

Benelux Equities ESG Conference

ING

Virtual – 26 June 2023

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 **Fagron**
personalizing
medicine



Global leader in pharmaceutical compounding

Our 3 segments
are active in 3 regions
with >3,000 people

Favorable market dynamics and strong market positioning

Leading positions in all key markets



Full integration across pharmaceutical compounding value chain

Globally serving



Hospitals



Pharmacies



Industries



Prescribers
/ patients



2022

Revenue
€684m

REBITDA
€131m

Net profit
€70m

Our values



Customer
is number 1



Creativity



Quality



Speed
of execution



Entrepreneurship

Strategic ambitions underpinned by operational enablers

Global leadership in
Brands & Essentials
across our markets

Become leading, global,
platform for **Sterile**
Outsourcing Services

Optimize **non-sterile**
compounding &
registration business

Build the organization
of **the future** with a
clear sustainable focus

One Global Fagron

Enablers

Global Operational
Excellence

Fagron Academy

Disciplined M&A

ESG focus

Sustainable value creation model with clear ESG objectives



Low impact on environment

Fagron minimizes its environmental impact by:

- Reducing greenhouse gas emissions and energy use
- Reducing emissions to air and soil
- Improving waste management



Benefits to our people

Fagron encourages a working environment where that enables employees to become the best version of themselves. Important topics include:

- Employee engagement
- Diversity
- Health & safety
- Human rights & labor rights
- Training & development



Responsibility in supply chain

Through its facilities and supply chain, Fagron has an influence on communities all over the world. Fagron strives to have a positive impact on the communities in which it operates. It expects business partners to conduct business in line with Fagron's Business Partner Code of Conduct



Giving Back

Fagron supplies products vital to the operation of healthcare systems. Besides improving patients' lives, Fagron gives back to the communities where it operates through:

- Fagron Academy: providing education on personalizing medicine
- Fagron Foundation: leveraging resources to increase healthcare access



Good Governance

Fagron considers good governance a guideline to ensure a responsible way of doing business. Important topics include:

- Compliance with laws and regulations
- Corruption & bribery
- Fair tax policy
- Grievance mechanism
- Product quality & safety

Low impact on the environment - targets

Categories

- Reduce greenhouse gas emissions and energy use
- Reduce emissions to air and soil
- Improve waste management



Target description	Target	Target year	2021	2022	Trend
Greenhouse gas intensity	-30% vs 2019	2025	-20%	-20%	~
Renewable electricity use	100%	2030	8.9%	19.5%	+
NO _x emission intensity	-40% vs 2019	2025	-23%	-35%	-
Separate collection metal packaging waste	100% of facilities	2025	~33%	>33%	+
Separate collection plastic packaging waste	100% of facilities	2025	~25%	~50%	+
Separate collection paper/cardboard waste	100% of facilities	2025	~50%	>70%	+

Benefits to our people - targets

Categories

- Employee engagement
- Diversity
- Health & safety
- Human rights & labor rights
- Training & development

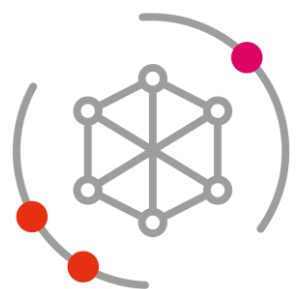


Target description	Target	Target year	2021	2022	Trend
Sustainable engagement score employees	80%	2024	83%	84%	+
Employees with career development and performance discussion	80%	Annual	88.8%	93.3%	+
% women					
All management	50%	2025	40.7%	40.6%	-
Senior management	1/3 rd		34.1%	27.6%	-
Fatalities and high-consequence work-related injuries	None	Annual	0	0	~

Responsibility in supply chain - targets

Business Partner Code of Conduct

- Human rights and labor rights
- Health & safety
- Environment
- Ethics
- Management systems



