sustainable & ethical products, client satisfaction and market & portfolio expansion. For more details on our strategic action plan, see Future Forward: Compounding. A short summary is provided below.

Knowledge sharing

Fagron is active in a highly specialized segment of healthcare: enabling personalized medication when standard, mass-produced options do not fit a patient's needs. In this niche, knowledge and evidence are decisive, because healthcare professionals must be confident that individualized therapy is built on robust science, consistent preparation methods, and reliable product performance.

Fagron Academy is our global knowledge engine that helps healthcare professionals translate science into practice. It strengthens customer capability and confidence through three scalable pillars:

1. Video Platform (training at scale for pharmacists and prescribers): A growing library of courses and training that supports real-world decision-making and safe implementation. For prescribers, it increases confidence in when and how personalized therapy can be considered. For pharmacists, it supports correct preparation methods and quality principles.
2. Formulary (standardized, teachable compounding practice): A structured database of formulations that guides pharmacists on how to compound and counsel using validated formulation approaches. This improves reproducibility and reduces variability in practice.
3. Library (scientific credibility, uniquely strong for our niche): A curated set of peer-reviewed scientific publications and technical studies that underpin our claims, demonstrate performance of our solutions, and reinforce the strength of our Specialized R&D organization – one of Fagron's key differentiators within the compounding market.

Feeding more and more content to these platforms over time, end of 2025, there are more than 22,000 formulations and nearly 500 courses available, more than doubled compared to 2024. As adoption expands across regions, the Video Platform, Formulary, and Library function as scalable assets that lower the "cost-to-serve" per customer.

Scientific development

In a niche market where clinical needs are highly diverse and standard products frequently fall short, customers choose partners who can consistently deliver quality, performance, and trust. Specialized R&D is the foundation for that trust.

Our Specialized R&D teams develop and validate the science behind our Global Brands and enabling platforms, turning formulation expertise into evidence-based solutions supported by stability and compatibility programs, performance testing, and publication output. This work produces practical assets that matter commercially: validated product dossiers, standardized formulation approaches, claim-supporting studies, and technical toolkits that accelerate customer adoption across regions.

Sustainable and ethical products

Fagron is committed to delivering ethical, high-quality products that support healthcare professionals in providing sustainable compounded medicines. We follow ethical guidelines for our products, aim to reduce the greenhouse gas emissions from their production, and work to ensure our suppliers meet Fagron's ESG standards. See Future Forward: Operations for more information on targets, actions and performance.

Client satisfaction

In 2025, several Fagron entities actively monitored and captured customer satisfaction through multiple, structured feedback mechanisms already embedded in our operations. These actions include systematic reviews and responses to customer feedback received via email communications, online review platforms, and post–interaction satisfaction indicators following customer service engagements. In addition, the Fagron Academy continued to collect satisfaction ratings across its digital learning environment, including course–level evaluations, video–based feedback, and dedicated sections where participants can share qualitative insights, ideas, and suggestions regarding the educational content provided.

Beyond education, structured satisfaction polls were conducted in relation to formulation support services delivered through our professional support platforms for pharmacists and prescribers. These surveys allow us to assess the quality, relevance, and practical impact of our scientific and technical support. Furthermore, customer rating opportunities were embedded within several parts of our portfolio, including selected pharmaceutical compounding products and our genomics offering, enabling us to gather direct feedback on product experience and perceived value.

Together, these locally developed initiatives are tapping in our broader ambition to establish a more harmonized, Group–wide approach to client satisfaction measurement by 2027.

Market & portfolio expansion

Fagron expands its portfolio through a disciplined innovation engine designed for personalized medicine and pharmaceutical compounding. Rather than relying on a small number of “big-bet” launches, we manage a broad pipeline of parallel programs across three complementary domains (compounding vehicles, FagronLab technologies, and genomics solutions) each progressing through a stage-gated development process from opportunity scouting and feasibility to validation, regulatory documentation, launch, and lifecycle management. This approach enables predictable, repeatable portfolio renewal while maintaining high scientific and quality standards.

Our pipeline reflects both new product creation and structured line extensions, covering multiple dosage forms and use cases that matter in daily practice (e.g., oral liquids, films, transdermal, dermatology, women’s health, pediatrics, and workflow-enabling devices). It includes innovations such as new and expanded vehicle platforms (including oral, film, and transdermal concepts), next-generation compounding and packaging tools within FagronLab, and continued development of our genomics portfolio and digital platform to support therapy personalization.

As part of our buy-and-build strategy we are able to continuously increase the number of markets in which we operate. This pipeline-led model supports sustainable growth by (i) continuously broadening the solutions available to pharmacists and prescribers, (ii) increasing adoption through evidence-backed platforms and practical usability, and (iii) enabling global scaling with a controlled development and documentation system—reinforcing Fagron’s differentiated position in a knowledge-intensive niche. For more information on our markets we refer to Operational Performance 2025.

Performance

In 2025, we reinforced our evidence-building engine and converted multiple development programs into validated technical packages that strengthen global commercialization. We also expanded the body of scientific output supporting our portfolio, reinforcing Fagron's unique position as one of the most research-active companies in its niche.

Today, nearly 100 pharmaceutical specialists & PhDs are developing and testing our products every day. We have more than 10 pharmaceutical software solutions running with more than 4,100 users. The number of studies on our global brands and publications in scientific journals on validation, application & efficacy keeps growing to respectively more than 1,500 and 170. And we don't do this in isolation: we collaborate with 18 universities through long term partnerships.

Our current R&D pipeline includes more than 30 active initiatives across the different domains, reflecting both new product creation and structured line extensions. These programs span multiple dosage forms and real-world use cases that matter in daily practice (e.g., oral liquids, films, transdermal, dermatology, women's health, pediatrics, and workflow-enabling devices).

By strengthening product performance claims, reducing technical uncertainty, and enabling repeatable outcomes, we lower barriers to adoption and reinforce long-term customer faith in compounded medicine.

Units of compounded medicine supplied

(million)	2024	2025
Units of compounded medicine supplied[1]	57.7	73.3

1 For locations where exact amount of compounding is not tracked, number of units of compounded medicine were determined by dividing total revenue per compounding facility (Compounding Services) by facility's average price of compounded unit.

In 2025, 15.3% of our revenue came from the Brands segment (15.1% in 2024). The largest contributors to the Brand segment revenue remain Global Fagron Brands, such as SyrSpend, FagronLab equipment including accessories, Pentravan, and Fagron Advanced Derma portfolio. These products help patients to have access to medication.

For example, SyrSpend is a range of oral suspending vehicles that is suitable for the most vulnerable patient groups and is compatible with a broad range of APIs. Medicines specially designed for children should offer flexible dosing, be easy to swallow, easy on the palate, and contain only safe ingredients. SyrSpend SF PH4 Neo is specifically developed for use with children and enables pharmacists to compound medication at the exact dosage that fits the state of the child's development.
Quantifying the positive contribution that Fagron makes through its activities is difficult because Fagron does not supply directly to patients. Therefore, Fagron has no insight into the number of patients who use the sterile and non-sterile medication compounded by Fagron or compounded by pharmacists (with Fagron products). However, the number of units of compounded medicine that we deliver from our compounding facilities gives an indication of our positive contribution to patients' health. In 2025, Fagron delivered approximately 73.3 million units of compounded medicine (2024: 57.7 million).

In addition to compounded medicine, Fagron offers a large portfolio of pharmaceutical raw materials, excipients, semi-finished products, equipment, and other products that enable (hospital) pharmacists to compound their own products.

Product quality & safety

As a leading global player in pharmaceutical compounding, Fagron is committed to adhering to all regulatory guidelines for product quality and safety. Failure to meet these standards can result in severe side effects for end-users. This makes product quality and safety a top priority for Fagron. Our products play a vital role in improving patient health (see Access to healthcare) which depends on our strict compliance with high quality and safety standards.

Fagron has compounding and repackaging facilities worldwide that are fully compliant with GMP or similar local legislation. These facilities are a combination of certified facilities and facilities where compliance with GMP guidelines and legislation is audited on a regular basis by the competent authorities. All our warehouses comply with GDP or comparable local laws. Fagron policies that are part of GMP and GDP include our supplier qualification process, quality testing procedures and quality complaints and recall procedures.

Quality is one of Fagron's core values and it is the most important benchmark for everything we do, therefore we strive for the best and optimize our standards and processes continuously. Our quality organization reports into our Chief Operations Officer (COO). More information about responsibility per sustainability topic can be found under Fagron's sustainability strategy and management.

Targets and actions

Our targets and actions related to product quality and safety apply to all our pharmaceutical products, and therefore to all end-users that in any possible form use these products.

The topic product quality & safety is part of the foundational roadmap of our sustainability strategy Future Forward: Personalizing medicine. As of 2024, the foundational roadmap states the following:

- Our objective is to deliver products that meet all product quality and safety requirements.

Dedicated processes are in place to ensure we meet our objective:

Supplier qualification process

An extensive supplier selection procedure ensures 100% traceability of the more than 2,500 pharmaceutical raw materials that Fagron uses. New suppliers are screened extensively. Suppliers are audited following a risk-based approach. These audits focus primarily on the quality and safety of the product. In 2025, we conducted more than 150 audits globally.

Quality testing procedure

Fagron has a team of quality experts who ensure that the products we receive from our suppliers or that we produce ourselves have the required properties before they are made available for sale. In doing so, we distinguish between products that we repackage or use in one of our sterile or non-sterile compounding facilities and products that we do not process but deliver directly to clients. Raw materials and final products are tested in-house or by third-party laboratories. We ensure that they meet all applicable laws and regulations, requirements, and internal standards.

Quality technicians test products during three phases of production (incoming products, during production, and upon release) to ensure they meet all quality specifications. All the products that we repackage in one of our repackaging facilities are also tested. This includes pharmaceutical raw materials, excipients, such as base cream, and fillers such as lactose and methylcellulose. Most (about 2/3rd) of the pharmaceutical products we supply from our repackaging and compounding facilities are tested in our own quality laboratories before release; the remainder (about 1/3rd) are tested by a third party. Fagron is increasingly expanding its internal testing capabilities and we are moving toward performing a greater share of product testing within our own facilities.

Products arriving at our warehouses are checked for all required documentation and are not released for sale unless they have also been stored in the right conditions (temperature, humidity). We also check whether the transport of incoming and outgoing products is conducted as agreed upon with the suppliers and distributors.

Quality complaints and recall procedures
Every Fagron group company has at least one channel through which customers can raise a concern or file a complaint concerning a Fagron product. This channel could be customer support, but in many instances also includes a direct line with the quality department. If a complaint is made regarding the quality and safety of a product, Fagron always logs the complaint into the quality control system and starts an investigation. In some instances, it might be necessary for the customer to return the product to allow for testing.

The aim of the investigation is to determine if there is a quality deviation of the product. If so, Fagron determines what happened, where it happened and why the quality deviation materialized. Based on this information Fagron can then decide to issue a recall to prevent potential harm to human health. All information regarding the investigation is logged into the quality control system. After closing the investigation Fagron always provides a summary of the conclusions of the investigation to the customer that filed the complaint. In addition, if applicable, Fagron offers reimbursement for the product.

In the event that the customer or the end-user of the product has suffered from a faulty product Fagron takes all reasonable measures to provide an appropriate remedy.

Annual training on product quality & safety
International certifications such as GMP and GDP require all personnel who come into contact with pharmaceutical products to complete a number of annual trainings in product quality and safety. Compliance with this component of GMP and GDP is monitored at group level for production employees, warehouse employees, and quality staff, among others. By ensuring that all employees are trained and follow standard operating procedures regarding quality & safety, we ensure that our products do not have any negative impact on end-users.

Performance

A good indicator of our potential impact on the health and safety of the end-users of our products, is the number of products that we have recalled. Recalls are classified in the following three categories:

- Class I concerns a recall where the violative product may cause serious adverse health consequences or death.
- Class II concerns a recall where the violative product may cause a temporary or medically reversible adverse health consequence or where there is a remote probability of serious adverse health consequences.
- Class III concerns a recall solely due to a compliance issue, or where the violative product is not likely to cause adverse health consequences.

In 2025, we strengthened our internal recall policy by adding clear lines of communication and investigation timelines strengthening the one way of handling recalls across all our Fagron facilities.

Despite the fact that Fagron has grown significantly in terms of geographic distribution and quantity of products sold, the number of class 1 and class 2 product recalls has remained stable in recent years. In 2025, a total of 12 recalls (compared to 11 in 2024) occurred across the organization. Of these there were 3 class 2 recalls and no class 1 recalls.

For none of the three class 2 recalls, any actual health impact was communicated to Fagron by one of our customers or patients via the available channels. Most of the products we returned or destroyed, and refunds or replacements were offered for these products. Fagron believes we have sufficiently handled these cases, and no further requests for remediation were received from our customers or patients.

Product recalls

	2024	2025
Class 1 recalls	0	0
Class 2 recalls	4[1]	3
Class 3 recalls	7	9
Total number of recalls	**11**	**12**

1 One additional Class 2 recall occurred because an external laboratory conducting testing wrongly flagged a product, a second test showed that there was no quality deviation for this particular product. The recall is therefore not included in these values.

Privacy of end-users

Fagron takes privacy of end-users seriously, particularly in the context of medical patient information. Unwanted exposure of patient data could materially impact a patient's privacy and potentially result in health and safety risks for the patient. As an example, someone's health data may enable the identification of their sexual orientation. In countries where homosexuality is not accepted, leaking of health data may cause physical danger for end-users.

Fagron primarily supplies hospitals, pharmacies, and clinics that use our products and services for medication compounding. Typically, we do not have access to patient data. In instances that we do have access to patient data, Fagron is committed to maintaining the privacy of medical patient information. Access to this information is restricted to the patient and authorized parties, such as prescribers, to whom the patient has given consent.

One exception is when we compound medications on a prescription basis in our sterile or non-sterile compounding facilities. In these cases, Fagron is legally obligated to store patient and compounding data. Retention periods range from 5 to 15 years, depending on jurisdiction. Throughout, Fagron upholds the highest standards of privacy, adhering to local privacy regulations including the EU's General Data Protection Regulation (GDPR). For more information, see Fagron's EU Privacy Statement.

Targets and actions

The topic privacy of end-users is included in the foundational roadmap of our sustainability strategy Future Forward: Personalizing medicine. As of 2024, the foundational roadmap states the following:

- We are committed to keeping patients' medical information private.

Performance

In 2025, no severe human rights incidents related to consumers and end-users were reported through our current channels. As such, as there were no data breaches leading to loss of patient data, no specific actions were taken in 2025 in terms of privacy of end-users. Nor were any questions or complaints submitted via our Privacy Office mailbox related to privacy of end-users.

Governance information

Material topics and IRO's included under Governance information are:

Topic	Scope[1]	Time horizon	IRO	Description
Compliance	Fagron	Short, medium, long term	Negative impact	• Potential impact is linked to the type of laws or legislation (such as those related to product quality and safety or occupational health and safety).
			Risk	• Not being compliant with applicable laws and regulation risks losing operating license.
Corruption & bribery	Fagron	Short, medium, long term	Negative impact	• Corruption and bribery may negatively impact end-users when it leads to unfair pricing of pharmaceutical products.
			Risk	• Any (allegation of) corruption and bribery negatively affects Fagron's reputation.

1 Fagron refers to Fagron's own operations

Although the grievance mechanism is not considered a material topic during our updated DMA, we believe it is important to transparently report upon this topic towards all our stakeholders and also as response to the ESG ratings. Hence, why we have added this as a third topic in this governance section.

Disclosures incorporated by reference

The following information can be found elsewhere in this annual report, and is incorporated into the Sustainability Statement by reference:

- Expertise and skills of the Board of Directors
- Corporate Governance Statement

The following information can be found in another part of this Sustainability Statement and is incorporated in the chapter "Governance information" by reference:

- Materiality assessment
- Product quality & safety
- Compensation & benefits
- Fagron's sustainability strategy and management

For the exact location of each disclosure see the ESRS Index.

Our Approach

Addressing the interests of our key stakeholders through Group-wide policies and ethical business practices is of outmost importance to Fagron. We therefore have put in place a set of policies and guidelines how to conduct business in an ethical way. Our Code of Conduct and our Policy Framework puts forward our expectations and is aimed to guide our employees and management in their day-to-day work. The Board of Directors and the Executive Leadership Team of Fagron set the tone from the top by issuing policies and monitoring implementation and progress as the ultimate responsibility lies with them.

Compliance

Fagron strives to comply with laws and regulations in all the jurisdictions in which we operate. Disclosures on compliance with laws and regulations concern Fagron and do not apply to our upstream or downstream value chain.

Targets and actions

The topic "Compliance" is included in the good governance roadmap of our sustainability strategy Future Forward: Personalizing medicine. This roadmap includes the following targets pertaining to compliance:

- Zero compliance issues at Fagron NV and Fagron BV.
- 90% of employees complete the annual Code of Conduct & Ethics training.

At a local level, Fagron companies are responsible for compliance with the applicable laws and regulations. At group level we strive to ensure compliance with laws and regulations of Fagron NV and the Fagron holding company (Fagron BV). In addition, we pay specific attention to the product quality and safety requirements of the products we supply worldwide (see Product quality & safety), corruption & bribery (see Corruption & bribery) and human rights and labor rights (see Human rights & labor rights of Our people).

Training on corporate culture

Fagron has an education program that ensures that every employee is aware of the corporate culture and associated expectations. This journey starts with the onboarding program which includes the Code of Conduct & Ethics training. As part of their onboarding, all employees sign for having received, and must commit to comply with, the Code of Conduct & Ethics.

Code of Conduct & Ethics

The Code of Conduct & Ethics serves as our guiding document, outlining the expected behavior of Fagron employees. In particular, the document contains information on how to act legally and ethically in day-to-day business operations. The Code of Conduct applies to all employees in the various companies of the Fagron Group, and includes the following topics:

- Fagron Values
- Fagron Family Rules: Autonomy, Analytic, Humility, Simplicity, Responsibility and Transparency
- Grievance mechanism (see Grievance mechanism)
- Corruption and bribery (see Corruption & bribery)
- Human rights & labor rights (see Human rights & labor rights for Our people)
- Health & safety (see Health and safety for Our people)
- Patient privacy (see Privacy of end-users)

The Code of Conduct & Ethics is publicly available via investors.fagron.com. All employees and management have access to this Code of Conduct & Ethics via the Fagron intranet. The Code of Conduct & Ethics is reviewed and updated every few years to ensure that it remains up to date. The Code of Conduct & Ethics always needs to be approved by the Board of Directors before publication.

Annual Code of Conduct & Ethics training

Every year, all employees and members of management are provided with an annual Code of Conduct & Ethics training. This training was initially introduced in 2020 and has been consistently offered, including in 2025. During the latest training in 2025, we paid specific attention to Safe Space to Work - Building a Culture of Trust, Health, and Openness. The training is provided to all employees, and self-employed managers[1].

Both the Code of Conduct & Ethics and the Code of Conduct & Ethics training are available in all languages spoken in the countries where Fagron is present, with the exception of Mandarin. This ensures that all employees fully understand the contents of the Code.

[1] With the exception of employees with an on-call contract and those people in the own workforce that did not have a user account on the 18th of August 2025.

Performance
Fagron discloses its contingent liabilities in note 30 of the Notes to the consolidated financial statements. None of the pending cases or claims relate to breaches in the Code of Conduct & Ethics.

More details on compliance with regulation in terms of corruption and bribery and infringements of human rights of employees can be found in Corruption & bribery and Human rights & labor rights of employees. These disclosures apply to all companies in the Fagron Group.

In 2025, all Our people (including members of management) that we knew would be employed at September 15, 2025 received an invitation on August 18, 2025, to follow the annual Code of Conduct & Ethics training. It is important to note that the number of participants is not the same as the total number of Our people and management members as of December 31. A total of 99% of Our people and 96% of top management, who received an invitation to the do the Code of Conduct & Ethics training, completed the training in 2025.

Annual Code of Conduct & Ethics training

	2024	2025
Number of Our people who completed the Code of Conduct & Ethics training	3,420	3,774
Number of Our people who received an invitation to the Code of Conduct & Ethics training	3,467	3,828
% of Our people who received an invitation and completed the Code of Conduct & Ethics training[1]	**99%**	**99%**
Number of members of top management who completed the Code of Conduct & Ethics training	63	89
Number of members of top management who received an invitation to the Code of Conduct & Ethics training	63	93
% of members of top management who received an invitation and completed the Code of Conduct & Ethics training	**100%**	**96%**

1 Excluding acquisitions completed during the reporting year

Corruption & bribery

Fagron attaches great importance to transparency and fair trade. We do not tolerate bribery or other forms of corruption (including facilitating payments). Corruption and bribery may lead to unfair pricing of pharmaceutical products vital to the operations of healthcare systems in the markets in which we operate. Corruption and bribery can also expose Fagron to possible criminal prosecution, fines, reputational damage, and other serious consequences. Corruption and bribery disclosures pertain specifically to Fagron and do not extend to our upstream or downstream value chain.

Targets and actions

The topic "Corruption & bribery" is included in the good governance roadmap of our sustainability strategy Future Forward: Personalizing medicine. This roadmap does not include any specific targets pertaining to corruption and bribery other than those related to compliance with rules and regulations.

Fagron has the following policies and procedures in place to prevent and detect incidents of corruption and bribery: the Code of Conduct & Ethics, internal audit procedure and the grievance mechanism.

Trainings

The Code of Conduct & Ethics includes Fagron's expectations of its employees concerning anti-corruption and anti-bribery. This includes expectations regarding:

- Accurate record keeping
- (Potential) conflicts of interest
- Charitable support and donations
- Dealing with government officials
- Facilitation payments
- Gifts & hospitality
- Side deals

We are convinced that paying attention to corruption and bribery has a preventive effect. For more information on our Code of Conduct & Ethics, see Code of Conduct & Ethics.

As a mandatory annual requirement, all Our people (including management) follow the annual Code of Conduct & Ethics training, which always includes Fagron's anti-corruption and anti-bribery policies.[1] This training is a pivotal element in our approach, and we believe that emphasizing the importance of combating corruption and bribery has a significant preventive effect. See Annual Code of Conduct & Ethics training for more details.

In 2024, Fagron identified functions most at risk of corruption and bribery, including top management[2] and employees in sourcing or sales, particularly those responsible for closing sourcing or sales deals. Employees with a KornFerry grade of 16 or higher were added to the functions-at-risk list. While we had initially planned to roll out specialized anti-corruption and anti-bribery training to these functions in 2025 using an external provider, this training was not offered during 2025. We will instead develop and deliver this training internally, with rollout planned for 2026, complementing the general Code of Conduct & Ethics training provided to all employees.

Internal audit procedure

Our internal audit department strives to provide independent and objective assurance and advice to optimize Fagron's operations. Every year, several Fagron group companies are audited by an internal auditor. This means that all Fagron companies are covered by an internal auditor approximately every three years. The topics covered during an audit depend on the risk assessment conducted for the company to be visited. In any event, audits always examine financial control processes and suggest points for improvement.

This audit process ensures there is a high probability that corruption and bribery will be detected during an internal audit, should it have occurred. We also believe that the existence of an internal audit procedure has a preventive effect.

The internal audit department prepares reports for every audit. The main findings, including findings of potential incidents of corruption and bribery are reported to the Audit and Risk Committee. The department is separate from the business and can therefore never

1 This training is not offered to members of the administrative, management and supervisory bodies with the exception of the executive members of our board of directors.
2 See for definition of top management Gender diversity.

be directly involved in incidents of corruption or bribery.

Grievance mechanism

Fagron has established a comprehensive grievance mechanism procedure, providing employees with a structured mechanism to report suspicions of misconduct or behavior inconsistent with the Code of Conduct & Ethics. The mechanism includes procedures on how to address allegations or incidents of corruption and bribery. See Grievance mechanism for more details.

Performance

None of the entities in the Fagron Group were convicted for violation of anti-corruption and anti-bribery laws in 2025, therefore no fines were paid for violation of anti-corruption and anti-bribery laws. It was not necessary to take actions to address breaches in procedures and standards of anti-corruption and anti-bribery.

In 2025, no cases of corruption and bribery were reported through the Fagron Integrity Line (See Grievance mechanism for more information on the Fagron Integrity Line).

Violations of anti-corruption and anti-bribery laws

	2024	2025
Number of convictions for violations of anti-corruption and anti-bribery laws	0	0
Total value of fines for violation of anti-corruption and anti-bribery laws (x 1.000 euro)[1]	0	0

1 Includes all fines with a value per fine above 3000 euro.

Grievance mechanism

Based on our latest materiality assessment, a grievance mechanism for employees is not identified as a material topic. However, we recognize the importance of a well-functioning grievance mechanism, as it plays an essential part in preventing and in gaining insight into practices that may not be aligned with rules and regulations or our Code of Conduct & Ethics. Grievance mechanism disclosures pertain specifically to Fagron and do not extend to our upstream or downstream value chain.

Targets and actions

The topic "Grievance mechanism" is part of the good governance roadmap of our sustainability strategy Future Forward: Personalizing medicine. This roadmap includes the following target pertaining to the grievance mechanism:

- Ensure that all employees have access to a confidential counselor by end 2025.

The Fagron grievance mechanism

The Fagron grievance mechanism consist of three channels to ensure accessibility for employees:

1. Expressing a concern or complaint to manager or supervisor: Employees are encouraged to share their concerns or complaints directly with their manager or supervisor.
2. Expressing a concern or complaint to HR or site manager: If the matter is not satisfactorily addressed or cannot be addressed at the managerial level, employees have the option to escalate their concern or complaint to the Human Resources department or the site manager.
3. Submitting an official complaint via the Fagron Integrity Line: For more formal reporting, employees can choose to submit an official complaint through the Integrity Line, offering an additional possibility for confidential reporting.

This multi-tiered approach ensures flexibility and accessibility, allowing employees to choose the level of formality based on the nature and severity of their concerns. Information about the grievance mechanism is available to all employees via the Fagron Intranet.

Confidential counselor

In instances where an employee is uncertain about the appropriate steps to take with regards to the grievance mechanism or requires guidance, reaching out to a confidential counselor is an available option. A confidential counselor is someone that an employee can reach out to informally talk about something that happened in the workplace. Everything shared with a confidential counselor is confidential. The confidential counselor is trained to guide employees towards the proper channel based on the concerns/grievance.

Fagron Integrity Line

The Fagron Integrity Line is available online 24/7 for all Fagron employees and is managed by an external provider. The Fagron Integrity Line is not (yet) intended for external stakeholders. Making a report via the Fagron Integrity Line is completely anonymous and falls under Fagron's whistleblower scheme. All reports are treated confidentially.

In the event of suspected misconduct, where something may have occurred that is not in line with laws and regulations or our Code of Conduct & Ethics, an investigation will be conducted. An internal investigation team is assembled for each report. We always ensure that an independent investigation can take place, and that if management is involved, they are not part of the investigation team.

Should this not be possible due to the nature of the report, an outside party will be engaged to conduct the investigation. The internal procedure defines a time limit for each step in the investigation. This way we ensure that reports are handled swiftly and carefully. Upon completion of the investigation, appropriate action will be taken, if required. If these (internal) measures do not lead to improvement, external reports are made.

