

Regulated information

Nazareth (Belgium)/Rotterdam (The Netherlands), 2 February 2022 – 7AM CET

Fagron strengthens position in US with acquisition of Letco and divestment of non-core activities

Today, Fagron acquired Letco Medical. Letco is a supplier of pharmaceutical raw materials, supplies and equipment for compounding in the USA with expected sales of approximately US\$ 40 million and an expected EBITDA margin of around 11% in 2021. The acquisition price is US\$ 34 million.

Fagron also sold 80% of its contract manufacturing business unit to a syndicate including Signet Healthcare Partners, Bionpharma, Inc and GMS Capital Partners LLC today. This business unit provides contract manufacturing and private label services for consumer healthcare companies and retailers in the United States and generates around US\$ 20 million in annual sales. The consideration for the divestment amounts to US\$ 6 million, of which US\$ 4 million in cash and US\$ 2 million in a seller's note, and an additional US\$ 4 million in milestone payments.

Rafael Padilla, CEO of Fagron: *"We are very pleased to acquire Letco. Together, our companies will form a strong combination with a broad product portfolio, a strong customer base and excellent growth opportunities. With the acquisition of Letco, Fagron strengthens its position in Brands & Essentials in the United States. This brings us a step closer to realizing our ambition to be the market leader in this segment in the countries where we operate. We look forward to welcoming the Letco employees to the Fagron family. At the same time, the divestment of our contract manufacturing business accelerates our focus on creating the future of personalizing medicine."*

Andrew Pulido, Area Leader Fagron North America: *"Letco is a great addition to our Brands & Essential business in North America, with its complementary product portfolio. By combining our businesses, we are excellently positioned to grow further, provide opportunities for our employees, and offer industry leading service for both our customers and the millions of patients they serve each year. We can't wait to get started with the combined team. The carve out of our contract manufacturing business unit allows us to focus on our core activities. We look forward to supporting the new company's growth plans as minority shareholder."*

Fagron finances the acquisition of Letco from its own resources. As part of the divestment of its contract manufacturing business unit, Fagron will retain a 20% minority interest in the new company. Additionally, the new company will continue to manufacture certain supplies for Fagron.

Also, Fagron has reached an agreement with its banks to supplement the current €375 million sustainable syndicated credit facility with a new €105 million syndicated credit facility on similar terms as the existing facility.

Further information

Karen Berg
Global Investor Relations Manager
Tel. +31 6 53 44 91 99
karen.berg@fagron.com

About Letco

Letco focuses on the US compounding market and offers an extensive portfolio of chemicals, covering a wide range of therapeutic categories, as well as supplies, an extensive range of dosage

Fagron BV

Fascinatio Boulevard 350
3065 WB Rotterdam
The Netherlands

T +31 88 33 11 288
F +31 88 33 11 210
www.fagron.com



forms and delivery systems, pre-made topical bases, capsules, and equipment. Letco is headquartered in Wayne (PA), USA.

Since its founding in 1993, Letco has built a reputation as one of the most innovative companies in the compounding industry. Letco is committed to the highest quality, which translates into industry-leading quality assurance programs, rigorous quality control procedures, and a good track record with the FDA.

About Fagron

Fagron is a leading global company active in pharmaceutical compounding, focusing on delivering personalized medicine to hospitals, pharmacies, clinics, and patients in 35 countries around the world.

Belgian company Fagron NV has its registered office in Nazareth and is listed on Euronext Brussels and Euronext Amsterdam under the ticker symbol 'FAGR'. Fagron's operational activities are managed by the Dutch company Fagron BV, which is headquartered in Rotterdam.

In the event of differences between the English translation and the Dutch original of this press release, the latter prevails.