Target description	Target	Target year	2021	2022	Trend
Percentage of suppliers that accept Fagron's Business Partner Code of Conduct ¹	75%	2025	0%	10%	+

¹ By value of traded goods

Giving back

Categories

- Our products – making and keeping medication accessible
- Fagron Academy - improve pharmaceutical compounding knowledge and skills of prescribers and pharmacists
- Fagron Foundation - improve healthcare in communities and increase access to healthcare



Good governance - targets

Categories

- Compliance with laws and regulations
- Corruption & bribery
- Fair tax policy
- Grievance mechanism
- Product quality & safety



Target description	Target	Target year	2021	2022	Trend
Fines/sanctions for compliance issues at Fagron NV/BV	None	Annual	0	0	~
Product recalls of products that may cause severe side effects	None	Annual	1	1	~
% completed Code of Conduct training					
All employees ¹	90%	Annual	99.1%	99.0%	+
Management	100%		100%	100%	~
Employees with access to confidential counselor	100%	2025	5%	39%	+

¹ Of employees to whom training was offered.

In 2021, not all employees were offered Code of Conduct training because of COVID-19 pandemic

Next steps - 2023

- CSRD:
 - Update materiality assessment (addition or removal of material topics possible)
 - Expand reporting
- SBTi
 - Awaiting verification science-based emission reduction targets (expected in S2 '23)
 - Implementation targets once verified

DRAFT EUROPEAN SUSTAINABILITY REPORTING STANDARDS

ESRS 1 General requiremer

ESRS Index



Press release

Regulated information
Nazareth (Belgium)/Rotterdam (The Netherlands), 27 September 2022 – 8 AM CET

Fagron commits to set science-based emission reduction targets

Fagron, the leading global player in pharmaceutical compounding, announces that it has committed to set science-based emission reduction targets and have these validated by the Science Based Targets initiative (SBTi) to meet the goals of the Paris Agreement of limiting global warming to 1.5°C.

Rafael Padilla, CEO of Fagron commented

"By committing to set science-based targets, Fagron takes another big step in building an organization for the future with a clear sustainability focus, one of Fagron's four strategic ambitions. It strengthens our efforts to comply with the Paris Agreement and our contribution to limit global warming. Corporate social responsibility is at the heart of what we do: by personalizing medicine, they become accessible to even more people. I am proud that we commit to having our emission reduction targets independently verified by the SBTi in our efforts to contribute to a better world."

The SBTi is a partnership between CDP, UN Global Compact, World Resources Institute and World Wide Fund for Nature, that defines and promotes best practices in emission reduction and net-zero targets in line with climate science. The SBTi is the lead partner of the Business Ambition for 1.5°C campaign, mobilizing companies to set targets in line with a 1.5°C future.

As part of its commitment to the SBTi, Fagron will set greenhouse gas emissions reduction targets for Scope 1, 2 and 3 emissions in line with the SBTi's criteria and have these validated. Fagron will report company-wide emissions and disclose progress on realizing its targets annually.

General Disclosures

Based on the Draft European Sustainability Reporting Standards "ESRS 2 General Disclosures"