All reports made through the Fagron Integrity Line reach the Compliance team, excluding cases where a report concerns one of the members of the Compliance team. In turn, the Compliance team informs the Audit and Risk Committee of the Board of Directors about reports made and the progress of dealing with these reports. The Audit and Risk Committee uses the list of reports received to make recommendations to the Board of Directors.

Protecting whistleblowers

The European Whistleblowing Directive took effect on December 17, 2021. This directive provides legal protection for whistleblowers who follow an internal whistleblower scheme and was transposed in local legislation in all the countries in the European Union where Fagron has entities. In Israel, Serbia, the United Kingdom, the United States, Australia and South Africa, whistleblowers are also legally protected.

This means that by the end of 2025, 21 of the 22 countries where Fagron has a presence have legal protection for whistleblowers.

Performance

Code of Conduct & Ethics training

Fagron believes it is important that all employees are familiar with the grievance mechanism and that access to the grievance mechanism is as easy as possible. To ensure this, the Annual Code of Conduct & Ethics training explicitly addresses the grievance mechanism.

Confidential counselor

We have set up a confidential counselor program. For each entity, a confidential counselor will be appointed and trained who can support employees in making a report and can identify misconduct at an early stage.

One of the criteria for this confidential counselor is that he/she speaks the language of the employees at work in the facility he/she is responsible for. By the end of 2025, Fagron had 38 employees who serve as a confidential counselor (compared to 26 at the end of 2024), as such, 100% of employees had access to a confidential counselor, compared to 59% at the end of 2024.

As from 2024 we only define employees as having access to a confidential counselor if there is a confidential counselor physically present in their work location on average at least one day a week. As such, we have achieved our target.

% of employees with access to a confidential counselor

	2024	2025
% of employees with access to a confidential counselor[1]	59%	100%

1 Measured on December 31 and is counted if the confidential counselor is physically present in the work location on average at least one day a week.
Excluding acquisitions completed during the reporting year

Number of complaints filed in Fagron Integrity Line

	2024	2025
Complaints related to discrimination, harassment and intimidation	8	8
Complaints related to other human and labor rights[1]	1	4
Complaints related to corruption and bribery	0	0
Other complaints	8	5
Total number of complaints filed in Fagron Integrity Line	**17**	**17**

1 This includes all complaints related to working conditions, equal treatment and opportunities for all and other work-related rights such as child labor and forced labor.

Complaints filed in Fagron Integrity Line
In 2025, 17 unique complaints were filed (2024: 17). Of these, 8 complaints related to discrimination, harassment and intimidation (2024: 8), 0 related to corruption and bribery (2024: 0) and 4 related to human rights and labor rights (2024: 1). See Human rights & labor rights (Our people) for a description of the complaints related to human rights, discrimination and harassment.

For all complaints listed under "other human rights and labor rights" and "other complaints" no fines, penalties and compensation for damages were paid in 2025 nor in the previous year.

Evaluation of grievance mechanism
As part of the Global Employee Survey (see Employee engagement), we evaluated awareness of the Fagron Integrity Line in 2024. This showed that 86% of employees who completed the survey are aware of the Fagron Integrity Line and know where to find it (2022: 80%). Additionally, we asked our employees as part of the Global Employee Survey in if they feel that it is safe to speak up. 77% of employees feel it is safe to speak up.

There was an increase in the percentage of employees who know how to report concerns or complaints, but we will increase our efforts to ensure that all employees are aware of the grievance mechanism. "Safe space to share", is one of the priorities related to the Global Employee Survey for 2025 and 2026.

Report of the statutory auditor on the consolidated Sustainability Statement

Limited assurance report of the statutory auditor to the general shareholders' meeting on the consolidated Sustainability Statement of Fagron NV

We present to you our statutory auditor's report in the context of our legal limited assurance engagement on the consolidated sustainability statement of Fagron NV (the "Company") and its subsidiaries (jointly "the Group"). The consolidated sustainability statement of the Group is included in the section Sustainability statement of the Annual report 2025 on 31 December 2025 and for the year then ended (hereafter "the consolidated sustainability statement").

We have been appointed by the general meeting d.d. 12 May 2025 following the proposal formulated by the board of directors and following the recommendation by the audit committee to perform a limited assurance engagement on the consolidated sustainability statement of the Group.

Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2027. We have performed our assurance engagement on the consolidated sustainability statement for 1 year.

Limited assurance conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of the Group.

Based on the procedures we have performed and the assurance evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated sustainability statement of the Group, in all material respects:

- has not been prepared in accordance with the requirements of article 3:32/2 of the Companies' and Associations' Code, including compliance with the applicable European Sustainability Reporting Standards (ESRS);
- is not in accordance with the process (the "Process") carried out by the Group, as disclosed in note Update of Double Materiality Assessment of the consolidated sustainability statement, to identify the information reported in the consolidated sustainability statement on the basis of ESRS;
- does not comply with the requirements of article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") disclosed in appendix EU Taxonomy of the consolidated sustainability statement.

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)"), as applicable in Belgium.

Our responsibilities under this standard are further described in the "Responsibilities of the statutory auditor on the limited assurance engagement on the consolidated sustainability statement" section of our report.

We have complied with all ethical requirements that are relevant to assurance engagements of sustainability statements in Belgium, including those related to independence.

We apply International Standard on Quality Management 1 (ISQM 1), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our limited assurance engagement.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the board of directors relating to the preparation of the consolidated sustainability statement

The board of directors is responsible for designing and implementing a Process and for disclosing this Process in note Update of Double Materiality Assessment of the consolidated sustainability statement. This responsibility includes:

- understanding the context in which the activities and business relationships of the Group take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long- term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

The board of directors is further responsible for the preparation of the consolidated sustainability statement, which includes the information established by the Process:

- in accordance with the requirements referred to in article 3:32/2 of the Companies' and Associations' Code, including the applicable European Sustainability Reporting Standards (ESRS);
- in compliance with the requirements of article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") disclosed in appendix EU Taxonomy of the consolidated sustainability statement.

This responsibility comprises:

- designing, implementing and maintaining such internal control that the board of directors determines is necessary to enable the preparation of the consolidated sustainability statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

The audit committee is responsible for overseeing the Group's sustainability reporting process.

Inherent limitations in preparing the consolidated sustainability statement
In reporting forward-looking information in accordance with ESRS, the board of directors is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected and the deviation from that can be of material importance.

Responsibilities of the statutory auditor relating to the limited assurance engagement on the consolidated sustainability statement
Our responsibility is to plan and perform the assurance engagement with the aim of obtaining a limited level of assurance about whether the consolidated sustainability statement contains no material misstatements, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated sustainability statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), as applicable in Belgium, we apply professional judgment and maintain professional scepticism throughout the engagement. The work performed in an engagement aimed at obtaining a limited level of assurance, for which we refer to the section "Summary of work performed," is less in scope than in an engagement aimed at obtaining a reasonable level of assurance. Therefore, we do not express an opinion with a reasonable level of assurance as part of this engagement.

As the forward-looking information in the consolidated sustainability statement and the assumptions on which it is based, are future related, they may be affected by events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different from the assumptions, as the anticipated events frequently do not occur as expected, and the deviation from that can be of material importance. Therefore, our conclusion does not provide assurance that the reported actual outcomes will correspond with those included in the forward-looking information in the consolidated sustainability statement.

Our responsibilities regarding the consolidated sustainability statement, with respect to the Process, include:
- obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- designing and performing work to evaluate whether the Process is consistent with the description of the Process by the Group, as set out in note Update of Double Materiality Assessment of the consolidated sustainability statement.

Our other responsibilities regarding the sustainability statement include:
- acquiring an understanding of the entity's control environment, the relevant processes, and information systems for preparing the sustainability information, but without assessing the design of specific control activities, obtaining supporting information about their implementation, or testing the effective operation of the established internal control measures;
- identifying where material misstatements are likely to arise, whether due to fraud or error, in the consolidated sustainability statement; and
- designing and performing procedures responsive to where material misstatements are likely to arise in the consolidated sustainability statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

Summary of the work performed
A limited assurance engagement involves performing procedures to obtain evidence about the consolidated sustainability statement. The procedures carried out in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited

assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing, and extent of procedures selected depend on professional judgment, including the identification of areas where material misstatements are likely to arise in the consolidated sustainability statement, whether due to fraud or errors.

In conducting our limited assurance engagement with respect to the Process, we have:

- obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - reviewing the Group's internal documentation relating to its Process; and
- evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Group was consistent with the description of the Process set out in note Update of Double Materiality Assessment of the consolidated sustainability statement.

In conducting our limited assurance engagement, with respect to the consolidated sustainability statement, we have:

- obtained an understanding of the Group's reporting processes relevant to the preparation of its consolidated sustainability statement by obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the consolidated sustainability statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control;
- evaluated whether the information identified by the Process is included in the consolidated sustainability statement;
- evaluated whether the structure and the presentation of the consolidated sustainability statement is in accordance with the ESRS;
- performed inquiries of relevant personnel and analytical procedures on selected information in the consolidated sustainability statement;
- performed substantive assurance procedures on selected information in the consolidated sustainability statement;
- evaluated the methods/assumptions for developing estimates and forward-looking information as described in the section 'Responsibilities of the statutory auditor on the limited assurance engagement on the consolidated sustainability statement';
- obtained an understanding of the Group's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the consolidated sustainability statement;

Statement related to independence
Our registered audit firm and our network did not provide services which are incompatible with the limited assurance engagement, and our registered audit firm remained independent of the Group in the course of our mandate.

Ghent, 5 maart 2026

The statutory auditor
PwC Bedrijfsrevisoren BV/PwC Reviseurs d'Entreprises SRL
Represented by

Lien Winne*
Bedrijfsrevisor/Réviseur d'entreprises

*Acting on behalf of Lien Winne BV

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Consolidated Financial Statements

The Report from the Board of Directors and the Corporate Governance Statement, as reported above, constitute an integral part of the consolidated financial statements.

Statement

We declare, to the best of our knowledge, that the consolidated financial statements for the year ending 31 December 2025, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, reflect a true and fair view of the equity, the financial situation and the results of the Company and the companies that are included in the consolidation, and that the Annual Report provides a true and fair view of the development and the results of the company and of the position of the Company and the companies included in the consolidation, and provides a description of the main risks and uncertainties that they face.

In the name and on behalf of the
Board of Directors,

Rafael Padilla, CEO
Karin de Jong, CFO
5 March 2026

Consolidated income statement

(x 1,000 euros)	Note	2025	2024
Operating income		**959,233**	**874,839**
Revenue	6	952,169	871,960
Other operating income	7	7,064	2,879
Operating expenses		**813,023**	**744,143**
Trade goods		356,213	328,294
Services and other goods	8	163,951	147,988
Employee benefit expenses	9	240,389	222,918
Depreciation, amortization and impairment	10	46,428	40,760
Other operating expenses	11	6,042	4,183
Operating profit		**146,211**	**130,696**
Financial income	12	4,068	4,406
Financial expenses	12	32,686	30,804
Profit before income tax		**117,593**	**104,298**
Taxes	13	26,071	23,296
Profit (loss) for the period		**91,522**	**81,001**

(x 1,000 euros)	Note	2025	2024
Attributable to:			
Shareholders		91,020	80,554
Non-controlling interest(s)		502	447
Earnings per share for profit attributable to the ordinary equity holders of the company			
Basic earnings per share (in euros)	14	1.25	1.10
Diluted earnings per share (in euros)	14	1.24	1.10

The notes are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

(x 1,000 euros)	Note	2025	2024
Profit (loss) for the period		**91,522**	**81,001**
Other comprehensive income			
Items that will not be reclassified to profit or loss	23		
• Remeasurements of post-employment benefit obligations		339	-632
• Tax relating to items that will not be reclassified		-85	158
Items that may be subsequently reclassified to profit or loss			
• Hedging gains (losses)	21	-27	-2,991
• Exchange differences on translation of foreign operations		-20,610	-16,017
Other comprehensive income for the year net of tax		**-20,384**	**-19,482**
Total comprehensive income for the year		**71,138**	**61,519**
Attributable to:			
Shareholders		70,464	61,072
Non-controlling interest(s)		674	447

The notes are an integral part of these consolidated financial statements.

Consolidated statement of financial position

(x 1,000 euros)	Note	2025	2024
Non-current assets		**780,286**	**720,956**
Goodwill	15	471,103	446,947
Intangible assets	15	99,666	61,395
Property, plant and equipment	16	129,600	133,779
Right-of-use-assets	16/27	51,449	39,956
Financial assets	17	3,092	4,219
Financial instruments	17/24	317	553
Other non-current fixed assets	17	2,832	4,588
Deferred tax assets	18	22,226	29,519
Current assets		**462,844**	**362,562**
Inventories	19	158,907	136,962
Trade receivables	20	95,238	81,963
Financial instruments	24	11	886
Other current assets	20	23,786	27,713
Cash and cash equivalents	20	184,902	115,038
Total assets		**1,243,130**	**1,083,518**

(x 1,000 euros)	Note	2025	2024
Equity	21	**556,255**	**505,358**
Shareholders' equity (parent)		551,609	501,386
Non-controlling interest(s)		4,646	3,972
Non-current liabilities		**467,891**	**383,449**
Provisions	22	2,508	1,958
Pension obligations	23	3,063	3,115
Deferred tax liabilities	18	5,398	1,799
Debt	24	412,073	341,520
Financial instruments	24	298	382
Lease liabilities	27	44,551	34,676
Current liabilities		**218,983**	**194,710**
Debt	24	272	0
Lease liabilities	27	11,333	9,502
Trade payables	25	137,592	114,276
Current tax liabilities	18	2,800	6,624
Other current taxes, remuneration and social security	18	39,830	41,192
Other current payables	26	26,539	22,469
Financial instruments	24	616	648
Total liabilities		**686,875**	**578,159**
Total equity and liabilities		**1,243,130**	**1,083,518**

The notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

(x 1,000 euros)	Note	Share capital & share premium	Other reserves	Cash flow hedge reserve	Treasury shares	Retained earnings	Total	Non-controlling interest(s)	Total equity
Balance as of January 1, 2024		**524,531**	**-249,333**	**3,363**	**-21,080**	**206,273**	**463,754**	**3,872**	**467,627**
Profit (loss) for the period		0	0	0	0	80,554	80,554	447	81,001
Other comprehensive income		0	-16,349	-2,991	0	0	-19,339	-142	-19,482
Total comprehensive income for the period		**0**	**-16,349**	**-2,991**	**0**	**80,554**	**61,215**	**305**	**61,519**
Capital increase		0	0	0	0	0	0	0	0
Treasury shares		0	0	0	-2,859	0	-2,859	0	-2,859
Declared dividends	21	0	0	0	0	-21,955	-21,955	-205	-22,160
Share-based payments	21	0	1,232	0	0	0	1,232	0	1,232
Balance as of December 31, 2024		**524,531**	**-264,450**	**372**	**-23,939**	**264,872**	**501,386**	**3,972**	**505,358**
Profit (loss) for the period		0	0	-355	0	91,375	91,020	502	91,522
Other comprehensive income		0	-20,528	-27	0	0	-20,556	172	-20,384
Total comprehensive income for the period		**0**	**-20,528**	**-382**	**0**	**91,375**	**70,464**	**674**	**71,138**
Capital increase		8,342	0	0	0	0	8,342	0	8,342
Treasury shares		0	0	0	-4,136	0	-4,136	0	-4,136
Declared dividends	21	0	0	0	0	-25,493	-25,493	0	-25,493
Share-based payments	21	0	1,047	0	0	0	1,047	0	1,047
Balance as of December 31, 2025		**532,873**	**-283,932**	**-11**	**-28,075**	**330,754**	**551,609**	**4,646**	**556,255**

The notes are an integral part of these consolidated financial statements.

Consolidated cash flow statement

(x 1,000 euros)	Note	2025	2024
Operating activities			
Profit before income taxes from continued operations		117,593	104,298
Taxes paid		-25,775	-27,291
Adjustments for financial items		28,618	26,398
Total adjustments for non-cash items	28	46,366	41,277
Total changes in working capital	29	-11,547	-34,789
Total cash flow from operating activities		**155,255**	**109,893**
Investment activities			
Acquisition of tangible fixed assets		-15,252	-26,233
Acquisition of intangible fixed assets		-15,360	-14,563
Investments in existing shareholdings (subsequent payments) and in new holdings	32	-69,744	-28,948
Total cash flow from investment activities		**-100,356**	**-69,743**

(x 1,000 euros)	Note	2025	2024
Financing activities			
Capital increase	21	8,342	0
Purchase own shares	21	-4,136	-2,859
Dividends paid	21	-26,002	-21,046
New debt	24	171,259	52,500
Reimbursement of debt	24	-89,410	-44,028
Payment of lease obligations	24	-13,539	-12,193
Interest received		4,722	4,350
Interest paid		-31,698	-30,736
Total cash flow from financing activities		**19,537**	**-54,012**
Total net cash flow for the period		**74,436**	**-13,862**
Cash and cash equivalents - start of the period		115,038	133,008
Gains (losses) from currency translation differences		-4,571	-4,108
Cash and cash equivalents - end of the period		184,902	115,038
Changes in cash and cash equivalents		**74,436**	**-13,862**

The item “adjustments for financial items” relates to interest paid and received and to other financial expenses and income that are not cash flows, such as the revaluation of the financial instruments.

The notes are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1 General information

Fagron is the leading global company active in pharmaceutical compounding, focusing on delivering personalized medicine to hospitals, pharmacies, clinics, and patients in more than 35 countries around the world.

The Belgian company Fagron NV is based on Venecoweg 20A in Nazareth and is listed on Euronext Brussels and Euronext Amsterdam under the ticker symbol "FAGR". Fagron's operational activities are managed through the Dutch company Fagron BV. Fagron BV's head office is located in Rotterdam.

These consolidated financial statements were approved for publication by the Board of Directors on 5 March 2026.

2 Material accounting policies

The principal accounting policies applied in preparing these consolidated financial statements are detailed below. These policies have been consistently applied by all of the consolidated entities, including subsidiaries, for all of the years presented, unless stated otherwise.

The Fagron consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (IFRS) as adopted by the European Union (EU). The consolidated financial statements have been prepared on the basis of the historical cost convention, with the exception of derivative financial instruments, contingencies and defined benefit pension plans – plan assets measured at fair value, which are listed at fair value.

The consolidated financial statements of Fagron NV and its subsidiaries for the full year 2025 have been prepared on a going concern basis, which means that it is assumed that the company will continue to be able to meet its obligations as they become due in the foreseeable future.

IFRS developments

The following amendments to standards and interpretations are mandatory for the first time for the fiscal year starting January 1, 2025, and have been adopted by the EU.

Published, mandatory and approved by the EUR		Anticipated impact
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (applicable for annual periods beginning on or after 1 January 2025)	The amendments specifies: • when a currency is exchangeable into another currency and when it is not, • how an entity determines the exchange rate to apply when a currency is not exchangeable, • Require the disclosure of additional information when a currency is not exchangeable	Fagron has determined that the application of these changes to these standards does not have any material effect on the consolidated financial statements.

The following new standards, changes to standards and interpretations have been issued and adopted by the EU but are not yet mandatory for the first time for the financial year beginning 1 January 2025.

Published, approved by the EU and not yet mandatory		Anticipated impact
Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments (applicable for annual periods beginning on or after 1 January 2026)	The amendment applies to the derecognition for settling financial liabilities using an electronic payment system	Fagron will review the effects of these amendments and process them if applicable
Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity (applicable for annual periods beginning on or after 1 January 2026)	The amendment requires assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG)-linked features.	Fagron will review the effects of these amendments and process them if applicable
Annual Improvements – Volume 11 (applicable for annual periods beginning on or after 1 January 2026)	The amendments address protentional confusions in IFRS 7, IFRS 9, IFRS 10 and IAS7	Fagron does not expect the adoption of these amendments to these standards to have a material effect on the consolidated financial statements

The following new standards, changes to standards and interpretations have been issued, but not yet adopted by the EU and are not yet mandatory for the financial year beginning 1 January 2025.

Published, not yet approved by the EU and not yet mandatory		Anticipated impact
IFRS 18 Presentation and Disclosure in Financial Statements (applicable for annual periods beginning on or after 1 January 2027)	IFRS 18 requires companies to improve labelling, as well as aggregation and disaggregation of information in financial statements. Companies will also need to disclose management-defined performance measures in the notes to the financial statement.	Fagron is currently actively assessing the impact of IFRS 18, at this stage more comprehensive disclosures cannot reasonably be provided, as the quantitative impact is not yet reasonably estimable.
IFRS 19 Subsidiaries without Public Accountability – Disclosures (applicable for annual periods beginning on or after 1 January 2027)	IFRS 19 provides a simplified financial reporting framework that allows eligible entities to apply IFRS accounting standards with a reduced disclosure burden	Fagron does not expect the adoption of these amendments to these standards to have a material effect on the consolidated financial statements.
Amendments to IAS 21 The effects of changes in foreign exchange rates: Translation to a hyper-inflationary presentation currency (applicable for annual periods beginning on or after 1 January 2027).	The IASB has issued amendments to IAS 21 to specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy.	Fagron does not expect the adoption of these amendments to these standards to have a material effect on the consolidated financial statements.

Consolidation criteria

The consolidated financial statements comprise Fagron and its subsidiaries. Subsidiaries are entities controlled by Fagron. Fagron controls an entity when Fagron has power over the entity and is exposed to, or has rights to, variable income from the entity and has the ability to affect the amount of variable income through its power over the entity. Subsidiaries are fully consolidated as of the date on which control is transferred to Fagron. They are no longer consolidated as of the date on which Fagron no longer has control.

Any contingent consideration to be entered into by Fagron is recognized at fair value on the acquisition date. Changes in the fair value of the contingent consideration that is an asset or liability are recognized in accordance with IFRS 9 and in the income statement. Contingent considerations that are classified as equity are not revalued and the settlement of the liabilities is accounted for within equity.

An acquisition is recognized using the purchase method. The cost price of an acquisition is defined as the fair value of the assets given, shares issued and liabilities assumed on the date of the acquisition. Identifiable assets acquired, liabilities and contingencies assumed in a business combination are initially recognized at their fair value on the acquisition date. For each business combination, Fagron values any minority interest in the party acquired at fair value or at the proportional share in the identifiable net assets of the party acquired. The acquisition costs already incurred are recognized as expenses. The positive difference between the acquisition price and the fair value of the share of Fagron in the net identifiable assets of the acquired subsidiary on the date of acquisition constitutes goodwill and is recognized as an asset.

Intra-group transactions, balances and unrealized gains on transactions between companies of the Group are eliminated. Unrealized losses are also eliminated, but are considered to be an indication of an impairment. Where necessary, the accounting basis for amounts reported by subsidiaries have been adjusted in accordance with the accounting policies of Fagron.

Transactions with minority interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with shareholders in their capacity as shareholders.

For purchases from minority interests, the difference between the price that was paid and the corresponding share acquired against the carrying amount of the net assets of the subsidiary is recognized in equity. Gains or losses on disposals to minority interests are also recognized in equity.

Foreign currency conversion

Items included in the financial statements of all Fagron entities are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The consolidated financial statements are presented in euros, the presentation currency of Fagron. To consolidate Fagron and each of its subsidiaries, the respective financial statements are converted as follows:

- Assets and liabilities at year-end rates;
- Income statement at the average rate for the year;
- Components of equity at the historical exchange rate.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Foreign exchange gains and losses are presented as currency translation difference in the financial income and expenses.

Exchange rate differences arising from the conversion of the net investment in foreign subsidiaries at the year-end exchange rate are recognized as shareholders' equity elements under "Cumulative conversion differences".

Transactions in foreign currencies

Transactions in foreign currencies are converted to the functional currency using the exchange rates that apply on the transaction date. Profits and losses from exchange rate differences that result from settling these transactions and from the conversion of monetary assets and liabilities in foreign currencies at exchange rates valid at year-end are recognized in the income statement.

Exchange rates of key currencies

	Balance sheet		Income statement	
	2025	2024	2025	2024
US dollar	1.175	1.039	1.130	1.082
Brazilian real	6.436	6.425	6.309	5.832
Polish zloty	4.221	4.275	4.240	4.305
Mexican peso	21.118	21.550	21.677	19.829

Earnings per share (EPS) (14)

Fagron presents basic and diluted earnings per share (EPS) for common shares. Basic EPS is calculated by dividing the profit or loss for the period attributable to holders of common shares by the sum of the weighted average number of common shares outstanding during the period. Dividend distribution to the shareholders of Fagron is recognized as a liability in the financial statements in the period in which the dividends are approved by the shareholders.

For the purpose of calculating diluted EPS, the profit or loss for the period attributable to holders of common shares adjusted for the effects of all dilutive potential shares is divided by the sum of the weighted average number of outstanding ordinary shares used in the basic EPS calculation and the weighted average number of shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Goodwill (15)

Goodwill represents the positive difference between the cost of an acquisition and the fair value of Fagron's share of the net identifiable assets of the acquired subsidiary at the acquisition date. Goodwill is tested for impairment at least once a year, but also whenever a triggering event occurs. Goodwill is carried at cost less accumulated impairment losses. Impairment losses on goodwill are never reversed. Gains and losses on the disposal of an entity include the book value of goodwill relating to the entity sold.

Intangible fixed assets (15)

Intangible fixed assets are valued at cost and subsequently carried at cost less accumulated amortization and impairment. All intangible fixed assets are checked for impairment when there is an indication that the intangible asset may require impairment.

Brands, customer bases, licenses, patents and other

Intangible fixed assets are recognized at cost, provided this cost is not higher than the reported economic value and the cost price is not higher than the recoverable value. No other intangible fixed assets with an unlimited useful life were identified. The costs of brands with a definite useful life and customer bases are capitalized and amortized on a straight-line basis over a period of 5 to 7 years. If part of the consideration paid for a business combination has to do with trade names, brand names, formulas and customer bases, it is considered intangible fixed assets.

Research and development

Research costs related to the prospect of gaining new scientific or technological knowledge and understanding are recognized as an expense as incurred.

Development costs are defined as costs incurred for the design of new or substantially improved products and for the processes preceding commercial production or use. They are capitalized when, among other things, the following criteria are met:

- Technical feasibility of the project;
- Intention to complete the project and use or sell the asset;
- Option to use or sell the asset;
- Probability that the asset will generate future economic benefits;
- Adequate resources to complete the asset;
- Ability to measure cost reliability.

Development costs are amortized using the straight-line method over the period of their expected benefit, which is currently a maximum of 5 years. Amortization starts at the moment these assets are ready for use

In-house development

Unique products developed in-house, including software controlled by Fagron, which are expected to generate future economic benefits, are capitalized at the cost directly related to their production. The software is depreciated over its useful life, which is currently estimated at 5 years.

Software

Acquired software is capitalized at cost price and then valued at cost price less accumulated depreciation and impairment losses. The assets are depreciated over the useful life, which is currently estimated at 5 years.

