euroAPI

Active Solutions for Health

2024 Universal Registration Document

Including the Annual Financial Report

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Active Solutions for Health

2024 Universal Registration Document

Including the Annual Financial Report

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The Universal Registration Document has been filed on April 1, 2025 with the French Financial Markets Authority (AMF), as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to article 9 of said regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

This Universal Registration Document including the annual financial report is a reproduction in PDF format of the official version of the Universal Registration Document including the annual financial report prepared in ESEF format filed with the AMF on April 1, 2025 and available on the websites of the Company and the AMF.

The statutory auditors' reports on the annual and consolidated financial statements relate to the financial statements reviewed by the Board of Directors, as presented in the official version of the Universal Registration Document, including the annual financial report, and not to their reproduction in this document.

Our manifesto

EUROAPI, active solutions for health

In this day and age, acting for health is what inspires us every day.

Acting for health is the cornerstone and a vital part of everyone's future.

Acting every day because the future of humanity also depends on those who move forward and commit to having the most sustainable and positive impact on society.

Acting so that we are always one step ahead in the race for innovation and leading the way in developing active pharmaceutical ingredients across Europe and beyond, with the highest quality standards.

Acting hand in hand with our partners to improve their businesses and products, placing active solutions at the heart of their success.

Together, we act to open the field of possibilities for better health, to contribute to people's well-being everywhere around the world.

Messages from the Chair of the Board and the Chief Executive Officer

Emmanuel Blin, Chair of the Board

In a very challenging 2024 environment, EUROAPI has continued to advance its transformation, supported by our stakeholders and driven by the commitment of our teams. I want to express my deep gratitude for their unwavering dedication.

EUROAPI's fundamentals remain unchanged and continue to set us apart: our focus on delivering a premium offering for customers, our deep commitment to patients, our people-centered culture, and our strong dedication to healthcare sovereignty in France and Europe.

I am fully confident in our renewed executive team's ability to successfully lead EUROAPI's turnaround. They have the complete support of the Board of Directors and key stakeholders to achieve this goal and to steer the company back toward sustainable and profitable growth.

David Seignolle, Chief Executive Officer

2024 marked the first year of FOCUS-27, an ambitious plan designed to enhance EUROAPI's strengths while adapting to evolving market dynamics, shaping the company into a more agile and leaner organization.

Our top priority is execution, swift and effective. By streamlining our processes, enhancing agility, and focusing on high-value market segments while rationalizing our manufacturing footprint, I strongly believe that EUROAPI has what it takes to reclaim its position as a leading player in API Solutions and CDMO in Europe.

We know the journey ahead won't be easy, but with the support of the Board and the firm engagement of EUROAPI employees, I am confident that we will collectively meet our medium-term objectives and long-term growth ambition.

History

With more than 150 years of experience in the API market, the Group is composed of six manufacturing sites and development centers equipped with state-of-the-art technology, all located in Europe (Vertolaye and Saint-Aubin-lès-Elbeuf in France, Frankfurt in Germany, Budapest in Hungary, Brindisi in Italy and Haverhill in the United Kingdom). Thanks to a customer-oriented structure, these European sites oversee the commercialization and marketing of EUROAPI's products around the world. As at December 31, 2024, the Group employed around 3,430 people.

Key dates for the Group

2023	Acquisition of the German company BianoGMP to strengthen the CDMO expertise in the high-growth oligonucleotide market.
2022	EUROAPI's listing on the regulated market of Euronext Paris and announcement by Sanofi of the decision to distribute a supplementary dividend in kind taking the form of a distribution of shares of the Company.
2021	Completion of the process to carve out a portion of the development, manufacture, marketing and distribution of APIs of the Sanofi group and the regrouping of these operations within the Company and/or its subsidiaries. Announcement of the appointment of Karl Rotthier to the position of future Chief Executive Officer of the Company (in January) and of Viviane Monges as future Chair of the Board of Directors (in July).
2020	Sanofi's announcement of the project to create a European leader dedicated to the production of APIs and their sale to third parties.
2011	Acquisition of Genzyme by the Sanofi group, resulting in the addition of the Haverhill site.
2006	Installation of the oligonucleotide synthesis unit at the Frankfurt site.
2004	Acquisition by the Sanofi Group of Aventis, the result of a merger between Hoechst and the Rhône-Poulenc Rorer group, resulting in the addition of the Vertolaye, Frankfurt and Brindisi sites.
1999	Merger of Sanofi and Synthélabo. Launch of the peptide synthesis operations at the Frankfurt site.
1993	Sanofi's acquisition of control of Chinoin, which owned the site located in Bupapest, Hungary.
1982	Creation of the Haverhill site in the United Kingdom.
1976	Start of peptide production by the Hoechst group site in Frankfurt, Germany.
1973	Start of the recombination of companies within the Sanofi group.
1966	Creation of the Aminova site in Brindisi, Italy, which was subsequently acquired by Gruppo Lepetit (1970), DOW Chemical (1973), Marion Merrel (1990) and finally by the Hoechst group (1995-1997).
1959	Registration of Francopia, which first began operating in 1932.
1946	Creation of the site in Saint-Aubin-lès-Elbeuf, France.
1939	Creation of the site in Vertolaye, France.
1910	Creation of the Chinoin site in Budapest, Hungary.
1863	Creation of the Hoechst site in Frankfurt, Germany.

Activities

API solutions

We provide a large range of products addressing multiple therapeutic areas: originator and generic products through our dedicated core platforms…

- Prostaglandins
- Controlled substances
- Anti-infectives
- Corticoids & Hormones
- Vitamin B12
- Other small and complex molecules

CDMO core platforms

…and innovative medicines through our CDMO activities.

CDMO core platforms	CDMO services
Oligonucleotides and peptides	Custom process & analytical development
Small and complex molecule synthesis	APIs for clinical development and commercial supply
Prostaglandins & HP-APIs / Opiates & controlled substances / Steroids & Hormones	RSMs* & key intermediates for clinical development and commercial supply
Particle engineering (micronization, spray-drying)	Regulatory support
Microbal fermentation	

**RSMs: Regulatory Starting Materials*

2024 key figures

~200
APIs in portfolio

Sales and support functions covering
80+
countries

20+
years of client collaboration and loyalty with most of our 530 clients

~400
scientists delivering expertise and scientific excellence

~3,430
employees

6
manufacturing sites

34%
women in extended leadership team

100%
of sites are certified ISO 14001 and 50001

Our vision

Reinventing active-ingredient solutions to sustainably meet customers' and patients' needs around the world

Our mission

Every day, we are hard at work developing, manufacturing and supplying active-ingredient solutions for our healthcare partners around the world.

Drawing on a combination of scientific excellence, industrial expertise and wide-ranging technologies, we deliver solutions that meet the highest quality, social and environmental standards – all while ensuring stakeholder satisfaction.

Our aim is to become Europe's leading API company by reliably delivering high-quality APIs.

EUROAPI is a global leader in small molecule APIs.

As a leader in innovation and R&D, we are able to accelerate development in more complex-molecule segments through our contract development and manufacturing organization (CDMO) activities.

With approximately 200 APIs, EUROAPI has one of the largest portfolios in the industry, providing solutions for a wide variety of patients and covering more than 80 countries.

Our culture and values

At EUROAPI, we want our culture to inspire every action in our professional lives. This led us to identify four core values for our business and the culture we want to promote: Taking ownership, Achieving together, Driven by our clients, and Caring for all.

Let's bring our culture to life in the way we work every day.

TAKING OWNERSHIP

We are accountable for what we do, always acting with the Company's interest in mind. Adaptable and resilient in the face of change, we promote excellence in execution. We focus relentlessly on our goals – and chart the smartest route to reach them.

DRIVEN BY OUR CLIENTS

We create value by putting our clients at the center of everything we do. We meet their needs for quality solutions by striving for best-in-class performance.
And we drive innovation to address their future expectations.

ACHIEVING TOGETHER

We empower our people for greater positive impact. All employees are encouraged to communicate openly and directly. We build trust by sharing achievements and challenges in a transparent way, and listening to other people's perspectives. We expect employees at every level to reach for greatness.

CARING FOR ALL

We value and respect our stakeholders: our own people, our clients and patients, our partners and the environment. Never compromising on integrity and ethics, we promote a safe, inclusive environment and nurture talent. We build resilient supply chains to ensure a steady supply of quality products. And we seek new ideas to improve our environmental footprint.

Board of Directors

EUROAPI is a French joint-stock corporation. Our shares are listed for trading on the regulated market of Euronext Paris. EUROAPI has chosen the AFEP-MEDEF Corporate Governance Code of Listed Companies as its reference code.
EUROAPI has a dual governance structure with separation between the roles of Chair of the Board and Chief Executive Officer. This ensures an appropriate balance of power and is in line with market best governance practices.

Board of Directors

The main mission of the Board of Directors is to set the strategic direction of EUROAPI and oversee its implementation. It comprises 11 members, who bring a diverse and complementary range of skills and experience:

6	67%	45%	2
nationalities represented	independent members	women	employee representatives

Specialized committees

EUROAPI's Board of Directors has set up specialized committees responsible for assisting the Board in its oversight and initiatives. The members of these committees are appointed by the Board of Directors from among the directors, based on their experience and on independence criteria.

The three committees are:

- the Audit Committee;
- the Nominations and Compensation Committee;
- the Environment, Social and Governance (ESG) Committee.

AUDIT COMMITTEE	REMUNERATION & NOMINATION COMMITTEE	ESG COMMITTEE
75%	75%	100%
Independence rate	Independence rate	Independence rate

Emmanuel Blin

Chair of the Board of Directors

Elizabeth Bastoni

Independent Director

Cécile Dussart

Independent Director

Claire Giraut

Independent Director

Mattias Perjos

Independent Director

Rodolfo J. Savitzky

Independent Director

Jean-Yves Caminade

Director representing Bpifrance Investissement

Olivier Klaric

Director representing Sanofi-Aventis Participations

Géraldine Leveau

Director appointed on a proposal from the French State

Kevin Rodier

Director representing employees

Marie-Isabelle Penet

Director representing employees

Euroapi - Budapest (Hungary)

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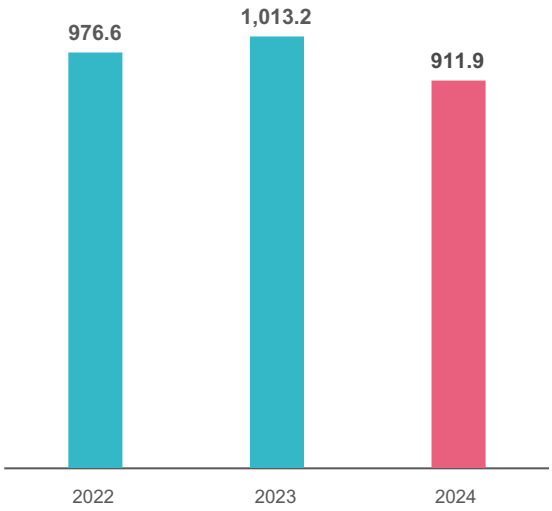
PRESENTATION OF THE GROUP AND BUSINESS OVERVIEW