Disclosure	Location in Annual Report
BP-1	a), b), c) ESG Statement – general information, (p. 59) d) and e) not applicable
BP-2	We report this information by topic where applicable.
GOV-1	Corporate Governance Statement – (p. 105)
GOV-2	Corporate Governance Statement – (p. 105)
GOV-3	Corporate Governance Statement – (p. 105)
GOV-4	This information has not yet been included.
GOV-5	Risk management – (p. 45)
SBM-1	38 a) i. Our segments – (p. 10) ii. About Fagron – (p. 8); Our value chain – (p. 12) iii. Displayed per region, for EMEA (p. 24), Latin America (p. 30) and North America (p. 32) iv. Not applicable b) 100% of the revenue falls under the ESRS "Health care" (HHC) sector c) Not applicable, see b) d) I. up to and including iv. Not applicable e) ESG Statement– (p. 59) f) Strategic pillars – (p. 16); ESG Statement– (p. 59) 39. a), and b) Our value chain – (p. 12) and Value creation model – (p. 20) c) Our value chain – (p. 12)
SBM-2	a) ESG Statement– (p. 59), this explanation will be expanded upon in 2023. b) Strategic pillar four is related to ESG, see Strategic pillars – (p. 16). For materiality analysis, see ESG Statement– stakeholder analysis and materiality analysis (p. 60). This explanation will be expanded upon in 2023. c) Not applicable a) ESG Statement– (p. 59), this explanation will be expanded upon in 2023.
SBM-3	a) ESG Statement– (p. 59), this explanation will be expanded upon in 2023.
IRO-1	a) ESG Statement– (p. 59), this explanation will be expanded upon in 2023.
IRO-2	55. Overview displayed in this ESRS Index. 56. Non-material topics are Water use (ESRS E3) and Biodiversity and ecosystems (ESRS G1). The subject of Communities (ESRS S3) was not addressed in the last materiality assessment.

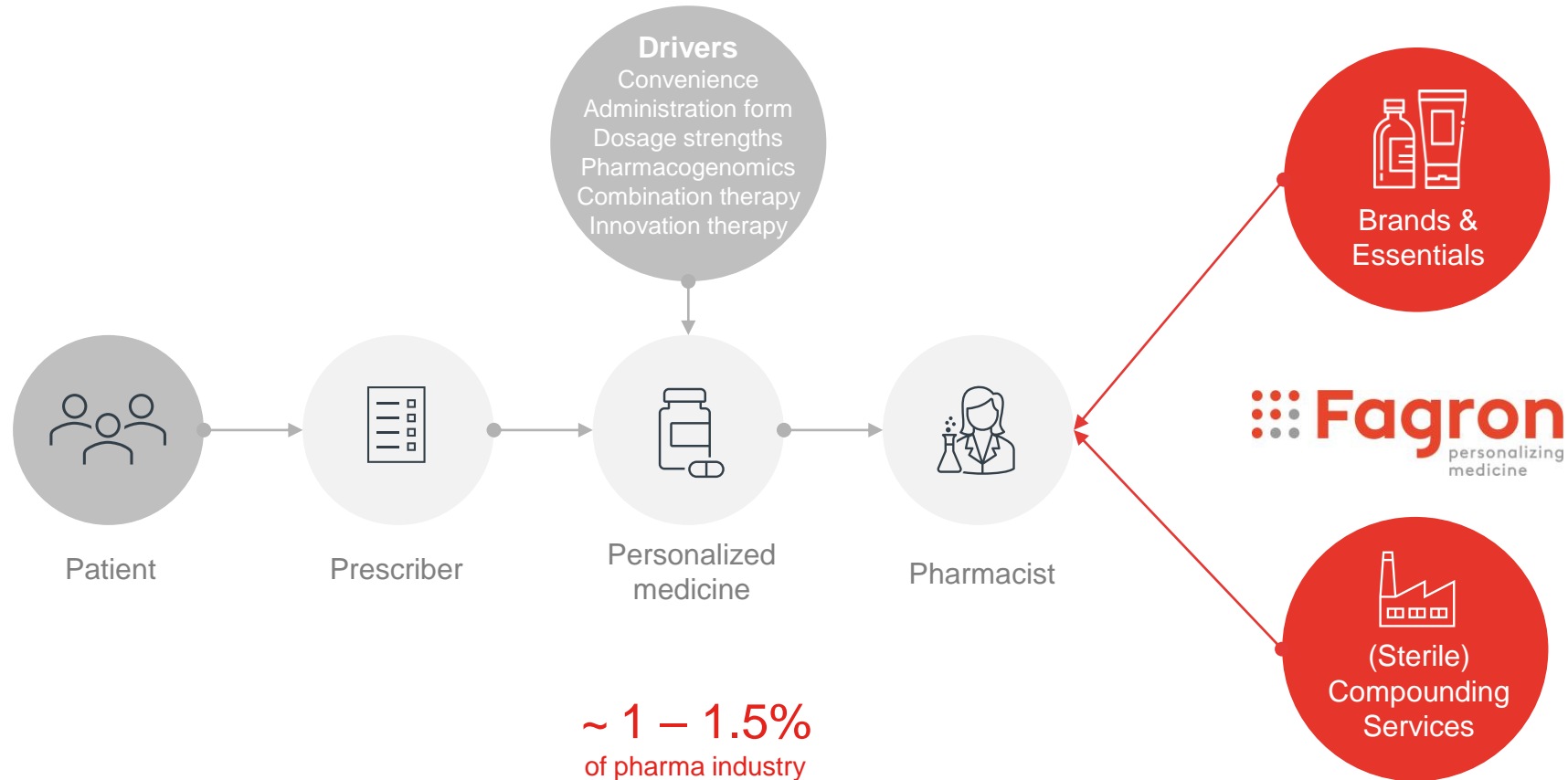
More information <https://investors.fagron.com/esg-management-strategy/>