Impairment

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Amortized assets are reviewed for impairment when events or changes in circumstances indicate that the book value may not be recoverable. An

impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of amortization, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Non-current assets (or disposal groups) held for sale and discontinued operations (16)

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

In order to be classified as fixed asset held for sale, the following criteria must be satisfied in accordance with IFRS 5:

- Management has committed to the plan of sale;
- An active program has been initiated to seek buyers for the assets;
- The assets (or groups of assets being disposed of) are available for immediate sale, taking into account conditions customary for sale;
- Sale is highly probable, expected sale occurs within 12 months of initial classification as available-for-sale fixed assets;
- The asset is placed in the market at a reasonable price, the price is in line with the fair value;
- The actions required to complete the sale of the asset indicate that the plan is not likely to change significantly or be withdrawn.

If Fagron has committed to a plan to sell a subsidiary which results in Fagron relinquishing control over a subsidiary and the aforementioned criteria are satisfied, then all of the assets and liabilities from that subsidiary are classified as fixed assets held for sale and liabilities related to assets held for sale, regardless of whether Fagron will retain a non-controlling interest after the sale.

Assets held for sale and liabilities related to assets held for sale (or groups of assets that will be sold) are recognized at the lower of the original book value and the fair value less the costs to sell the asset.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

The classification as a discontinued operation will occur on the date when the transaction satisfies the conditions in order to be recognized as being held for sale or when an operation has been sold.

When an operation has been classified as a discontinued operation, the result from the discontinued operations over the reporting period will be presented separately in the income statement and in the statement of comprehensive income. Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

In addition to the requirements for the presentation in the balance sheet of groups of assets that will be sold, comparable figures are included in the income statement and in the statement of comprehensive income for the presentation of the results of discontinued operations. Furthermore, the net cash flows that can be attributed to the operating, investment and financing activities of the discontinued operations are reported separately.

Property, plant and equipment (16)

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated pro rata based on the useful life of the asset in accordance with the following amortization parameters: 3 to 5 years for equipment and machinery and between 25 and 33 years for buildings. Land is not depreciated.

All assets are depreciated using the straight-line method, based on the estimated economic life. The assets' residual values and useful lives are reviewed, and adjusted

if appropriate, at the end of each reporting period. The "right to use" assets are depreciated over the shorter period of the lease period and the useful life. When it is fairly certain that the ownership will be obtained at the end of the lease, the "right to use" assets is depreciated over the useful life.

Financial assets (17)

Financial assets and financial liabilities are recorded in the Fagron balance sheet when Fagron becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, if applicable, at initial recognition. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are recorded immediately in the income statement.

Financial Instruments (17/24)

Fagron uses derivative financial instruments to mitigate risks related to fluctuations in interest rates and exchange rates. No derivatives are employed for trade purposes.

Derivative financial instruments are recognized at fair value on the balance sheet. The fair values are determined using a Level 2 method which means that the value is calculated using the discounted cash flows of the face value and interest flows. Some of Fagron's derivative contracts do not meet the criteria defined in IFRS 9 to be considered as cash flow hedges, and therefore changes in the fair value of these derivatives are recognized in the income statement. For the portion of derivative contracts that meet IFRS 9 requirements, the changes in fair value attributable to the effective portion of the hedge in line with IFRS 9 hedge accounting guidance are recognized in the cash flow hedge reserve, which is part of equity. Changes in fair value attributable to the ineffective portion of the hedge are recognized directly in the income statement.

Tax on profits (18)

Income taxes as recognized in the income statement include the income tax on the current year and deferred taxes. Current income taxes include the expected tax liabilities on Fagron's taxable income for the financial year, based on the applicable tax rates at balance sheet date and any adjustments from previous years. Income tax due on dividends is recognized when a liability to pay the dividend is recognized.

Deferred taxes are recognized using the balance sheet liability method and are calculated on the basis of the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. This method is applied to all temporary differences arising from investments in subsidiaries and associated companies, except for differences where the timing of settling the temporary difference is controlled by Fagron and where the temporary difference is not likely to be reversed in the near future. The calculation is based on the tax rates as enacted or substantially enacted at balance sheet date and expected to apply when the related deferred tax is realized or the deferred tax liability is settled. Under this calculation method, Fagron is also required to account for deferred taxes relating to any difference between the fair value of the net acquired assets and their book value for tax purposes resulting from any acquisitions.

Deferred taxes are recognized to the extent that the tax losses carried forward are likely to be offset in the foreseeable future. Deferred tax assets are fully written off when it is no longer probable that the corresponding tax benefit will be realized.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Fagron will offset tax assets and tax liabilities if, and only if, Fagron has a legally enforceable right to offset the recognized amounts; and either (a) intends to settle on a net basis, or (b) to realize the asset and settle the liability simultaneously.

Inventories (19)

Raw materials, auxiliary materials, and trade goods are valued at the acquisition value in accordance with the FIFO method or the net realizable value (NRV) at the balance sheet date, whichever is lower. Work in progress and finished products are valued at production cost. In addition to the purchasing cost of raw materials and auxiliary materials, production costs and production overhead costs directly attributable to the individual product or the individual product group are included. Net realisable value is

the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Trade receivables (20)

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance. The group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and contract assets. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

When trade receivables are transferred to a third party (through factoring), the trade receivables are no longer recognized on the balance sheet if (1) the right to receive cash flows no longer exists and (2) Fagron has transferred substantially all rights and risks.

Cash and cash equivalents (20)

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less, and are valued at acquisition at fair value and subsequently recognized at cost. Adjustments are made to the book value when at balance sheet date the realization value is less than the book value.

Equity (21)

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares or options are recognized in the equity as a deduction, net of taxes, from the proceeds.

If a company of Fagron purchases share capital of Fagron (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the shareholders of Fagron until the shares are cancelled, reissued or disposed of. If such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and related income tax effects, is included in equity attributable to the shareholders of Fagron.

Provisions (22)

Provisions will be made for restructuring costs, legal claims, risk of losses or costs potentially arising from personal securities or collateral constituted as guarantees for creditors or commitments to third parties, from liabilities to buy or sell non-current assets, from the fulfilment of completed or received orders, technical guarantees associated with turnover or services already completed by Fagron, unresolved disputes, fines and penalties related to taxes, or compensation for dismissal, when:

- Fagron has a present legal or constructive obligation as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation; and
- The amount can be reliably estimated.

Provisions for restructuring costs comprise lease termination penalties and employee termination payments. No provisions are recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Employee benefit expenses

Share-based payments (21)

Fagron operates a share-based compensation plan under which compensation is paid in shares. The total amount to be recognized as expense over the vesting period is determined based on the fair value of the performance shares or subscription rights granted. Operating and non-market conditions do not affect the fair value of the instruments granted but are taken into account by adjusting the number of equity instruments included in the valuation of the transaction. At each balance sheet date, Fagron revises its estimates of operating and non-market conditions. Fagron recognizes the impact, if any, of the revision of the original estimates in the income statement, and a corresponding adjustment to equity over the remaining definitive

acquisition period. The proceeds received, net of any directly attributable transaction costs, are included in the item capital (nominal value) and share premiums when the subscription rights are exercised. The terms of the existing plans were not changed this year.

Fagron also manages a compensation scheme in Performance Share Units. The Performance Share Units relates to the conditional cash payment based on of the Fagron share price, but is otherwise similar to an grant of performance shares. The Performance Share Units are recognized at fair value on the grant date and are periodically updated in accordance with IFRS 2. The fair value is determined using the same method as the determined as the performance shares.

Pension obligations (23)

The Fagron companies operate various pension schemes. The pension schemes are funded through payments to insurance companies, determined by periodic actuarial calculations. Fagron has both defined benefit and defined contribution plans.

The liability recognized on the balance sheet for defined benefit plans is the present value of future obligations from the benefit plan less the fair value of plan assets. The obligation is calculated periodically by independent actuaries using the "projected unit credit" method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are immediately recognized, in the period in which they arise, in equity through other comprehensive income.

For defined contribution plans, Fagron pays contributions to insurance companies. Once the contributions have been paid, Fagron will cease to have any further liabilities. Contributions to defined contribution plans are recognized as costs in the income statement at the moment they are made.

Borrowings (24)

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the income statement over the period of the loans using the effective interest method. Borrowings are classified as current liabilities, unless Fagron has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. Consultancy costs for the refinancing are part of the financial costs.

Debt instruments that meet the following conditions are subsequently valued at amortized cost price:

- The financial asset is held within a business model whose purpose is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms and conditions of the financial asset give rise on specified dates to cash flows that are payments solely of principal and interest on the outstanding principal.

On February 19, 2025, Fagron entered into a syndicated credit facility consisting of a multi-currency revolving credit line of 430 million euros and a term loan facility of 145 million euros. The new facility has replaced the old facility which has been repaid in full. The new debt position will be recorded on the balance sheet, replacing the old debt position. If the newly agreed terms and conditions of an existing credit facility change substantially, a new debt position will also be included on the balance sheet. Substantial change means a change in net present value of future cash flows (including fees paid and received) from the new facility of at least 10% compared to the net present value of cash flows from the old facility.

If the changes in new terms are not substantially different, the difference between (1) the current debt position on the balance sheet; and (2) the net present value of cash flows after change in terms is included in "Other Gains and Losses" in the income statement.

On November 21, 2025, Fagron issued senior unsecured notes to PGIM for a total of 125 million US dollars. These notes are part of a facility agreement for a maximum amount of 225 million US dollars.

Trade payables (25) and other current payables (26)

Trade payables and other current payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Leases (27)

At the start of the contract, Fagron assesses whether it is a lease contract, or it contains a lease. Fagron recognizes a "right of use" asset and a lease liability in respect of all leases in which it is the lessee, except for short-term leases (defined as leases with a lease period of 12 months or less) and leases of low-value assets. For these leases, Fagron recognizes lease payments on a straight-line basis as operating expenses over the lease term unless another systematic basis is more representative of the time pattern in which the economic benefits of the leased assets are consumed.

Lease liabilities include the net present value of the following lease payments:

- fixed payments, less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate on the commencement date
- amounts expected to be payable under residual value guarantees
- the exercise price of a purchase option if it is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the term reflects exercising that option

Fagron elects to not to separate non-lease components from lease components, and instead accounts for each lease component and any associated non-lease components as a single lease component.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Fagron is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period, so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost, comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made on or before the commencement date, less any lease incentives received
- any initial direct costs
- restoration costs

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss.

Fagron remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercising a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease

term of the modified lease by discounting the revised lease payments using a revised discount rate on the effective date of the modification

Revenue recognition

Fagron uses the five-step model in order to recognize revenue that results from sales to customers. The revenue is recognized at the value that we expect to receive for the delivery of the goods or services. Any liabilities related to these sales will be deducted here. Contracts for the sale of goods to customers have only one performance obligation.

Sales of goods are recognized at the moment that control over the goods has transferred to the customer, the customer has accepted the goods and the related receivables are likely to be collectible. This is normally the case at the time the goods are delivered. Revenue from services is recognized in the accounting period in which the services have been provided.

Segment reporting

IFRS 8 defines an operating segment as:

- A part of a business where income is generated and expenses are incurred;
- Where operating results are regularly reviewed by the decision-making body (Chief Operating Decision Maker) to make decisions about resource allocation to the segment and performance assessment; and
- Where concrete financial information is available.

Fagron determines and presents operating segments based on information provided internally to the executive leadership team, Fagron's decision-making body. An operating segment is a group of assets and activities engaged in providing products or services that form the basis of internal reporting to Fagron's executive leadership team.

The reporting structure and presentation of the financial results per Fagron segment are in line with the way in which the business is managed. The financial information of the Fagron segments provided to the executive leadership team is split into Fagron EMEA (Europe, Middle East and Africa), Fagron North America - Pacific and Fagron Latin America.

3 Management of financial risks

Adequate and reliable financial reporting is essential for both the internal management reports and the external reporting. Group-wide reporting guidelines have been drawn up within Fagron to this end, based on IFRS and internal information needs.

Risk management is important to Fagron in order to secure the company's long-term business goals and value creation. The policy of Fagron is to focus on identifying all major risks, on developing plans to prevent and manage these risks, and on putting in place measures to contain the consequences should such risks effectively occur. Still, Fagron cannot conclusively guarantee that such risks will not occur or that there will be no consequences when they occur.

All entities periodically prepare business plans, budgets and interim forecasts at predetermined moments. Discussions with management of the entities take place periodically on the general course of affairs, including the realization and feasibility of the forecasts issued and strategic decisions. With regard to tax regulations, Fagron makes use of the possibilities offered by the tax laws and regulations without taking any unnecessary risks in doing so. Fagron has the support of external tax advisers in this regard.

In addition to strategic and operational risks, Fagron is also subject to various financial risks. The following credit facilities are available to Fagron for the purpose of its operating business.

Syndicated credit facility

On February 19, 2025, Fagron entered into a syndicated credit facility consisting of a multi-currency revolving credit line of 430 million euros and a term loan of 145 million euros. The maturity of this credit facility is 5 years with the option to extend twice for one year.

Financial covenants Syndicated credit facility

Test period	Net financial debt/REBITDA
Semi-annual test periods (June/December)	Max. 3.50x

As of the end of 2025, the full-term loan of 145 million euros (2024: 235 million euros) and an amount of 164 million euros was drawn under the revolving credit facility (2024: 106.3 million euros). Fagron was in compliance with the aforementioned financial covenant.

Notes

On November 21, 2025, Fagron issued senior unsecured notes to PGIM for a total of 125 million US dollars. These notes are part of a multi-currency private notes agreement for a maximum amount of 225 million US dollars.

The notes are issued for a term of 12 years, with an average life of 10 years at fixed interest.

Financial covenants Notes

Test period	Net financial debt/REBITDA
Semi-annual test periods (June/December)	Max. 3.50x

As of the end of 2025, 125 million US dollars was drawn. Fagron was in compliance with the aforementioned financial covenant.

Capital management

Fagron's objectives in relation to capital management are to:

- Safeguard the company's ability to maintain its continuity; and
- Maintain an optimal capital structure to reduce the cost of capital.

Fagron does not have any explicit policy for return on capital. There were no changes in the capital management policy during the year.

Fagron can adjust the amount to be paid on dividends (see note 21) in order to retain or adjust the capital structure. It can also issue new shares or dispose of assets in order to reduce the debt position.

Fagron has a dividend policy that takes into account the profitability of the company and its underlying growth, as well as capital requirements and cash flows, where sufficient liquidity is maintained in order to follow the buy-and-build strategy. Fagron hereby expects to reinvest most of its free cash flow in the coming years and to pay out a relatively low, steady level of dividends to its shareholders.

Cash pool

Fagron manages the cash and financing flows and the risks arising from these by means of a group-wide treasury policy. In order to optimize the financial position and keep the related interest charges to a minimum, the companies' cash flows are centralized as much as possible in one cash pool. Fagron has a total of two local cash pools . One in the region North America - Pacific and two in Europe (the Netherlands and Belgium). These are used by the operating companies, whereby zero balancing is applied in Europe and target balancing in North America - Pacific. The three local cash pools are pooled daily to two central notional cash pool, where balances within the same entity are presented net.

Liquidity risk

Liquidity risk is the risk that Fagron is unable to meet its financial obligations. The expected cash flow is assessed and analyzed on a regular basis. The goal is to have sufficient financial resources available at all times to meet the liquidity needs.

Credit risk

Credit risk involves the risk that a debtor or other counterparty is unable to fulfill its payment liabilities to Fagron, resulting in a loss for Fagron. Fagron has an active credit policy and strict procedures to manage and limit credit risks. No individual customers make up a substantial part of either revenue or outstanding receivables. Fagron has an active policy to reduce operational working capital. From this perspective, Fagron aims to reduce the accounts receivable balance.

Below is an overview of the category, level, net book value of financial assets and the term of financial instruments. Where GK stands for financial liabilities measured at amortized cost and level 2 method means that the valuation was based on inputs other than quoted prices in active markets as included in level 1.

Net book value financial assets 2025

(x 1,000 euros)	Category	Level	Gross value	Impairments	Net book value
Trade receivables	GK	2	98,629	-3,391	95,238
Financial assets	GK	2	11	0	11
Other current assets	GK	2	24,754	-968	23,786
Cash and cash equivalents	GK	2	184,902	0	184,902

Net book value financial assets 2024

(x 1,000 euros)	Category	Level	Gross value	Impairments	Net book value
Trade receivables	GK	2	85,641	-3,678	81,963
Financial assets	GK	2	886	0	886
Other current assets	GK	2	28,681	-968	27,713
Cash and cash equivalents	GK	2	115,038	0	115,038

Term of financial instruments 2025

(x 1,000 euros)	Category	Level	Average effective interest rate	Total book value	< 1 year	1 -5 years	> 5 years
Leasing liabilities	GK	2	4.6%	55,884	11,333	39,880	4,671
Credit institutions and private placement	GK	2	3.9%	412,249	272	411,977	0
Other financial debt	GK	2		97	0	97	0

Term of financial instruments 2024

(x 1,000 euros)	Category	Level	Average effective interest rate	Total book value	< 1 year	1 -5 years	> 5 years
Leasing liabilities	GK	2	4.8%	44,178	9,502	31,252	3,423
Credit institutions	GK	2	3.6%	340,912	0	340,912	0
Other financial debt	GK	2		607	0	607	0

Interest risk

Fagron regularly reviews the mix between a fixed and floating rate. At this moment, the syndicated credit facility consists of financing with a floating interest rate ranging from 1 to 6 months of which the term loan of 145 million euros is swapped to fixed interest with multiple interest rate derivates. The utilizations of the revolving credit facility remain floating rate based. The notes are issued against a fixed interest of 5.92%. A higher Euribor interest rate of 10 basis points would have had an increasing effect on floating interest expenses of about 164 thousand euros before tax (2024: 123 thousand euros).

Exchange rate risk

The exchange rate risk is the risk on results due to fluctuations in the exchange rates. Fagron reports its financial results in euros and, due to the international spread of its operations, is subject to exchange rate influences that may affect its results. Exchange rate risk is the result on the one hand of several entities of Fagron operating in a functional currency other than euros and on the other hand of the circumstance that purchasing and retail prices of Fagron have foreign currencies as reference. The risk regarding the Fagron entities that operate in a functional currency other than the euro involves entities that operate in the US dollar, Brazilian real, Polish zloty, Czech crown, British pound, Danish crown, Israeli shekel, Colombian peso, Chinese yuan, South African rand, Mexican peso and Hungarian forint. Together, these entities represent 73.7% of consolidated sales in 2025 (2024: 75.5%).

Some of Fagron's revenue is realized in currencies other than the euro, such as in Brazil, the United States, Poland and Mexico. The table below shows the hypothetical supplementary effect of a 10% strengthening or weakening of the euro against the US

dollar, the Brazilian real, the Polish zloty and the Mexican peso for the year 2025 and the effect on profit before tax and equity.

2025

	Profit before tax		Equity	
(x 1,000 euros)	Strengthening	Weakening	Strengthening	Weakening
US dollar	-5,296	4,333	-20,809	17,026
Brazilian real	-2,449	2,004	-15,415	12,612
Polish zloty	-498	408	-3,665	2,999
Mexican peso	-90	73	-2,290	1,874

2024

	Profit before tax		Equity	
(x 1,000 euros)	Strengthening	Weakening	Strengthening	Weakening
US dollar	-4,873	3,987	-18,980	15,529
Brazilian real	-2,214	1,812	-13,900	11,373
Polish zloty	-940	769	-3,672	3,004
Mexican peso	-302	247	-2,284	1,868

There is also an indirect foreign exchange risk since a large portion of purchases in Brazil are in US dollars. This means that Fagron's products become relatively more expensive to Fagron's customers each time the US dollar rises against the Brazilian real. The risk is difficult to quantify, as such price increases are directly charged to the consumer entirely or partly.

Foreign exchange risk related to foreign currency debt, which is borrowed entirely in US dollars, is fully hedged with intercompany loans to the US subsidiary.

Fair value risk

Fagron uses financial derivatives to hedge interest rate and exchange rate risks. For all currency derivatives and the US dollar interest rate derivative, the revaluation is recognized directly in the income statement. For all EUR interest rate derivatives, the revaluation is recognized through equity.

For various currency positions, Fagron has hedged the foreign exchange risk with a currency swap. In 2024 the interest rate derivative expired that was also taken to fix the interest on the 100 million US dollars in utilization under the revolving credit facility. In accordance with IFRS, all financial derivatives are recognized either as assets or as liabilities. In accordance with IFRS 9, financial derivatives are recognized at fair value. Changes in the fair value of currency derivatives and expired interest rate derivatives for the US dollar debt under the syndicated credit facility is recognized immediately in the income statement because they are financial derivatives that do not qualify as cash flow hedging instruments.

During 2025 new Euribor interest hedges has been taken out which align with the terms and cash flows of the term loan included in the new syndicated credit facility. These Euribor interest rate derivatives concluded in 2025 comply with IFRS 9 guidelines and have been qualified as cash flow hedging instruments. The changes in the fair value of these financial derivatives runs through the cash flow hedge reserve, which is a part of equity.

Euro interest hedges as included in hedge accounting

Expiration date per year	Notional amount (x 1,000 euros)
2026	20,000
2027	30,000
2028	20,000
2029	50,000
2030	25,000

4 Critical accounting estimates and judgments

Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are deemed reasonable given the circumstances.

4.1 Critical estimates

Fagron makes estimates and judgments concerning the future. The resulting estimates will, by definition, rarely match the related actual results. Those estimates and assumptions that entail a significant risk of causing the need for a material adjustment of the book value of assets and liabilities within the next financial year are discussed below. A summary of the important estimates is presented below.

Estimated impairment loss for goodwill and other intangible fixed assets

Fagron performs an annual review to verify whether goodwill has been impaired in accordance with the accounting policies stated in Note 15. The recoverable amount of cash-generating units is the higher of the fair value of the asset less costs to sell and the net present value. These calculations require the application of estimates. No impairment loss was recognized in 2024 and 2025.

Provisions for disputes

As stated, provisions are valued at present value of the best estimate by management of the expenditure required to settle the existing obligation at the balance sheet date. Provisions for disputes require significant professional judgment in terms of the ultimate outcome of administrative law rulings or court judgments. Estimates are always based on all available information at the moment the financial statements are prepared. However, the need for significant adjustments cannot be absolutely precluded if a ruling or judgment proves not as expected. Judgments and estimates are continuously evaluated on the basis of past experience and other factors, including projected development of future events that are regarded as reasonable given the circumstances. See also Note 22: Long-term provisions and Note 30: Contingent liabilities.

Uncertain tax positions

The company is subject to tax on profits in different jurisdictions. Significant judgments must be made in determining the provision for tax on profits. There are some transactions and calculations for which the ultimate taxable amount is uncertain. When the final income tax is determined, the deviations will affect the current and deferred taxes and liabilities for the period in which the determination is made. See also Note 18: Income tax and employee benefit liabilities and Note 30: Contingent liabilities.

4.2 Critical judgments

No critical judgements were made in preparation of the financial statements.

5 Segment information

The reporting structure and presentation of the financial results per segment are in line with the way in which the business is managed. Fagron's results are reported in the segments Fagron EMEA, Fagron North America - Pacific and Fagron Latin America. This structure is tailored to the various activities of Fagron and also supports effective decision-making and individual responsibility. This is consistent with the application of IFRS 8 which states that the determination of operating segments should be based on the components used by the executive leadership team to determine the performance of operating activities and on which decisions are based.

Fagron is organized into three main operational segments:

1. Fagron EMEA refers to Fagron's European operations in the Netherlands, Belgium, Poland, Germany, Italy, the Czech Republic, Spain, France, Denmark, Greece, Hungary, Croatia, Serbia and the United Kingdom and operations in Israel and South Africa. The Netherlands, Belgium and Poland are the biggest contributors in Fagron EMEA. Fagron EMEA is active in every Fagron activity category;
2. Fagron North America - Pacific includes operations mostly in the United States and for a small part in Australia. Fagron North America - Pacific is active in every Fagron activity category;
3. Fagron Latin America refers to all of Fagron's operations in Brazil, Colombia and Mexico of which Brazil represents over 85% of the revenue. In Latin America, Fagron is primarily active in Fagron Brands and Fagron Essentials.

Fagron's operations can be divided into three categories:

1. Fagron Compounding Services refers to all personalized medication prepared in Fagron's sterile and non-sterile facilities;
2. Fagron Brands includes the innovative concepts, products and vehicles developed by Fagron, often in close cooperation with prescribers, pharmacies and universities;
3. Fagron Essentials refers to all the pharmaceutical raw materials, equipment and supplies that a pharmacist needs to prepare medication himself in the pharmacy.

Fagron Segment results for the period ended December 31, 2025 are as follows:

2025 (x 1,000 euros)	Fagron EMEA	Fagron North America - Pacific	Fagron Latin America	Total
Revenue	355,108	414,056	183,005	952,169
Intersegment revenue	3,747	592	774	5,114
Total revenue	**358,855**	**414,649**	**183,779**	**957,283**
Trade goods	139,134	127,201	94,991	361,327
Operating expenses and income before non-recurring result per segment	141,817	206,011	55,221	403,049
EBITDA before non-recurring result per segment	77,905	81,436	33,567	192,907
Depreciation, amortization, impairments and non- recurrent costs				-46,697
Financial result				-28,618
Profit before taxes				117,593
Taxes on profits				26,071
Profit (loss) for the period				**91,522**

Fagron Segment results for the period ended December 31, 2024 are as follows:

Notes to the consolidated financial statements

2024 (x 1,000 euros)	Fagron EMEA	Fagron North America - Pacific	Fagron Latin America	Total
Revenue	315,369	383,040	173,551	871,960
Intersegment revenue	2,793	509	602	3,904
Total revenue	**318,162**	**383,549**	**174,153**	**875,864**
Trade goods	123,706	116,681	91,811	332,198
Operating expenses and income before non-recurring result per segment	126,674	192,253	50,752	369,679
EBITDA before non-recurring result per segment	67,782	74,615	31,590	173,987
Depreciation, amortization, impairments and non- recurrent costs				-43,291
Financial result				-26,398
Profit before taxes				104,298
Taxes on profits				23,296
Profit (loss) for the period				**81,001**

Other segmented items recognized in the income statement for continuing operations are as follows:

2025 (x 1,000 euros)	Fagron EMEA	Fagron North America - Pacific	Fagron Latin America	Total
Depreciation and amortization	19,532	19,517	4,912	**43,961**
Write-down on inventories	880	1,127	0	**2,007**
Write-down on receivables	302	-128	286	**461**

2024 (x 1,000 euros)	Fagron EMEA	Fagron North America - Pacific	Fagron Latin America	Total
Depreciation and amortization	15,476	15,391	5,484	**36,351**
Write-down on inventories	684	2,650	0	**3,333**
Write-down on receivables	861	46	169	**1,075**

The assets and liabilities, and the capital expenditure (investments) are as follows:

2025 (x 1,000 euros)	Fagron EMEA	Fagron North America - Pacific	Fagron Latin America	Unassigned/ intersegment elimination	Total
Total assets	535,161	446,026	205,507	56,437	**1,243,130**
Total liabilities	220,851	258,340	41,697	165,987	**686,875**
Capital expenditure	11,307	15,402	6,541	0	**33,250**

2024 (x 1,000 euros)	Fagron EMEA	Fagron North America - Pacific	Fagron Latin America	Unassigned/ intersegment elimination	Total
Total assets	424,727	398,985	197,638	62,167	**1,083,518**
Total liabilities	149,635	228,161	47,836	152,527	**578,159**
Capital expenditure	10,397	28,030	5,745	0	**44,173**

The segment assets consist primarily of property, plant and equipment, intangible fixed assets, inventories, receivables and cash from operations. The difference between the above-mentioned capital expenditures and the capital expenditures in the cash flow statement mainly relates to the impact of capital expenditures still to be paid at the end of 2024 and 2025 and proceeds from divestitures.

