

FAGRON

Listed public limited liability company
Venecoweg 20a
9810 Nazareth-De Pinte
VAT BE 0890.535.026
RLE Ghent (Ghent division)

**SPECIAL REPORT OF THE BOARD OF DIRECTORS WITH RESPECT TO THE AUTHORISED
CAPITAL IN ACCORDANCE WITH ARTICLE 7:199 OF THE BELGIAN CODE OF COMPANIES AND
ASSOCIATIONS**

1. PRELIMINARY STATEMENT

This special report has been drawn up by the board of directors of Fagron NV (the **Company**) in accordance with Article 7:199 of the Belgian Code of Companies and Associations (**BCCA**), in connection with the proposal to renew the authorisation granted to the board of directors of the Company (the **board of directors**) to increase the Company's capital within the framework of the authorised capital. The proposal will be submitted for decision to the extraordinary general meeting of the Company to be held before notary Stijn Raes (*Raes en Van Hamme* notarial office, Ghent) on 11 May 2026 (the **extraordinary general meeting**). The existing authorisation relating to the authorised capital, as granted by the extraordinary general meeting of the Company on 9 May 2022, will, where applicable, lapse and be replaced by the proposed authorisation as from the publication of the amendment to the articles of association in the Annexes to the Belgian Official Gazette. Should the proposed authorisation not be approved by the extraordinary general meeting, the current authorisation shall remain in force as determined by the decision of 9 May 2022 (and, where applicable, only to the extent of the unused portion of such authorisation).

In accordance with Article 7:199 BCCA, the board of directors has, in this report, set out the specific circumstances under which it may make use of its authorisation within the authorised capital, as well as the objectives pursued thereby.

Pursuant to the current authorisation, the board of directors is empowered to increase the Company's capital, on one or more occasions, by an amount not exceeding 10% of the total capital, subject to a majority of at least three quarters of the votes cast. In addition, if this is in the interest of the Company, the board of directors may decide to limit or exclude the preferential subscription right, including in favour of one or more specific persons who are not personnel of the Company or of its subsidiaries.

2. BACKGROUND TO THE PROPOSED RESOLUTION

As of the date of this report, the Company's capital amounts to EUR 507,462,601.84, represented by 73,773,104 shares, without indication of nominal value and each consequently representing an equal fraction of the Company's capital (1/73,773,104th).

By resolution of the extraordinary general meeting of the Company held on 9 May 2022, the board of directors was granted the authority to increase the capital, as set out in Article 5*bis* of the Company's articles of association, within the framework of the authorised capital, by a maximum of 10% of the amount of the Company's capital, for a period of five years as from the publication of the relevant amendment to the articles of association in the Annexes to the Belgian Official Gazette on 30 May 2022. The board of directors requests the extraordinary general meeting to renew and extend this authority, as set out in Article 5*bis* of the Company's articles of association, for a new period of five years, and to authorise the use of the authorised capital, in particular, but not limited to, the circumstances described below, and in view of the purposes set out below.

3. CIRCUMSTANCES AND PURPOSES FOR THE USE OF THE AUTHORISED CAPITAL

The board of directors may use the authorised capital where the amount of the Company's capital appears to the board of directors to be insufficient, with a view to ensuring compliance with statutory and regulatory requirements or with the conditions imposed by law or regulations which the Company must comply with.

The board of directors may also use the authorised capital where an imbalance arises between the equity and the borrowed capital of the Company, all with the aim of strengthening the Company's solvency position. More specifically, the board of directors may make use of the authorised capital in the circumstances described in the BCCA (including, Articles 7:228 and 7:229).

In addition, the board of directors may use the authorised capital to provide the Company with the necessary resources to finance its growth, and in particular (i) to enable the Company to respond flexibly and swiftly to opportunities that may arise, including, but not limited to, acquisitions, mergers and in-licensing, and (ii) to address new developments and challenges.

The board of directors may also make use of the authorised capital where it appears that the costs associated with convening an extraordinary general meeting are not proportionate to the amount of the contemplated capital increase.

The authorised capital must also allow the board of directors to organise employee, consultant, director and management equity participation schemes in a simple manner. Accordingly, the board of directors may therefore use the authorised capital for the issuance of subscription rights in the context of subscription rights plans.

In all the above cases, the standard shall be that the board of directors must at all times act in the interest of the Company.

4. PROPOSED RENEWAL OF AUTHORISATION TO THE BOARD OF DIRECTORS

4.a. Authorisation regarding the authorised capital

By granting the authorisation relating to the authorised capital, the board of directors shall be entitled, for a period of five years as from the publication in the Annexes to the Belgian Official Gazette of the notarial deed amending the articles of association by which such authorisation is granted, to increase

the Company's capital, in one or more times, within the limits set by the law, by a maximum amount equal to ten percent (10%) of the Company's capital.

This authority may be exercised only if at least three fourths (3/4th) of the present or represented directors so agree.