1.1 KEY FIGURES

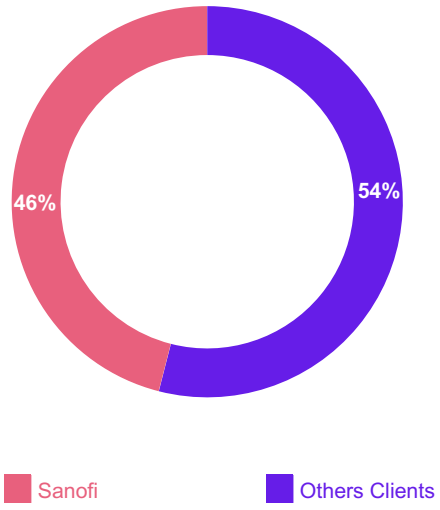
1.1.1 Key financial figures

Net Sales

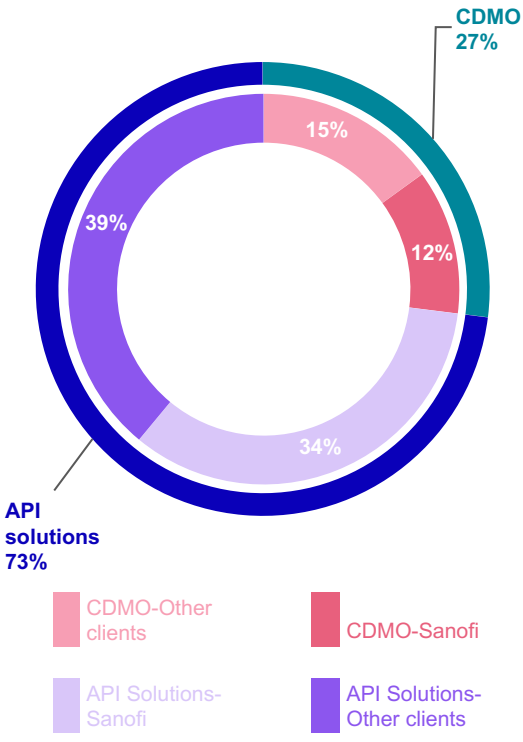
In million euros



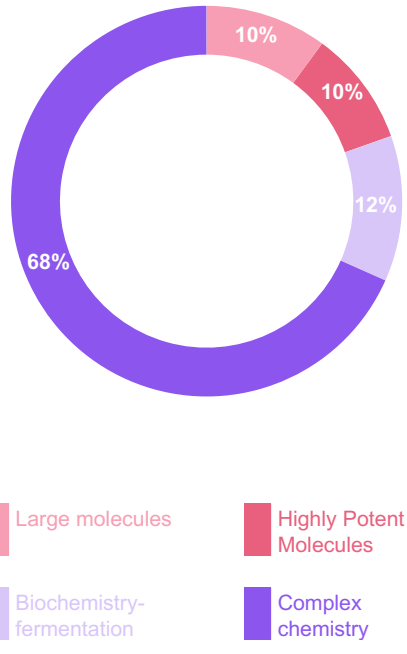
2024 Net sales by clients



2024 Net sales by activities

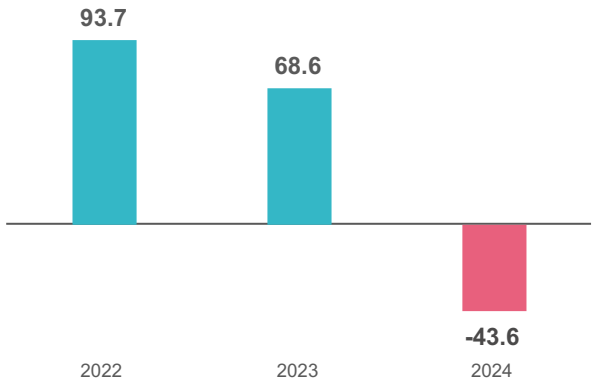


2024 Net sales by types of molecule



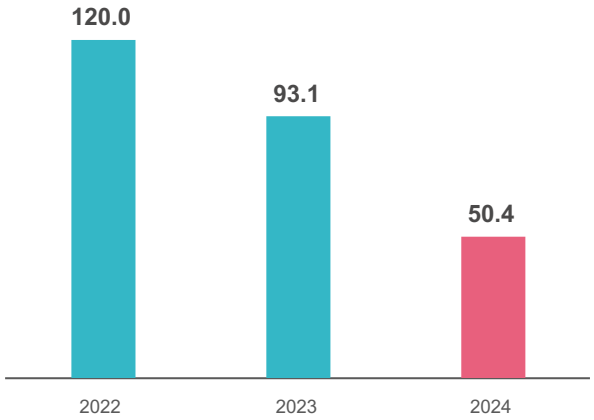
EBITDA

In million euros

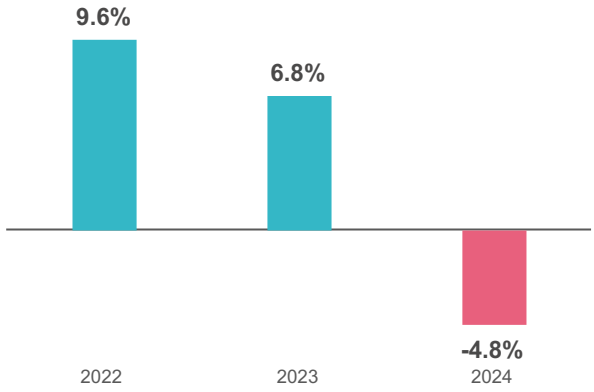


Core EBITDA

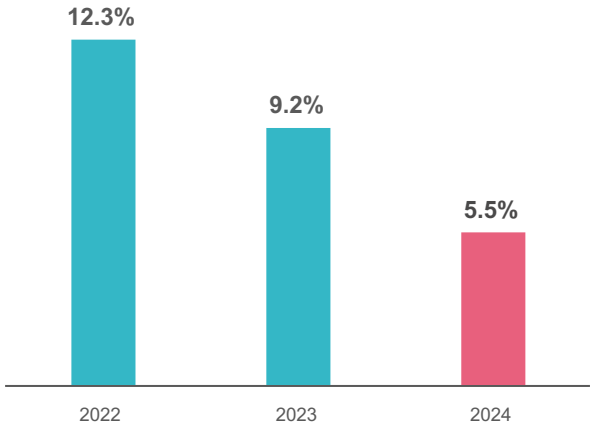
In million euros



EBITDA margin

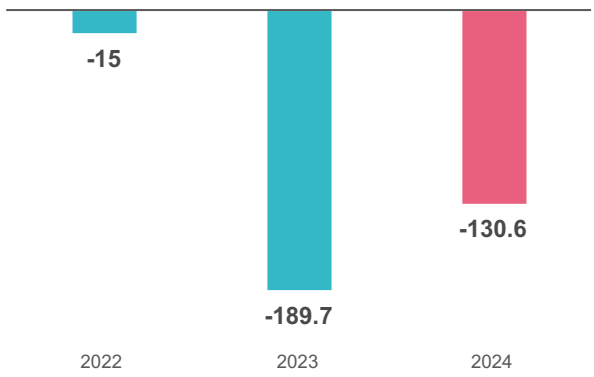


Core EBITDA margin



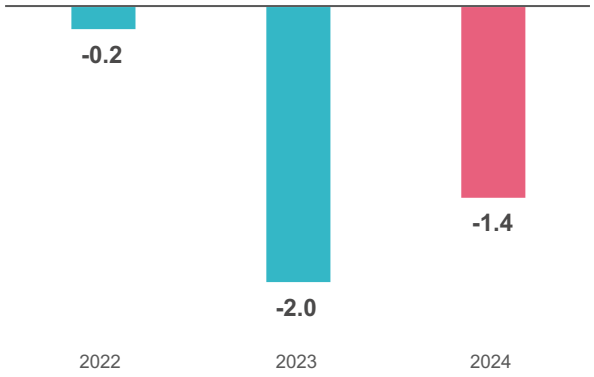
Net income

In million euros



Basic EPS

In euros



Net sales by flow and type

(in € million)	December 31, 2024	December 31, 2023	Change
API Solutions - Other clients	354.1	360.3	(1.7)%
API Solutions - Sanofi	309.5	367.2	(15.7)%
API Solutions	**663.6**	**727.5**	**(8.8)%**
CDMO - Other clients	135.6	180.5	(24.8)%
CDMO - Sanofi	112.7	105.3	7.0 %
CDMO	**248.3**	**285.8**	**(13.1)%**
Total net sales	**911.9**	**1013.2**	**(10.0)%**
Total net sales - Other clients	**489.7**	**540.7**	**(9.4)%**
Total net sales - Sanofi	**422.2**	**472.5**	**(10.7)%**

Net sales by product category

(in € million)	December 31, 2024	December 31, 2023	Change
Large molecules	90.5	76.5	18.3%
Highly potent molecules	91.0	96.4	(5.6)%
Biochemistry molecules derived from fermentation	110.1	184.1	(40.2)%
Complex chemical synthesis molecules	620.3	656.2	(5.5)%
Total net sales	**911.9**	**1013.2**	**(10.0)%**

Key figures

(in € millions)	December 31, 2024	December 31, 2023
Net Sales	**911.9**	**1,013.2**
Year-on-Year change in %	*(10.0)%*	*+3.8%*
Gross profit	**142.4**	**164.6**
Gross Profit Margin in %	*15.6%*	*16.2%*
EBITDA	**(43.6)**	**68.6**
Core EBITDA	**50.4**	**93.1**
Core EBITDA Margin in %	*5.5%*	*9.2%*
Net Income	**(130.6)**	**(189.7)**
Basic EPS *(in euros)*	**(1.38)**	**(2.02)**

Balance sheet

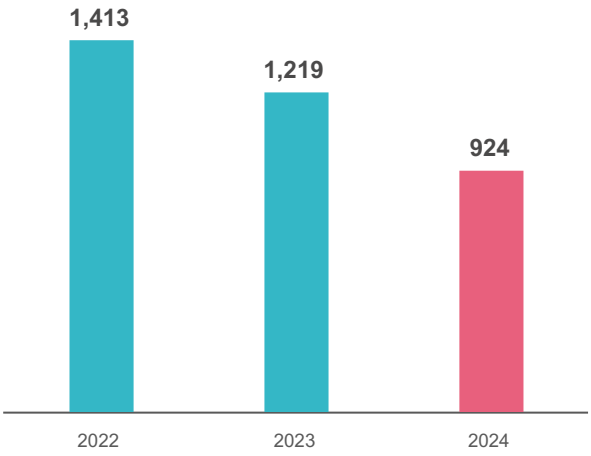
(in € million)	December 31, 2024	December 31, 2023
Assets		
Non-current assets	659.2	633.1
Current assets	830.3	979.3
Total assets	**1,489.5**	**1,612.4**
Liabilities		
Total equity	**983.5**	**927.7**
Non-current liabilities	177.6	175.8
Current liabilities	328.4	508.9
Total equity and liabilities	**1,489.5**	**1,612.4**

Group cash flow

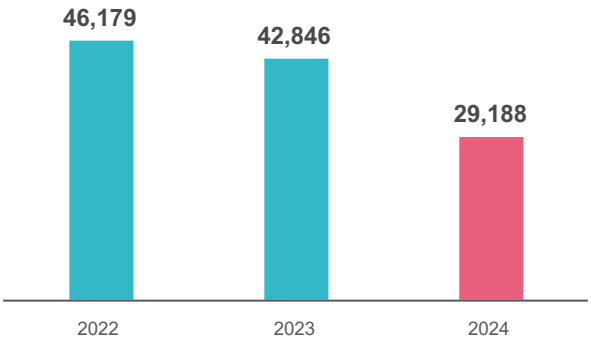
(in € million)	December 31, 2024	December 31, 2023
Net cash provided by/(used in) operating activities	**122.9**	**5.1**
Net cash provided by/(used in) investing activities	**(108.0)**	**(137.3)**
Net cash provided by/(used in) financing activities	**26.5**	**92.2**
Impact of exchange rates on cash and cash equivalents	(0.6)	0.0
Net change in cash and cash equivalents	**40.8**	**(40.0)**
Cash and cash equivalents, at beginning of period	**34.5**	**74.5**
Cash and cash equivalents, at end of period	**75.2**	**34.5**

1.1.2 Key non-financial figures

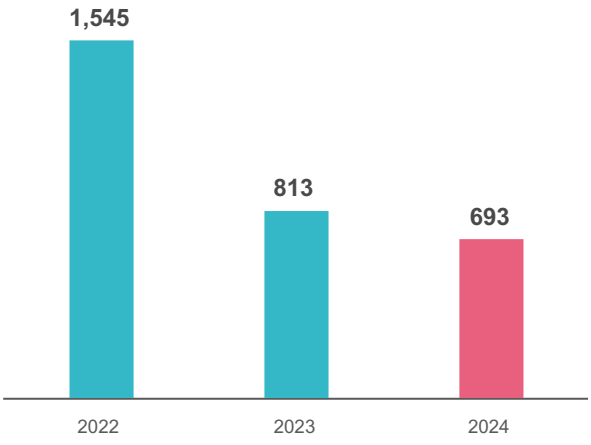
Volatile organic Compounds emission
(metric tons)



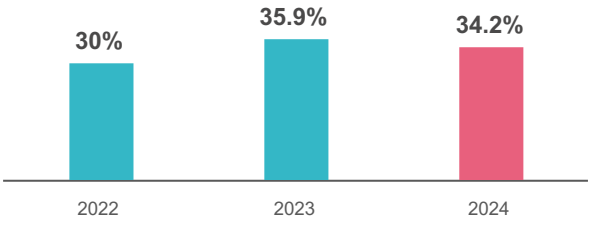
Hazardous waste produced*
(metric tons)



Total GHG Intensity - market based*
(t CO_2 eq/Mn€)



Women in extended leadership team



* *2024 environmental data disclosure is on a full civil year basis, while in 2023 report it was a rolling quarter date to end October 2023. Therefore the 2023 data has been updated accordingly.*

Indicator	2024	2023
ENVIRONMENT		
Energy		
Total energy consumption in MWh	506,534	549,278
Renewable energy consumption in MWh	136,014	143,940
% of renewable energy	27%	26%
GHG emissions* (see methodological note)		
Scope 1 GHG emissions in metric tons CO_2e	60,846	70,491
Scope 2 GHG emissions in metric tons CO_2e (Market based)	35,626	36,963
Scope 3 GHG emissions in metric tons CO_2e	535,398	716,475
Other emissions		
VOC (volatile organic compound) emissions in metric tons	924	1,215
Water		
Water consumption in thousand m^3	553	650
Waste		
Total waste produced in metric tons	60,384.0	84,115.0
Non-hazardous waste produced in metric tons	31,196.0	41,269.0
Solvents		
Total solvents consumed in metric tons	70,564	86,656
Solvent recycling rate (%)	74%	73%
Certifications		
ISO 14001 and ISO 50001 certification (% certification)	**100%**	**100%**
Number of employees by country		
France	1,259	1,302
Hungary	977	1,044
Germany	764	839
United Kingdom	168	219
Italy	216	220
Other	44	45
Total	**3,428**	**3,669**
Health and Safety (employees + temporary + on-site contractors)		
Total Recordable Injury frequency rate per 1,000,000 hours worked	4.6	2.8
Accident severity rate per 1,000,000 hours worked*	65.7	39.9
Fatality rate	0.0	0.0
Diversity and inclusion		
Women in total workforce (%)	28.7%	28.8%
Women in Extended Leadership Team (%)	34.2%	35.9%
ETHICS + COMPLIANCE		
% of employees in functions at risk, who accomplished the anti-bribery/anti-corruption training programm	96.7%	/

1.2 PRESENTATION OF THE GROUP

EUROAPI develops, manufactures, markets and distributes Active Pharmaceutical Ingredients (APIs) and Intermediates used in the formulation of medicines for human and veterinary use, both from originators and generics, and of cosmetics. This includes small molecules (complex chemical synthesis molecules, biochemistry molecules derived from fermentation and highly potent molecules (or HP-APIs)) and large molecules (such as peptides and oligonucleotides). In 2024, the Group sold its APIs to approximately 530 customers in more than 80 countries. Its customer base includes:

- the majority of the world's largest pharmaceutical companies (such as Sanofi, Daiichi Sankyo, P&G Health and ABBVIE);
- generic drug manufacturers (such as Cheplapharm, Stada and Viatris);
- animal health product manufacturers (such as Boehringer Animal Health, MSD Animal Health, Ceva);
- consumer health, nutrition and cosmetic product companies (such as DSM and Novéal);
- biotech companies (such as Sarepta Therapeutics, SQY Therapeutics, TriSalus, and Priothera);
- Contract Development and Manufacturing Organization (CDMO) (such as Catalent);
- distribution companies.

The Group currently operates six manufacturing sites and development centers equipped with state-of-the-art technology, all located in Europe (Vertolaye and Saint-Aubin-lès-Elbeuf in France, Frankfurt in Germany, Budapest in Hungary, Brindisi in Italy and Haverhill in the United Kingdom). As of December 31, 2024, the Group employed some 3,428 full-time equivalent employees (FTEs).

EUROAPI offers its customers:

- a diversified portfolio of APIs, for which the intellectual property is owned or licensed by the Group and/or is subject to a distribution agreement (the "API Solutions" business);
- development and/or manufacturing services for APIs, as a CDMO, for which the intellectual property is owned by the Group's customers (the "CDMO" - Contract Development and Manufacturing Organization- business). In addition to the sale and development of APIs, the Group also offers a range of high value-added services to meet its customers' business needs and to support them in their regulatory filings.