Fagron has a large number of customers that are distributed internationally, with a substantial portion of revenue realized with a wide range of smaller customers. In

North America - Pacific we work with group purchase organizations, independent hospital groups as well as online telemedicine platforms and smaller pharmacies. No customer accounts for more than 10% of Fagron's proceeds.

6 Revenue

(x 1,000 euros)	2025	2024
Sale of goods	952,169	871,960
Revenue	**952,169**	**871,960**

2025 (x 1,000 euros)	Fagron EMEA	Fagron North America - Pacific	Fagron Latin America	Total
Essentials	185,848	86,115	109,389	381,353
Brands	54,887	21,439	69,686	146,012
Compounding services	114,373	306,503	3,929	424,805
Total	**355,108**	**414,056**	**183,005**	**952,169**

2024 (x 1,000 euros)	Fagron EMEA	Fagron North America - Pacific	Fagron Latin America	Total
Essentials	157,765	74,860	109,532	342,157
Brands	48,567	23,489	59,820	131,875
Compounding services	109,037	284,692	4,199	397,928
Total	**315,369**	**383,040**	**173,551**	**871,960**

North America - Pacific we work with group purchase organizations, independent hospital groups as well as online telemedicine platforms and smaller pharmacies. No customer accounts for more than 10% of Fagron's proceeds.

7 Other operating income

(x 1,000 euros)	2025	2024
Gain on disposal of fixed assets	1,226	734
Other operating income	5,838	2,145
Total other operating income	**7,064**	**2,879**

The increase in other operating income is mainly due to a release of contingent liabilities related to acquisitions in North America and EMEA.

8 Services and other goods

(x 1,000 euros)	2025	2024
Sale and distribution costs	57,064	51,462
Contracted services	37,459	34,610
Office and production supplies	43,763	40,418
Other services and goods	25,665	21,497
Total services and other goods	**163,951**	**147,988**

Contracted services cover a wide range of contracted services such as quality costs, legal fees, IT costs, and cleaning costs.

Office and production supplies include, among other things, supplies for cleanrooms, packaging materials, utilities, and maintenance.

Other services and goods include, for example, travel expenses and insurance premiums.

9 Employee benefit expenses

(x 1,000 euros)	2025	2024
Wages, salaries and bonuses	187,836	173,984
Social security costs	24,787	25,055
Pension costs – defined benefit plans	322	405
Pension costs – defined contribution plans	5,248	4,765
Other post-employment benefit contributions	1,849	2,971
Other employee expenses	20,346	15,739
Total employee benefit expenses	**240,389**	**222,918**

Other employee benefits include amongst others health insurances not included in the social security costs, training costs and other benefits.

On December 31, 2025, Fagron's workforce (fully consolidated companies) was 4,297 (2024: 3,935) people or 4,134 (2024: 3,848) full-time equivalents. The distribution of the number of full-time equivalents per operating segment is as follows:

Full-time equivalents (rounded to whole units)	2025	2024
Fagron EMEA	1,626	1,463
Fagron North America - Pacific	1,471	1,426
Fagron Latin America	1,037	959
Total	**4,134**	**3,848**

10 Depreciation, amortization and impairment

(x 1,000 euros)	2025	2024
Amortization intangible fixed assets	15,051	11,114
Depreciation property, plant and equipment	14,301	11,899
Depreciation lease and similar rights	14,608	13,339
Write-down on inventories	2,007	3,333
Write-down on receivables	461	1,075
Depreciation, amortization and impairment	**46,428**	**40,760**

The increase in Amortization intangible fixed assets is mainly due to the capitalization of customer bases as a result of Purchase Price Allocation.

11 Other operating expenses

(x 1,000 euros)	2025	2024
Increase (decrease) in provisions for current liabilities	52	-142
Increase (decrease) in provisions for pension liabilities	26	8
Taxes and levies (excluding income tax)	1,714	1,952
Other operating expenses	4,250	2,366
Total other operating expenses	**6,042**	**4,183**

The increase in other operating expenses mainly consists of acquisition costs.

12 Financial result

The financial results are presented in the consolidated income statement as follows:

(x 1,000 euros)	2025	2024
Financial income	4,068	4,406
Total financial income	**4,068**	**4,406**
Financial expenses	9,045	8,229
Interest expenses	17,524	15,380
Interest on leasing liabilities	2,295	2,058
Currency translation differences	3,822	2,894
Revaluation of financial derivatives	0	2,242
Total financial expenses	**32,686**	**30,804**
Total financial result	**-28,618**	**-26,398**

The financial income includes mainly interest income from credit institutions. The financial expenses mainly comprises of credit card and bank expenses.

The revaluation of financial derivatives relates to the change in the market value of interest rate derivatives that, in accordance with IFRS 9, cannot be presented as cash flow hedging instruments and does not involve cash flow. There was no impact in 2025 (2024: -2.2 million euros). Interest rate derivatives were valued on a discounted cash flow basis.

The financial result, excluding the revaluation of financial derivatives, amounts to -28.6 million euros in 2025 (2024: -24.2 million euros). This increase is mainly caused by higher interest expenses.

13 Tax on profits

Income taxes from continued operations are as follows:

(x 1,000 euros)	2025	2024
Current tax expenses	21,512	23,284
Deferred taxes	4,560	12
Tax on profits	**26,071**	**23,296**
Effective tax rate	22.2%	22.3%
Profit before income tax from continued operations	**117,593**	**104,298**
Tax calculated at weighted Fagron NV's statutory tax rate	29,398	26,074
Effect of rate differences compared with foreign jurisdictions	1,435	-454
Income not subject to taxes	-119	-26
Expenses not deductible for tax purposes	827	2,381
Tax on profit previous years	-498	-90
Valuation of deductible losses	-3,515	-5,675
R&D tax credits	-1,697	0
Other	241	1,086
Tax on profits	**26,071**	**23,296**

The tax calculated based on Fagron NV's statutory tax rate represents the expected income tax expense calculated by applying the Belgian statutory corporate income tax rate to the consolidated profit before tax.

Differences between this expected tax charge and the effective tax expense arise primarily from the application of local statutory rates in jurisdictions outside Belgium as well as from items that are not deductible for tax purposes.

Expenses not deductible for tax purposes mainly relate to non-deductible intercompany expenses and other items that are not deductible under local tax

legislation. The year-on-year movement reflects changes in the composition and level of these expenses.

Income tax of previous years reflects adjustments resulting from the finalization of tax returns, tax assessments and updated estimates relating to prior reporting periods.

Changes in the valuation of deductible losses reflect reassessments of the recoverability of tax losses carried forward based on updated expectations of future taxable profits.

Other items include remaining items impacting the effective tax rate. This primarily relates to the utilization of tax losses that were not previously recognized as deferred tax assets and tax losses incurred in the current year for which no deferred tax asset has been recognized.

The Pillar Two rules apply to the group as from the 2025 financial year with Belgium, as the jurisdiction of the ultimate parent entity, acting as the primary jurisdiction for the application of the Pillar Two rules.

Fagron has assessed the impact of the Pillar Two legislation, which applies to the group as from the 2025 financial year. Based on the application of the transitional safe harbour rules and other relevant provisions of the Pillar Two framework, the introduction of Pillar Two should not result in a material top-up tax liability for the group.

In accordance with IFRS, the Group has applied the temporary mandatory relief from deferred tax accounting for the impacts of the Pillar Two top-up tax and recognizes any related amounts as current tax if and when incurred.

14 Earnings per share

(in euros)	2025	2024
Basic earnings (loss) per share	1.25	1.10
Diluted earnings (loss) per share	1.24	1.10

The earnings used in the calculations are as follows:

(x 1,000 euros)	2025	2024
Profit (loss) attributable to equity holders of the company	91,020	80,554

The weighted average number of shares used in the calculations is as follows:

(number of shares x 1,000)	2025	2024
Weighted average number of ordinary shares	73,078	72,937
Effect of subscription rights	74	0
Weighted average number of ordinary shares (diluted)	**73,151**	**72,937**

No ordinary share transactions were executed after the balance sheet date which have impacted on earnings per share. The number of subscription rights that do not have any dilutive impact during the period, but which could possibly have an impact in the future, is equal to zero. These are subscription rights whose exercise price exceeds the average share price of Fagron in 2025.

Notes to the consolidated financial statements

15 Intangible fixed assets and goodwill

(x 1,000 euros)	Goodwill	Development	Concessions & patents	Brands and customer relations	Software	Intangible fixed assets	Total
Net book value as of January 1, 2024	**434,361**	**21,978**	**2,047**	**9,322**	**15,212**	**48,560**	**482,921**
Investments	0	10,946	171	304	4,316	15,738	15,738
Acquisitions	14,300	3	356	7,613	207	8,180	22,479
Transfers and disposals	0	-261	18	0	698	455	455
Amortization and impairments	0	-3,321	-508	-4,189	-3,096	-11,114	-11,114
Exchange differences	-1,714	-144	-24	812	-1,068	-424	-2,138
Net book value as of 31 December, 2024	**446,947**	**29,203**	**2,060**	**13,863**	**16,270**	**61,395**	**508,342**
Gross book value	713,344	41,176	4,198	52,836	34,219	132,429	845,772
Accumulated amortization and impairments	-266,397	-11,974	-2,138	-38,973	-17,949	-71,033	-337,430
Net book value	**446,947**	**29,203**	**2,060**	**13,863**	**16,270**	**61,395**	**508,342**
Net book value as of January 1, 2025	**446,947**	**29,203**	**2,060**	**13,863**	**16,270**	**61,395**	**508,342**
Investments	0	10,610	57	0	4,757	15,424	15,424
Acquisitions	43,166	134	0	40,144	251	40,529	83,695
Transfers and disposals	0	-5,725	-3	6	5,552	-170	-170
Amortization and impairments	0	-3,354	-505	-7,339	-3,854	-15,051	-15,051
Exchange differences	-19,010	-601	19	-1,347	-532	-2,461	-21,471
Net book value as of December 31, 2025	**471,103**	**30,266**	**1,629**	**45,326**	**22,444**	**99,666**	**570,769**
Gross book value	709,172	44,884	4,306	88,141	40,791	178,122	887,294
Accumulated amortization and impairments	-238,069	-14,618	-2,677	-42,815	-18,346	-78,456	-316,526
Net book value	**471,103**	**30,266**	**1,629**	**45,326**	**22,444**	**99,666**	**570,769**

The intangible fixed assets have not been encumbered with collateral.

The category "Development" consists mainly of unique software developed in-house in full control of Fagron together with exclusive license and distribution rights. Development costs are fully capitalized in 2024 and 2025. These are in addition to the costs for the exclusive license and distribution rights mainly related to employee costs.

Impairment

Goodwill is checked at least once per year for impairment, but also each time a trigger event occurs. This did not result in goodwill impairment in 2024 and 2025.

Goodwill

Goodwill acquired in business mergers and acquisitions is allocated to cash-generating units or groups of cash-generating units which are expected to have future economic benefits following the merger or acquisition. The allocation of goodwill to the cash-generating units and the grouping of the cash-generating unites is aligned with the business model of Fagron. There are fully integrate back-office activities in combination with operational activities on a regional level. This means that companies in a region share resources for different activities like finance, HR, IT, regulatory, quality, procurement etc. There is also a vertically integrated model were the Brands and Essentials are sourced, produced and shipped to Fagron compounding facilities were possible and used as starting material in the compounded products. The combination of activities within the region increases scale benefits and saves costs. Goodwill is recognized at cost less accumulated impairment losses. The net book value of goodwill was attributed as follows to the cash-generating units:

(x million euros)	Dec-25	Dec-24
Fagron EMEA	245.8	217.1
Fagron North America - Pacific	157.7	162.4
Fagron Latin America	67.6	67.4
Total	**471.1**	**446.9**

The increase in goodwill is mainly due to the acquisition of EuroOTC in Germany, Guinama in Spain, CareFirst in the USA, Bella Corp in Australia, Active Pharma in the United Kingdom and Uni-Chem, SB-Trade in Serbia.

Goodwill impairment test

The methodology for testing impairment is in accordance with IAS 36. Goodwill is tested at least annually for impairment with respect to cash-generating units and consistently when a trigger event occurs during the year which may result in an impairment loss. When the goodwill impairment test is conducted, the realizable value, being the value in use, is calculated per cash-generating unit.

The key judgments, estimates and assumptions that are commonly used are as follows:

- The main estimates used in the impairment test for goodwill are the sales growth rate, gross margin rate, discount rate and long-term growth rate.
- The first year of the model is based on detailed financial budgets approved by management and the Board of Directors.
- For the second to sixth year, budget figures from the first year are extrapolated taking into account an internal growth rate or a business plan is used. The figures take into account economic assumptions and historical experience of market share, turnover and expenses, capital expenditures and working capital.
- For subsequent years, an estimate of perpetual growth is used. For the main cash-generating units, a long-term growth rate of 2% for Fagron EMEA and North America - Pacific and 7% for Fagron Latin America was used. The same growth rates were used in 2024.
- Projections are made for North America - Pacific in the functional currency and are discounted at the weighted average unit cost of capital. For the main cash-generating units, a weighted average capital charge was used of 9.6% (pre-tax: 12.2%) for Fagron EMEA, 11.2% (pre-tax: 13.6%) for Fagron North America - Pacific and 14.2% (pre-tax: 18.9%) for Fagron Latin America.
- In 2024, a weighted average capital charge was applied of 9.2% (pre-tax: 11.5%) for Fagron EMEA, 11.3% (pre-tax: 13.8%) for Fagron North America - Pacific and 14.7% (pre-tax: 19.5%) for Fagron Latin America

The outcome of the impairment test for the main cash flow generating units indicates that a 10% weighted average capital charge increase or 10% margin decrease in the assumptions used will not lead to an impairment.

Notes to the consolidated financial statements

16 Tangible fixed assets

(x 1,000 euros)	Land and buildings	Machinery and installations	Office equipment and transportation resources	Leasing and other similar rights	Other property, plant and equipment	Assets under construction	Total
Net book value as of January 1, 2024	**55,355**	**19,827**	**8,899**	**38,110**	**3,898**	**21,845**	**147,935**
Investments, including additions for IFRS 16	5,083	2,469	1,310	14,389	135	19,438	42,824
Acquisitions	6,171	1,399	39	2,082	0	20	9,710
Transfers and disposals	470	710	929	-901	64	-2,847	-1,574
Depreciation	-4,294	-4,353	-2,248	-13,339	-1,004	0	-25,237
Exchange differences	-512	-230	-564	-385	131	1,637	77
Net book value as of December 31, 2024	**62,274**	**19,822**	**8,364**	**39,956**	**3,224**	**40,094**	**173,735**
Gross book value	**98,459**	**61,515**	**27,405**	**84,821**	**9,827**	**40,094**	**322,121**
Accumulated depreciation	-36,185	-41,693	-19,040	-44,865	-6,603	0	-148,386
Net book value	**62,274**	**19,822**	**8,364**	**39,956**	**3,224**	**40,094**	**173,735**
Net book value as of January 1, 2025	**62,274**	**19,822**	**8,364**	**39,956**	**3,224**	**40,094**	**173,735**
Investments, including additions for IFRS 16	1,263	2,251	1,833	24,137	186	12,293	41,963
Acquisitions	82	843	34	3,586	0	0	4,545
Transfers and disposals	22,860	7,753	2,078	207	713	-35,765	-2,153
Depreciation	-5,328	-5,461	-2,415	-14,608	-922	-175	-28,910
Exchange differences	-1,700	-978	-301	-1,829	-217	-3,107	-8,132
Net book value as of December 31, 2025	**79,452**	**24,231**	**9,593**	**51,449**	**2,985**	**13,340**	**181,049**
Gross book value	**116,636**	**71,002**	**28,147**	**92,757**	**10,193**	**13,340**	**332,075**
Accumulated depreciation	-37,184	-46,771	-18,554	-41,308	-7,209	0	-151,026
Net book value	**79,452**	**24,231**	**9,593**	**51,449**	**2,985**	**13,340**	**181,049**

Fagron's liability regarding leasing is guaranteed on account of the lessor holding the legal property title to the leased assets. All other property, plant and equipment have no restrictions on the title of ownership. Nor are these assets pledged as security for liabilities.

17 Financial fixed assets

(x 1,000 euros)	Investments	Financial instruments MtM hedge	Loans and receivables	Total
Net book value as of January 1, 2024	**4,199**	**2,515**	**4,579**	**11,293**
Investments	0	0	509	509
Transfers and disposals	-563	0	-357	-920
Exchange differences	-109	0	0	-109
Other movements	692	-1,962	-142	-1,413
Net book value as of December 31, 2024	**4,219**	**553**	**4,588**	**9,360**
Investments	0	0	1,249	1,249
Transfers and disposals	0	0	-2,844	-2,844
Exchange differences	-241	0	-181	-422
Other movements	-886	-236	21	-1,100
Net book value as of December 31, 2025	**3,092**	**317**	**2,832**	**6,242**

The change in investments consist mainly of the unrealized appreciation of derivatives of 0.2 million euros. Investments are valued on a fair value basis and differences from the fair value are disclosed in the income statement. However, this asset is valued at cost due to the lack of reliable information about its fair value.

An analysis of the aforementioned assets showed that for 2024 and for 2025, none of these assets need to be impaired.

Loans and receivables concern receivables with different due dates. The book value approximates the fair value.

18 Tax on profits, remuneration and social security

a) Current taxes, remuneration and social security

(x 1,000 euros)	2025	2024
Current tax liabilities	2,800	6,624
Other current tax and VAT payable	12,250	10,725
Remuneration and social security payable	27,580	30,467
Current taxes, remuneration and social security	**42,630**	**47,816**

b) Deferred tax assets

(x 1,000 euros)	Difference in depreciation rates	Employee benefits	Provisions	Tax losses	Other	Total
Balance as of January 1, 2024	**242**	**1,169**	**1,595**	**26,137**	**-238**	**28,904**
Result	121	10	-20	313	191	615
Change in scope of consolidation	0	0	0	0	0	0
Balance as of December 31, 2024	**363**	**1,179**	**1,575**	**26,450**	**-47**	**29,519**
Result	95	227	-1,201	-8,898	2,408	-7,369
Change in scope of consolidation	0	0	0	76	0	76
Balance as of December 31, 2025	**457**	**1,406**	**375**	**17,628**	**2,360**	**22,226**

Deferred tax assets mainly relate to deductible temporary differences and tax losses carried forward. The recognition of deferred tax assets is based on an assessment of whether it is probable that sufficient taxable profits will be available against which these assets can be utilized.

The recoverability of deferred tax assets relating to tax losses is assessed twice per year. This assessment is based on a five-year forecast horizon, using detailed financial budgets approved by management for the first year and extrapolated for the subsequent years.

As at 31 December 2025, tax losses amount to 139.4 million euros (2024: 163.9 million euros), of which 77.7 million euros (2024: 121.1 million euros) have been recognized, resulting in a deferred tax asset of 17.6 million euros (2024: 26.5 million euros). Tax losses are recognized to the extent that their utilization against future taxable profits is considered probable.

A portion of the tax losses is subject to expiry. Approximately 33% of the tax losses will ultimately lapse in 2036, while the majority of the remaining tax losses can be carried forward without limitation. Over the next five years, only an immaterial portion of tax losses is expected to expire.

c) Deferred tax liabilities

(x 1,000 euros)	Difference in depreciation rates	Other	Total
Balance as of January 1, 2024	**4,145**	**-2,169**	**1,976**
Result	38	-486	-448
Change in scope of consolidation	0	271	271
Discontinued operations	0	0	0
Balance as of December 31, 2024	**4,183**	**-2,384**	**1,799**
Result	1,410	-1,210	200
Change in scope of consolidation	278	3,120	3,399
Discontinued operations	0	0	0
Balance as of December 31, 2025	**5,871**	**-474**	**5,398**

Deferred tax liabilities mainly arise from taxable temporary differences related to property, plant and equipment, inventory and other balance sheet items, as well as from differences in depreciation and valuation methods for accounting and tax purposes.

Movements in deferred tax liabilities during the year are primarily driven by changes in temporary differences, the impact of acquisitions, including purchase price allocation effects, and reclassifications between deferred tax assets and liabilities.

At the balance sheet date, the Group has not recognized any deferred tax liability in respect of withholding taxes or taxes payable on dividend distributions. As the Group does not have a defined intercompany dividend policy and is able to determine the timing and amount of dividend payments, no deferred tax liability has been recognized in this respect.

19 Inventories

(x 1,000 euros)	2025	2024
Raw materials	60,202	45,119
Work in progress	1,092	1,034
Finished goods	43,236	40,882
Trade goods	54,377	49,927
Inventories	**158,907**	**136,962**

The increase in inventories is mainly explained by investments in the growth of the business activities.

20 Trade receivables, other current assets and cash and cash equivalents

a) Trade receivables and other current assets

(x 1,000 euros)	2025	2024
Trade receivables	98,629	85,641
Provision for impairment of receivables	-3,391	-3,678
Total trade receivables	**95,238**	**81,963**
Other current assets	23,786	27,713

There is no concentration of credit risk with respect to trade receivables because many of Fagron's customers are dispersed internationally. A provision is calculated based on expected credit loss and individual loss allowances.

Fagron applies a strict credit policy with regard to its customers, ensuring that the company controls and minimizes credit risk. No individual customers make up a substantial part of either turnover or outstanding receivables. Fagron uses factoring. The factoring balance as of December 31, 2025, was 20.3 million euros (2024: 16.6 million euros).

(x 1,000 euros)	Provision for impairment of receivables
Balance as of January 1, 2024	**-4,070**
Additions:	
• Through business combinations	-13
• Other	-1,075
Amounts used	1,481
Other	0
Balance as of December 31, 2024	**-3,678**
Additions:	
• Through business combinations	-113
• Other	-461
Amounts used	860
Other	0
Balance as of December 31, 2025	**-3,391**

There is no major write-down on trade receivables that have not expired. Fagron adopted the simplified approach to IFRS 9 to determine expected credit losses, using a provision for expected losses over the life of all trade receivables based on historical losses and future expectations. Fagron analyzed the impact of IFRS 9 concluded that there is no material impact on the provision made for doubtful debts. Fagron also assessed whether the historical pattern would change materially in the future and does not expect a significant impact.

	Carrying amount	**Of which not overdue at year-end**				**Of which due at year-end**
(x 1,000 euros)			less than 30 days	between 31 and 90 days	between 91 and 150 days	more than 150 days
Trade receivables on December 31, 2025	95,238	90,994	1,962	1,836	445	0
Percentage of expected credit losses 2025		0.1%	3.5%	7.5%	15.0%	50.0%
Trade receivables on December 31, 2024	81,963	72,301	6,279	2,548	640	195
Percentage expected credit losses 2024		0.1%	3.5%	7.5%	15.0%	50.0%

b) Cash and cash equivalents

(x 1,000 euros)	2025	2024
Investments with a maturity of less than three months	2,182	1,714
Cash and cash equivalents	182,721	113,324
Cash and cash equivalents	**184,902**	**115,038**

The increase in cash and cash equivalents is explained in the consolidated statement of cash flows.

There majority of the cash comprises cash and cash equivalents in bank accounts and cash. The cash and cash equivalents are centralized as much as possible in a cash pool, held in accounts with banks that mostly have an A-rating. All new bank accounts are only opened with banks awarded at least an A-rating.

There was no impact of cash pool netting at year-end 2024 and 2025.

Trade receivables, other receivables and cash and cash equivalents are generally within a close range of their maturities. Therefore, the carrying amount approximates their fair value.

21 Equity

Authorized capital

By resolution of the Special General Meeting of May 9, 2022, the power was granted, by a majority of at least three-fourths of the votes and within the period of five years from the date of publication of the resolution in the Appendix to the Belgian Official Gazette, to increase the capital in one or more times, in the manner and under the conditions to be determined by the Board of Directors, by an amount equal to ten percent of the capital.

Statement of changes in the capital and in the number of shares

The movements in this balance sheet item are presented in the statement of changes in equity. 200,000 own shares were purchased in 2025 (2024: 150,000) and 165,623 treasury shares were used for Performance share plan. As of December 31, 2025, Fagron NV held 426,376 treasury shares (2024: 391,999). In accordance with IFRS, these shares are deducted from equity and do not affect the income statement. In 2025 440,000 new shares were issued under warrant plans (2024: nil). The nominal number of shares as of December 31, 2025, was 73,668,904 (2024: 73,228,904). The total number of shares outstanding as of December 31, 2025, was 73,242,528 (2024: 72,836,905).

	2025		2024	
Number of common shares and their value in equity	Number of shares x 1,000	Value of shares x 1,000 euros	Number of shares x 1,000	Value of shares x 1,000 euros
Issued shares as of 1 January	73,229	524,531	73,229	524,531
Newly issued shares	440	8,342	0	0
Issued shares as of 31 December	**73,669**	**532,873**	**73,229**	**524,531**
Treasury shares as of 31 December	426	28,075	392	26,798
Shares outstanding as of 31 December	**73,243**	**504,798**	**72,837**	**497,733**

All ordinary shares are fully paid. The ordinary shares have no par value designation but have a fractional value of 1/73,668,904th of the capital as of December 31, 2025 (2024: 1/73,228,904th). Each ordinary share carries one vote and a right to dividends.

Share-based payments

On 4 August 2020, the company's Board of Directors approved the Subscription Rights Plan 2020 for employees, directors and consultants of the company and/or its subsidiaries. The subscription rights were issued in response to the decision taken by the Board of Directors dated 6 August 2020 in the presence of Civil-law Notary Barbara Glorieux and her colleague Civil-law Notary Liesbet Degroote. A total of 2,600,000 subscription rights were issued. In 2020, there were 995,000 subscription rights granted at an exercise price of 18.52 euros and in 2021, there were 900,000 subscription rights granted at an exercise price of 19.44 euros.

The condition for vesting subscription rights for employees is that they still have an employment contract with the company; for directors and consultants the condition is that their relationship with the company has not been terminated. The costs of the subscription rights have been determined at the subscription rights' real value on grant date and are spread over the vesting period of the subscription rights. The costs are included in other personnel costs and amount to 0 for fiscal year 2025 and 0 for fiscal year 2024. The subscription rights are settled via equity instruments.

In 2025, 440,000 (2024: nil) new shares were issued as a result of the exercise of warrants under the 2019 Warrant Plan. The number of voting securities of Fagron is currently 73,668,904 (2024: 73,228,904). The total number of voting rights (denominator) is currently 73,668,904 (2024: 73,228,904). The capital amounts to 506,745,841.93 euros (2024: 503,719,216.61 euros).