The authority of the board of directors shall apply to capital increases effected by contributions in kind and in cash, by conversion of reserves or issue premiums, with or without the issuance of new securities. The authority of the board of directors shall also include the authority to issue, in one or more times, convertible bonds, subscription rights whether or not linked to another security, or bonds with subscription rights, provided that such authorisation shall be valid up to the amount of the capital increases that may result from the conversion of such bonds or the exercise of such subscription rights. In addition, the board of directors requests to be authorised to have any capital increase decided by the board of directors carried out also through the issuance of shares without voting rights, shares with a preferential dividend right, and liquidation privilege, as well as convertible shares that under certain conditions may be converted into a smaller or larger number of ordinary shares.

Within the framework of the authorised capital, the board of directors shall also have the authority, in the interest of the Company and subject to compliance with the conditions set out by law, to limit or cancel the preferential subscription right granted by law to the shareholders. The board of directors shall have the authority to limit or cancel the preferential subscription right in favour of one or more specific persons, even if such persons are not personnel of the Company or its subsidiaries.

On the occasion of an increase in the issued capital, realised within the limits of the authorised capital, the board of directors shall have the authority to require the payment of an issue premium, as well as to issue shares below par value. If the board of directors decides to require the payment of an issue premium, such issue premium shall be credited to an unavailable account, which shall constitute the guarantee of third parties to the same extent as the capital and which, except for the possibility of its incorporation into capital, disposal may only be made by a resolution of the general meeting adopted in accordance with the requirements applicable to an amendment to the articles of association.

The board of directors further requests to be granted the authority to amend the articles of association in accordance with the capital increase resolved upon within the scope of its authority.

4.b. Amendment to Article 5bis of the articles of association of the Company

If the extraordinary general meeting approves these proposals of the board of directors, the text of the current Article 5bis of the articles of association shall remain unchanged, it being understood that only the date "**9 May 2022**" shall be replaced by the date "**11 May 2026**".

Accordingly, taking into account the foregoing, the text of Article 5bis of the Company's articles of association shall read as follows, subject to approval by the extraordinary general meeting, it being understood that the only amendment compared to the existing text relates to the date on which the authorisation is granted, as shown below (free translation of the official Dutch version):

*“The board of directors has been authorised by decision of the extraordinary general meeting on ~~9 May 2022~~**[11 May 2026]**, by a majority of at least three quarters (3/4) of the votes and within the period of five years from the date of publication of the decision in the annexes 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, by an amount equal to ten percent (10%) of the capital.*

This authority applies to capital increases subscribed for in cash and to capital increases subscribed for in kind.

This authority of the board of directors also applies to capital increases through the conversion of reserves or issue premiums.

The authorization mentioned-above is renewable.

The board of directors has also been authorised, based on a decision taken in accordance with the provisions of the law, within the framework of the issue of securities within the authorised capital, to modify the respective rights of the existing classes of shares or securities which may or may not represent the capital. In addition to the issue of shares, convertible bonds and subscription rights, the capital increases decided by the board of directors may also be affected by the issue of non-voting shares, shares with a preferential dividend right and liquidation privilege, and convertible shares that convert under certain conditions into a smaller or larger number of ordinary shares.

Within the framework of the authorised capital, the board of directors is authorised, in the interest of the Company and subject to compliance with the conditions laid down by law, to cancel or limit the preferential subscription rights granted by law to the shareholders. The board of directors is authorized to limit or cancel the preferential subscription right in favour of one or more specific persons, even if these are not employees of the Company or its subsidiaries.

On the occasion of an increase in the issued capital, realised within the limits of the authorised capital, the board of directors is authorised to request an issue premium. If the board of directors decides to do so, the issue premium must be entered in an unavailable reserve account, which will constitute the guarantee of third parties to the same extent as the capital and over which, subject to incorporation into the capital by the board of directors, as provided for above, can only be disposed of by the general meeting of shareholders, in accordance with the conditions set by law for amending the articles of association.

In the absence of an express authorization by the general meeting to the board of directors, from the date of the notification to the Company by the Financial Services and Markets Authority (FSMA) of a public takeover bid on the shares of the Company, the authority of the board of directors to increase the issued capital by contributions in cash with cancellation or limitation of the preferential subscription rights of the existing shareholders or by contributions in kind, is suspended. This authority will again take effect immediately after the closing of such takeover bid.

The board of directors has also been granted the authority, with a view to coordinating the articles of association, to amend the relevant Article of the articles of association as soon as all or part of the authorized capital has been converted into issued capital.

If the authorized capital is not subscribed within the period set for this, the authority vested by this Article will lapse in its entirety.”

5. CONCLUSION

In light of the foregoing, the board of directors proposes to the extraordinary general meeting of the Company to renew the existing authorisation granted to the board of directors with respect to the authorised capital as set out in the current Article 5*bis* of the articles of association of the Company for

a term of five years, commencing on the date of publication of the resolution in the Annexes to the Belgian Official Gazette, while otherwise leaving the statutory provision unchanged. In the event that the proposed renewal is not approved, the existing authorisation shall remain applicable until the expiry of the five-year term.

In accordance with Article 7:199 BCCA, this report is included in the agenda of the extraordinary general meeting.

Drawn up on 7 April 2026.

On behalf of the board of directors,

[Signature]*

[Signature]*

Rafael Padilla
Chief Executive Officer

Karin de Jong
Chief Financial Officer

**Non-signed true copy. The originally signed report is available for consultation at the registered office of the Company.*

The original Dutch version of this document is available. In matters of any misinterpretation or discussion, the Dutch version will prevail.