1.3 BUSINESS OVERVIEW

1.3.1 Market description and competitive positions

The API market

Medicines are generally composed of two key elements: the APIs or "drug substances", which enable the pharmacological activity, and the excipients, which are necessary for enhanced stability and better absorption of the API within the drug.

The value chain of the pharmaceutical industry includes:

- the discovery and development of the medicine (including the API);
- the development of the manufacturing processes to produce the API and the drug product;
- the production (API and medicines);
- the packaging (primary and secondary) and logistics operations;
- the marketing of the medicine (exclusively, during the term of the patents, then in generic form thereafter).

The market for manufacturing, developing and and producing APIs breaks down into two sub-markets:

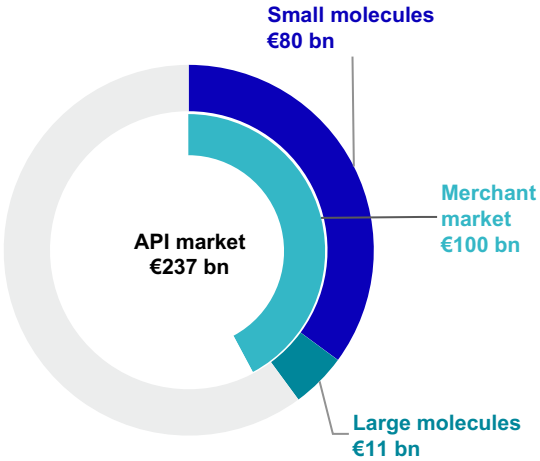
The captive market	The merchant market
The development and production of the APIs are carried out by the company that markets the finished drug product.	The development and/or the production of the APIs is outsourced by the company that markets the finished product to third parties.

Due to the criticality of APIs in the value chain of the drug, production is heavily regulated by the health authorities, from quality and patient safety to health aspects in the workplace and the environment. Certifications (regulatory dossiers) are necessary to sell them. Regular inspections by health authorities are conducted at the sites.

In addition, the industry is characterized by development and manufacturing processes with long and complex cycles that require significant financial investments, a high level of expertise and control of different production technologies, as well as solid experience in managing the value chain (including supply, complex analytical validation methods and the elimination of manufacturing waste).

Market dynamics[1]

Market size and growth



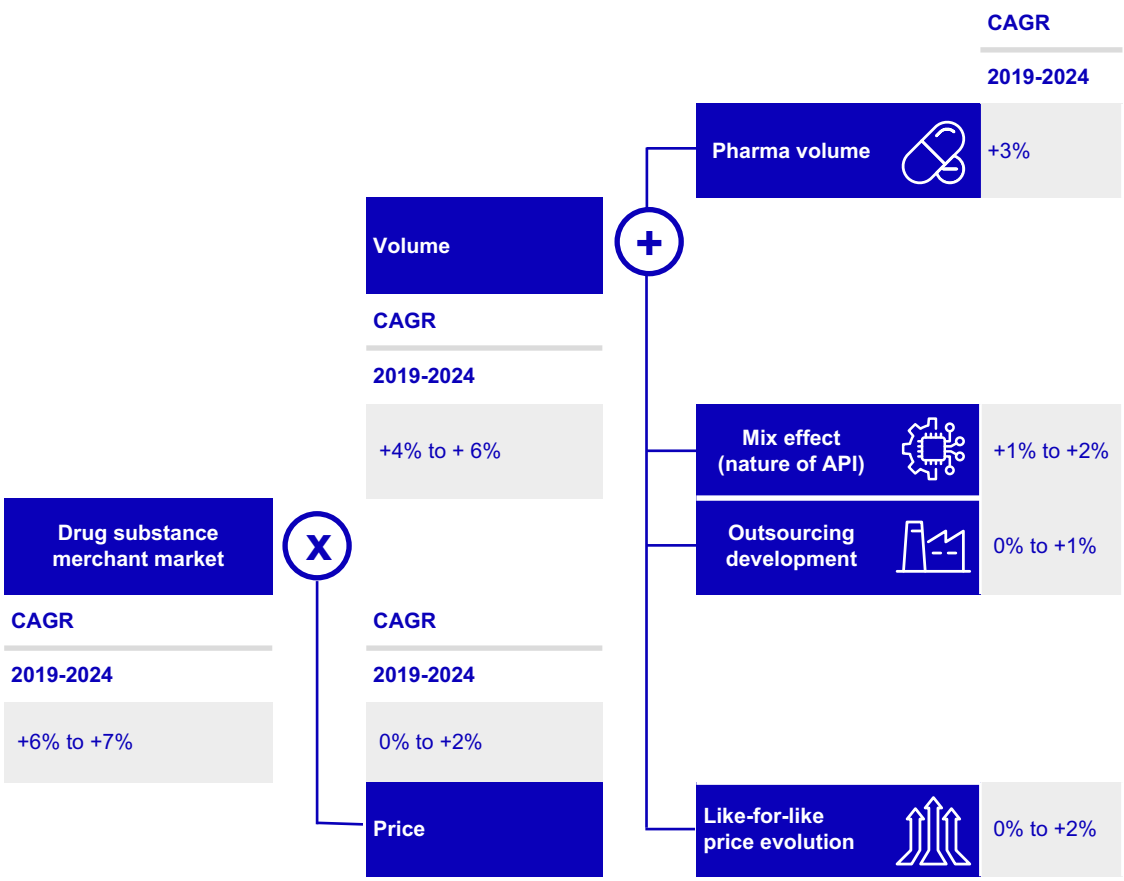
[1] *Sources: Company's estimate based on third-party market research (Global API Market by FutureWise) and using the annual reports published by the main industrial players in the API sector.*

Within a pharmaceutical market of around €1,677 billion in 2024 (excluding COVID-19 vaccines), EUROAPI targets the merchant segment of the API process development and manufacturing market, resulting in an addressable market valued at €100 billion in 2024 (out of a total market for APIs, including the captive segment, of around €237 billion).

The merchant market for process development and the manufacture of APIs is expected to grow between 6% to 7% per year from 2024 to 2028.

Growth in the coming years should be primarily carried by the growth in volumes in the pharmaceutical market, the favorable product mix effect, moderate price increases driven by differentiated APIs, and the trend toward increased outsourcing and to securing the supply chain by dual or multi-sourcing by the pharmaceutical companies.

Merchant market dynamic[1]



[1] *Sources: Company's estimate based on third-party market research (Global API Market by FutureWise) and using the annual reports published by the main industrial players in the API Sector.*

Segmentation of the API market

The merchant market for process development and the manufacture of APIs can be further segmented by molecule type.

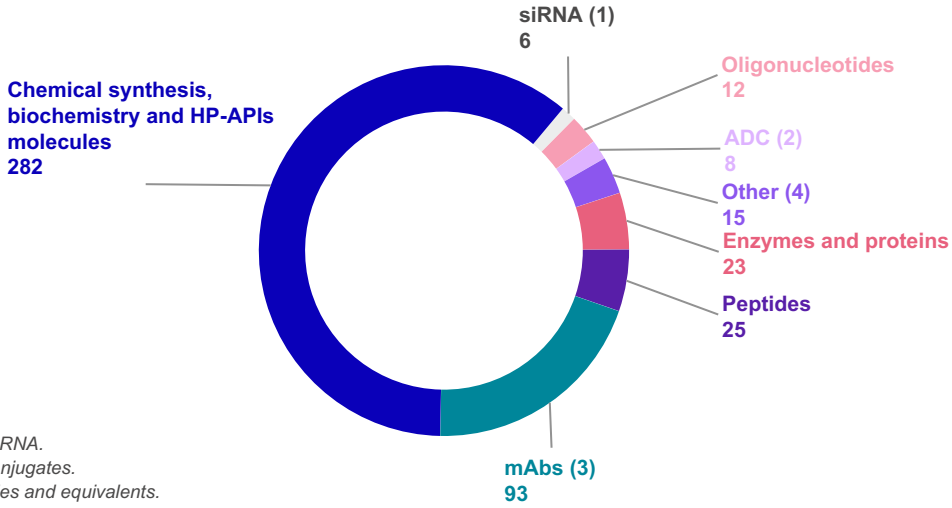
1) The merchant small molecule market (including complex chemical synthesis molecules, biochemistry molecules derived from fermentation and HP-APIs) is valued at €87 billion in 2024, representing around 85% of the total merchant market. In 2028, the small molecules market is expected to reach more than €100 billion, *i.e.* around 85% of the total merchant market, with an average annual growth rate of 4% to 5%.

	Expected growth until 2028
Complex chemical synthesis molecules	+3%
o/w steroids	Between +2% and +3%
o/w alkaloids	Between +3% and +4%
o/w sartans	Between 0% and +2%
Biochemistry molecules derived from fermentation	Between +6% and +7%
o/w vitamin B12 and its derivatives	Between +4% and +6%
HP APIs	+9%
o/w prostaglandins	Between +4% and +6%
TOTAL Small Molecules	**Between +4% and +5%**

2) The merchant large molecules market (such as peptides and oligonucleotides) is valued at €14 billion in 2024, or around 15% of the total merchant market. In 2028, the large molecules market is expected to reach €19 billion, still representing approximately 15% of the total merchant market, with an average annual growth rate of 8% to 10%. Peptides and oligonucleotides will be the main growth drivers with an average annual growth of 18% to 20%.

Between 2016 and 2024, small molecules represented more than 60% of all molecules approved by the United States FDA (Food and Drug Administration)[1]. By the end of 2025, around half of the molecules approved by the FDA are expected to be small molecules.

Distribution of the new molecules approved by the FDA between 2016 and 2024[2]:



(1) Small interfering RNA.
(2) Antibody-drug conjugates.
(3) Includes antibodies and equivalents.
(4) Including lipids, radioconjugates, polymers and neurotoxins.

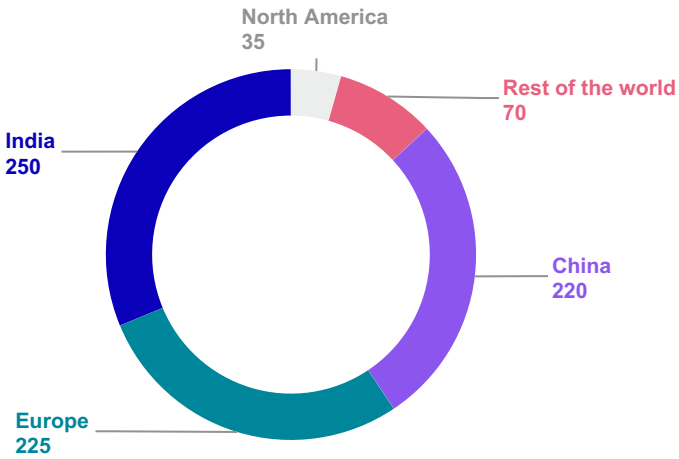
EUROAPI, which has the capacity to produce more than 80% of the new molecules approved by the FDA since 2016, has a strong presence in the complex chemical synthesis molecules and biochemistry molecules derived from fermentation sub-families, with an emerging presence in HP-APIs and in large molecules (peptides and oligonucleotides in particular), which are key components in the Group's strategy for future growth.

Competitive landscape[3]

Overview

The API merchant market is very fragmented with over 800 plants.

Global distribution of the 800 plants



(1) *Sources: FDA database; BioPharma Trend - Will Biologics Surpass Small Molecules In The Pharma Race?*
(2) *Sources: FDA extraction; C&En - The Years in New Drugs 2016 from 2024.*
(3) *Sources: Analyses conducted from Capital IQ and MergerMarket databases; FDA (Food and Drug Administration) Drug Quality Inspections; press releases of rival companies; Company information; analyses performed by brokers on the competitive landscape using public data about the competing companies; interviews with experts on the API market conducted early in 2021.*

In the pharmaceutical value chain, three main archetypes compete in the process development and manufacture of APIs:

- CDMOs focused on the manufacture of APIs;
- integrated CDMOs offering both the manufacture of drug substances (APIs) and drug products;
- pharmaceutical companies with an adjacent CDMO for third parties in addition to their captive business.

Market characteristics

The market's features are:

1) The commercialization of the APIs is heavily regulated by health authorities: detailed and costly technical documentation with long registration timeframes (from 9 to 40 months to qualify a new API source not yet certified). The registration timeframe includes six key steps:
   - evaluation and planning,
   - transmission of samples,
   - testing of pilot batches at laboratory scale to verify the product's specifications,
   - industrialization of the process for the manufacture of commercial batches;
   - stability tests for the first commercial batches,
   - registration with authorities before production of an API;
2) A large number of regulatory dossiers. Manufacturing sites are subject to intense vigilance with regular inspections by health authorities and customers, and are subject to different regulatory obligations depending on the region of the world; these obligations evolve over time and require ongoing work to ensure compliance at all times;
3) Prioritization of long-term relationships with suppliers known for their quality and reliability of supply: the process of changing a supplier is long and requires a financial investment of several hundred thousand euros;
4) The industrial excellence necessary to propose a competitive offer: an upstream investment and heavy startup costs are needed to establish production of APIs. Only sufficient critical size allows attractive prices and viable margins. It is also crucial to have specific technological expertise with control of complex industrial processes with long cycles.

The competitive landscape is continually evolving around the major trends described below:

Trends	Comments
Increased outsourcing of API supply	Pharmaceutical companies have better control over their production costs by leveraging contracts and competition between suppliers.
Focus on key suppliers	Pharmaceutical companies increasingly work with a small number of large suppliers offering a broad portfolio of APIs to secure supply amid drug price pressures and shorter R&D cycles.
Consolidation through mergers & acquisitions	Mergers and acquisitions allow API suppliers to access quicker to existing or new technologies; therefore accelerating market entry and capacity expansion.
Increased demand for premium APIs	The demand for certain APIs is increasing due to the possibilities offered by their specification and complexification. This is notably the case for peptides and oligonucleotides.
Price pressure	Generics face price pressure due to standard technologies and low competitive differentiation.
ESG and quality	Demand is rising for manufacturers with strong social, environmental and quality standards.
Opportunities for Western manufacturers	Supply disruptions and quality issues in low-cost regions are driving pharmaceutical companies to adopt multi-source strategies and relocate operations to Western countries.

1.3.2 Overview of Group business activity

As of the date of the Universal Registration Document, the Group markets approximately 200 APIs, both within its API Solutions business and its CDMO activities, to 530 customers in more than 80 countries. The intermediates and APIs manufactured by the Group are used in the composition of drugs for human or veterinary use, both originator and generic.