Changes in the number of outstanding warrants under Warrant Plan 2019 and Subscription Rights Plan 2020, and their related weighted average exercise prices are as follows:

	Average exercise price in euros	Number of warrants
Outstanding as of January 1, 2024	**18.97**	**1,555,833**
Exercised	0	0
Forfeited	17.17	-5,000
Outstanding as of December 31, 2024	**18.97**	**1,550,833**
Exercised	18.94	-440,000
Forfeited	0	0
Outstanding as of December 31, 2025	**18.98**	**1,110,833**

The weighted average exercise price per share at year-end was 18.98 euros in 2025 (2024: 18.97 euros). All warrant plans are equity-settled plans.

As of December 31, 2025, the total number of unexercised warrants that could give rise to the issuance of as many shares of the Company was 1,110,833. Their average exercise price is 18.98 euros. Outstanding year-end warrants have the following theoretical expiration date and exercise price:

Exercise date	Average exercise price in euros	Number of warrants	Year of expiry
2023 – August (Subscription Rights Plan 2020)	18.52	558,333	2030
2024 - January (Subscription Rights Plan 2020)	19.44	552,500	2030
	18.98	**1,110,833**	

In 2024 some members of the executive management team and employees received Performance Share (Units) for the period 2024 - 2026. For the allocation under the plan relating to 2024 - 2026, the distribution is 80% financial targets and 20% sustainability targets. Financial objectives relating to the allocation under the plan of 2024-2026 are related to total shareholder value (TSR), organic sales growth, REBITDA and operating cash conversion. Sustainability targets with respect to the award under

the plan of 2024 - 2026 relate to greenhouse gas intensity reduction and health and safety management.

In 2025 some members of the executive management team and employees received Performance Share (Units) for the period 2025 - 2027. For the allocation under the plan relating to 2025 - 2027, the distribution is 80% financial targets and 20% sustainability targets. Financial objectives relating to the allocation under the plan of 2025 - 2027 are related to total shareholder value (TSR), organic sales growth, REBITDA and operating cash conversion. Sustainability targets with respect to the award under the plan of 2025 - 2027 relate to greenhouse gas intensity reduction and employee engagement.

The vesting of performance shares granted pursuant to the Performance Share (Unit) Plan, will occur at the end of the performance period provided that the beneficiaries are still connected to the Company or any of its subsidiaries through an employment or service agreement and that the performance criteria and any other criteria established at the time of award are met.

The performance shares concern the grant of a conditional right to receive Fagron shares after the end of the vesting period ("vesting"). The Performance Share Units relates to the conditional cash payment based on Fagron share price, but is otherwise similar to a grant of performance shares.

There is a minimum performance level for effective vesting and the maximum vesting is 150% of the initial award. The following table shows a vesting of 100%.

	Performance shares	Performance Share Units
Balance as of January 1, 2024	**138,372**	**128,734**
Awarded	138,284	113,539
Expired	33,049	15,634
Balance as of December 31, 2024	**243,607**	**226,639**
Awarded	144,491	112,788
Excercised	120,717	114,817
Forfeited	32,952	18,806
Balance as of December 31, 2025	**234,429**	**205,804**

The Performance Share (Units) granted in 2024 and 2025 resulted in a charge of 2.3 million euros (2024: 3.0 million euros), which is included in the consolidated income statement under personnel expenses. The expense of the performance shares was recognized against equity in the amount of 1.0 million euros (2024: 1.2 million euros).

Fair value

The fair value of the subscription rights were determined at the time of grant using the “Black and Scholes” valuation model. The main data used in the model were the share price at grant date, the above-mentioned exercise price, the standard deviation of Fagron share price returns during option life and expected dividend, the option life specified above, and the annual risk-free interest rate. The expense is recorded on a straight-line basis from grant date to exercise date.

Performance shares are recognized at fair value at the grant date in accordance with IFRS 2. The fair value is determined using the share price excluding dividends at grant date. The market conditions of total shareholder return, which impacts on 20% of the targets, are not included in the fair value.

The Performance Share Units granted under these plans are recognized at fair value at grant date and are periodically updated in accordance with IFRS 2. The fair value is determined using the same method determined as the performance shares.

Dividends

A dividend of 25.5 million euros was made payable in 2025 (2024: 22.0 million euros). At the Annual General Meeting on May 11, 2026, a gross dividend for 2025 of 0.40 euros per share will be proposed (2024: 0.35), representing a total dividend of 29.4 million euros. This dividend is not included in this financial statement

A further note on equity is included in the Corporate Governance Statement.

Notes to the consolidated financial statements

Other reserves

(x 1,000 euros)	Consolidated reserves	Cumulative conversion differences	Transactions with non-controlling interest	Remeasurements of post-employment benefit obligations	Share-based payments	Total
Balance as of January 1, 2024	**-195,967**	**-78,538**	**32**	**1,133**	**24,007**	**-249,333**
Other comprehensive income	0	-15,875	0	-474	0	-16,349
Share-based payments	0	0	0	0	1,232	1,232
Change in non-controlling interest	0	0	0	0	0	0
Balance as of December 31, 2024	**-195,967**	**-94,413**	**32**	**659**	**25,239**	**-264,450**
Other comprehensive income	0	-20,782	0	254	0	-20,528
Share-based payments	0	0	0	0	1,047	1,047
Change in non-controlling interest	0	0	0	0	0	0
Balance as of December 31, 2025	**-195,967**	**-115,195**	**32**	**913**	**26,286**	**-283,932**

Cash flow hedge reserve

(x 1,000 euros)	Fair value	Nominal value
Balance as of January 1, 2024	**3,363**	**170,000**
Change in unrealized gains and losses	-2,126	0
Realized gains and losses	-865	-40,000
Balance as of December 31, 2024	**372**	**130,000**
Change in unrealized gains and losses	-27	145,000
Realized gains and losses	-355	-130,000
Balance as of December 31, 2025	**-11**	**145,000**

22 Provisions

(x 1,000 euros)	Taxes	Disputes	Other	Total
Balance as of January 1, 2024	**1,104**	**635**	**255**	**1,993**
Additions:				
• Through business combination	0	0	0	0
• Other	0	108	53	161
Amounts used	0	-103	0	-103
Release	0	0	0	0
Currency translation differences	0	-93	0	-93
Balance as of December 31, 2024	**1,104**	**547**	**309**	**1,958**
Additions:				
• Through business combination	0	0	83	83
• Other	0	58	558	616
Amounts used	0	14	-19	-6
Release	-111	-51	21	-141
Currency translation differences	0	-2	0	-2
Balance as of December 31, 2025	**993**	**565**	**950**	**2,508**

23 Pension Obligations

Pension obligations and costs

The amounts recognized in the balance sheet are determined as follows:

(x 1,000 euros)	2025	2024
Defined benefit pension plans	1,702	1,891
Other defined benefit pension plans	1,361	1,224
Pension obligations	**3,063**	**3,115**

The "Defined benefit plans" includes the pension plans held by Fagron in the Netherlands for Fagron Services BV and Spruyt hillen BV. The "Other defined benefit liabilities" include multiple smaller defined benefit plans, which are not further disclosed due to their limited size.

In accordance with IAS19, defined benefit liabilities are estimated using the Projected Unit Credit method. Under this method, benefits under the plan are attributed to years of service, taking into account future salary increases and an allocation of the plan's benefit. Thus, the estimated total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited services. If an employee's service in later years will lead to a materially higher level of benefit than in earlier years, these benefits are attributed on a straight-line basis.

All defined benefit plans are final salary pension plans paid on a monthly basis. The amounts pertaining to post-employment medical plans are included in the liability but are not significant. There are no informal constructive liabilities.

The amounts recognized regarding the Dutch defined benefit plans held by Fagron Services BV and Spruyt hillen BV are determined as follows:

(x 1,000 euros)	2025	2024
Present value of defined benefit obligations	13,387	15,678
Fair value of plan assets	-11,685	-13,787
Net liability arising from defined benefit obligations	**1,702**	**1,891**

Movements in the present value of the defined benefit liabilities and the fair value of the plan assets were as follows:

(x 1,000 euros)	Present value of defined benefit obligations	Fair value of fund investments	Total
Balance as of January 1, 2024	**15,822**	**-14,429**	**1,393**
Pension costs attributed to the year of service	0	0	0
Interest expense (income)	557	-507	50
Actuarial (gains)/losses:			
• Return on plan assets (excluding interest income)	0	605	605
• Actuarial differences due to changes in demographic assumptions	-11	0	-11
• Actuarial differences due to changes in financial assumptions	-9	0	-9
• Actuarial differences due to adjustments in experience	-12	0	-12
Employer contributions	0	-125	-125
Plan contribution	-669	669	0
Balance as of December 31, 2024	**15,678**	**-13,787**	**1,891**
Pension costs attributed to the year of service (income)	0	0	0
Interest expense (income)	551	-486	65
Actuarial (gains)/losses:			
• Return on plan assets (excluding interest income)	0	2,100	2,100
• Actuarial differences due to changes in demographic assumptions	0	0	0
• Actuarial differences due to changes in financial assumptions	-1,331	0	-1,331
• Actuarial differences due to adjustments in experience	-832	0	-832
Employer contributions	0	-191	-191
Plan contribution	-679	679	0
Balance as of December 31, 2025	**13,387**	**-11,685**	**1,702**

The assets relate to eligible insurance policies and are not part of Fagron's own financial instruments. The pension insurer has fully invested the assets in the following funds: AeAM Strategic Liability Matching Fund, AEGON Strategic Allocation Fund Fixed Income, AEGON Strategic Allocation Fund Equity.

Actuarial assumptions

The principal actuarial assumptions used for the actuarial valuations are:

	December 31, 2025	December 31, 2024
Weighted average discount rate	4.30%	3.60%
Expected rate of salary increase	N/A	N/A
Expected rate of price inflation	N/A	N/A
Future rate of pension increases actives	2.00%	2.00%

The life expectancy is determined on the basis of the AG2024 Forecast Table.

Realized and unrealized result

The amounts recognized in the realized and unrealized result in respect of these defined benefit plans are as follows:

(x 1,000 euros)	December 31, 2025	December 31, 2024
Interest expense	65	50
Pension costs (income) attributed to the year of service	0	0
Pension costs defined benefit plans recognized in the -income statement	**65**	**50**
Actuarial differences on the present value of unfunded liabilities:		
• Costs (return) on plan assets (excluding interest income)	679	669
• Actuarial (gains)/losses arising from changes in demographic assumptions	0	-11
• Actuarial (gains)/losses arising from changes in financial assumptions	769	596
• Actuarial differences as a result of adjustments in experience	-832	-12
Pension costs defined benefit plans recognized as other comprehensive income	**616**	**1,242**
Total comprehensive income for the year	**681**	**1,292**

There were no new entrants to the defined benefit plan; further accrual only takes place in a defined contribution plan. New employees are offered a defined contribution plan.

Sensitivity analysis

The sensitivity analysis illustrates the sensitivity of the pension liability as of December 31, 2025, and the "Pension cost allocated to the year of service" relative to the key actuarial assumptions.

The table below shows, for each major actuarial assumption, the pension liability as at December 31, 2025, compared to the corresponding amounts if the actuarial assumption of the respective scenarios were applied. Salary increases are not included in the sensitivity analysis.

	Base scenario	Increase in base scenario	Decrease in base scenario
Weighted average discount rate	4.30%	4.55%	4.05%
Defined benefit obligation	13,387	12,958	13,840
Inflation increase	2.00%	2.50%	1.50%
Defined benefit obligation	13,387	13,435	13,341
Life expectancy	+/- 0 jaar	+1 jaar	-1 jaar
Defined benefit obligation	13,387	13,707	13,058

Pension plans in Belgium

Fagron has nine pension plans in place in Belgium which are legally structured as defined contributions plans. Because of a previous legislative amendment in Belgium applicable to 2nd pillar pension plans (the Supplementary Pensions Act), all Belgian Defined Contribution plans have to be considered as defined benefit plans under IFRS. The Supplementary Pensions Act was established in 2015 as follows:

- For contributions through December 31, 2015, the employer must continue to guarantee a minimum return of 3.75% on employee contributions and 3.25% on employer contributions;
- For all contributions from 2016 onwards, the employer must continue to guarantee a minimum return that can vary between 2.5% and 3.75%, depending on the evolution of the average OLO 10-year interest rate over a 24-month period. The current guaranteed minimum return is 2.5%.

Because of this minimum guaranteed return for defined contributions plans in Belgium, the employer is exposed to a financial risk. The employer has a legal obligation to pay further pension contributions in the financing fund if the fund does not hold sufficient assets to pay all current and future pension commitments. These Belgian defined contributions plans should therefore be classified and accounted for as defined benefit plans under IAS 19.

In the past, Fagron did not apply the defined benefit accounting for these plans because higher discount rates were applicable and the return on plan assets provided by insurance companies was sufficient to cover the minimum guaranteed return. As a result of continuous low interest rates on the European financial markets, the employers in Belgium effectively assumed a higher financial risk related to the pension plans with a minimum fixed guaranteed return than in the past. As a result, these plans need to be considered defined benefit plans.

Management has estimated the potential resulting liabilities as of December 31, 2025. Based on this estimation, it has been established that there are no substantive liabilities. The 2025 employer contribution for these Belgian pension plans is 0.1 million euros (2024: 0.1 million euros). The employee share for 2025 is nil (2024: nil), the employee contribution was abolished in 2014.

The total amount of fund investments as of December 31, 2025 is 1.5 million euros (2024: 1.5 million euros).

24 Financial debt and financial instruments

(x 1,000 euros)	2025	2024
Non-current		
Bank debts	306,598	340,912
Private placement debts	105,379	0
Other debts	97	607
Financial lease liabilities	44,551	34,676
Total non-current	**456,625**	**376,196**
Current		
Bank debts	272	0
Financial lease liabilities	11,333	9,502
Total current	**11,606**	**9,502**
Total financial debts	**468,230**	**385,698**

	2025		2024	
(x 1,000 euros)	Financial leases	Bank debts and other debts	Financial leases	Bank debts and other debts
Non-current debts by term				
More than 1 year but less than 5 years	37,807	412,073	31,252	341,520
More than 5 years	6,744	0	3,423	0
Total non-current debts	**44,551**	**412,073**	**34,676**	**341,520**

				Non-cash change		
(x 1,000 euros)	2024	Cash flow from financing activities	Additions IFRS 16	Acquisitions/ divestments	Exchange rates	2025
Non-current debts	376,196	73,757	18,272	5,022	-16,622	456,625
Current debts	9,502	-5,447	5,865	2,136	-450	11,606
Total debts	**385,698**	**68,310**	**24,137**	**7,158**	**-17,072**	**468,230**

The cash flow from financing activities is the sum of the New debt, Reimbursement of debt and Payment of lease obligations as per the Consolidated cash flow statement.

Debt and financial instruments

The book value of bank loans is denominated in euros. The notes are US dollar denominated. The reported values approximate their fair values. The blended effective interest rate for the year 2025, was 3.9% (2024: 3.6%).

Syndicated credit facility

On February 19, 2025, Fagron entered into a syndicated credit facility consisting of a multi-currency revolving credit facility of 430 million euros and a term loan of 145 million euros. The maturity of this credit facility is 5 years with the two extension options for one year.

Financial covenants Syndicated credit facility

Test period	Net financial debt/REBITDA
Semi-annual test periods (June/December)	Max. 3.50x

As of the end of 2025, the term of 145 million euros had been fully drawn and an amount of 164 million euros had been drawn under the syndicated credit facility (2024: 106.3 million euros). In addition to the financial covenant, the total EBITDA, calculated as being the result before interest, taxes, depreciation, amortization and impairment, of the guarantors should be at least 70% of the consolidated EBITDA of the total Group.

As of 2021, Fagron used financial derivatives in order to hedge the interest risk for 100 million US dollars of financing. This US-dollar interest hedge expired in 2024 having a negative impact of 2.2 million euros in the income statement. Since 2022, several financial derivatives were concluded to hedge (part) of the floating interest rate risk on the euro term loans (6m Euribor) The fair value of the EUR interest rate hedges is almost nil (2024: 0.4 million euro) which is recognized in the cash flow hedge reserve in line with the hedge accounting rules set out in IFRS 9.

These instruments were valued in accordance with a Level 2 method. This implies that the valuation was based on inputs other than the listed prices in active markets such as included in Level 1. The fair values of all derivatives held for hedging purposes were based on valuation methods. These methods maximize the use of detectable market data, where available, and minimize the impact of the company's estimates and projections. Hedge instruments were valued based on discounted cash flows. The parameters used for these models are those applicable as at year-end and are therefore classified as Level 2. The valuation was calculated using the discounted cash flows of the nominal value and interest flows. The maturity of the financial derivatives varies with the last one expiring in 2030.

Notes

On November 21, 2025, Fagron issued senior unsecured notes to PGIM for a total of 125 million US dollars. These notes are part of a multi-currency private notes agreement for a maximum amount of 225 million US dollars.

The notes are issued for a term of 12 years, with an average of 10 years at fixed interest.

Financial covenant Notes

Test period	Net financial debt/REBITDA
Semi-annual test periods (June/December)	Max. 3.50x

Guarantors Syndicated credit facility and Notes

The following companies serve as guarantors for the bank loans and notes concluded by Fagron:

Company name of guarantors

Anazaohealth Corp Inc.
Fagron Belgium NV
Fagron BV
Fagron Capital NV
Fagron Compounding Services LLC
Fagron Essentials LLC
Fagron Holding USA LLC
Fagron Nederland BV
Fagron NV
Fagron Sp. z.o.o.
Galfarm Sp. z.o.o.
Letco Medical LLC
Pharmaline BV
Pharma-Pack NV
SM Empreendimentos Farmaceuticos Ltda
Spruyt-hillen BV

25 Trade payables

(x 1,000 euros)	2025	2024
Payables	131,787	107,510
Investment payables	5,805	6,765
Trade payables	**137,592**	**114,276**

Investment payables are relating to amounts still to be paid for the acquisition of tangible and intangible fixed assets.

Trade payables generally have due dates that are close to each other. The reported values approximate their fair values.

26 Other current payables

(x 1,000 euros)	2025	2024
Prepayments	158	39
Other payables	15,402	7,682
Accrued expenses	10,979	14,748
Other current payables	**26,539**	**22,469**

Other payables include 14.1 million euros (2024: 5.9 million euros) relating to amounts still to be paid for existing participations (subsequent payments).

The accrued expenses include 3.0 million euros (2024: 4.7 million euros) relating to interest yet to be paid. The remainder of this item concerns various accruals and deferrals.

The debts generally have due dates that are close to each other. The reported values approximate their fair values.

Notes to the consolidated financial statements

27 Leases

(x 1,000 euros)	Closing balance sheet leases on December 31, 2025	Closing balance sheet of leases on December 31, 2024
Assets		
Buildings & land	47,317	35,383
Machinery & installations	534	1,055
Furniture and vehicles	3,598	3,518
Total lease assets	**51,449**	**39,956**
Liabilities		
Lease liabilities - non-current	44,551	34,676
Lease liabilities - current	11,333	9,502
Total lease liabilities	**55,884**	**44,178**

(x 1,000 euro)	2025	2024
Depreciation and amortization		
Buildings & land	12,342	10,750
Machinery & installations	746	883
Furniture and vehicles	1,520	1,705
Total depreciation	**14,608**	**13,339**
Costs related to low-value leases	36	40
Costs related to short-term leases	633	588
Costs related to variable costs	101	129
Financial expenses	2,295	2,058

28 Total adjustments for non-cash items

(x 1,000 euros)	2025	2024
Amortization intangible fixed assets	15,051	11,114
Depreciation property, plant and equipment	14,301	11,899
Depreciation lease and similar rights	14,608	13,339
Write-down on inventories and receivables	2,468	4,409
(Profit) loss on sale of non-current assets	-1,187	-580
Movements in provisions	78	-135
Share-based payments	1,047	1,232
Total adjustments for non-cash items	**46,366**	**41,277**

29 Total changes in working capital

(x 1,000 euros)	2025	2024
Changes in operational working capital	-10,040	-41,509
Changes in other working capital	-1,507	6,720
Total changes in working capital	**-11,547**	**-34,789**

The cash out in operational working capital in 2025 is mainly related to improvement in working capital management and to the growth of the business.

30 Contingent liabilities

Fagron runs certain risks for which no provision has been made (such as the possible tax liabilities with regard to ICMS in Brazil) because it is not likely that these risks will have a negative impact for Fagron. ICMS is a business tax incentive program called Produzir for companies based in the Brazilian state of Goiás. This is contested by several Brazilian states.

In 2018, 2021 and 2023, Fagron received tax assessments regarding the amortization of goodwill due to mergers in Brazil for 2014 until 2019. We dispute these assessments for a total amount of 29.2 million euros and have not made any provision for this purpose.

Fagron is also involved in a number of claims, disputes and legal proceedings within the normal conduct of its business. Management is of the opinion that it is unlikely that these claims, disputes and lawsuits will have a negative impact on the financial situation at Fagron. For claims where it is considered probable that the claim will result in payment, and for which a reliable estimate can be made, a provision has been made (see Note 22).

31 Related parties

The overall compensation package for members of the executive leadership team and the CEO individually as well as non-executive directors for fiscal years 2024 and 2025 is shown below:

(x 1,000 euros)	Fixed remuneration component	Variable remuneration component
2024 financial year		
Rafael Padilla, Chief Executive Officer	567	764
Executive Leadership Team, including the Chief Executive Officer	2,562	2,728
Non-executive members of the Board of Directors	346	0
2025 financial year		
Rafael Padilla, Chief Executive Officer	625	1,043
Executive Leadership Team, including the Chief Executive Officer	2,582	3,995
Non-executive members of the Board of Directors	346	0

The variable remuneration component concerns the bonus realized for 2025, which will be paid in 2026. The Nomination and Remuneration Committee formulates proposals annually regarding remuneration policy and/or other benefits for members of the executive leadership team and the CEO.

A further explanation of the compensation package is included in the Remuneration Report and Policy in the Corporate Governance Statement.

32 Business Combinations

Fair value of the acquired assets and liabilities

Fagron acquired several companies in 2025. Full control was acquired of all group companies. As the acquired activities were immediately – in their entirety or to a significant degree – integrated in existing entities of Fagron, their respective contribution to the profit of Fagron have not been reported separately. The acquisition of EuroOTC's raw materials business in January 2025 enhances our presence in Germany and generates high single-digit million euros of annual revenue. The acquisition of Guinama in February 2025 strengthens our market leadership position in Iberia with low double-digit million euros of annual revenue. The CareFirst acquisition in April 2025 strengthens our market position in the United States with mid-single digit million euros in annual revenue. The acquisition of Bella Corp in Australia in July 2025 marks Fagron's entry into the APAC region, the acquisition of Active Pharma in August 2025 strengthens our market leadership position in the United Kingdom B&E market and the acquisitions of Uni-Chem and SB-Trade in August 2025 marks Fagron's entry in Serbia. On a combined basis, these businesses contribute mid-to-high teens million euros of annual revenue. Furthermore, Fagron acquired a book of business in Poland in December 2025 to enhance its offering in Poland which generates high single-digit million euros of annual revenue.

The preliminary determination of the fair value of assets acquired and liabilities assumed for these companies resulted in a combined adjustment of 45.2 million euros to goodwill. The preliminary fair value of the acquired assets and liabilities is detailed below.

(x 1,000 euros)	2025
Intangible fixed assets	37,866
Property, plant and equipment	4,545
Other non current assets	21
Inventories	6,748
Trade receivables	4,241
Other receivables	418
Cash and cash equivalents	2,044
Total assets	**55,884**
Borrowings	3,646
Lease liabilities	3,596
Deferred taxes liabilities	3,520
Trade payables	3,594
Other current payables	3,421
Total liabilities	**17,776**
Net acquired assets	**38,108**
Goodwill	45,230
Total acquisition amount	**83,338**

The final determination of the fair value of acquired assets and liabilities of previously made acquisitions in 2024 result in an adjustment -2.1 million euro in goodwill.

In 2025 the acquired business combinations had a combined contribution of 33.4 million euro on the total revenue of the group.

Contingent liabilities

In 2025, 69.7 million euro was paid for the acquired assets and liabilities reduced by cash and the change in deferred payments.
At year-end, Fagron has outstanding liabilities of approximately 14.1 million euros to selling shareholders which were determined based on business plans at the time of acquisition, see also Note 26.

Deferred payments for business combinations are expected to be paid in 2026 and 2027.1
The subsequent payments for business combinations vary between 9.0 million euros and a maximum of 14.1 million euros. The retrospective payments are valued at fair value at the moment of acquisition. The current expectation is that the remunerations will be paid on the expiration dates.

33 Information regarding the Statutory Auditor, her compensation and additional services

The Company's Statutory Auditor is PricewaterhouseCoopers Bedrijfsrevisoren, represented by Mrs Lien Winne.

(x 1,000 euros)	2025	2024[1]
Audit fee for the Group audit		
Fagron Group	**545**	**583**
Remuneration for PriceWaterhouseCoopers Bedrijfsrevisoren	476	478
Remuneration for parties linked to PriceWaterhouseCoopers Bedrijfsrevisoren	69	104
Remuneration for additional services rendered by the Statutory Auditor to Fagron		
Other audit assignments	72	96
Other non-auditing assignments	0	-
Remuneration for additional services rendered by parties linked to the Statutory Auditor		
Tax advisory assignments	0	0
Other non-auditing assignments	0	0

1 In 2024 Deloitte Bedrijfsrevisoren audited the companies.

34 Significant events after the balance sheet date

The initial accounting for the business combination is still under review at the time the financial statements are authorised for issue.

In January 2026 Fagron closed the acquisition of Purifarma in Brazil and University Compounding Pharmacy (UCP) in the United States.

Purifarma is a large-scale Essentials business with a competitive product portfolio and significant volumes. The company provides opportunities to improve mix, extend into industrial clients and capture operating leverage as volumes grow. The transaction is expected to deliver procurement benefits in Latin America and across the wider Group. The enterprise value of this acquisition is c.R$250 million.

UCP is based in San Diego and has strong positions in hormones and urology, alongside a solid compliance record. The business is highly complementary to Anazao and supports Fagron's strategy to build a nationwide platform in the United States, spanning both 503A (patient specific) and 503B (outsourcing) services. The acquisition also strengthens Fagron's position in California, one of the largest and most tightly regulated healthcare markets in the United States, where licenses are difficult to obtain. As previously disclosed, the enterprise value of the acquisition is c. $41.5 million, with annual revenues of around $25 million and an EBITDA margin below Fagron's existing group margin.

On January 2, 2026, the funding for the notes issued by Fagron for a total amount of 200 million Brazilian reals was received from HSBC to finance the Purifarma acquisition.

In February 2026 Fagron completed the acquisitions of Magilab in Hungary and Pharmavit in the Netherlands.

In March 2026 Fagron completed the acquisition of Vepakum in Brazil.