Questions /suggestions: ESG@fagron.com

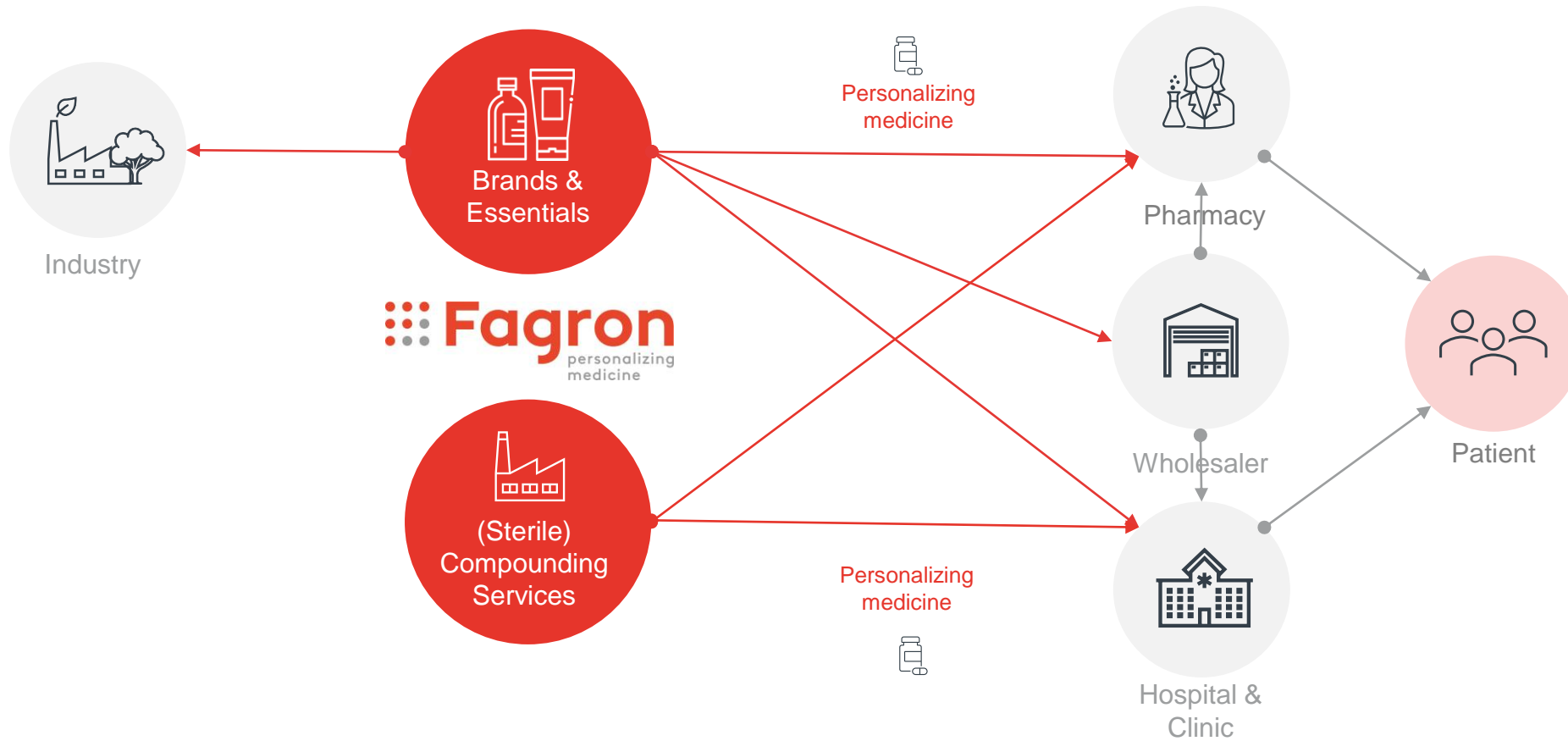


 **Fagron**
personalizing
medicine

Uniquely integrated across entire compounding value chain - Patient journey



Uniquely integrated across entire compounding value chain - Customer journey



Our Products & Services



Essentials

- Raw materials for Compounding (GMP repackaging)
- Packaging & Supplies



Brands

- Semi-finished products & Vehicles
- Laboratory equipment & Compounding software
- Pharmacogenomic testing



Compounding Services

- Sterile & non-sterile compounding
- Outsourcing for pharmacies & hospitals
- Registration & licensing of compounded products



Academy

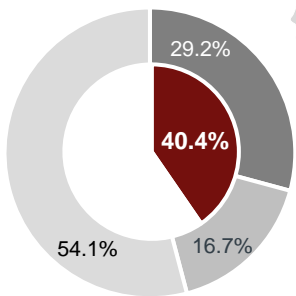
- Training & education
- Studies, innovations & concepts

Unrivalled global presence with increasing diversification

EMEA - 2022

21.9%
FY '22 REBITDA margin

+2.7%
FY '22 organic revenue growth

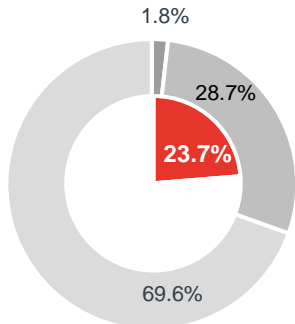


- Market leader in mature home markets
- Strong challenger positions in most other markets