Nature of the Group's business activities

API Solutions business

In its API Solutions business, the Group offers its customers a diversified portfolio of around 160 APIs, consisting of complex chemical synthesis molecules, biochemistry molecules derived from fermentation and HP-APIs. The intellectual property rights to the APIs of the Group's API Solutions business, and to manufacture the ingredients, are held by the Group or licensed by the Group and/or covered by a distribution agreement.

CDMO activities

In its CDMO activities, the Group manufactures approximately 35 APIs or intermediates of APIs. The intellectual property rights of the APIs or intermediates developed and/or manufactured by the Group as part of its CDMO activities are held by the Group's customers.

The Group offers services to specific customers, covering the three distinct phases in the development and production of APIs or intermediates: upstream development (pre-clinical phase/clinical phase 1), downstream development and production of the APIs (clinical phase 2/clinical phase 3) and the commercial phase.

- During the **upstream development phase**, laboratories focus on the initial development of the API manufacturing process and on the analytical methods used for quality control. The production will occur at pilot scale under GMP conditions with the objective of determining the process feasibility.
- The **downstream development phase** builds upon the initial development, with a focus on optimizing the process for larger production volumes while ensuring the quality and consistency of the API for clinical trials and commercialization.

Upstream development of the API Pre-clinical phase/clinical phase 1 ~ 4 years	Downstream development of the API Clinical phase 2 and phase 3 ~ 6 years	Commercial phase ~ 8 to 10 years
Laboratory studies to become familiar with the manufacturing process	Industrialization of the manufacturing processes	Supply of APIs to the Group's customers
Transfer, development and optimization of the manufacturing processes	Validation of the raw materials and API analytical methods	Regulatory assistance to help manage relations with health authorities
Transfer, development and optimization of the analytical methods to control the final quality	Characterization of the manufacturing processes to identify and ensure their reliability	Quality assistance to ensure continuous GMP compliance in the manufacturing processes
Production of non-GMP batches for toxicology studies and pharmaceutical formulation	Production of GMP batches applicable to clinical phase 2 and 3 studies to humans	Technical and commercial support
Production of GMP batches applicable to clinical phase 1 studies to humans	Production of validation batches that will validate the process at the industrial scale	Improvement of the manufacturing process (costs, quality, safety and environmental impact)
Stability studies and defining the API expiry date	Regulatory support in the preparation of applications submitted to health authorities	Product lifecycle management

Associated services offered by the Group

In the context of its API Solutions business and CDMO activities, the Group offers its customers a range of high value-added services to meet their commercial and regulatory needs. These services include: (i) regulatory assistance; (ii) quality assistance; and (iii) technical and commercial support.

Regulatory assistance

As part of its comprehensive service offering, the Group offers regulatory assistance to its customers.

The regulatory assistance offered by the Group includes the preparation of all the regulatory documentation required throughout the development cycle of the APIs, in the context of its CDMO activities in particular: (i) briefing packages; (ii) registration application packages or the chemical portion of the applicable marketing authorizations; and (iii) the permanent files of the API (ASMF – Active Substance Master File) in the European Union or the DMF (Drug Master File) in the United States, or the CEP (Certificates of Suitability to the European Pharmacopeia).

Moreover, the Group's experts responsible for regulatory assistance can assist the Group's customers with questions or information requests from the health authorities and participate in meetings with the Group's customers and competent authorities to support the customer in obtaining regulatory approval.

The Group also offers its customers regulatory assistance for its products in the commercial phase.

Quality support

Quality support is provided by the quality assurance, quality control and analytic development units of the Group. The Group develops production in accordance with GMP while providing assistance with regard to process developments in accordance with ICH guideline Q8 (pharmaceutical development), process transfers and analytics, analytic validations, process validations, evaluation of mutagenic impurities in accordance with ICH guideline M7(R1) on assessment and control of DNA reactive (mutagenic) impurities in pharmaceuticals to limit potential carcinogenic risk, and impurity traceability studies.

Technical and commercial support

In the pre-clinical phase or clinical development phases in particular, the Group provides its customers with technical support to assist in the process in developing APIs along with a technical analysis and expert assessment to support the preparation of the regulatory package.

Group products

Complex chemical synthesis molecules (68% of 2024 Group Net Sales)

Complex chemical synthesis molecules are organic compounds with low to medium molecular weight. They are generally obtained through a chemical route. They are characterized by a small to medium size allowing them to cross cellular membranes to reach intracellular targets and an increasingly complex and technologically sophisticated structure. Most of the complex chemical synthesis molecules can be administered orally, injected or inhaled. The production cost of these molecules varies.

Primarily through Francopia, a subsidiary of the Company, the Group sells alkaloids used both in the composition (i) of narcotic opiate products; and (ii) in non-narcotic opioids primarily used to fight opiate addictions. The Group has no exposure to narcotic opiates in the United States and sells only non-narcotic opioids in this country.

	Group portfolio				
Families of APIs	Number of ingredients	Examples of ingredients marketed by the Group	Group production sites	Number of customers	Examples of therapeutic use
Steroids	30	Prednisolone, Methylprednisolone, Dexamethasone, Hydrocortisone, Spironolactone	Vertolaye	100-250	Hypertension and anti-inflammatories used in the treatment of certain diseases (asthma and eczema)
Alkaloids (non-narcotic opioids and opiates)	20	Codeine phosphate, Naloxone hydrochloride, Noscapine, Naltrexone hydrochloride, Apomorphine	-	100-150	Pain and cough, opiate addiction
Sartans	<5	Ibersartan, Olmesartan Medoxomil	Budapest	<10	Heart failure and arterial hypertension
Hyperphosphatemia	<5	Sevelamer	Haverhill	~3	Kidney failure
Antihistamines	<5	Fexofenadine	Frankfurt	10-50	Rhinitis and allergies
Antipyretics	<5	Metamizole sodium, Metamizole magnesium	Frankfurt	10-50	Pain and acute inflammation
Other complex chemical synthesis molecules	~65	Hydroxychloroquine sulfate, Ramipril, Afoxolaner, Glimiperide	Budapest, Frankfurt	100-200	Rheumatoid arthritis and lupus

Biochemistry molecules derived from fermentation (12% of 2024 Group Net Sales)

Biochemistry molecules derived from fermentation vary in size, and have a complex and differentiated structure, with an average production cost. They are administered orally or can be injected. The Group's portfolio of biochemistry molecules derived from fermentation comprises APIs of the family of anti-infectives and the family of vitamin B12 and its salt derivatives. The production of anti-infectives and vitamin B12 uses sophisticated and complex fermentation techniques.

	Group portfolio				
Families of APIs	Number of ingredients	Examples of ingredients marketed by the Group	Group production sites	Number of customers	Examples of therapeutic use
Anti-infectives	10	Pristinamycin, Rifaximin, Teicoplanin, Rifampicin	Brindisi, Saint-Aubin-lès-Elbeuf, Vertolaye	20-60	Bronchitis, toxoplasmosis in pregnancy and tuberculosis
Vitamin B12	5	Cyanocobalamin	Saint-Aubin-lès-Elbeuf	80-150	Vitamin B12 insufficiency for persons following a vegetarian diet and in animal health

HP-APIs (10% of 2024 Group Net Sales)

HP-APIs are used in very low concentrations (micrograms or nanograms) due to their high level of efficacy that reduces the side effects of the corresponding pharmaceutical specialty. The Group is the global leader in the market for prostaglandins, which includes Latanoprost, Bimatoprost and Iloprost[1].

	Group portfolio				
Families of APIs	**Number of ingredients**	**Examples of ingredients marketed by the Group**	**Group production sites**	**Number of customers**	**Examples of therapeutic use**
Prostaglandins	15	Beraprost, Latanoprost, Limaprost	Budapest	50-100	Systemic or local vasodilators (including for the treatment of glaucoma in ophthalmology)

Large molecules (10% of 2024 Group Net Sales)

The Group's portfolio of large molecules contains around five APIs from the peptide and oligonucleotide family manufactured at the Frankfurt site. Peptides and oligonucleotides are molecules of average size, most of which can be injected, with a fairly complex structure. The production cost is high since these molecules are obtained through chemical synthesis, most often following a solid phase, which requires investments in specialized equipment and significant expertise in handling and analyzing such molecules. They combine the characteristics of the complex chemical synthesis molecules (including the possibility of crossing cell membranes) and those of biochemistry molecules derived from fermentation (strong selectivity and reduction of side effects).

	Group portfolio			
Families of APIs	**Number of ingredients**	**Examples of ingredients marketed by the Group**	**Group production sites**	**Examples of therapeutic use**
Peptides and oligonucleotides	~5	Lixisenatide	Frankfurt	Type 2 diabetes

[1] *Source: Company's estimates on the basis of market studies conducted by third parties based on the data in public databases (Capital IQ and Orbis), IQVIA statistics listing revenue per API.*

Organization

1) Research and Development

The Research and Development (R&D) teams of the Group include, as of the end of 2024, around 350 experienced professionals (process development, analytical development, pilots and innovation) distributed across the Group's seven development and production sites (see paragraph "Production" of this section adding Gera development site in Germany); approximately 135 people are dedicated to the CDMO activities and 45% are PhDs or engineers. The Group's R&D capacities are primarily organized around two centers (70% of all headcount) located at the sites of Budapest, Hungary, and Frankfurt, Germany.

The Budapest center, with around 140 employees, houses chemical development laboratories and production facilities at pilot scale under the conditions stipulated by the GMP. In particular, it specializes in the production of complex chemical synthesis molecules and prostaglandins. The R&D capacities at Budapest serve local production and, to a lesser extent, the Vertolaye site. The center also specializes in CDMO activities, from development in the pre-clinical phase to regulatory registration and commercial supply.

The Frankfurt center, with around 100 employees, specializes in CDMO activities through the development and the production of peptides and oligonucleotides, conjugated molecules and small molecules. The Frankfurt site also specializes in process research to find the most suitable process for manufacturing a molecule (route scouting). The R&D capacities at Frankfurt serve local production and, to a lesser extent, production at the Vertolaye and Brindisi site.

Finally, the other 110 R&D employees of the Group are spread among the sites at Brindisi (fermentation technology), Saint-Aubin-lès-Elbeuf (fermentation technology), Haverhill (polymers, data science and spray drying), Vertolaye (small molecules and micronization) and Gera (oligonucleotides).

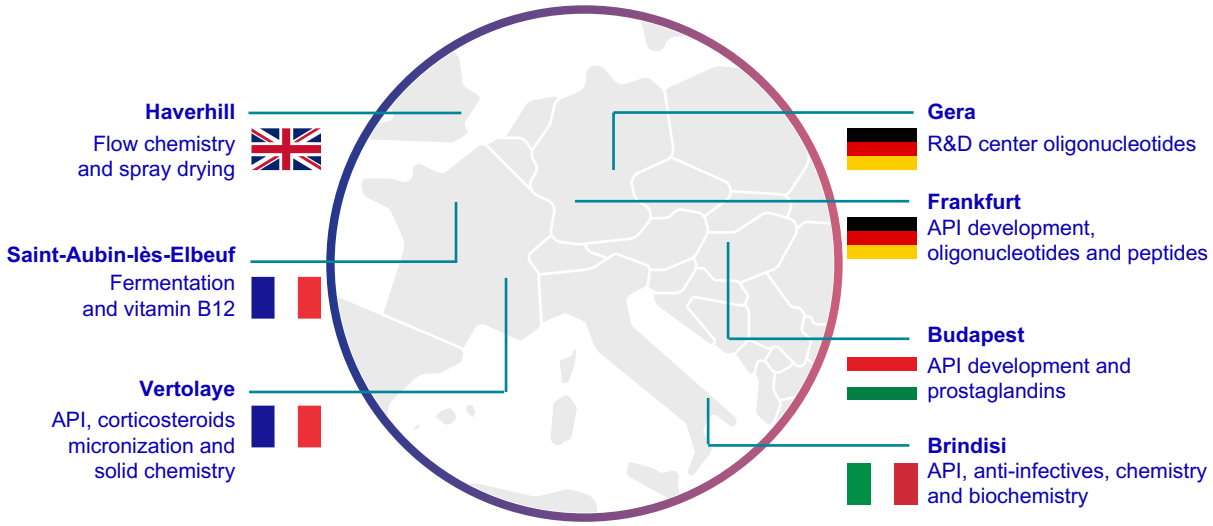
These capabilities enable its R&D teams to master elements that are key for its customers, including:

- The R&D activities necessary for the Group's CDMO activities;
- Improvement of the Group's products manufacturing processes;
- Development of new APIs;
- Support for the production of the APIs sold by the Group;
- Innovation programs;
- The support of experts for M&A projects.

The Group holds a portfolio of 25 patent families, containing approximately 430 patents and 60 pending applications. These patents and pending applications mainly cover processes to manufacture APIs, particularly for the production of prostaglandins and steroids. The Group also holds a very significant know-how concerning the production of APIs, their intermediates and analytical methods.

2) Production

The Group relies on a set of six production sites and development centers, all located in Europe.



These sites are industrial sites (chemical and/or pharmaceutical) operated for many years, including five hazardous facilities classified as "Seveso" (as defined by the Seveso directive): four areassified as "high threshold" (Vertolaye, Frankfurt, Brindisi and Budapest) and one as "low-threshold" (Saint-Aubin-lès-Elbeuf).

Group's technological capacities by production site

The Group benefits from a wide range of technologies allocated to its six production sites.