35 Additional Notes

1. Fagron NV has signed a declaration of liability for the benefit of a number of Dutch subsidiaries, specifically:
   Fagron Brazil Holding BV
   Fagron BV
   Fagron Holding EMEA BV
   Fagron Nederland BV
   Fagron Services BV
   Fagron Steriele Services BV
   Infinity Pharma BV
   Pharma Assist BV
   Pharmaline BV
   Spruyt hillen BV

2. The following companies are exempt from the obligation to set up its financial statements and financial report according to §264b of the German commercial code, and to audit and publish these in line with the applicable regulations for businesses:
   Fagron GmbH in Glinde
   Hiperscan GmbH in Dresden
   EuroOTC & Audor Pharma GmbH in Bönen
   Gako Deutschland GmbH in Scheßlitz
3. Fagron has contractual commitments to acquire property, plant and equipment, mainly related to production capacity expansion in the US, of 22.8 million euro payable in 2026.

36 List of consolidated companies

Name	Ownership
ABC Dental & Pharmaceutical Consultancy NV	100.00%
Active Pharma Supplies Ltd	100.00%
Amara Compounding Sp. z.o.o.	100.00%
AnazaoHealth Corp, Inc.	100.00%
ApodanNordic PharmaPackaging A/S	100.00%
Arseus Dental Solutions SAS	100.00%
Bella Corp Trading Pty Ltd	100.00%
CareFirst Specialty Pharmacy LLC	100.00%
Central de Drogas S.A. de C.V.	100.00%
Coast Quality Pharmacy LLC	100.00%
Dr. Kulich Pharma S.R.O.	100.00%
Euro OTC & Audor Pharma GmbH	100.00%
Fagron a.s.	82.24%
Fagron Analytical Services LLC	100.00%
Fagron Belgium NV	100.00%
Fagron Brazil Holding BV	100.00%
Fagron BV	100.00%
Fagron Capital NV	100.00%
Fagron Colombia SAS	100.00%
Fagron Compounding Services LLC	100.00%
Fagron Compounding Services NV	100.00%
Fagron Compounding Supplies Aust Pty Ltd	100.00%
Fagron Genomics S.L.U.	100.00%
Fagron GmbH	100.00%
Fagron Hellas A.B.E.E.	100.00%
Fagron Holding EMEA BV	100.00%
Fagron Holding UK Ltd	100.00%

Notes to the consolidated financial statements

Name	Ownership
Fagron Holding USA LLC	100.00%
Fagron Hrvatska d.o.o.	100.00%
Fagron Iberica SAU	100.00%
Fagron Essentials LLC	100.00%
Fagron Italia SrL	100.00%
Fagron Lékárna Holding s.r.o.	100.00%
Fagron Nederland BV	100.00%
Fagron Nordic A/S	100.00%
Fagron NV	100.00%
Fagron SAS	100.00%
Fagron Shared Services S.L	100.00%
Fagron Services BV	100.00%
Fagron Service Northern Europe Sp. z o.o	100.00%
Fagron SH Ltd	100.00%
Fagron South Africa (Pty) Ltd	100.00%
Fagron Sp. z o.o	100.00%
Fagron Sterile Services NL BV	100.00%
Fagron Technologies Ltda	100.00%
Fagron UK Ltd	100.00%
Fresenius Kabi Compounding LLC	100.00%
Gako Deutschland GmbH	100.00%
Galfarm Sp. z.o.o.	100.00%
Gluck Health Limited	100.00%
Gluck International Limited	100.00%
Guinama S.L.U.	100.00%
GX Sciences, LLC	100.00%
Hiperscan GmbH	100.00%
Humco Holding Group Inc.	100.00%

Name	Ownership
Humco Qsub 1 Inc.	100.00%
Infinity Pharma BV	100.00%
Letco Medical Holdings LLC	100.00%
Letco Medical LLC	100.00%
LSP Support Services Limited	100.00%
Ma'ayan Haim - Personalizing Compounding Ltd	100.00%
Ortofarma Laboratorio de Controle de Qualidade Ltda	100.00%
Parma Produkt Gyógyszergyártó Kft	100.00%
Pharma Assist BV	100.00%
Pharma Tamar Ltd	100.00%
Pharmaline BV	100.00%
Pharma-Pack NV	100.00%
Pro Health lab coleta de análises clínicas Ltda	100.00%
SB-Trade d.o.o.	100.00%
SM Empreendimentos Farmaceuticos Ltda	100.00%
Spruyt hillen BV	100.00%
The London Specialist Pharmacy Limited	100.00%
Uni-Chem d.o.o.	100.00%
Wildlife Pharmaceuticals (Pty) Ltd.	100.00%

Statutory Auditor's Report

Statutory auditor's report to the general shareholders' meeting of Fagron NV on the consolidated accounts for the year ended 31 December 2025

We present to you our statutory auditor's report in the context of our statutory audit of the consolidated accounts of Fagron NV (the "Company") and its subsidiaries (jointly "the Group"). This report includes our report on the consolidated accounts, as well as the other legal and regulatory requirements. This forms part of an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting d.d.12 May 2025, following the proposal formulated by the board of directors and following the recommendation by the audit committee. Our mandate will expire on the date of the general meeting which will deliberate on the annual accounts for the year ended 31 December 2027. We have performed the statutory audit of the Group's consolidated accounts for 1 year.

Report on the consolidated accounts

Unqualified Opinion

We have performed the statutory audit of the Group's consolidated accounts, which comprise the Consolidated statement of financial position as at 31 December 20u25, the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated statement of changes in equity and the Consolidated cash flow statement for the year then ended, and Notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of KEUR 1,243,130 and a profit for the period of KEUR 91,522.

In our opinion, the consolidated accounts give a true and fair view of the Group's net equity and consolidated financial position as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with IFRS Accounting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Furthermore, we have applied the International Standards on Auditing as approved by the IAASB which are applicable to the year-end, and which are not yet approved at the national level. Our responsibilities under those standards are further described in the "Statutory auditor's responsibilities for the audit of the consolidated accounts" section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Belgium, including the requirements related to independence.

We have obtained from the board of directors and Company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated accounts of the current period. This matter was addressed in the context of our audit of the consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit adressed the key audit matters
Valuation of the Latin American goodwill As described in note 15 to the consolidated financial statements, the total net book value of Fagron's goodwill amounts to EUR 471.1 million of which a significant amount is related to Latin American goodwill (EUR 67.6 million). Impairment analyses are performed annually, or whenever a triggering event has occurred, in order to determine whether the realizable value, being the value in use, exceeds the carrying amount. We consider this matter to be of most significance for the audit because of the complexity of the assessment process and significant judgments in respect of the underlying significant assumptions to determine the realizable value of the cash-generating unit, being the discount rate, the sales growth rate, the gross margin rate and the long-term growth rate.	We obtained an understanding of the internal control framework related to goodwill impairment. Next to that, we assessed, together with our experts, the appropriateness of the discounted cash flow model developed by management, the evaluation of the significant assumptions used by management related to the free cash flow projections, the discount rate and the long-term growth rate of the respective cash generating unit, as well as the completeness and accuracy of the underlying data used in the model. We also assessed the reasonableness of the stressed assumptions used by management in the stress tests. Finally, we assessed the completeness and accuracy of the disclosures and whether the disclosures are in compliance with the IFRS Accounting Standards as adopted by the European Union. In our view, the resulting outcomes of management's goodwill impairment assessment are within a reasonable range of outcomes in view of the overall outstanding goodwill and the related uncertainties as disclosed in the consolidated accounts.

Responsibilities of the Board of Directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation of consolidated accounts that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated accounts

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

In performing our audit, we comply with the legal, regulatory and normative framework applicable to the audit of the consolidated accounts in Belgium. A statutory audit does not provide any assurance as to the Group's future viability nor as to the efficiency or effectiveness of the board of directors' current or future business management at Group level. Our responsibilities in respect of the use of the going concern basis of accounting by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated accounts of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the Board of Directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated accounts, including the sustainability information, and the other information included in the annual report on the consolidated accounts.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, our responsibility is to verify, in all material respects, the directors' report on the consolidated accounts and the other information included in the annual report on the consolidated accounts and to report on these matters.

Aspects related to the directors' report on the consolidated accounts and to the other information included in the annual report on the consolidated accounts

The director's report on the consolidated accounts includes the consolidated sustainability information that is the subject of our separate report, which contains an 'Unqualified conclusion' on the limited assurance with respect to this consolidated sustainability information. This section does not concern the assurance on the consolidated sustainability information included in the directors' report on the consolidated accounts.

In our opinion, after having performed specific procedures in relation to the directors' report on the consolidated accounts, this directors' report is consistent with the consolidated accounts for the year under audit and is prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated accounts, we are also responsible for considering, in particular based on the knowledge acquired resulting from the audit, whether the directors' report on the consolidated accounts and the other information included in the annual report on the consolidated accounts, is materially misstated or contains information which is inadequately disclosed or otherwise misleading. In light of the procedures we have performed, there are no material misstatements we have to report to you.

Statements related to independence

- Our registered audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated accounts, and our registered audit firm remained independent of the Group in the course of our mandate.
- The fees for additional services which are compatible with the statutory audit of the consolidated accounts referred to in article 3:65 of the Companies' and Associations' Code are correctly disclosed and itemized in the notes to the consolidated accounts.

Single European Electronic Format (ESEF)

In accordance with the standard on the verification of the compliance of the annual report with the European Uniform Electronic Format (hereinafter "ESEF"), we must verify that the ESEF format complies with the regulatory technical standards established by the European Delegate Regulation No. 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation") and with the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

The board of directors is responsible for preparing an annual report, in accordance with the ESEF requirements, including the consolidated accounts in the form of an electronic file in ESEF format (hereinafter "digital consolidated accounts").

Our responsibility is to obtain sufficient and appropriate evidence to conclude that the format of the annual report and the XBRL markup language of the digital consolidated accounts comply, in all material respects, with the ESEF requirements under the Delegated Regulation and the Royal Decree of 14 November 2007.

We have not received the digital annual report and the translated and unofficial digital consolidated annual accounts from the board of directors of the Company on the date of this report. We are therefore unable to express a conclusion that the digital format of the annual report and the marking of information in the digital consolidated annual accounts are in all material respects in accordance with the ESEF requirements.

Nevertheless, based on the work we performed on the official version of the annual report with the digital consolidated annual accounts, we are of the opinion that the digital format of the annual report and the marking of information in the consolidated annual accounts that will be available in the Belgian official mechanism for the storage of regulated information (STORI) of the FSMA are prepared in all material respects in accordance with the ESEF requirements under the Delegated Regulation.

Other statements

- This report is consistent with the additional report to the audit committee referred to in article 11 of the Regulation (EU) N° 537/2014.

Ghent, 5 March 2026

The statutory auditor
PwC Bedrijfsrevisoren BV/PwC Reviseurs d'Entreprises SRL
Represented by

Lien Winne*
Bedrijfsrevisor/Réviseur d'Entreprises

*Acting on behalf of Lien Winne BV

Statutory financial statement

Condensed stand-alone income statement Fagron NV

(x 1,000 euros)	2025	2024
Operating income	**7,699**	**5,090**
Revenue	0	0
Other operating income	7,463	5,090
Non-recurring operating income	236	0
Operating expenses	**11,140**	**6,757**
Trade goods, raw and auxiliary materials	0	0
Services and other goods	10,235	5,953
Employee benefit expenses	851	791
Depreciation and amortization	1	1
Provisions for risks and costs	0	0
Other operating expenses	53	12
Non-recurring operating expenses	0	0
Operating result	**-3,441**	**-1,667**
Financial result	**53,438**	**35,672**
Recurring financial result	53,438	35,672
Non-recurring financial result	-	-
Profit for the financial year before taxes	**49,997**	**34,005**
Tax on the result	1	1
Net result for the financial year	**49,996**	**34,004**

Condensed stand-alone balance sheet Fagron NV

(x 1,000 euros)	2025	2024
Non-current assets	**503,742**	**498,573**
Formation expenses	0	0
Intangible fixed assets	0	0
Property, plant and equipment	1	1
Financial non-current assets	503,741	498,572
Current assets	**102,297**	**73,855**
Receivables due after one year	0	0
Inventories and orders in progress	0	0
Receivables due within one year	76,633	63,056
Investments	8,608	6,688
Cash and cash equivalents	16,985	4,043
Accrued expenses	71	68
Total assets	**606,039**	**572,428**

(x 1,000 euros)	2025	2024
Equity	**573,315**	**544,332**
Capital	506,746	503,719
Share premiums	12,650	7,335
Legal reserves	9,790	7,290
Unavailable reserves - treasury shares	8,253	6,508
Available reserves	35,876	19,480
Retained earnings	0	0
Debt	**32,724**	**28,096**
Debt due after one year	0	0
Debt due within one year	31,668	27,233
Accrued expenses	1,056	863
Total liabilities	**606,039**	**572,428**

Appropriation of profits Fagron NV

(x 1,000 euros)	2025	2024
Profit to be appropriated	**49,996**	**34,004**
Profit for the year to be appropriated	49,996	34,004
Profit carried forward from the previous year	0	0
Withdrawal from equity	**0**	**0**
From the capital and share premiums	0	0
From the reserves	0	0
Addition to equity	**20,641**	**8,511**
To the legal reserves	2,500	1,700
To the other reserves	18,141	6,811
Profit to be carried forward	**0**	**0**
Profit to be carried forward	0	0
Profit to be distributed as dividends	**29,355**	**25,493**
Dividend	29,355	25,493

Accounting policies

The valuation rules are determined in accordance with the provisions of the Royal Decree dated 29 April 2019 in implementation of the BCCA.

Statutory financial statements of Fagron NV

As permitted under Article 3:17 of the BCCA, this annual report is a condensed version of the statutory financial statements of Fagron NV. The annual report and the Statutory Auditor's report will be filed and will also be available for inspection at the Company's registered office.

The Statutory Auditor certified the statutory financial statements of Fagron NV for the fiscal year 2025 without reservations.

Alternative performance indicators

In addition to the terms as defined in IFRS, this interim financial information also includes other terms. These "alternative performance indicators" are set out below:

Alternative performance indicators

(x 1,000 euros)	2025	2024
Operating profit (EBIT)	146,211	130,696
Depreciation and amortization	46,428	40,760
EBITDA	**192,639**	**171,456**
EBITDA	192,639	171,456
non-recurring result	269	2,531
EBITDA before non-recurring result	**192,907**	**173,987**
Non-current financial debt	-412,073	-341,520
Non-current lease liabilities	-44,551	-34,676
Current financial debt	272	0
Current lease liabilities	-11,333	-9,502
Cash and cash equivalents	184,902	115,038
Net financial debt	**-283,328**	**-270,660**

(x 1,000 euros)	2025	2024
Inventories	158,907	136,962
Trade receivables	95,238	81,963
Trade payables	-137,592	-114,276
Operational working capital	**116,553**	**104,649**
Total cash flow from operating activities	155,255	109,893
Acquisition of tangible fixed assets	-15,252	-26,233
Acquisition of intangible fixed assets	-15,360	-14,563
Free cash flow	**124,642**	**69,098**

The non-recurring result amounted to 0.3 million euros in 2025 and consisted mainly of acquisition costs, legal costs and restructuring costs offset by the release of earn-outs in EMEA and USA. The non-recurring result amounted to 2.5 million euros in 2024 consisted mainly of restructuring costs and acquisition costs.

Alphabetical terminology list

In addition to the terms as defined in IFRS, this annual report also includes other terms. These "alternative performance indicators" are explained below. The IFRS terminology is in italics.

EBIT	*"Earnings Before Interests and Taxes"*. Profit (loss) from operations.
EBITDA	*"Earnings Before Interests, Taxes, Depreciations and Amortizations"*. Profit (loss) from operations plus depreciation and amortization, including write-downs on inventory and receivables.
Financial result	*Net finance costs*. Balance of financing income and financing costs.
Gross margin	Sales less purchased trade goods, raw and auxiliary materials and also adjusted for change in inventories and work in progress, as a percentage of sales.
Net financial debt	Non-current and current financial liabilities, less cash and cash equivalents (excluding financial instruments).
Net operational capex	Net capital expenditures. *Intangible and tangible fixed assets acquired and produced (excluding acquisitions), less assets sold.*
Net result	*Profit (loss) of the period*. Consolidated result.
Non-recurring items	*Non-recurring costs or revenues outside the ordinary course of business.*
Operating profit	*Profit (loss) from operations*. EBIT ("Earnings Before Interests and Taxes").
Operational working capital	*Inventories + Trade receivables – Trade payables*
Recurrent net profit	Profit (loss) for the period adjusted for non-recurring items.
REBITDA	*"Recurring Earnings Before Interests, Taxes, Depreciations and Amortizations"*. Profit (loss) from operations plus depreciation and amortization and adjusted for all non-recurring items.

Appendix

Warning with regard to forward-looking statements

All forecasts and other statements included in this annual report that are not statements of historical fact, including, without limitation, those regarding the business strategy, management plans, estimated investments and capital expenditures, pipeline, priorities, targets, outlook, guidance, objectives for future operations and metrics of Fagron (which term includes its subsidiaries and investees), are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors (many of which are beyond Fagron's control), which may cause actual results, performance or achievements of Fagron, or sector results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding Fagron's present and future business strategies, performance by Fagron's counterparties under certain of Fagron's contracts and the environment in which Fagron expects to operate in the future which may not be fulfilled.

No representation or warrant, express or implied is made that any forward-looking statement will come to pass. In particular, this annual report contains information on Fagron's targets, outlook and guidance, which should not be construed as profit forecasts. There can be no assurance that these targets, outlook and guidance will be met. Accordingly, undue reliance should not be placed on any forward-looking statement contained in this document. All forward-looking statements and other statements herein are only as of the date of 5 March 2026. None of Fagron nor any of its affiliates, advisors or representatives, nor any of their respective directors, officers, employees or agents, shall bear any liability (in negligence or otherwise) for any loss arising from any use of this document or its contents (including any forward-looking statement), or otherwise in connection herewith, and they do not undertake any obligation to provide the recipients with access to additional information or to update this document or to correct any inaccuracies in the information contained or referred to herein. To the extent available, the sector and market data contained in this annual report has come from official or third party sources. Third party publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. In addition, certain of the industry and market data contained in this document come from Fagron's own internal research and estimates based on the knowledge and experience of Fagron's management in the market in which the company operates, and is subject to change. Certain information contained herein is based on Fagron's management information and estimates and has not been audited or reviewed by its auditors. Recipients should not place undue reliance on this information.

Neither this document nor the historical performance of Fagron's management team constitute a guarantee of the future performance of Fagron and there can be no assurance that Fagron's management team will be successful in implementing the investment strategy of Fagron. Nothing herein constitutes an offer to sell or the solicitation of an offer to purchase any security and nothing herein may be used as the basis to enter into any contract or agreement.

List of Definitions

API
Active Pharmaceutical Ingredient. An ingredient in a medical product that is responsible for the efficacy of the product.

Business Partner Code of Conduct
This code describes how Fagron expects its business partners to behave.

CO_2 eq
Carbon dioxide equivalent (CO_2-eq) is a measure of how much a greenhouse gas contributes to global warming. For example, one kg of nitrous oxide (N_2O, nitrous oxide) has the same contribution to climate change as 250 kg of CO_2.

Code of Conduct & Ethics
This code describes how Fagron expects its employees to behave.

CSRD
CSRD stands for Corporate Sustainability Reporting Directive (EU/2022/2464). This EU directive requires large companies such as Fagron to disclose information about the way they deal with social, governance and environmental challenges. This helps investors, civil society organizations, consumers, policymakers, and other stakeholders assess the non-financial performance of large companies.

DMA (Double materiality assessment)

Double Materiality assessment means the exercise to identify and determine potential ESG topics that could affect a business and/or stakeholders. A topic can be material from either a financial perspective (financial materiality) or an impact perspective (impact materiality). An ESG topic meets the criteria of double materiality within the meaning of the CSRD if it is material from the financial impact perspective or the impact perspective, or both.

ELT
ELT stands for Executive Leadership Team.

EMEA
EMEA stands for Europe, the Middle East and Africa.

Emergency plan
An emergency response plan is a guideline that establishes how a facility should handle an emergency, such as an outbreak of fire. The plan primarily describes who has which tasks, responsibilities, and authority and how these relate to laws and regulations.

ESG
ESG stands for Environmental, Social and Governance.

ESRS
European Sustainability Reporting Standards are the reporting standards that specify what large companies must report according to the CSRD.

FSS
FSS stands for Fagron Sterile Services.

GDP
Good Distribution Practice are the standards with which Fagron must comply to ensure that the quality and integrity of medicine is maintained throughout the supply chain.

GMP
Good Manufacturing Practices are the standards with which Fagron must comply to ensure that when medicine is used correctly, the quality is safe for patients to use. GMP is intended to minimize the risks for the patient.

Greenhouse gas emission scopes
Greenhouse gas emissions can be divided in three scopes:
1. Scope 1 emissions: direct emission from owned and controlled sources
2. Scope 2 emissions: indirect emissions from purchased or acquired energy

List of Definitions

3. Scope 3 emissions: all indirect emissions (not included in scope 2) that occur in a reporting company's value chain, including both upstream and downstream emissions

Greenhouse Gas Intensity
Greenhouse gas intensity stands for the total greenhouse gas emissions in CO_2-eq divided by a unit of production or revenue. Fagron calculates its greenhouse gas intensity based on million euro revenue.

Greenhouse gases
Greenhouse gases are gases in the earth's atmosphere that can absorb heat. With that, they contribute to the retention of heat in the atmosphere and increase the earth's temperature. Examples of greenhouse gases are carbon dioxide (CO_2) and methane (CH_4).

KPI
KPI stands for Key Performance Indicator. It is an indicator that provides insight in the performance over time for a specific objective.

Location-based scope 2 greenhouse gas emissions
Scope 2 greenhouse gas emissions calculated by using the average emissions intensity of the grid where the energy consumption occurs. For example, to calculate the location-based scope 2 greenhouse gas emissions of the electricity consumed in one of Fagron's facilities in the Netherlands, one uses the average carbon footprint of electricity purchased from the Dutch grid.

Market-based scope 2 greenhouse gas emissions
Scope 2 greenhouse gas emissions calculated by using the emissions intensity of the contract through which the energy is purchased. For example, to calculate the market-based scope 2 greenhouse gas emissions of the electricity consumed in one of Fagron's facilities in the Netherlands, one uses the average carbon footprint of electricity purchased a shown on the electricity bill.

MWh
Megawatt hour (MWh) is a unit of energy and equals one million watt-hours (Wh) or 1,000 kilowatt-hours (kWh).

UDHR
The Universal Declaration of Human Rights is a declaration adopted by the United Nations, describing human rights for every human being.

Overview of material Impacts, Risks and Opportunities (IRO's)

Topic	Scope[1]	Time horizon	IRO	Description
Environmental				
Climate change and energy use	Value chain	Short, medium, long term	Negative impact	Greenhouse gas emissions negatively impact health and safety of people worldwide.
				Energy use contributes to climate change.
			Risk	Not meeting expectations in terms of climate change targets and actions is considered a significant reputational risk
Chemical use and pollution	Value chain	Short, medium, long term	Negative impact	Pollutants released into the environment may negatively impact human health or the environment.
			Risk	Potential negative effect on Fagron's reputation in case of insufficient chemical use and pollution management practices or incidents
Waste	Value chain	Short, medium, long term	Negative impact	Waste management contributes to climate change and may contribute to pollution
			Risk	Inappropriate waste management could impose a moderate risk to Fagron's reputation

Overview of material Impacts, Risks and Opportunities (IRO's)

Topic	Scope[1]	Time horizon	IRO	Description
Our employees				
Compensation & benefits + Remuneration of executives	Fagron	Short, medium, long term	Negative impact	Misalignment with internal equity or external market benchmarks may reduce motivation and affect employee retention.
			Risk	Misalignment of compensation with internal equity or market benchmarks may reduce employee engagement, affect employee retention and overall reputation.
Diversity & inclusion	Fagron	Short, medium, long term	Positive impact	Inclusive culture enhances well-being, engagement, and sense of belonging.
			Opportunity	Leveraging diverse perspectives enhances creativity and innovation, supporting long-term financial performance.Inclusive practices increase employee engagement, motivation, and productivity.
Health & safety	Fagron	Short, medium, long term	Negative impact	Incidents or unsafe working conditions may cause injury, health impairment, or stress.
			Risk	Accidents can reduce productivity and cause operational disruptions.
Human rights & labor rights	Fagron	Short, medium, long term	Negative impact	Employees may be exposed to discrimination, harassment, or unfair treatment.
			Risk	Reputational damage that may reduce customer and investor trust.
Training & development	Fagron	Short, medium, long term	Positive impact	Access to training and development enhances employees' skills and knowledge, enabling them to become the best version of themselves, thrive in their roles, and contribute to the company's success.
			Opportunity	Access to training and development enhances employees' skills, career growth, and engagement, fostering a culture of continuous learning and performance improvement.
			Opportunity	Improved skills and knowledge increase efficiency, productivity, and adaptability to new technologies and processes.
Working hours	Fagron	Short, medium, long term	Risk	High workload and stress can lead to higher employee turnover and reduced retention.
			Opportunity	Reasonable and flexible working hours support employees' well-being, work–life balance, and healthy relationships, enhancing engagement, and overall performance.
Employee engagement	Fagron	Short, medium, long term	Opportunity	Enhanced employee engagement results in higher motivation and productivity.
Value chain workers				
Health & safety	Upstream and downstream	Short, medium, long term	Negative impact	Incidents or unsafe working conditions may cause injury, health impairment, or stress.
			Risk	Accidents can reduce productivity and cause operational disruptions.
Human rights & labor rights	Upstream and downstream	Short, medium, long term	Negative impact	Workers in the supply chain may be exposed to discrimination, harassment, or unfair treatment at their employer.
			Risk	(Allegations of) Infringements of human or labor rights might cause reputational damage for Fagron that may reduce customer and investor trust.

Overview of material Impacts, Risks and Opportunities (IRO's)

Topic	Scope[1]	Time horizon	IRO	Description
End-users				
Access to healthcare	Downstream	Short, medium, long term	Positive impact	Access to scientifically based healthcare solutions creates a positive impact on health of end-users
			Opportunity	Fagron's specialised R&D pipeline is positioned to bridge the quality gap, recognized by regulatory authorities, between industrially produced pharma products and compounded medication for end-users and creates as such an opportunity to Fagron.
Privacy of end-users	Downstream	Short, medium, long term	Negative impact	Unwanted exposure of patient data may negatively impact end-users in terms of physical and emotional safety (for example when patient data can be linked to sexual orientation in countries where homosexuality is not accepted)
			Risk	A data breach would impact Fagron's operations and ultimately also reputation
Product quality	Downstream	Short, medium, long term	Negative impact	Failure to meet product quality and safety standards may lead to severe side-effects for end-users.
			Risk	Failure to maintain high product quality and patient safety can result in reputational damage, regulatory fines, loss of operating license affecting the company's profitability and shareholder value.
Governance				
Compliance	Fagron	Short, medium, long term	Negative impact	Potential impact is linked to the type of laws or legislation (such as those related to product quality and safety or occupational health and safety)
			Risk	Not being compliant with applicable laws and regulation risks losing operating license
Corruption and bribery	Fagron	Short, medium, long term	Negative impact	Corruption and bribery may negatively impact end-users when it leads to unfair pricing of pharmaceutical products
			Risk	Any (allegation of) corruption and bribery negatively affects Fagron's reputation

1 Fagron means Fagron's own operations
Value chain covers upstream value chain, Fagron's own operations and downstream value chain
Upstream stands for upstream value chain
Downstream stands for downstream value chain

ESRS Index

All references refer to the Sustainability Statement, unless specified otherwise.