Latin America - 2022

17.8%
FY '22 REBITDA margin

-1.1%
FY '22 organic revenue growth

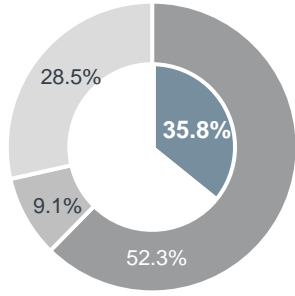


- Market leader in B&E
- Not significant at this stage in Compounding Services

North America - 2022

16.8%*
FY '22 REBITDA margin

+22.9%
FY '22 organic revenue growth



- Top 3 position in B&E
- Top 5 position in Compounding Services

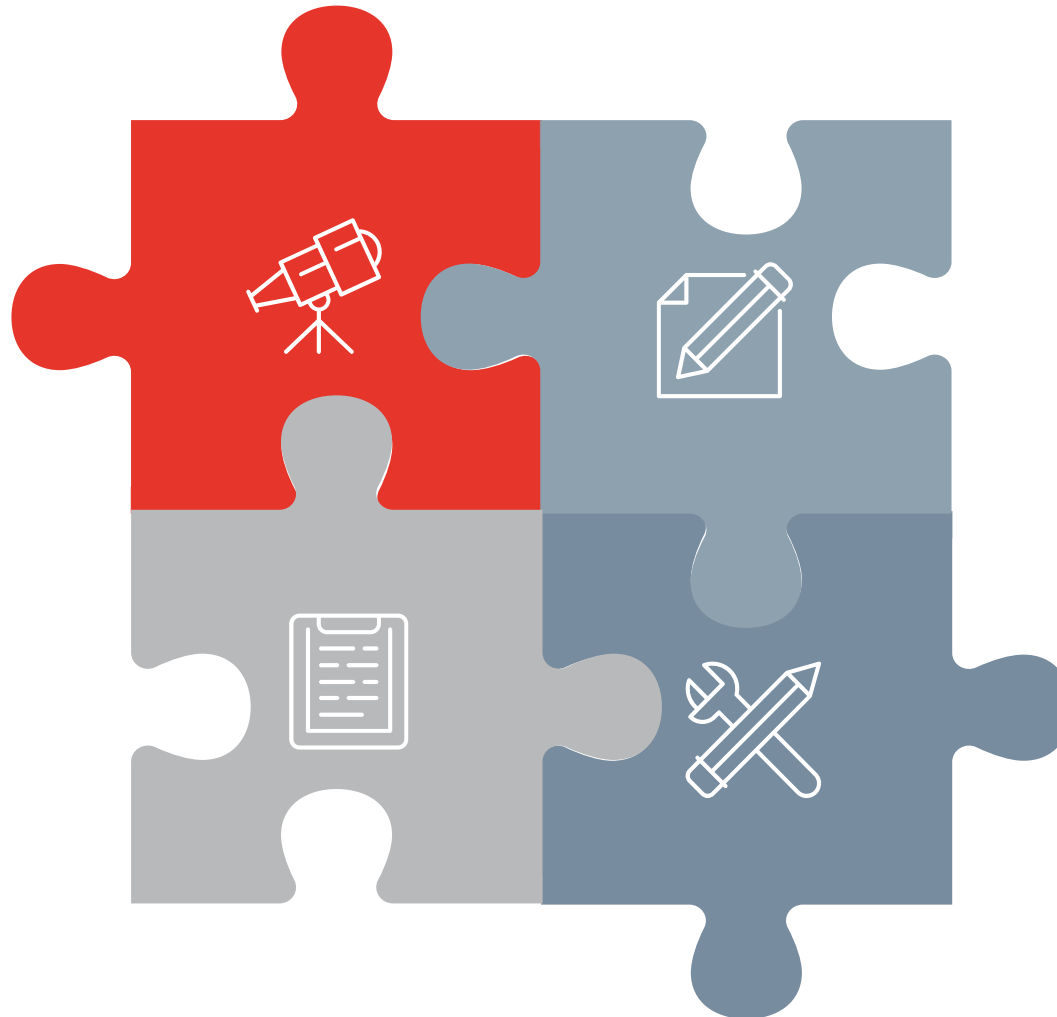
Global leader in niche pharmaceutical compounding market

Favorable secular trends

- Demographics
- Personalization
- Accessibility
- Regulation
- Market fragmentation

Strong M&A execution

- Strong M&A execution
- 5 deals FY'22
- Buy and build strategy
- Strong pipeline



Resilient business model

- Strong revenue growth
- Attractive margins
- Diversified geographical presence
- Broad product portfolio
- Innovation focus

Strong financial profile

- FY '22 free cashflow of €91m
- YE '22 Net Debt to EBITDA ratio at 1.9x

Disclaimer

The contents of this document, including all statements made therein, are based on estimates, assumptions and other information currently available to the management of Fagron.

Certain statements in this presentation may be deemed to be forward-looking. Such forward-looking statements are based on current expectations and are influenced by various risks and uncertainties. Consequently, Fagron cannot provide any guarantee that such forward-looking statements will, in fact, materialize and cannot accept any obligation to update or revise any forward-looking statement as a result of new information, future events or for any other reason.

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