	Chemistry				Fermentation	
	Vertolaye	Frankfurt	Budapest	Haverhill	Elbeuf	Brindisi
# of employees[1]	**650**	**746**	**703 excluding R&D**	**171**	**315**	**232**
# of reactors	**98**	**408**	**221**	**8**	**22**	**18 fermentors** **50 reactors**
Total volume (m^3)	**574**	**2,383**	**460**	**25**	**4,668**	**1,800 in fermentation** **500 in chemical plant**
Key technologies	• Complex organic synthesis (steroids) • Highly potent product manufacturing • Micronization and solid chemistry • High pressure chromatography	• Solid phase chemistry for peptides & oligos • Conjugation • High volume organic synthesis • Pilot plant with flow chemistry	• Highly Potent product manufacturing • Complex organic synthesis • Large range of production scale	• High volume industrial flow chemistry (large scale) • Spray drying from pilot to large scale	• Large scale fermentation and down stream processing	• Large scale fermentation, downstream processing and hemisynthesis • Process development capabilities
CDMO capabilities	✓	✓	✓	✓	✓	✓
Key product families	• Corticosteroids • Hormones	• Peptides • Oligonucleotides • Antipyretics • Antihistamines • ACE Inhibitors	• Prostaglandins • Sartans	• Hyperphosphatemia	• Vitamin B12 • Anti-infectives	• Anti-infectives • Enzymes for biocatalysis
# of APIs commercialized	**44**	**24**	**32**	**2**	**5**	**14**
Key API's	• Hydrocortisone • Trenbolone • Dexamethasone	• Lixisenatide • Ramipril • Metamizol • Fexofenadine	• Irbesartan • Olmesartan • Beraprost Sodium • Latanoprost	• Sevelamer	• Vitamin B12 • Pristinamycine	• Rifaximine • Rifampicin • Teicoplanin • Vitamin B12 salts

(1) Excluding apprenticeships.

3) Product quality

Quality represents a fundamental pillar of each step in the development and manufacture of EUROAPI products and services. To achieve this, the Group implements its quality policy throughout the life cycle of the APIs: development, manufacture, distribution and marketing. It ensures the application of quality standards harmonized worldwide in order to comply with regulatory requirements and is committed to providing safe and effective products to its customers.

Quality entity is an independent function. On each site, quality managers are appointed to deploy, manage and control the implementation of the principles of the company's quality management system in order to ensure the quality of its products and guarantee compliance with the regulations in force.

The quality management system is designed to include the standards specific to each family of products. It is aligned with the requirements described in the ICH Q10 Pharmaceutical Quality System guide published by the International Council on Harmonization (ICH). It integrates all the rules of good practices (GMP and GDP) and other regulatory requirements for human and animal health.

4) Marketing

a) API Solutions

In its API Solutions business, the Group sells products across all continents, organized into five clusters:

- Europe: divided into Northern, Southern and Eastern parts;
- Japan;
- North America;
- Intercontinental region (ITC), which includes Latin America, China, Russia, India, and the Pacific region;
- Sanofi and Opella

The sales teams consist of 40 employees, supported by a Marketing and Business Development team of eigth employees. Additionally, key account managers are included in the sales teams to maximize the Group's key partnerships and to ensure lasting relationships with its principal customers. A dedicated team specifically manages the Sanofi and Opella accounts.

b) CDMO

Within the CDMO activities, the Group's sales organization is structured into three regions:

- Europe and the United Kingdom;
- North America (United States and Canada);
- Japan and Asia-Pacific.

The sales team consists of 15 business getters responsible for market surveillance and prospecting. Existing business is overseen by business developers who also ensure customer sales follow-up throughout the collaboration.

1.3.3 EUROAPI: strengths and competitive advantages

Solid position in a diversified portfolio of APIs

As of the date of the Universal Registration Document, the Group has one of the largest portfolios in the industry, consisting of approximately 200 APIs for its API Solutions business and CDMO activities, and covering each of the 14 anatomical therapeutic classifications defined by the World Health Organization ("WHO"). In 2024, the Group's top ten APIs accounted for 34% of its consolidated revenue, while the top 50 APIs accounted for 77% of its consolidated revenue.

The Group's positioning for each of the main categories of APIs that it manufactures is presented below[1]:

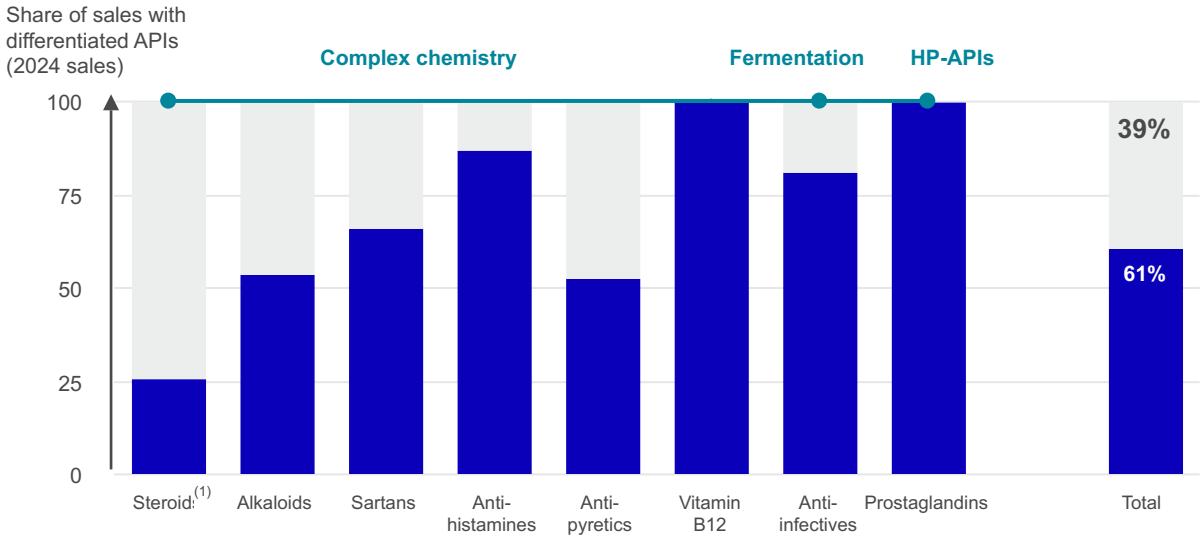
	Large molecules	Complex chemistry		Fermentation			HP APIs
	Oligo-nucleotides	Steroids	Alkaloids	Sartans	Anti-infectives	B12&Deriv	Prostaglandins
EUROAPI positions	Emerging presence	#5	#1	#3	#3	#3	#1
Key APIs	Lixisenatide	Prednisolone, Methylprednisolone, Dexamethasone, Hydrocortisone and Spironolactone	Codeine, Morphine, Noscapine, Naltrexone, Apomorphine and Naloxone	Irbesartan and Olmesartan	Pristinamycin, Rifaximin, Teicoplanin, Roxithromycin, Spiramycin, Rifapentine and Rifampicin	Cyanocobalaine	Latanoprost, Bimatropost and Iloprost

[1] *Source: Company's estimate based on third-party market research conducted using the annual reports published by the main industrial players in the API sector, public databases as well as interviews with market experts.*

Given the large share of fixed costs in total production costs and the high amount of industrial investments, scale is a major factor affecting competitiveness in the production of APIs and intermediates.

The Group is positioned in differentiated categories of APIs. A market is considered differentiated when it is a niche market or, in case of strong scale or efficiency requirements, when a specific chemical complexity exists, or when the value chain is considered to be complex. Approximately 61% of the Group's sales are generated from medium to highly differentiated[1] APIs, mainly biochemistry molecules derived from fermentation, HP-APIs, large molecules (such as peptides and oligonucleotides) and some complex chemical synthesis molecules.

Directional segmentation of the Group's portfolio of APIs



(1) Steroids are also partly biochemistry molecules derived from fermentation to the extent that most synthetic pathways include non-chemical synthesis steps.

Differentiation criteria

Medium to highly differentiated API

1	2	3	4
Niche market characteristics	**Scale/efficiency requirements**	**Chemical complexity**	**Value chain complexity**
No/limited low-cost composition Markets with less than 5 suppliers or total market volume under 1,000 tons/year	Requiring scale in production with highly efficient processes and dedicated capacity/installations	Specific chemical know-how and hard-to-make/formulate Complex products are those with more than 20 steps needed or those in need of key differentiated technologies Requiring distinctive processes to achieve narrow specifications or be allowed to enter some markets	Complex sourcing of raw materials maintenance of cold chain or regulations or needing completely integrated value chain

[1] *Source: Company's estimates based on third-party market research.*

The Group's portfolio of APIs consists largely of molecules that are integrated into long-established standards of care treatment protocols and are unlikely to be replaced. Moreover, sales of APIs included in the list of essential medicines as compiled by the WHO (2023), the ANSM (2023), BfArM (Germany 2023), FDA for the SU (2020) and Europe with the Critical Medicines Act (2024) represented 53% of the Group's restated revenue in 2024. Essential medicines, or "medicines of major therapeutic interest", correspond to therapeutic proprietary medicines used primarily for care. They are characterized by a broad spectrum of use, often generic molecules and large markets spread over several continents for the manufacturer of APIs.

Strong vertical integration offering greater autonomy and security of supply

The Group is strongly integrated and supplies its customers with APIs manufactured from intermediates produced internally and derived from largely commoditized basic raw materials. It is thus less dependent on countries with low production costs for the purchase of basic and advanced intermediates[(1)]. A supply chain program was designed to guarantee transparent processes throughout the value chain to deliver APIs to the Group's customers within the required timeframes. Supply chain will focus on responsible supply initiatives, including codes of conduct and audits of the principal suppliers, as well as the program to end single sourcing.

Manufacturing excellence and innovation capacity

The Group benefits from a wide range of technologies allocated to its six production sites, each of which benefits from appropriate investments and an experienced development team.

Innovation capabilities

The Group also benefits from an innovation team that covers the Group's four R&D platforms.

The Group owns, controls and integrates almost all of the main chemical technologies used for the manufacture of APIs, spread over its six production sites. These sites are specialized in differentiated and complementary technologies in chemistry and fermentation, which enable the Group to industrialize new molecules for its customers. Thanks to its production platform located in Europe and the large size of its multi-technology sites, the Group considers that it has the necessary attributes to be a leading candidate in the event of the relocation of the production of certain APIs to Europe. The Group's teams have thus established several complementary projects related to the technological platforms of its industrial sites in order to respond to governmental and European initiatives to relocate manufacturing in Europe. These projects aim to secure the supply of intermediates and mature APIs of major therapeutic interest through process innovation in order to ensure competitive, diversified, secure and environmentally sustainable production in Europe. These initiatives notably include:

- the development of a sustainable erythromycin production through innovative fermentation and purification processes at the site of Elbeuf;
- capacity expansion for development and production at industrial scale of solid-phase and liquid-phase complex and conjugated peptides and oligonucleotides at the Frankfurt site (Germany);
- the manufacturing of therapeutic nanoparticles at industrial scale using the particle engineering technologies such as nanoparticles, micronization and spray drying platforms at the Vertolaye (France); and
- the development and manufacture of corticosteroids through state-of-the-art biochemical, chemical and purification processes at the site of Vertolaye and Elbeuf.

Most of these projects are managed by an open innovation organization. They aim to sustainably produce these molecules in Europe and develop more cost-competitive products through environmentally friendly (bio)chemical synthesis routes. These objectives can be achieved only by leveraging the disruptive innovation brought by the principles of green chemistry, including resource minimization, solvent and waste reduction and energy input reduction, and by scouting new synthesis routes or using key new technologies such as synthetic biology, flow chemistry and biocatalysis. The Group's Environmental, Social and Governance (ESG) policy is described in detail in chapter 5 of the Universal Registration Document.

(1) *Source: Company's estimates based on interviews with experts in the API market conducted in early 2021.*

Competences

Given the strong complexity of the peptides, a more selective conjugation technology becomes essential for enhancing therapeutic effectiveness, especially when combined with small molecules. EUROAPI is well-positioned in this field, thanks to its strong technical expertise and key advantages, including:

- diverse in-house technologies for completing conjugation without external partners;
- deep knowledge in conjugation and innovative synthesis techniques;
- extensive experience with solid-phase conjugated APIs.

Regulatory and quality performance

The Group's production sites are regularly inspected by health regulatory authorities, such as the Food and Drug Administration ("FDA") in the United States, the European Medicines Agency ("EMA") or European national agencies such as the French National Agency for the Safety of Medicines and Health Products *(Agence nationale de sécurité du médicament et des produits de santé* – "ANSM"). As a result, the most recent regulatory inspections carried out on each of the Group's sites by health authorities did not reveal any critical observations. Moreover, every year, about 50 audits conducted by customers take place. In 2024, all audits have confirmed the quality level of the Group's sites[(1)]. All processes for the manufacturing of APIs at the Group's sites were certified as GMP compliant. In March 2024, following an internal audit, quality control deficiencies were identified at the Brindisi site in Italy, and the production was temporarily suspended (see note 3.2 of the Consolidated Financial Statements).

Following Nitrosamine risk awareness, the Group has put in place a proactive methodology to assess and prevent the risks of nitrosamines in its products. Based on this study, the risk analysis relating to the presence of mutagenic impurities of the nitrosamine family conducted between 2018 and 2021 by Sanofi and the Group has shown that there is no risk for nearly all the APIs produced by the Group. Over the past two years, the Group has continued to develop the Nitrosamine Risk Assessment focusing on Nitrosamine Drug Substance Related Impurities. In parallel, the Group also continues to proactively assess the risk of mutagenic impurities in its key APIs. This expertise will enable the Group to ensure risk control and develop a competitive advantage over its competitors by offering its pharmaceutical customers regulatory files that comply with the current requirements of the authorities.

As of the date of the Universal Registration Document, the Group has a broad portfolio of files and certifications, including 64 Certificates of Suitability to the European Pharmacopoeia ("CEP"), 56 files filed with the FDA (Drug Master File, "DMF") and 44 Japanese Drug Master Files ("JMF") filed with the Japanese health authority.

The Group has also obtained ISO 14001 and ISO 50001 (best environmental and energy practices) certifications for all sites. The Group has also defined certain objectives in terms of social and environmental responsibility.

Customer base

Sanofi

EUROAPI is a key strategic partner of Sanofi, supplying approximately 30% of the active pharmaceutical ingredients (APIs) purchased by the Sanofi group for the year ending December 31, 2024. This partnership includes the provision of APIs essential for the production of around 18 of Sanofi's key drugs, such as Fexofenadine, which is used in the manufacture of Allegra, an over-the-counter antihistamine, and Lixisenatide, the API used in Soliqua, an injectable treatment for Type 2 diabetes. In 2024, the principal APIs contributing to revenue from the Sanofi group included Fexofenadine, Pristinamycine, Lixisenatide, PLLA, Irbesartan, and Hydroxychloroquine sulfate.