General Information

ESRS 2 - General disclosures

Disclosure	Paragraph	Location in Annual Report/Disclosure
BP-1	5a-c	General basis for preparation. More details reported per material topic.
BP-1	5d/e	Not applicable.
BP-2	9	No deviations from time horizon definitions.
BP-2	10-13	General basis for preparation
BP-2	14	General basis for preparation. More details reported per material topic.
BP-2	15	General basis for preparation
BP-2	16	General basis for preparation
BP-2	17	Not applicable, Fagron has more than 750 employees.
GOV-1	21	Corporate Governance Statement – Composition of the Board of Directors Corporate Governance Statement – Diversity in the Board of Directors
GOV-1	22	Fagron's sustainability strategy and management
GOV-1	23	Corporate Governance Statement – Expertise and skills of the Board of Directors
GOV-2	26a-c	Fagron's sustainability strategy and management. See for more information on the general activities of the board of directors including consideration of sustainability topics in major transactions and risk management process: Corporate Governance Statement – Activities of the Board of Directors in 2025
GOV-3	29	Corporate Governance Statement – Remuneration report and policy

Disclosure	Paragraph	Location in Annual Report/Disclosure
GOV-4	32	This ESRS Index.
GOV-5	36	Internal controls over sustainability reporting: General basis for preparation. Risk management: Risk management
SBM-1	40a	i./ii. About Fagron - Our business model and value chain iii. Stakeholder group: Our people – Our Approach iv. Not material.
SBM-1	40b/c	Fagron will publish this information once ESRS sector descriptions become available.
SBM-1	40d	Fagron is not active in the fossil fuel sector, chemicals production, controversial weapons or the cultivation and production of tobacco.
SBM-1	40e	All sustainability related goals are described in the chapter on Sustainability Performance or our Sustainability Statement. These do not pertain to specific customer categories or geographical areas. Targets related to our Fagron Brands segment can be found under Sustainability Performance – Future forward: Compounding, and per stakeholder group in our Sustainability Statement.
SBM-1	40f	See About Fagron – Our business model and value chain for our segments (products/services) and customer groups. All of these are relevant for our sustainability-related goals since they relate to access to medicine.
SBM-1	40g	Our strategy and long-term value creation are closely interlinked see About Fagron – Our strategy and About Fagron – Creating long-term value. There are no main challenges, critical solutions or projects to put in place that are specifically relevant for sustainability reporting.
SBM-1	41	Not applicable.

ESRS Index

Disclosure	Paragraph	Location in Annual Report/Disclosure
SBM-1	42a/b	About Fagron – Creating long-term value
SBM-1	42c	About Fagron – Our business model and value chain
SBM-2	45a	Stakeholder engagement
SBM-2	45b-d	Materiality assessment – Update of Dpuble Materiality Assessment
SBM-3	48a	Materiality assessment – Material topics and Overview of material Impacts, Risks and Opportunities (IROs)
SBM-3	48b	We do not structurally assess the current and anticipated impact of the material topics on our business model, value chain, strategy and decision-making. We do regularly assess our sustainability strategy and action plans related to material topics to ensure that we minimize (potential) negative material impacts and risks. See Fagron's sustainability strategy and management.
SBM-3	48c	Reported per material topic.
SBM-3	48d-e	We do not have an integral picture of the current and expected financial effects of the material topics at this time, except for climate change see Climate change and Energy.
SBM-3	48f	We believe that our strategy and business model are resilient in terms of capacity to address our material impacts and risks. However, this was not assessed in detail, except for climate change see Climate change and Energy.
SBM-3	48g/h	Materiality assessment – Update of Double Materiality Assessment and Material topics
IRO-1	53a/d/g/h	Update of Double Materiality Assessment
IRO-1	53b	Materiality assessment – Assessing impact materiality Fagron is not aware that any specific activities, business relationships or geographies give rise to heightened risk of adverse impact higher than the risk of adverse impact as shown in our materiality matrix.
IRO-1	53c	i Connections of impacts and dependencies with risk and opportunities have been considered in the materiality assessment, and the outcome of the considerations are reflected in the materiality matrix. ii/iii Materiality assessment - Assessing financial materiality.
IRO-1	53e	Materiality assessment - Assessing financial materiality.
IRO-1	53f	Not specifically integrated into the overall management process.
IRO-2	56	This ESRS Index as Fagron only is subject to the other EU legislation marked as "Benchmark Regulation" in appendix B of ESRS 2.
IRO-2	57	Not applicable.
IRO-2	59	Materiality assessment

Disclosure	Paragraph	Location in Annual Report/Disclosure
MDR-P	All	Disclosed per material topic.
MDR-A	All	Disclosed per material topic.
MDR-M	All	Disclosed per material topic. None of the metrics is validated by an external body other than the assurance provider.
MDR-T	All	Disclosed per material topic. None of the targets is validated by an external body other than the assurance provider except for the targets approved by SBTi.

ESRS Index

Environmental Information

ESRS E1 - Climate change and Energy

Disclosure	Paragraph	Location in Annual Report/Disclosure
GOV-3	13	Corporate Governance Statement – Remuneration report and policy
E1-1	16a/b/c/d/h/i	Climate change – Targets and actions
E1-1	16e	Fagron does not have any objectives or plans to align our economic activities with the criteria established under Commission Delegated Regulation 2021/2139.
E1-1	16f	Fagron does not conduct economic activities related to coal, oil and gas.
E1-1	16g	Fagron is not active in one of the industries that will be excluded from Paris-aligned Benchmarks.
E1-1	16j	Climate change – Performance
SBM-3 E1	18-19	Climate change – Our approach
IRO-1	20a	Materiality assessment – Assessing impact materiality
IRO-1	20b/c, 21	Climate change – Our approach
E1-2 MDR-P	24	Climate change – Our approach
E1-2 MDR-P	25	Climate change – Targets and actions
E1-3 MDR-A	28/29	Climate change - Targets and actions
E1-4 MDR-T	32	Climate change – Targets and actions No changes in targets since 2024 annual report. Calculations and results see Climate change – Performance Only for the SBTi targets Fagron has applied conclusive scientific evidence
E1-4 MDR-T	33/34a/b/d/e	Climate change – Targets and actions
E1-4 MDR-T	34c	Climate change – Performance
E1-4 MDR-T	34f	Climate change - Targets and actions Concerning AR30b, we will not need to make use of technologies that are still under development. Concerning AR30c, Fagron has not considered climate scenarios to determine to detect relevant developments and decarbonization levers. Our targets and actions are aligned with the 1.5 °C target, and we believe that conducting an additional analysis is therefore not necessary.
E1-5	37-38	Energy use - Energy
E1-5	39	Fagron does not produce non-renewable energy.
E1-5	40-43	Energy use - Energy
E1-6	All (Except AR46g)	Climate change – Performance
E1-6	AR46g	When using the definition that primary data means data in terms of greenhouse gas emissions in metric tons CO_2-eq, then 0% of our Scope 3 is calculated using primary data.
E1-7	All	Fagron does not engage in carbon capture and/or storage and does not use carbon credits.
E1-8	All	Fagron does not apply internal greenhouse gas or carbon pricing.
E1-9	All	Fagron applies the phased-in option.

ESRS Index

ESRS E2 - Pollution

Disclosure	Paragraph	Location in Annual Report/Disclosure
IRO-1	11a	Own site locations – Materiality assessment - Assessing impact materiality. Impacts in the value chain have not been assessed see Materiality assessment - Assessing impact materiality.
IRO-1	11b	No direct consultation has been conducted with affected communities, but interests have been assessed based on literature and insights of Fagron management. See, Materiality assessment - Assess impact materiality and Stakeholder engagement.
E2-1 MDR-P	14	For pollution see: Chemical use & pollution - Targets and actions. For chemical use: No policy related to chemical use.
E2-1 MDR-P	15	Chemical use & pollution - Targets and actions.
E2-2 MDR-A	18	For pollution see: Chemical use & pollution - Targets and actions. For chemical use: No specific action related to chemical use.
E2-3 MDR-T	22	For pollution see: Chemical use & pollution - Targets and actions. For chemical use: No target related to chemical use.
E2-3 MDR-T	23	Chemical use & pollution - Targets and actions.
E2-3 MDR-T	25	Chemical use & pollution - Targets and actions.
E2-4	28a	Chemical use & pollution - Performance.
E2-4	28b	Not material for Fagron.
E2-4	29-31	Chemical use & pollution - Performance.
E2-5	34-35	Chemical use & pollution - Performance.
E2-6	39, 40a/c, 41	Fagron applies the phased-in option.
E2-6	40b	No operating and capital expenditures were incurred in the reporting period in conjunction with major incidents and deposits.

ESRS E3 – Water and marine resources

Disclosure	Paragraph	Location in Annual Report/Disclosure
IRO-1	8a	Own site locations – Materiality assessment - Assessing impact materiality. Impacts in the value chain have not been assessed see Materiality assessment - Assessing impact materiality.
IRO-1	8b	No consultations have been conducted with affected communities, but interests have been assessed based on literature and insights of Fagron management. See, Materiality assessment - Assess impact materiality and Stakeholder engagement.
Other	9-33	Not material for Fagron.

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ESRS E4 – Biodiversity and ecosystems

Disclosure	Paragraph	Location in Annual Report/Disclosure
IRO-1	16a	No material sites identified in own operations.
IRO-1	16b-c	No negative impacts identified in terms of land degradation, desertification, soil sealing and threatened species in the own operations. Impacts in the value chain have not been assessed see Materiality assessment - Assessing impact materiality.
IRO-1	17a	Own site locations – Materiality assessment - Assessing impact materiality. Impacts in the value chain have not been assessed see Materiality assessment - Assessing impact materiality.
IRO-1	17b	Own site locations – no dependencies on biodiversity and ecosystems. Impacts in the value chain have not been assessed see Materiality assessment - Assessing impact materiality.
IRO-1	17c-d	Have not been assessed because they relate to the supply chain. Impacts in the value chain have not been assessed see Materiality assessment - Assessing impact materiality.
IRO-1	17e	No consultations have been conducted with affected communities, but interests have been assessed based on literature and Fagron's management. See, Materiality assessment - Assess impact materiality and Stakeholder engagement.
IRO-1 E4	19	Fagron does not have sites located in biodiversity-sensitive areas, based on the assessment framework described in Materiality assessment - Assessing impact materiality. There were a number of facilities within one kilometre of a biodiversity sensitive area, with approximately 26 000 m^2 land cover, we do not believe this negatively affects these areas. It is therefore not necessary to implement biodiversity mitigation measures.
Other	20-45	Not material for Fagron.

ESRS E5 – Resource use and circular economy

Disclosure	Paragraph	Location in Annual Report/Disclosure
IRO-1	11a	Own site locations – Materiality assessment - Assessing impact materiality. Impacts in the value chain have not been assessed see Materiality assessment - Assessing impact materiality.
IRO-1	11b	No consultations have been conducted with affected communities, but interests have been assessed based on literature and Fagron's management. See, Materiality assessment - Assess impact materiality and Stakeholder engagement.
E5-1 MDR-P	14	Waste – Targets and actions except for the process for monitoring which is described in Fagron's sustainability strategy and management Communication on the new Sustainable Strategy (including waste) on waste to relevant stakeholders who will be responsible for the implementation of strategy is still under development.
E5-1 MDR-P	15	These topics are not material for Fagron.
E5-2 MDR-A	19	Waste – Targets and actions
E5-3 MDR-T	23	Waste – Targets and actions and Performance However there is no baseline value because our targets do not include a reduction compared to a base-year.
E5-3 MDR-T	24	Targets relate to waste management.
E5-3	25	Waste – Targets and actions
E5-3	27	Waste – Targets and actions
E5-4	All	Not material for Fagron.
E5-5	All	Not material for Fagron.
E5-5	37-40	Waste – Performance
E5-6	All	Fagron applies the phased-in option.

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Social Information

ESRS S1 - Own Workforce

Disclosure	Paragraph	Location in Annual Report/Disclosure
SBM-2	12	Stakeholder engagement
SBM-3	13	We did not specifically analyze if our actual and potential impacts and risk related to our workforce are directly related to our strategy and business model. We do not structurally assess the current and anticipated impact of the material topics on our strategy and business model. We do regularly assess our sustainability strategy and action plans related to material topics to ensure that we minimize (potential) negative material impacts and risks. See Fagron's sustainability strategy and management.
SBM-3	14a-c	Reported per material topics related to our workforce.
SBM-3	14d	Materiality assessment - Assessing financial materiality.
SBM-3	14e	Fagron's climate transition plan does not entail changes to our strategy.
SBM-3	14f-g	Human rights & labor rights (Our people) - Performance
SBM-3	15-16	We are not aware of any specific groups of people in our own workforce being at greater risk of harm or material risks and opportunities arising from impacts and dependencies having an impact on a specific group of people in our own workforce.
S1-1 MDR-P	19	Overall - Our approach Compensation & benefits including Remuneration of Executives – Targets and actions, Diversity & inclusion – Targets and actions, Employee engagement – Targets and actions, Health & safety – Targets and actions, Human rights & labor rights (Our people) – Targets and actions, Training & development – Targets and actions, Working hours - Targets and actions except for the process for monitoring which is described in Fagron's sustainability strategy and management.
S1-1	20	Policy commitments: Human rights & labor rights (Our people) – Targets and actions Stakeholder engagement: Stakeholder engagement Process and mechanism: We do not currently have structured process and mechanism in place to monitor compliance with the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises. We believe the policies and actions described in Human rights & labor rights protect the human rights and labor rights of Our people.

Disclosure	Paragraph	Location in Annual Report/Disclosure
S1-1	21	We believe that the policies related to Our people are aligned with relevant internationally recognized instruments, including the UN Guiding Principles on Business and Human Rights. More information on the three pillars for UN Guiding Principles and Fagron's approach can be found for Protect and Respect (Our commitments) under Human rights & labor rights (Our people) – Targets and actions and for Remedy see Sustainability statement – Grievance mechanism.
S1-1	22	Human rights & labor rights (Our people) – Targets and actions
S1-1	23	Health & safety – Targets and actions
S1-1	24a/b	Discrimination and harassment: Human rights & labor rights (Our people) – Targets and actions Diversity & inclusion: Diversity & Inclusion – Targets and actions
S1-1	24c/d	Not applicable
S1-2	27a/b/e	Stakeholder engagement
S1-2	27c	Sustainability management
S1-2	27d/28	Not applicable
S1-3	32, 33	No general approach and process in place, except for those described under Grievance mechanism
S1-4 and S1-4 MDR-A	37, 38a-c, 40, 41, 42	Compensation & benefits including Remuneration of Executives– Targets and actions Diversity & inclusion – Targets and actions Employee engagement – Targets and actions Health & safety – Targets and actions Human rights & labor rights (Our people) – Targets and actions Training & development – Targets and actions Working hours – Targets and actions
S1-4	38d/39	Fagron's sustainability strategy and management
S1-4 and S1-4 MDR-A	43	No earmarked financial resources are allocated to the management of material impacts related to Our people, they are part of the normal day-to-day business.
S1-5 MDR-T	46	Compensation & benefits including Remuneration of Executives – Targets and actions, Diversity & inclusion – Targets and actions, Employee engagement – Targets and actions, Health & safety – Targets and actions, Training & development – Policies and targets, Working hours – Targets and actions There is no baseline value because our targets do not include a reduction increase compared to a base-year.
S1-5	47	Fagron's sustainability strategy and management Engagement of employees is vital to achieve some of the targets (such as employee engagement) but we do not engage with people in our own workforce to understand the progress made on targets.

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Disclosure	Paragraph	Location in Annual Report/Disclosure
S1-6	50	Headcount and breakdown by country: Stakeholder group: Our people – Our Approach Breakdown by gender: Diversity & inclusion - Performance
S1-7	55	Stakeholder group: Our people – Our Approach
S1-8	60/63	Human rights & labor rights – Performance
S1-9	66	Diversity & Inclusion - Performance
S1-10	69-70	Compensation & benefits including Remuneration of Executives - Performance
S1-11	74-75	Delayed in collection of data - will be reported in annual report 2026.
S1-12	All	Not material for Fagron.
S1-13	83-84	Training & development – Performance
S1-14	88a-c	Health & safety – Performance Non-employees: Fagron applies the phased-in option.
S1-14	88d/e	Process of data collection is to be set up and will be reported as soon as data quality can be assured
S1-15	93/94	Delayed in collection of data - will be reported in annual report 2026.
S1-16	97a/c	Diversity & inclusion - Performance
S1-16	97b/c	Compensation & benefits including Remuneration of Executives - Performance
S1-17	103a/d	Human rights & labor rights (Our people) – Performance
S1-17	103b/d	Fagron Integrity Line: Grievance mechanism - Performance OECD: No complaints filed with any of the National Contact Points for OECD Multinational Enterprises in 2025.
S1-17	103c	Discrimination and harassment: Human rights & labor rights (Our people) – Performance Other: Grievance mechanism - Performance
S1-17	104	Human rights & labor rights (Our people) – Performance

ESRS S2 – Workers in the value chain

Disclosure	Paragraph	Location in Annual Report/Disclosure
SBM-2	9	Stakeholder engagement
SBM-3	10	We did not specifically analyze if our actual and potential impacts and risk related to value chain workers are directly related to our strategy and business model. We do not structurally assess the current and anticipated impact of the material topics on our strategy and business model. We do regularly assess our sustainability strategy and action plans related to material topics to ensure that we minimize (potential) negative material impacts and risks. See Fagron's sustainability strategy and management.
SBM-3	11a	Stakeholder group: Value chain workers – Our Approach
SBM-3	11b-c	Human rights & labor rights (Value chain workers) - Performance No insight into geographies or commodities for which there is a significant risk of child labor or forced or compulsory labour nor into the occurence of material negative impacts. We are in the process of developing a standardized risk assessment to gain a better understanding.
SBM-3	11d	Not applicable
SBM-3	11e	We are not aware of any material risks and opportunities arising from impacts and dependencies on value chain workers other than those refered to in Risk management under "Supply chain risk".
SBM-3	12-13	We are not aware any specific groups of value chain workers being at greater risk of harm or material risks and opportunities arising from impacts and dependencies having an impact on a specific group of value chain workers. A more detailed insight will obtained once we have developed our Future Forward: Responsible supply chain plan.
S2-1 - S2-1 MDR-P	16	Human rights & labor rights (Value chain workers) – Targets and actions except for the process for monitoring which is described in Fagron's sustainability strategy and management Health & safety (Value chain workers)

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Disclosure	Paragraph	Location in Annual Report/Disclosure
S2-1	17	Policy commitments: Human rights & labor rights (Value chain workers) – Targets and actions Stakeholder engagement Processes and mechanism to monitor compliance with UN Guiding principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises: We do not currently have structured process and mechanism in place to monitor compliance with the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises. We are actively working on due diligence for the supply chain as described in Human rights & labor rights (Value chain workers) Fagron does not currently have any measures in place to provide or enable remedy for human rights impacts of value chain workers, because it is not aware of any human rights infringements.
S2-1	18	Human rights & labor rights (Value chain workers) – Targets and actions
S2-1	19	We believe that the policies related to value chain workers are aligned with relevant internationally recognized instruments, including the UN Guiding Principles on Business and Human Rights. More information on the three pillars for UN Guiding Principles and Fagron's approach can be found for Protect and Respect (Our commitments) under Human rights & labor rights (value chain workers) – Targets and actions. Currently no structured approach to remedy, this is under development as correction plan as part of the Future Forward: Responsible supply chain plan. Reports of non-respect of human rights and labor rights: Human rights & labor rights (Value chain workers) – Performance
S2-2	22-24	Stakeholder group: Value chain workers – Our Approach
S2-3	27-29	Stakeholder group: Value chain workers – Our Approach
S2-4 MDR-A	31	No earmarked financial resources are allocated to the management of material impacts related to Value chain workers, they are part of the normal day-to-day business.
S2-4	32	Human rights & labor rights (Value chain workers) – Performance Effectiveness of actions in reducing negative impacts on value chain workers is not tracked or assessed at the moment. More actions will developed after we have developed our Future Forward: Responsible Supply chain plan.
S2-4	33a	Fagron does not currently have any processes in place to identify actions needed.
S2-4	33b	Human rights & labor rights (Value chain workers) – Performance
S2-4	33c	Fagron does not currently have any measures in place to provide or enable remedy in the event of material negative impacts.

Disclosure	Paragraph	Location in Annual Report/Disclosure
S2-4	34a	Human rights & labor rights (Value chain workers) – Performance. No tracking of effectiveness of our current actions. This will be included in the audit and monitoring plan that is under development.
S2-4	34b	No opportunities identified.
S2-4	35/36	Human rights & labor rights (Value chain workers) – Performance. Currently no assessment of whether or not we ensure that our practices cause or contribute to material negative impacts on value chain workers.
S2-4	37	See S2-5 MDR-T.
S2-4	38	No earmarked financial resources are allocated to the management of material impacts related to value chain workers, with the exception of the membership fee to the PSCI.
S2-5 MDR-T	41	Human rights & labor rights (Value chain workers) – Performance There is no baseline value because our targets do not include a reduction compared to a base-year. No changes compared to previous reporting period in targets and corresponding metrics. Fagron's sustainability strategy
S2-5	42	Fagron's sustainability strategy and management Fagron does not engage directly with value chain workers, legitimate representatives or credible proxies to track the performance against the targets as described in Human rights & labor rights (Value chain workers) – Performance

ESRS S3 - Affected communities

Disclosure	Paragraph	Location in Annual Report/Disclosure
SBM-2 S3	7	Stakeholder engagement
SBM-3 S3	8-11	Not applicable, because affected communities are not a key stakeholder for Fagron.
Other		Not material for Fagron.

ESRS S4 - Consumers and end-users

This table covers all material topics covered by ESRS S4 as well as the entity-specific topic "Access to healthcare".

Disclosure	Paragraph	Location in Annual Report/Disclosure
SBM-2 S4	8	Stakeholder engagement
SBM-2 S4	9	We did not specifically analyze if our actual and potential impacts and risk related to consumers and end-users are directly related to our strategy and business model. We do not structurally assess the current and anticipated impact of the material topics on our strategy and business model. We do regularly assess our sustainability strategy and action plans related to material topics to ensure that we minimize (potential) negative material impacts and risks. See Fagron's sustainability strategy and management.
SBM-3 S4	10a-c	Reported per material topic related to end-users.
SBM-3 S4	10d	We are not aware of any material risks and opportunities arising from impacts and dependencies on end-users other than those refered to in Risk management under "changing customer demands".
SBM-3 S4	11-12	We are not aware any specific groups of end-users being at greater risk of harm or material risks and opportunities arising from impacts and dependencies having an impact on a specific group of end-users.
S4-1 MDR-P	15	Stakeholder group: End-users - Our Approach Access to healthcare - Targets and actions, Privacy of end-users - Targets and actions, Product quality & safety - Targets and actions except for the process for monitoring which is described except for the process for monitoring which is described in Fagron's sustainability strategy and management 65f. For access to healthcare no separate policy other than the Sustainability Strategy. A communication strategy for the new sustainability strategy, both internally and externally, is under development.
S4-1	16a/c	Stakeholder group: End-users - Our Approach
S4-1	16b	Stakeholder engagement
S4-1	17	We believe that the policies related to end-users are aligned with relevant internationally recognized instruments, including the UN Guiding Principles on Business and Human Rights. More information on the three pillars for UN Guiding Principles and Fagron's approach can be found for Protect and Respect (Our commitments) under End-users – Our Approach
S4-2	20	Stakeholder engagement
S4-2	21	Not applicable.
S4-3	25	Stakeholder group: End-users - Our Approach
S4-3	25c	Fagron does not support or require such channels by its business relationships. When it concerns medical products their are strict guidelines on the reporting of side effects, we trust that our clients inform end-users of available channels.
S4-3	26-27	Fagron does not currently assess if end-users are aware of and trust the channels to raise concern.
S4-4 MDR-A	30	Privacy of end-users - Performance Product quality & safety - Performance
S4-4 MDR-A	30	No earmarked financial resources are allocated to the management of material impacts related to end-users, they are part of the normal day-to-day business.
S4-4	31	Privacy of end-users - Performance Product quality & safety - Performance
S4-4	32	Fagron does not currently have any processes in place to identify actions needed, with the exception of Product quality & safety see Product quality & safety - Targets and actions.
S4-4	33a	Fagron does not currently have any measures in place to provide or enable remedy in the event of material negative impacts, with the exception of Product quality & safety see Product quality & safety - Targets and actions.
S4-4	33b	Access to healthcare - Targets and actions
S4-4	34	We are not aware that our practices cause or contribute to material negative impacts on end-users other than those described under Privacy of end-users - Performance and Product quality & safety - Performance.
S4-4	35	Stakeholder group: End-users - Our Approach
S4-4	36	Access to healthcare - Performance.
S4-4	37	No earmarked financial resources are allocated to the management of material impacts related to end-users, other than what is included in the day-to-day business.
S4-5 MDR-T	40	Access to healthcare - Targets and actions There is no baseline value because our targets do not include a reduction compared to a base-year. No changes compared to previous reporting period in targets and corresponding metrics Fagron's sustainability strategy - Fagron's sustainability strategy and management.
S4-5	41	Fagron's sustainability strategy - Fagron's sustainability strategy and management. Fagron does not engage directly with end-users, legitimate representatives or credible proxies to track the performance against targets.

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Governance Information

ESRS G1 - Business conduct

Disclosure	Paragraph	Location in Annual Report/Disclosure
GOV-1 G1	5a	Compliance – Targets and actions
GOV-1 G1	5b	Corporate Governance Statement - Expertise and skills of the Board of Directors
IRO-1 G1	6	Update of Double Materiality Assessment
G1-1	9	Compliance – Targets and actions and Performance
G1-1	10a	Grievance mechanism
G1-1	10b	The United Nations Convention against Corruption applies to nation states not to companies. Fagron believes that the policies it has adopted concerning corruption and bribery follow the spirit of the United Nations Convention against Corruption.
G1-1	10c	i. Channels: Grievance mechanism – Targets and actions Training: Grievance mechanism – Performance ii. Grievance mechanism – Targets and actions
G1-1	10d	Not applicable, Fagron has policies in place in relation to the protection of whistleblowers.
G1-1	10e	Grievance mechanism – Targets and actions
G1-1	10f	Not material for Fagron.
G1-1	10g	Compliance – Performance
G1-1	10h	Corruption & bribery - Targets and actions
G1-1	11	Grievance mechanism – Targets and actions
G1-2	14	Not material for Fagron.
G1-2	15a	Human rights & labor rights (Value chain workers) – Targets and actions
	15b	Fagron does not currently take into consideration any social and environmental criteria in supplier selection, other than those included in the supplier qualification process as described in Product quality & safety – Targets and actions.
G1-3	18a	Corruption and bribery – Targets and actions
G1-3	18b/c	Corruption & bribery - Targets and actions Grievance mechanism – Targets and actions
G1-3	20	Code of Conduct & Ethics: Compliance - Targets and actions Grievance mechanism: Grievance mechanism – Targets and actions, Performance
G1-3	21	Corruption and bribery - Targets and actions

Disclosure	Paragraph	Location in Annual Report/Disclosure
G1-4	24	Corruption and bribery - Performance
G1-5	All	Not material for Fagron.
G1-6	All	Not material for Fagron.