The Group is a key contract development and manufacturing organization (CDMO) partner for Sanofi, following the signing of a Master Agreement for Development and GMP Manufacturing Services on October 1, 2021. According to the agreement, both parties can act as either the provider or beneficiary of services related to the development and improvement of processes for manufacturing certain active pharmaceutical ingredients (APIs) or intermediates. Currently, the Group is involved in approximately ten projects focused on developing processes and manufacturing new molecular entities within Sanofi's portfolio. Notable projects include the linker and payload side chain for Tusamitamab ravtansine, which is an antibody-drug conjugate in Phase 3 trials for the treatment of non-small cell lung cancer, as well as the development of cationic lipids for encapsulating mRNA vaccines being developed by Sanofi.

(1) *The Group considers an audit to be successful when it does not result in the loss of a customer.*

The Group and Sanofi have signed a Distribution Agreement that is effective from October 1, 2021, and was amended on February 25, 2022. Under the terms of this agreement, the Company will serve as a non-exclusive distributor of approximately 12 active pharmaceutical ingredients (APIs) belonging to the Sanofi group.

Other customers

EUROAPI sells its products to a diversified base of customers, including:

- most of the world's largest pharmaceutical companies, including Daiichi Sankyo, P&G Health, Alfasigma and Abbvie;
- generic drug manufacturers, such as Cheplapharm, Stada, and Viatris;
- animal health products manufacturers such as Boehringer Animal Health, MSD Animal Health, and CEVA;
- consumer health, including DSM;
- biotech companies like Sarepta Therapeutics;
- CDMOs (Catalent and Noveal);
- distribution companies.

At the end of 2024, sales to clients (excluded Sanofi) represented 53,7% of the Group's consolidated revenue.

At the end of 2024, the top ten customers (excluding Sanofi) accounted for 27.1% of the Group's consolidated revenue. 80% of the Group's consolidated revenue (excluding Sanofi revenue) was generated from 50 customers.

The Group's customers (excluding Sanofi) who purchase their APIs on an exclusive basis — meaning they are the sole source of supply listed in their regulatory filings for a given drug — represented approximately 23% of the Group's consolidated revenue for the year ended December 31, 2024.

As of December 31, 2024, approximately 55% of the revenue from the Group's API Solutions business (excluding Sanofi) came from purchase orders, while the remaining 45% was generated through contractual relationships. Moving forward, the Group plans to increasingly rely on contracts rather than purchase orders to formalize customer relationships.

For its CDMO activities, all commercial relationships with customers are already formalized through contracts.

CDMO

Revenue from the Group's CDMO activities represented 27% of its consolidated revenue for the year ended December 31, 2024, of which 15% was for customers other than Sanofi and 12% was for Sanofi.

The Group is developing CDMO partnerships with well-established biotech and big pharma companies early in the drug development process. These partnerships aim to strengthen customer loyalty and to offer higher margins thanks to the manufacturing complexity and the APIs growth potential throughout their life cycle. Additionally, the Group seeks to secure contracts for APIs or drug intermediates in commercial stages to mitigate the risk of attrition from molecules that don't reach commercialization.

In this context, the Group can capitalize on promising partnerships, notably with Sanofi and Noveal, to further develop its CDMO activities.

During the year ended December 31, 2024, the Group's CDMO activities also won 16 projects, about 65% of which were with new customers, and well balanced between early and late stage, with nine projects in preclinical/phase I, three projects in phase II, one project in phase III and four projects in commercial phase. In the context of its CDMO activities, the Group will have to simultaneously manage a certain number of API manufacturing projects at different clinical stages of development on behalf of its customers in order to take into account the natural attrition of clinical development projects inherent in the pharmaceutical sector.

The Group offers a complete range of services covering development from the pre-clinical phase up to the commercial phase, and including analytical methods validation, scaling up of production from pilot level to marketing, and competitive prices with a potential for improvement due to the occupancy rate optimization at the Group's sites.

1.4 STRATEGY AND OBJECTIVES

Following a comprehensive analysis of the company that confirmed its long-term growth potential, EUROAPI launched in 2024 a four-year project, FOCUS-27. The updated strategy is based on four main pillars:

- optimize our API Solutions business portfolio through a focus on highly differentiated profitable products and stimulate the revenue growth;
- growth and expansion with a more focused CDMO offer leveraging existing capabilities and technologies;
- industrial footprint optimization and operational excellence, prioritizing high-return CAPEX;
- implement a leaner organization with more efficient ways of working.

The objectives of these strategic pillars are to improve EUROAPI's competitiveness and to unlock a sustainable and profitable growth while strengthening its position on the markets on which it operates. It also aims to increase the weight of clients other than Sanofi in the Group's total consolidated revenue.

The Group also intends to pursue a strong environmental and societal commitment within the framework of its ESG policy.

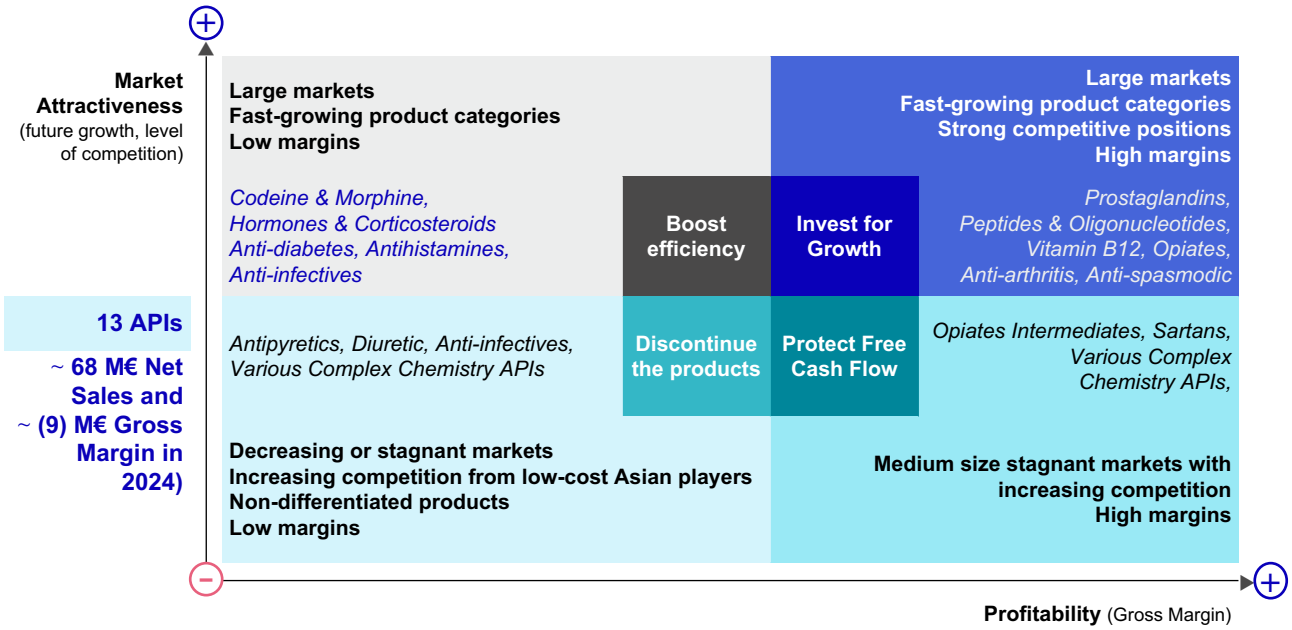
API Solutions - Optimize the portfolio and stimulate the revenue growth

The Group aims to focus on highly differentiated and profitable products, mostly sold to clients other than Sanofi. It includes notably:

- large molecules: the market is expected to expand with an average annual rate of 8% to 10% between 2023 and 2028. It includes notably the Peptides and Oligonucleotides which will be the main growth drivers;
- HP APIs: the market, which includes Prostaglandins, and some Hormones is expected to grow with an average annual rate of 9% until 2028;
- Vitamin B12 and derivatives: the market is expected to grow by 4% to 6% per year until 2028;
- Opiates, with an average annual growth of 4% until 2028.

From a portfolio of 160 APIs, the decision has been made to discontinue 13 APIs with low or negative margins, including certain complex small molecules manufactured in Frankfurt and in Brindisi. To take into account EUROAPI's contractual commitments and regulatory constraints, they will be phased out gradually.

Optimization of our API portfolio



Progressively, EUROAPI has built a broad customer base, with more than 530 clients, from large pharma and biotech to animal health, food and cosmetics. In order to improve revenue and profitability from the product offering in the API Solutions business, the Group intends to continue its efforts to increase the proportion of sales to clients other than Sanofi, although Sanofi will remain a reference customer and a privileged partner.

In order to develop its API Solutions business, the Group will mainly focus on:

- Increasing the production capacity of certain niche APIs for which demand is growing strongly and exceeds the available offer, such as prostaglandins;
- Enhancing cross-selling opportunities within its current customer base;
- Optimizing the prices of its products;
- Continuing the deployment of its commercial roadmap with the prospection of new customers.

Finally, the Group considers that the relocation of production to Europe in order to reduce the European Union's current dependence on non-European suppliers, particularly from Asia, for APIs that are strategic for European public health, could promote growth in sales. Although the Group does not include this factor in its projections, it considers that it has the production capacity and infrastructure to benefit from this development and to take advantage of initiatives taken by manufacturers of finished products aimed at developing alternative sources of supply of APIs.

To illustrate this trend, EUROAPI received in June 2024 the official notification from the European Commission that it has been selected as one of the few companies eligible to share up to EUR1 billion in total public funding under the Important Project of Common European Interest (IPCEI). This project, named Med4Cure, will enable EUROAPI to help Europe to meet the demand by 2030 for critical medicines that are currently imported.

CDMO - Capitalize on existing capabilities and technologies to refocus CDMO offer

Revenue from the Group's CDMO activities represented 27% of the Group's consolidated revenue for the year ended December 31, 2024. In the coming years, the CDMO business will remain the main driver for growth and profitability. By approaching well-established biotech companies and large pharmaceutical companies, the CDMO business should represent more than 35% of Group net sales by 2027.

The Group operates in five main technological pillars (large molecules, complex chemistry, microbial fermentation, particle engineering and HP APIs). In the future, the portfolio will be progressively shifted towards more customized and high-value CDMO segments.

To successfully refocus its CDMO offer, the Group relies on three key enablers:

- First, the commercial strategy will be geared toward large biotech and big pharma companies in order to increase the average value of projects and de-risk the pipeline though late-stage projects;
- Second, the Group will strengthen its capabilities in HP-APIs, fermentation and complex tides though value-added and customized offers;
- Third, in order to stay abreast of the industry's shift toward sustainable technologies and to respond to rapidly changing customer needs, the Group will invest to optimize and increase its existing production capacities while continuously innovate to enhance its manufacturing processes and develop new ones.

Rationalize industrial footprint and improve cost structure, prioritizing high-return CAPEX

In ligh of the new strategy to refocus its commercial strategy on added-value APIs and the significant decrease in Sanofi's volumes, EUROAPI announced an acceleration in its efforts to rationalize its industrial footprint in order to increase its average capacity utilization, with a targeted average utilization rate of 80% to 85%, in line with industry standards.

This decision will impact the site of Frankfurt, with the mothball of two workshops, and the sites of Haverhill and Brindisi that will be divested before the end of 2027. In the meantime, EUROAPI will continue to invest to ensure the required maintenance and compliance CAPEX as well as ongoing CMO activities while working on a potential divestment.

The reorientation of the Group's portfolio toward the CDMO activities, that generate higher margins, and the optimization of the API portfolio will contribute to the improvement of the Group's industrial performance and margins mix over the duration of the FOCUS-27 plan and thereafter.

Throughout the strategic plan, EUROAPI will invest between €350 and €400 million CAPEX between 2024 and 2027. This envelop will be focused on strategic growth initiatives, including increased capacities for Peptides and Oligonucleotides, Vitamin B12, and Prostaglandins.

Transform the organization

The Group strives to become more agile and efficient, which includes reducing headcount across all functions. In addition to optimizing its portfolio and rationalizing its industrial footprint, EUROAPI intends to implement a leaner operating model.

All functions, including industrial operations, quality, R&D, and support functions, will contribute to the cost-savings initiatives, which could lead to headcount reductions across the organization.

On the road towards sustainability

The Group seeks to generate a sustainable performance, taking into consideration respect for extra-financial criteria and the achievement of the ESG objectives as a key priority in establishing its strategy.

The Group has defined ambitious targets concerning respect for the environment and the health and safety of its employees, which are described below.

It notably plans to:

- Reduce its carbon dioxide (CO_2) emissions related to its activities, including its industrial sites (scopes 1 and 2), by 42% by 2030 (from 2022), with the goal of being a carbon neutral company by 2050;
- Limit frequency rate of employee accidents that result in a work shutdown (LTI – Lost Time Injury) to 1.5 per 1,000,000 hours worked, and the rate of recordable work accidents (TRI – Total Recordable Injury) to 2.5 per 1,000,000 hours worked by 2025.

The Group's ESG policy is described in detail in chapter 5.

Euroapi - Budapest (Italy)

2

CORPORATE GOVERNANCE AFR

This chapter includes sections of the Board of Directors' Corporate Governance Report (the "**Corporate Governance Report**") provided for in article L. 225-37 of the French Commercial Code (*Code de commerce*). The other parts of the Corporate Governance Report are presented in chapter 6 "Share capital and shareholding structure of the Company" and in section 7.4 "Memorandum and Articles of Association" of the Universal Registration Document.

The Corporate Governance Report was approved by the Board of Directors during its meeting held on March 20 mars 2025 following its examination by the relevant Board's Committees and has been submitted in full to the Company's Statutory Auditors.

The corporate governance reference framework used by EUROAPI is the AFEP-MEDEF Corporate Governance Code for listed companies in France (hereafter the "**AFEP-MEDEF Code**"). The Company's application of the recommendations contained in this Code is presented in section 2.1.3 "Declaration of compliance with the corporate governance system in force" below.

Capitalized terms not otherwise defined in this chapter will bear the same meaning attributed to them in the Governance Glossary presented in section 7.7 "Glossary" of the Universal Registration Document.

2.1 ADMINISTRATIVE, MANAGEMENT, SUPERVISORY AND EXECUTIVE MANAGEMENT BODIES

EUROAPI is a French public limited company (*société anonyme*) governed by a Board of Directors. The rules and operating procedures of the Board of Directors are defined by law, the Company's Articles of Association and the internal rules of the Board (the "**Board Charter**"). In addition, three specialized committees have been set up in order to enhance the Board's effectiveness and the Company's governance (see section 2.2.2 "Committees of the Board of Directors" below).

On February 28, 2024, the Board of Directors appointed Ludwig de Mot as Chief Executive Officer of the Company, effective as of March 1, 2024, to replace Viviane Monges who resigned from her role as interim Chief Executive Officer to continue solely as Chair of the Board. The Board also decided that Elizabeth Bastoni, Chair of the Nominations and Compensation Committee, would continue to act as Lead Independent Director (see section 2.1.1(c) "Governance structure/Executive management/Chair of the Board and Chief Executive Officer" below).

On December 9, 2024, following the resignation of Viviane Monges as Chair of the Board and the appointment of Emmanuel Blin as Chair of the Board, Elizabeth Bastoni stepped down as Independent Lead Director; she remains Chair of the Nominations and Compensation Committee. On the same day, following the resignation of Ludwig de Mot, the Board of Directors appointed David Seignolle as Chief Executive Officer.

governance

45% women | **67%** of independence | **56** average-aged

Emmanuel Blin
Chair of the Board of Directors
●●

Elizabeth Bastoni ●●

Cécile Dussart ●

Jean-Yves Caminade
Director representing Bpifrance Investissement
●

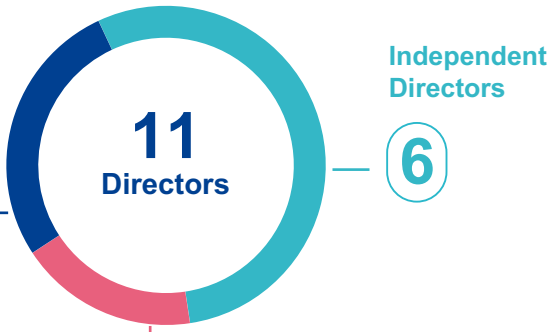
Claire Giraut ●

Mattias Perjos ●

Rodolfo J. Savitzky ●

Olivier Klaric
Director representing Sanofi Aventis Participations
●

Géraldine Leveau
appointed on a proposal from the French State



Kevin Rodier ●

Marie-Isabelle Penet ●

● = member of the Audit Committee
● = member of the Nominations and Compensation Committee
● = member of the ESG Committee

AUDIT COMMITTEE

8	90%	75%
Meetings	Attendance rate	Independence rate

REMUNERATION & NOMINATION COMMITTEE

9	97%	75%
Meetings	Attendance rate	Independence rate

ESG COMMITTEE

3	100%	100%
Meetings	Attendance rate	Independence rate

2.1.1 Information about the Board of Directors and the Executive Management

(a) Composition of the Board of Directors

As of the date of the Universal Registration Document, the Board of Directors comprises 11 members, including two employee representatives, as described below:

	Personal information				Expe-rience	Position on the Board			Board committees		
	Age	Gender	Nationality	Number of shares	Number of offices in listed companies	Independence	First appointment	Terms expires	Seniority (years)	Audit Committee	Nomination & Compensation Committee	ESG Committee
Emmanuel Blin[1] Chair of the Board of Directors	55	M	French	500	1	✓	May 6, 2022	2026 AGM	3		■	■
Elizabeth Bastoni[2]	59	F	American	500	2	✓	May 6, 2022	2026 AGM	3	■	■	
Jean-Yves Caminade[3]	52	M	French	11,283,226[4]	1	✖	July 26, 2024	2026 AGM	<1		■	
Cécile Dussart	60	F	French	950	0	✓	May 6, 2022	2026 AGM	3			■
Claire Giraut	68	F	French	509	0	✓	May 6, 2022	2026 AGM	3	■		
Olivier Klaric[5]	63	M	French Belgian	28,298,074[6]	0	✖	Mar 18, 2024	2026 AGM	1	■		
Géraldine Leveau[7]	41	F	French	N/A	0	✖	May 10, 2023	2026 AGM	2			
Marie-Isabelle Penet[8]	58	F	French	446	0	✖	Jul 4, 2022	2027 AGM	3			■
Mattias Perjos	52	M	Swedish	1,527	0	✓	Jan 11, 2023	2026 AGM	2		■	
Kevin Rodier[8]	40	M	French	2,886	0	✖	Jul 7, 2022	2028 AGM	3		■	
Rodolfo J. Savitzky	63	M	Swiss Mexican	1,000	0	✓	Sep 1, 2022	2026 AGM	3	■		

Note: the independence of the Directors is assessed by the Board of Directors on the basis of the criteria set out in the AFEP-MEDEF Code (see section 2.1.1(j) "Independent Directors of the Board of Directors" below). Legend: ■ for member or ■ for chair.

(1) Emmanuel Blin was appointed Chair of the Board of Directors, effective on December 9, 2024, to replace Viviane Monges, who resigned on December 9, 2024.

(2) Elizabeth Bastoni stepped down as Independent Lead Director on December 9, 2024; she remains Chair of the Nominations and Compensation Committee.

(3) Jean-Yves Caminade is the permanent representative of Bpifrance Investissement, appointed on July 26, 2024, to replace Guillaume Mortelier, who resigned on July 26, 2024.

(4) Shares held by Bpifrance Investissement.

(5) Permanent representative of Sanofi Aventis Participations, appointed on March 18, 2024, to replace Adeline Le Franc, who resigned on March 18, 2024.

(6) Shares held by Sanofi-Aventis Participations.

(7) Géraldine Leveau was co-opted upon proposal of the French State for the remainder of Jean-Christophe Dantonel's term of office. The 2024 Annual Shareholders' Meeting approved her appointment.

(8) Member representing the employees. In accordance with French law and the AFEP-MEDEF Code, Directors representing employees are not included in the calculation of the representation of men and women on the Board or the percentage of independent Directors.

Changes in the composition of the Board of Directors and Executive Management

The tables below present the changes in the composition of the Board of Directors and its committees from January 1, 2024 to the date of the Universal Registration Document.

In 2024:

	Departure	Appointment	Renewal
Board of Directors	Adeline Le Franc[1] (March 18, 2024) Guillaume Mortelier[2] (July 26, 2024) Viviane Monges[3] (December 9, 2024)	Olivier Klaric[1] (March 18, 2024) Jean-Yves Caminade[2] (July 26, 2024) Emmanuel Blin[3] (December 9, 2024)	
Audit Committee	Adeline Le Franc[1] (March 18, 2024)	Olivier Klaric[1] (March 18, 2024)	
Nominations and Compensation Committee	Guillaume Mortelier[2] (July 26, 2024)	Jean-Yves Caminade[2] (July 26, 2024) Kevin Rodier[4] (May 22, 2024)	
ESG Committee	Viviane Monges[3] (December 9, 2024)	Marie-Isabelle Penet[4] (May 22, 2024)	

(1) Permanent representative of Sanofi Aventis Participations.
(2) Permanent representative of Bpifrance Investissement.
(3) Viviane Monges resigned as Director and Chair of the Board of Directors on December 9, 2024. She was not replaced as Director. Emmanuel Blin took the Chair of the Board of Directors.
(4) Member representing the employees.

In 2025:

	Departure	Appointment	Renewal
Board of Directors	Claire Giraut[1]	N/A	N/A
Audit Committee	Claire Giraut[1]	Rodolfo J. Savitzky[2]	N/A
Nominations and Compensation Committee	N/A	N/A	N/A
ESG Committee	N/A	N/A	N/A

(1) Claire Giraut resigned as member of the Board of Directors and Chair and member of the Audit Committee on March 3, 2025, effective on May 21, 2025. She will not be replaced as member of the Board of Directors.
(2) Rodolfo J. Savitzky has been appointed as Chair of the Audit Committee on March 3, 2025, effective on May 21, 2025. He was already member of the Audit Committee.

The table below presents the changes in the Executive Management from January 1, 2024 to the date of the Universal Registration Document.

In 2024:

	Departure	Appointment	Renewal
Chief Executive Officer	Viviane Monges (March 1, 2024)	Ludwig de Mot (March 1, 2024)	N/A
Chief Executive Officer	Ludwig de Mot (December 9, 2024)	David Seignolle (December 9, 2024)	N/A

(b) Profile, experience and expertise of members of the Board of Directors and the Executive Management

The profile, experience and expertise of each of the directors and Chief Executive Officer are set out below, as well as the offices they have held in other companies for the past five years:

Emmanuel Blin

Chair of the Board of Directors

Summary of the main areas of expertise and experience:

Emmanuel Blin is the founder and Chairman-Chief Executive Officer of Tech Care for All (TC4A), a social impact company with the goal of accelerating digital health in Africa and Asia as a key factor in improving health results in underserved communities. His vision is to establish a link between innovation in digital health in the United States, Asia, Europe and Africa and the numerous unmet health needs in Africa and Asia. His current commitment to world health makes him particularly sensitive to ESG imperatives.
Emmanuel Blin formed Tech Care for All (TC4A) in 2017 after 20 years spent in the pharmaceutical industry. He is a former member of the executive committee of Bristol-Myers Squibb, where he was Director of strategy and co-director of marketing, after conducting a series of missions at the Head of National and Regional Operations in Europe, Asia and on the American continent. He brings extensive experience in the pharmaceutical industry, sales, public affairs and strategy.
Emmanuel Blin is President of Aignostics, a Berlin-based company specializing in artificial intelligence in oncology, where he has discovered new frontiers in pharmaceutical R&D.

Main activities outside the Company: Chief Executive Officer of Tech Care for All (TC4A)

55, French

Professional address:
15 rue Traversière, 75012 Paris

First appointment:
May 6, 2022

Term of office:
Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2025

Shares held:
500

Membership on Board Committees:
Nominations and Compensation Committee (Member)
ESG Committee (Member)

Current offices:

Offices and positions in Group companies:
- N/A

Offices and positions in companies outside the Group (French listed companies, French unlisted companies, foreign listed companies, foreign unlisted companies):
- Chief Executive Officer of TC4A
- UBEES Inc., member of the Board of Directors
- AIGNOSTICS GmbH, Chair and member of the Board of Directors
- Light AI Inc., member of the Board of Directors(1)

Offices that have expired in the past five years:
- N/A

(1) Listed company.

Competencies euroapi Active Solutions for Health

euroapi Active Solutions for Health — In-depth Euroapi Knowledge | Clients / commercial | Innovation/ R&D | Finance | ESG | Manufacturing | Management | International

David Seignolle

Chief Executive Officer

Summary of the main areas of expertise and experience:

David Seignolle is the Chief Executive Officer of EUROAPI. He was previously Chief Operating Officer of the Company. He joined EUROAPI from Bain & Company where he served as Expert Partner in the Healthcare Practice.
Prior to this, David spent six years at TEVA where he held several positions such as Head of Operations for Teva API in Italy and Mexico, Vice President Global Supply Chain API and Biologics or Site General Manager. David has also served five years at McKinsey & Company in France and in the U.S. where he was focusing on Pharma Operations after beginning his career in Procurement at Toyota Motor Europe.
David has a degree in Mechanical Engineering and Industrial Science as well as a postmaster degree in International Procurement Management.

Main activities outside the Company: N/A

42, French

Professional address:
15 rue Traversière, 75012 Paris

First appointment:
December 9, 2024

Term of office:
N/A

Shares held:
N/A

Membership on Board Committees:
N/A

Current offices:

- N/A

Offices that have expired in the past five years:

- N/A

Elizabeth Bastoni

Independent Director

Summary of the main areas of expertise and experience:

Elizabeth Bastoni began her career in international taxation at KPMG in Paris. She then held executive positions in Europe and the U.S. with Thales, The Coca-Cola Company, Carlson and Cascade Asset Management. In addition to her executive roles in the consumer, hospitality, technology and asset management sectors, Elizabeth Bastoni has more than 25 years of serving boards in management and director roles. She brings deep expertise in governance, human capital, global business, and strategy matters.
She is Chair of the Nomination and Compensation Committee and Audit Committee member and was Lead Independent Director of the Company from October 30, 2023 through December 9, 2024.

Main activities outside the Company: N/A

59, American

Professional address:
15 rue Traversière, 75012 Paris

First appointment:
May 6, 2022

Term of office:
Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2025

Shares held:
500

Membership on Board Committees:
Nominations and Compensation Committee (Chair)
Audit Committee (Member)
Former Lead Independent Director (through Dec 2024)

Current offices:

Offices and positions in Group companies:
- N/A

Offices and positions in companies outside the Group (French listed companies, French unlisted companies, foreign listed companies, foreign unlisted companies):
- Jerónimo Martins(1), independent Director of the Board and member of the Audit Committee
- CNH Industrial(1) independent Director of the Board, Chair of the Human Capital Committee, and member of the ESG Committee
- Coca-Cola Hellenic BC AG(1), independent Director of the Board and member of the Nominations and Remuneration Committees
- Qorium B.V. (private), Independent Chair of the Board and Chair of the Talent and Nomination Committee

Offices that have expired in the past five years:
- Limeade, Inc. (1) Independent Chair of the Board of Directors and Chair of the Nominations and Compensation Committee
- BIC SA(1), independent Director of the Board and Chair of the Compensation Committee and the Nominations, Governance and ESG Committee

(1) Listed company.

Competencies EUROAPI Active Solutions for Health

Cécile Dussart

Independent Director

Summary of the main areas of expertise and experience:

Cécile Dussart was Vice President and Global Operations Director of Galderma from 2013 to 2022. She developed and deployed the strategic road map for operations, driven by Galderma's transformation program, including maintaining the quality and safety culture. She joined Galderma in 2005 as Human Resources Director of the Operations Division, before taking over the management of the Alby-sur-Chéran plant in France in 2008. Prior to joining Galderma, Cécile Dussart worked at Roche for more than eight years, where she held positions as Global Brand Manager and then Human Resources Manager. She started her career as a Brand Manager at Sanofi in 1990 and has a Master's degree in Pharmaceutical Marketing from the ESCP Europe business school. She also studied at IMD Business School in Switzerland and at INSEAD in France.

Main activities outside the Company: N/A

60, French

Professional address:
15 rue Traversière, 75012 Paris

First appointment:
May 6, 2022

Term of office:
Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2025

Shares held:
950

Membership on Board Committees:
ESG Committee (Chair)

Current offices:

Offices and positions in Group companies:
- N/A

Offices and positions in companies outside the Group (French listed companies, French unlisted companies, foreign listed companies, foreign unlisted companies):
- N/A

Offices that have expired in the past five years:
- N/A

Competencies EUROAPI Active Solutions for Health

Claire Giraut

Independent Director

Summary of the main areas of expertise and experience:

Claire Giraut graduated as an engineer from Institut National Agronomique (now AgroParisTech) in Paris. She spent most of her career in finance positions. She served as Executive Vice President and Chief Financial Officer at Ipsen(1), where she led the IPO, then served as Chief Financial Officer at Europcar. In her latest executive position, she was Chief Financial Officer, Executive Vice President Purchasing and IS at BioMérieux(1). Claire Giraut has expertise in financial and accounting matters.