Statement on sustainability due diligence

The OECD Guidelines for Multinational Enterprises give guidance to multinationals on due diligence, i.e. processes to identify, prevent and mitigate actual and potential negative impacts on people and environment. This includes actual or potential negative impacts due to a company's operation or in the upstream or downstream value chain. Fagron is committed to reduce its negative impact on people and the environment and to increase its positive impact. Fagron does not have a formalized due diligence process in relation to ESG topics, but the activities as described in this annual report are linked with the core elements of due diligence.

Core elements of due diligence	Part of annual report
Embedding due diligence in governance, strategy, and business model	About Fagron and Fagron's sustainability strategy and management
Engaging with affected stakeholders	Stakeholder engagement
Identifying and assessing adverse impacts	Update of Double Materiality Assessment
Taking actions to address adverse impacts	"Actions" as reported for each material topic
Tracking effectiveness of actions	"Performance" as reported for each material topic

List of datapoints in cross-cutting and topical standards that derive from other EU legislation (so called "appendix B")

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Material to Fagron
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (27) , Annex II		Yes
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Yes
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Yes
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (28) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		No
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		No
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (29) , Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		No
ESRS 2 SBM-1			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		No

List of datapoints in cross-cutting and topical standards that derive from other EU legislation (so called "appendix B")

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Material to Fagron
Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv					
ESRS E1-1				Regulation (EU) 2021/1119, Article 2(1)	Yes
Transition plan to reach climate neutrality by 2050 paragraph 14					
ESRS E1-1		Article 449a	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		No
Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity			
ESRS E1-4	Indicator number 4 Table #2 of Annex 1	Article 449a	Delegated Regulation (EU) 2020/1818, Article 6		Yes
GHG emission reduction targets paragraph 34		Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics			
ESRS E1-5	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Yes
Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38					
ESRS E1-5	Indicator number 5 Table #1 of Annex 1				Yes
Energy consumption and mix paragraph 37					
ESRS E1-5	Indicator number 6 Table #1 of Annex 1				Yes
Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43					
ESRS E1-6	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Yes
Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44					
ESRS E1-6	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Yes
Gross GHG emissions intensity paragraphs 53 to 55					

List of datapoints in cross-cutting and topical standards that derive from other EU legislation (so called "appendix B")

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Material to Fagron
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	No
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Phased-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Phased-in
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Phased-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Phased-in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Phased-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Yes
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				No
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				No

List of datapoints in cross-cutting and topical standards that derive from other EU legislation (so called "appendix B")

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Material to Fagron
ESRS E3-1	Indicator number 12 Table #2 of Annex 1				No
Sustainable oceans and seas paragraph 14					
ESRS E3-4	Indicator number 6.2 Table #2 of Annex 1				No
Total water recycled and reused paragraph 28 (c)					
ESRS E3-4	Indicator number 6.1 Table #2 of Annex 1				No
Total water consumption in m^3 per net revenue on own operations paragraph 29					
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				No
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				No
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				No
ESRS E4-2	Indicator number 11 Table #2 of Annex 1				No
Sustainable land / agriculture practices or policies paragraph 24 (b)					
ESRS E4-2	Indicator number 12 Table #2 of Annex 1				No
Sustainable oceans / seas practices or policies paragraph 24 (c)					
ESRS E4-2	Indicator number 15 Table #2 of Annex 1				No
Policies to address deforestation paragraph 24 (d)					
ESRS E5-5	Indicator number 13 Table #2 of Annex 1				Yes
Non-recycled waste paragraph 37 (d)					
ESRS E5-5	Indicator number 9 Table #1 of Annex 1				Yes
Hazardous waste and radioactive waste paragraph 39					
ESRS 2- SBM3 - S1	Indicator number 13 Table #3 of Annex I				Yes
Risk of incidents of forced labour paragraph 14 (f)					
ESRS 2- SBM3 - S1	Indicator number 12 Table #3 of Annex I				Yes
Risk of incidents of child labour paragraph 14 (g)					

List of datapoints in cross-cutting and topical standards that derive from other EU legislation (so called "appendix B")

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Material to Fagron
ESRS S1-1	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Yes
Human rights policy commitments paragraph 20					
ESRS S1-1			Delegated Regulation (EU) 2020/1816, Annex II		Yes
Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21					
ESRS S1-1	Indicator number 11 Table #3 of Annex I				Yes
processes and measures for preventing trafficking in human beings paragraph 22					
ESRS S1-1	Indicator number 1 Table #3 of Annex I				Yes
workplace accident prevention policy or management system paragraph 23					
ESRS S1-3	Indicator number 5 Table #3 of Annex I				Yes
grievance/complaints handling mechanisms paragraph 32 (c)					
ESRS S1-14	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Yes
Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)					
ESRS S1-14	Indicator number 3 Table #3 of Annex I				Yes
Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)					
ESRS S1-16	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Yes
Unadjusted gender pay gap paragraph 97 (a)					
ESRS S1-16	Indicator number 8 Table #3 of Annex I				Yes
Excessive CEO pay ratio paragraph 97 (b)					
ESRS S1-17	Indicator number 7 Table #3 of Annex I				Yes
Incidents of discrimination paragraph 103 (a)					
ESRS S1-17	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Yes
Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)					

List of datapoints in cross-cutting and topical standards that derive from other EU legislation (so called "appendix B")

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Material to Fagron
ESRS 2- SBM3 – S2	Indicators number 12 and n. 13 Table #3 of Annex I				Yes
Significant risk of child labour or forced labour in the value chain paragraph 11 (b)					
ESRS S2-1	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Yes
Human rights policy commitments paragraph 17					
ESRS S2-1	Indicator number 11 and n. 4 Table #3 of Annex 1				Yes
Policies related to value chain workers paragraph 18					
ESRS S2-1	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Yes
Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19					
ESRS S2-1			Delegated Regulation (EU) 2020/1816, Annex II		Yes
Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19					
ESRS S2-4	Indicator number 14 Table #3 of Annex 1				Yes
Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36					
ESRS S3-1	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				No
Human rights policy commitments paragraph 16					
ESRS S3-1	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		No
non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17					
ESRS S3-4	Indicator number 14 Table #3 of Annex 1				No
Human rights issues and incidents paragraph 36					
ESRS S4-1	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Yes
Policies related to consumers and end-users paragraph 16					

List of datapoints in cross-cutting and topical standards that derive from other EU legislation (so called "appendix B")

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Material to Fagron
ESRS S4-1	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Yes
Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17					
ESRS S4-4	Indicator number 14 Table #3 of Annex 1				Yes
Human rights issues and incidents paragraph 35					
ESRS G1-1	Indicator number 15 Table #3 of Annex 1				Yes
United Nations Convention against Corruption paragraph 10 (b)					
ESRS G1-1	Indicator number 6 Table #3 of Annex 1				Yes
Protection of whistle- blowers paragraph 10 (d)					
ESRS G1-4	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Yes
Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)					
ESRS G1-4	Indicator number 16 Table #3 of Annex 1				Yes
Standards of anti- corruption and anti- bribery paragraph 24 (b)					

EU Taxonomy

The European Taxonomy Regulation (Sustainable Finance Taxonomy – Regulation (EU) 2020/852) stipulates that a large number of companies, including Fagron, must publish information whether their economic activities can be classified as "environmentally sustainable", and as such this classification system defines criteria for economic activities that are aligned with a net zero trajectory by 2050 and the broader environmental goals other than climate. In July 2025, the Commission has adopted a set of measures to simplify the application of the EU taxonomy. This Delegated Act offers companies to opt out of this simplification for 2025 to avoid applying this new Delegated Act retrospectively. We decided to apply this opt out option and keep reporting under the initial Regulation.

The taxonomy regulation set forward three indicators to be reported upon: revenue, capital expenditures and operational expenditures that contribute to the "environmentally sustainable" economic activities.

Taxonomy eligible and aligned revenue

Fagron has screened its activities for the activities defined in the European Taxonomy Regulation (and its delegated acts) as “environmentally sustainable”. Screening occurred both on NACE codes referred to in the regulation as well as the general descriptions of the activities.

Fagron allocates its revenue to different NACE codes based on the designation activity code indicated on the excerpt from the chamber of commerce for each of the companies in the Fagron group. If this activity code cannot be directly linked to a NACE code because it concerns an entity not in the European Union we take the NACE code from the company with the most comparable activity within the European Union. In case revenue is eligible, we report on the external revenue of these companies.

In line with the EU Taxonomy Climate Delegated Act and later amendments, it can be stated that Fagron’s economic activities can only be classified as "environmentally sustainable" from a "pollution prevention and control" perspective and are therefore eligible under EU taxonomy. Fagron carries out activities related to the manufacturing of pharmaceutical ingredients (API) or active substances and the manufacturing of medicinal products:

- Manufacture of active pharmaceutical ingredients (API) or active substances (NACE code 21.1): According to the registrations in the chamber of commerce in the respective countries in which Fagron group companies operate, some of Fagron’s activities fall under the NACE code 21.1 (Manufacture of basic pharmaceutical products). However, Fagron does not, with the exception of Wildlife Pharmaceuticals, manufacture active pharmaceutical ingredients or active substances. Fagron does purchase these products and repackages them (Fagron Brands and Essentials segments) or compounds them (Fagron Compounding segment). Wildlife Pharmaceuticals manufactures a number of APIs for veterinary use in South Africa. Since these products are not meant for human use, no study

has been carried out as to whether their key human metabolites are biodegradable or mineralize in the environment.

- Manufacture of medicinal products (NACE code 21.2): According to the registrations in the chamber of commerce in the respective countries in which Fagron group companies operate, some of Fagron's activities fall under the NACE code 21.2 (Manufacture of basic pharmaceutical preparations). It is possible that some of the sterile and non-sterile products that Fagron puts on the market under its compounding segment meet some of the requirements set out in the legislation. However, Fagron has not established whether the medicinal products qualify as an appropriate substitute to another medicinal product that is not biodegradable.

Since the revenue of every company is only counted towards the main economic activity (one NACE code), there is no risk for double counting the same revenue.

Neither of these economic activities meet the criteria for having a substantial contribution to pollution prevention and control.

Further analysis on the revenue of Gako Deutschland GmbH and Hiperscan GmbH revealed that their revenue falls under 28.99 manufacturing of other special-purpose machinery, a non-eligible economic activity, and is therefore as of 2025 no longer reflected in the tables below as an eligible activity meeting the eligibility criteria of circularity. In 2024, these activities were reported as an eligible economic activity, under electrical and electronic equipment.

In total, 45% of Fagron's revenue falls within an economic activity that is eligible for the taxonomy in relation to "pollution prevention and control". 0% of Fagron's economic activities are aligned with the Taxonomy Regulation since they do not meet the criteria for making a substantial contribution. The evolution between 2025 and 2024 reflects the relative share of the segment "Compounding Services" from one year to another.

Taxonomy aligned and eligible CapEx

In the current year disclosure, the 2024 values have been restated to reflect the business combinations and IFRS16 expenditures in the denominator and the nominator.

Fagron has two types of eligible capital expenditures:

1. CapEx associated with taxonomy eligible revenues, and
2. CapEx enabling to become low-carbon or leading to GHG emission reduction, so called individual measures

The total value of these eligible CapEx amounts to a total of 57.5 million euro (39%) compared to 59.1 million euro in 2024 (64%), and the category associated with eligible revenues has the highest contribution. Although the absolute value of eligible CapEx is relatively stable, there is a significant decrease in percentage between 2024 and 2025 related to the business combinations: Overall, the value of business combinations is 88.2 million euro in 2025 compared to 32.2 million in euro in 2024 but acquisitions in 2024 were primarily in the segment of Compounding Services whereas in 2025 in the segments Brands and Essentials.

Fagron determines the total CapEx falling in the second category by reviewing the list of CapEx for the group and assessing all capital expenditures above 100,000 euro in detail determining whether they meet the eligibility criteria. The outcome of this assessment reveals the 2nd most important category is acquisition and ownership of buildings mainly as leases under IFRS16. These have a relatively stable contribution to the overall eligible CapEx, yet in absolute value increased due to new leases in North-America - Pacific and EMEA region. Other eligible categories are relatively small and totalise 1.6 million euro.

Eligible capital expenditure is assessed on case by case basis regarding the expectations for alignment. As a result, we identified one CapEx that fulfills all criteria: the applicable technical screening criteria (TSC), the Do Not Significantly Harm criteria (DNSH) and the minimum safeguards: our investment in solar panels in Poland. This investment fits well in our SBTi ambition. For more information hereon, we refer to SBTi target.

This means that a total of 0.1% of Fagron's CapEx are aligned and a total of 39% are eligible under the Taxonomy Regulation.

There is no risk for double counting because we first have allocated the capital expenditures associated with taxonomy eligible revenue or activities before assessing the eligibility of the remaining CapEx.

Taxonomy aligned and eligible OpEx

The taxonomy regulation defines the following operating costs categories as OpEx:

- Research and development
- Building renovation measures
- Short-term lease
- Maintenance and repair
- Any other direct expenditures relating to day-to-day servicing of property, plant and equipment by the undertaking or third party that are necessary to ensure the continued and effective functioning of such assets.

We determine the EU taxonomy OpEx denominator by allocating specific OpEx accounts from our financial reporting.

Similarly to CapEx, Fagron has eligible OpEx stemming from:

1. Operational expenditures are associated with taxonomy eligible revenue or activities, and
2. Operational expenditures serve to enable a company to become low-carbon or lead to GHG emission reduction, but these expenditures do not meet the technical screening criteria.

OpEx associated with the eligible revenue from manufacture of active ingredients (API) or active substances and the manufacture of medicinal products amounted to a total of 5.2 million euro in 2025, stable compared to 2024.

Fagron determines the total OpEx falling in the second category by summing the maintenance and repair costs of our activities not covered under the first category. This mainly relates to the maintenance of our buildings, which we consider as eligible; other categories defined as OpEx are very limited to non-existing at Fagron or cost can not be identified separately. Since Fagron does not currently carry out climate change adaptation analyses of the facilities where these buildings are located to the level of detail as required to meet the "Do not significant harm" criteria, we cannot proof that we meet the criteria as set out in Appendix A of the Climate Delegated Act.

This means that for 2025 a total of 0% of Fagron's OpEx are aligned and a total of 38% are eligible under the Taxonomy Regulation, stable compared to 2024.

There is no risk for double counting because we have excluded the operational expenditures associated with taxonomy eligible revenue or activities from the analysis for repair and maintenance.

Outlook

As indicated in the introduction, European Commission has put forward a Delegated Act simplifying the EU taxonomy reporting. We will review the effect of this Delegated Act in 2026 and adapt our reporting to align. As Fagron group, we have put forward clear sustainability ambitions. These are explained in our Sustainability Statement and in our Sustainability Strategy, as well as our progress on these ambitions over the years. We will seek integration of the EU Taxonomy in our sustainability ambitions where relevant.

EU Taxonomy

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2025

Financial year 2025		2025		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic Activites (1)	**Code (2)**	**Turnover (3)**	**Proportion of Turnover 2025 (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaption (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaption (12)**	**Water (13)**	**Pollution (14)**	**Circular economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover, 2024 (18)**	**Category (enabling activity or) (20)**	**Category (transitional activity) (21)**
		Million euro	**%**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y; N; N/EL**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
Turnover of environmental sustainable activities (Taxonomy-aligned (A.1)		**0.0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	N	N	N	N	N	N	N	**0%**		
Of which enabling		0.0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which transitional		0.0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
Manufacturing of plastic packaging goods	CE 1.1	0.0	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								1%		
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC 1.1	2.5	0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0%		
Manufacture of medicinal products	PPC 1.2	422.3	44%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								45%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		424.8	45%[1]	0%	0%	0%	45%	0%	0%								47%[1]		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		424.8	45%	0%	0%	0%	45%	0%	0%								47%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		527.4	55%																
TOTAL		**952.2**[2]	**100%**																

1 Value does not add up due to rounding.
2 Reconciles to Note 6 in the consolidated financial statements.

EU Taxonomy

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2025

Financial year 2025		2025		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic Activites (1)	**Code (2)**	**CapEx (3)**	**Proportion of CapEx 2025 (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaption (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaption (12)**	**Water (13)**	**Pollution (14)**	**Circular economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) CapEx, 2024[1] (18)**	**Category (enabling activity or) (20)**	**Category (transitional activity) (21)**
		Million euro	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.2	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
CapEx of environmental sustainable activities (Taxonomy-aligned (A.1)		**0.2**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0%**		
Of which enabling		0.2	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	E	
Of which transitional		0.0	0%							N	N	N	N	N	N	N	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
Manufacturing of plastic packaging goods	CE 1.1	0.0	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%[2]		
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC 1.1	0.4	0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0%[2]		
Manufacture of medicinal products	PPC 1.2	42.5	29%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								55%		
Renovation of existing buildings	CCM 7.2	0.6	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%[2]		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.4	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)[2]	CCM 7.4	0.0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Acquisition and ownership of buildings	CCM 7.7	13.4	9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								9%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		57.5	39%[3]	10%	0%	0%	29%	0%	0%								64%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		57.5	39%	10%	0%	0%	29%	0%	0%								64%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		88.1	61%																
TOTAL		**145.6[4]**	**100%**																

1 The 2024 values have been updated to reflect the inclusion of business combinations and IFRS16.
2 Due to rounding value shows as zero
3 There was expenditure on energy efficient equipment, charging stations for electric vehicles and solar panels in 2024 and 2025. Fagron does not have the data granularity available as required by the EU Taxonomy and detailled in question 62 of the FAQ publised on 29 November 2024 to allocate these expenditures to the designated economic activity.
4 Reconciles to the sum of "Acquisitions" and "Investments" in Note 15 and Note 16 of the consolidated financial statements.

EU Taxonomy

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2025

Financial year 2025		2025		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic Activites (1)	**Code (2)**	**OpEx (3)**	**Proportion of OpEx 2025 (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaption (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaption (12)**	**Water (13)**	**Pollution (14)**	**Circular economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) OpEx, 2024 (18)**	**Category (enabling activity or) (20)**	**Category (transitional activity) (21)**
		Million euro	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmental sustainable activities (Taxonomy-aligned)																			
OpEx of environmental sustainable activities (Taxonomy-aligned (A.1)		**0.0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**		
Of which enabling		0.0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which transitional		0.0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
Manufacturing of plastic packaging goods	CE 1.1	0.0[1]	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC 1.1	0.1	1%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								1%		
Manufacture of medicinal products	PPC 1.2	5.1	37%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								36%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.0[2]	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.0[3]	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%[3]		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.0[3]	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%[3]		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		5.2	38%	0%	0%	0%	38%	0%	0%								37%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		5.2	38%	0%	0%	0%	38%	0%	0%								37%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		8.5	62%																
TOTAL		**13.8[4]**	**100%**																

1 Not applicable but disclosed in 2025 out of consistency with 2024
2 There was expenditure on repair and maintenance of energy efficient equipment in 2024 and 2025, but Fagron does not currently have data available on the energy labels of this equipment.
3 Due to rounding value shows as zero
4 Value does not add up due to rounding.

EU Taxonomy

Template 1 – Nuclear and fossil gas related activities

Nuclear energy related activities	
1. The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2. The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3. The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities	
4. The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

The other four templates related to nuclear and fossil gas related activities have not been included in this annual report. Since Fagron is not active in these sectors, templates 2 to 5 are not completed.

Measurement methodology, scope and assumptions

Boundaries and baseline value

The scope of reporting is aligned with the scope of the consolidated financial statements. The greenhouse gas emissions of all subsidiaries are considered. Acquisitions are accounted for with one year delay, unless the acquisition represents a 5% increase in scope 1 and scope 2 emissions (location based). Fagron has a few associates and no joint ventures. The associates are not taken into account in the GHG calculation as these are considered not to result in a material omission. The year with which we compare our emissions (our base year) is 2021.

The boundaries of our greenhouse gas emission reporting have changed significantly over the past years, due to acquisitions and divestments of companies. To give an insight of the impact of our acquisitions and divestments we also report adjusted greenhouse gas emissions for 2021 base year emissions and the comparative year for all companies that were part of the Fagron Group for the full reporting year. This is in line with the recalculation policy for our science-based targets. We clearly show:

- Unadjusted greenhouse gas emissions, these are the emissions of companies that were part of the Fagron Group from the moment they were consolidated, and for acquisitions as from the beginning of the year following the acquisition.
- Adjusted greenhouse gas emissions, these are the emissions that would have occurred in the base year (2021) and the comparative year 2024 if those companies included in the Fagron Group for a full year in 2025, were also part of the Fagron Group in those years.

Calculation method for Scope 3 emissions

When calculating our Scope 3 greenhouse gas emissions, we still rely heavily on estimates due to limited access to primary data. We are actively working on improving data quality. In 2024 we significantly improved the data quality concerning treatment of our waste (category 5), in 2025 concerning commuting (category 7).

For purchased services (part of category 1), capital goods (category 2) and investments (category 15), we calculate based on spend-based data. We know the total monetary expenditures on purchased services and capital goods, and the monetary value of minority interests. We multiply these by the average greenhouse gas emissions per euro expenditure. As from 2025, we did no longer calculate part of this category based on supplier-specific spend-based data as analysis revealed that the difference between supplier-specific GHG data and the spend-based data is limited.

For the fuel- and energy-related activities (category 3) and waste treatment (category 5), we calculate based on average data. We know the total fuel and energy consumption and calculate the mass of waste generated (see Calculation method waste generation). We multiply these figures by the emissions from the fuel and energy supply chain, and the emissions per metric ton of waste, treated respectively.

For the up- and downstream transportation and distribution (category 4 and 9), we calculate on spend-based data for all transport and distribution. Analysis of the GHG emissions resulting from distribution between Fagron companies, revealed that these were counted twice as also in the spend-based data. It was decided to as from 2025, no longer add this separately to the calculation to avoid doublecounting. Value of 2024 is not adjusted as the impact is very low.

Measurement methodology, scope and assumptions

For business travel (category 6), we multiply the known fuel use, and the distance traveled per modality (plane, train, public transport etc.) by the average emissions per traveled kilometer based on:

1. Flights: a distance-based method because we know exactly how much distance is travelled.
2. Reimbursement for business travel: a combination of fuel-based and distance-based because we know exactly how much distance or fuel reimbursement is requested.
3. Other business travel (for example, by train or public transport): we assume a mark-up of 10% on all other business travel. This is an estimate and makes up a small percentage of the greenhouse gas emissions of our business travel.

For commuting (category 7), we calculate based on a distance-based method. We estimate the distance traveled per modality (car, public transport, bicycle etc.) based on an estimated number of working days by employees and information retrieved from a survey. In 2025, this survey was conducted across all entities of the group and questioned employees about their commuting habits (number of days in the office, average commuting distance etc.). We multiply the estimated distance traveled per modality by the average emissions per traveled kilometer. As data for the comparative year and the base year is based on a limited survey conducted in 2023, values of 2025 are not comparable to those of the years before.

The processing of sold products (category 10) is calculated based on average data. The exact way that our intermediate products are processed further is not know because they could be used to compound many different end-products. We estimate the total mass of products that we sell that might be processed further and assume these products are all compounded by a pharmacist using one particular type of Fagron Lab equipment. This is a worst-case estimate because these products could also be compounded by hand or in much bigger batches where the electricity use per unit of is much lower. We multiply the total estimated electricity use by average emissions per kWh electricity.

The only Fagron products that lead to greenhouse gas emissions during their use is Fagron Lab equipment since these products use electricity. For the use of sold products (category 11) we calculate based on an average-based method. We know the number of pieces of equipment sold and estimate the electricity consumption of these products for 24 hours a day, 365 days a year during the warranty period. We multiply the total estimated electricity use with average emissions per kWh electricity.

For the end-of-life treatment of sold products (category 12), we calculate based on average data. We estimate the total mass of products that we sell that is non-consumable and might thus end up in waste treatment at the end of life as well as the total packaging around our products. We assume all of these products consist of plastic and are incinerated. Therefore, we multiply the estimate mass of products by the emissions per metric ton plastic incinerated.

Emission factors are sourced from life cycle assessment database(s) and input-output database(s).

Calculation method chemical use & pollution

Fagron is not mandated by law to report on chemical use and pollution. We therefore do not have equipment in place for measuring total emissions of certain pollutions to air or water from our facilities.

To assess the risk of emissions to air or water, we identify potential pollution risks at Fagron. These include activities such as construction, fire, health and safety incidents, fossil fuel use, and chemical handling across Fagron's facilities. In 2024 we concluded that only chemical handling poses a risk for emissions to air and water. We therefore assessed hazardous chemicals as well as mitigation measures at each of the Fagron facilities.

Additionally, we identified potential Substances of Concern (SoC) and Substances of Very High Concern (SVHC) that could be present in products during compounding or repackaging.

The actual presence of these potential pollutants, SoCs and SVHCs, was assessed for each Fagron facility which handled these chemicals in 2024, and updated in 2025. We estimated pollution and chemical use, based on the assessment, and employed the following calculation methods.

We calculate the quantities of pollutants by using a mass-balance approach for those pollutants at facilities that are at risk of emitting material amounts of pollutants to air or water respectively[1]. We add the quantity in stock at the beginning of the year to the total purchased quantity and deduct the sum of the total stock at the end of the year and the total quantity sold during the year. We assume that the remainder is emitted to air or water as a pollutant, unless we have proof that no emissions took place. This is, for example, the case when we continuously monitor waste water exiting on-site waste water treatment or if we have proof that the substance has been collected by a third-party waste treatment company.

We calculate the quantity of substances of concern that end up in our products during compounding or repackaging by using a mass-balance approach. We add the quantity in stock at the beginning of the year to the total purchased quantity and deduct the total stock at the end of the year. We assume that the remainder ends up in products that we sell. This gives an indication of the possible impact on the environment of our products.

Calculation method waste generation

If available, we collect data on mass of waste. If that is not possible, data is collected on volume or on number of bins. For the latter two, we make an estimate of the density and the volume of the bin respectively. For 2025, mass data made up 18% (compared to 34% in 2024) of the total waste generated, volume data 1% (1% in 2024), and data collected based on bins 81% (65% in 2024). The data related specifically to bins creates some uncertainty because bins are often not 100% full when they are collected, and it is therefore difficult to estimate the exact density per bin collected. We continue to work towards better data quality. Data was collected for all non-office locations only to minimize data collection efforts. Office locations were not taken into consideration since waste generated there is not material.

[1] In accordance with ESRS E2-4 material amounts of emissions are emissions of pollutants above the thresholds to air, water and soil as defined in Annex II of regulation (EC) No 166/2006 of the European Parliament and of the Council. Fagron does not emit pollutants to soil.

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