Main activities outside the Company: Chair of the Finance Commission of Institut Curie.

68, French

Professional address:
15 rue Traversière, 75012 Paris

First appointment:
May 6, 2022

Term of office:
Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2025

Shares held:
509

Membership on Board Committees:
Audit Committee (Chair)

Current offices:

Offices and positions in Group companies:
- N/A

Offices and positions in companies outside the Group (French listed companies, French unlisted companies, foreign listed companies, foreign unlisted companies):
- N/A

Offices that have expired in the past five years:
- Member of the Board of Directors and Chair of the Audit Committee of DBV Technologies(1)
- Member of the Board of Directors and Chair of the Audit Committee and Chair of the Innovation and Development Committee of Julius Baer Group and Julius Baer Ltd.

(1) Listed company.

Competencies EUROAPI Active Solutions for Health

Olivier Klaric

Permanent representative of Sanofi Aventis Participations

Summary of the main areas of expertise and experience:

Olivier Klaric Vice President at Sanofi, in charge of overseeing the Company's Financing, Treasury, and Insurance operations. His career in finance began in the banking sector in 1987, where he honed his skills across various international banks including Banco Europeo para America Latina (BEAL), Generale Bank, Mitsui Trust Bank Europe, and Banco Santander. His early experience laid a strong groundwork for his expertise in financial operations and international finance. Transitioning to corporate finance, he joined Alstom, where he played a pivotal role in the strategic debt restructuring of the group. Subsequently, as Treasurer at Mittal Steel, he has been instrumental in financing the takeover of Arcelor, a pivotal step in the creation of ArcelorMittal.

Main activities outside the Company: Vice President at Sanofi, in charge of overseeing the Company's Financing, Treasury, and Insurance operations

63, French, Belgian

Professional address:
15 rue Traversière, 75012 Paris

First appointment:
March 18, 2024

Term of office:
Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2025

Shares held by Sanofi-Aventis Participations: 28,298,074

Membership on Board Committees:
Audit Committee (Member)

Current offices:

Offices and positions in Group companies:
- N/A

Offices and positions in companies outside the Group (French listed companies, French unlisted companies, foreign listed companies, foreign unlisted companies):
- Sanofi Pasteur Merieux, member of the Board of Directors and CEO
- Aventis Pharma, co-managing
- Aventis Agriculture, member of the Board of Directors
- Sanofi European Treasury Center, Chair of the Board of Directors
- Carraig Insurance DAC, Director

Offices that have expired in the past five years:
- N/A

Competencies EUROAPI Active Solutions for Health

Géraldine Leveau

Director designated upon proposal of the French State

Summary of the main areas of expertise and experience:

Géraldine Leveau was appointed Deputy Secretary General for Investment in 2021 by the French Prime Minister. She is co-piloting France 2030, a €54 billion plan to promote innovation and reindustrialization.
Previously, she was Advisor to the French Minister of Higher Education, Research and Innovation, and Head of the Office of Innovation Ecosystems at the Ministry of Economy and Finance.

Main activities outside the Company: Deputy Secretary General for Investment for the French Prime Minister

41, French

Professional address:
15 rue Traversière, 75012 Paris

First appointment: May 10, 2023

Term of office:
Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2025

Shares held: N/A

Membership on Board Committees: N/A

Current offices:

Offices and positions in Group companies:
- N/A

Offices and positions in companies outside the Group (French listed companies, French unlisted companies, foreign listed companies, foreign unlisted companies):
- N/A

Offices that have expired in the past five years:
- N/A

Competencies EUROAPI Active Solutions for Health

Jean-Yves Caminade

Permanent representative of Bpifrance Investissement

Summary of the main areas of expertise and experience:

Jean-Yves Caminade is the Chief Financial Officer at Bpifrance SA. He joined the group in 2005 through its development banking activities (formerly OSEO).
A graduate of HEC Paris, he began his career in strategy consulting at AT Kearney before joining Société Générale Asset Management (now Amundi) as a financial analyst. He then moved to the rating agency Moody's.
Jean-Yves has also taught finance at Sciences Po Paris.

Main activities outside the Company: Chief Financial Officer of Bpifrance

52, French

Professional address:
15 rue Traversière, 75012 Paris

First appointment:
July 26, 2024

Term of office:
Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2025

Shares held by Bpifrance Investissement:
11,283,226

Membership on Board Committees:
Nominations and Compensation Committee (Member)

Current offices:

Offices and positions in Group companies:
- N/A

Offices and positions in companies outside the Group (French listed companies, French unlisted companies, foreign listed companies, foreign unlisted companies):
- Cartan Trade, member of the Board Directors[1]

Offices that have expired in the past five years:

- Compagnie Auxiliaire OSEO

(1) Listed company.

Competencies EUROAPI Active Solutions for Health

Marie-Isabelle Penet

Director representing employees

Summary of the main areas of expertise and experience:

Marie-Isabelle Penet is currently Global Senior Process Manager at EUROAPI and has a deep knowledge of process engineering. She began her career at the Centre National de la Recherche Scientifique (CNRS-French National Centre for Scientific Research) before moving to Altran as an engineer. She then became laboratory head at Rhône-Poulenc before taking roles of increasing responsibilities at Sanofi. Marie-Isabelle Penet is an engineer in Chemical Engineering by training (ENSIC school) and holds a PhD in Fluid Mechanic. She is also certified in project economic assessment and as such a member of the Société française pour l'avancement du Management de Projet (French Society for the Advancement of Project Management). She is a member of the board of the Advanced Process Engineering commission of the Société Française de Génie des Procédés (SFGP-French Society of Process Engineering).

Main activities outside the Company: N/A

58, French

Professional address:
15 rue Traversière, 75012 Paris

First appointment : July 4, 2022

Term of office:
Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2026

Shares held: 446

Membership on Board Committees:
ESG Committee (Member)

Current offices:

Offices and positions in Group companies:
- Global senior process manager

Offices and positions in companies outside the Group (French listed companies, French unlisted companies, foreign listed companies, foreign unlisted companies):
- N/A

Offices that have expired in the past five years:
- N/A

Competencies EUROAPI Active Solutions for Health

Mattias Perjos

Independent Director

Summary of the main areas of expertise and experience:

Mattias Perjos is currently President and Chief Executive Officer of Getinge, a listed company on the Stockholm Stock Exchange, which he joined in 2017. He previously held the CEO position at Coesia IPS Division and Coesia International (2012-2017). Prior to that, Mattias Perjos was CEO of Flexlink (2006-2016) and held other leading roles within the group which he joined in 1998. A Swedish citizen, Mattias Perjos holds a Master's degree of Science in Industrial Engineering and Management.

Main activities outside the Company: President and Chief Executive Officer of Getinge

52, Swedish

Professional address:
15 rue Traversière, 75012 Paris

First appointment:
January 11, 2023

Term of office:
Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2025

Shares held: 1,527

Membership on Board Committees:
Nominations and Compensation Committee (Member)

Current offices:

Offices and positions in Group companies:
- N/A

Offices and positions in companies outside the Group (French listed companies, French unlisted companies, foreign listed companies, foreign unlisted companies):
- N/A

Offices that have expired in the past five years:
- N/A

Competencies EUROAPI Active Solutions for Health

Kevin Rodier

Director representing employees

Summary of the main areas of expertise and experience:

Kevin Rodier is currently the HSE QT correspondent at the “120” workshop in EUROAPI Vertolaye (Puy-de-Dôme), a site where he has 16 years' seniority. After a year spent in the Operational Excellence department, he returned to the Production department. Kevin Rodier began his career as a Production Technician before becoming a Supervisor in various workshops. He holds a Brevet de Technicien Supérieur (BTS) in Chemistry.

Main activities outside the Company: N/A

40, French

Professional address:
15 rue Traversière, 75012 Paris

First appointment:
July 7, 2022

Term of office:
Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2023

Shares held:
2,886

Membership on Board Committees:
Nominations and Compensation Committee (Member)

Current offices:

Offices and positions in Group companies:
- HSEQT in production

Offices and positions in companies outside the Group (French listed companies, French unlisted companies, foreign listed companies, foreign unlisted companies):
- N/A

Offices that have expired in the past five years:
- N/A

Competencies EUROAPI Active Solutions for Health

Rodolfo J. Savitzky

Independent director

Summary of the main areas of expertise and experience:

Rodolfo J. Savitzky is passionate about value creation through investing behind growth and innovation, driving productivity and developing talent.
He joined SoftwareOne in 2022 as the Chief Financial Officer and member of the Executive Board to drive operational excellence and disciplined prioritization and execution of organic and inorganic investments to support accelerated growth. He is also a member of the Board of Directors and the Chairman of the Audit Committee of UCB since April 2024.
During 2016-2021, he served as Chief Financial Officer and a member of the Group Executive Committee of Lonza, where he played a key role in the company's transformation into a pure-play pharma services company. Moreover, he was a Non-Executive Director and Chairman of the Audit Committee of Unilabs in 2021 until the company was sold to A.P. Moller Holding.
He joined Novartis in 2002 in the Pharmaceutical Division, first as Head of Finance for the Ophthalmic Business Unit and then as Head of Business Planning and Analysis followed by Head of Strategic Planning and Analysis for the Pharmaceutical Division. He was appointed CFO for Novartis Animal Health in 2006. He started his career at P&G where he held various finance leadership positions, including Finance Director for the Beverage Division in Europe and then for the Beauty Care Division in Latin America.
Rodolfo J. Savitzky holds a Bachelor´s Degree in Industrial and Systems Engineering from Tecnológico de Monterrey in Mexico and an MBA in Finance and Economics from University of Chicago Booth School of Business in the USA.

Main activities outside the Company: Group Chief Financial Officer of SoftwareOne

63, Swiss, Mexican

Professional address:
15 rue Traversière, 75012 Paris

First appointment:
September 1, 2022

Term of office:
Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2025

Shares held:
1,000

Membership on Board Committees:
Audit Committee (Member)

Current offices:

Offices and positions in Group companies:
- N/A

Offices and positions in companies outside the Group (French listed companies, French unlisted companies, foreign listed companies, foreign unlisted companies):
- UCB, member of the Board of Directors and Chair of the Audit Committee

Offices that have expired in the past five years:

- Unilabs, Member of the Board of Directors and Chairman of the Audit Committee

Competencies EUROAPI Active Solutions for Health

(c) Governance structure/ Executive management/ Chair of the Board and Chief Executive Officer

Since its transformation into a French public limited company (*société anonyme*) on May 4, 2022, the Company has separated the functiuns of Chair of the Board of Directors and Chief Executive Officer. The Board considers that the separation of the functions of Chair of the Board and Chief Executive Officer is a governance structure that ensures a distinction between, on the one hand, the definition of strategy and the monitoring of its implementation by the Company, which are the responsibility of the Board of Directors, and, on the other hand, the operational and executive functions, which are the responsibility of the executive officers.

On October 25, 2023, the Board of Directors decided that Karl Rotthier will step down as Chief Executive Officer, effective from October 30, 2023. A selection process for a new Chief Executive Officer was launched and the Board of Directors decided to combine the role of Chair and Chief Executive Officer and appointed Viviane Monges, then Chair of the Board of Directors, as interim Chief Executive Officer to ensure the Company's business continuity during the recruitment process. As a result of the combination of the Chair of the Board's functions with those of the Chief Executive Officer, the Board also decided to appoint Elizabeth Bastoni as Lead Independent Director in compliance with the recommendation of the AFEP-MEDEF Code.

On February 28, 2024, the Board of Directors decided to separate the functions of Chair of the Board of Directors and Chief Executive Officer. Concurrently, the Board appointed Ludwig de Mot as Chief Executive Officer of the Company, effective as of March 1, 2024, to replace Viviane Monges, who resigned from her role as interim Chief Executive Officer to continue solely as Chair of the Board.

On December 9, 2024, the Board of Directors accepted the resignation of Viviane Monges as Director and Chair of the Board of Director and Ludwig de Mot as Chief Executive Officer. Consequently, upon the recommendation of the Nominations and Compensation Committee, the Board appointed Emmanuel Blin as Chair of the Board and David Seignolle as Chief Executive Officer, effective immediately. In response to the new governance, Elizabeth Bastoni stepped down as Lead Independent Director but remains Chair of the Nominations and Compensation Committee.

(d) Powers of the Chair and the Chief Executive Officer

The Chair organizes and directs the work of the Board of Directors, and is accountable for this to the shareholders for this. The Chair ensures that the Company's management bodies operate properly and in particular that the directors are capable of fulfilling their duties.

The Chief Executive Officer shall have the broadest powers to act in all circumstances on behalf of the Company, subject to powers expressly granted by law to the Board of Directors and shareholders, and to the limitations set forth below.

Pursuant to the Board Charter, prior approval from the Board of Directors acting by a simple majority of its members present or represented (the amounts mentioned below are amounts exclusive of tax) shall be required for the following:

- the approval or modification of the Group's strategic model;
- the approval or modification of the orientation of the Company and the companies it controls (annual budget and medium-term business plan of the Group);
- any acquisition, joint venture or other long-term partnership/collaboration (excluding agreements concluded with customers or suppliers in the normal course of business) or any material change in the shareholding of another company;
  - other than those with a value of less than €10 million for transactions relating to a previously authorized strategy,
  - other than those with a value of less than €2 million for transactions not related to a previously authorized strategy,
- any divestment or sale (including sale of a business or transfer of key assets), termination of joint ventures or other long-term partnerships (excluding agreements entered into with customers or suppliers in the normal course of business) representing net revenue or net carrying amount greater than €10 million;
- any merger, spin-off or partial contribution of assets relating to the Company or any significant subsidiary, in each case for a unit value greater than €10 million;
- any capital expenditure commitment or other liability (actual or contingent) greater than €10 million if it relates to a previously authorized strategy;

- any capital expenditure commitment or other liability (actual or contingent) greater than €2 million if it does not relate to a previously authorized strategy;
- any divestment or sales of assets with a net carrying amount of more than €1 million;
- the conclusion, modification or termination of any commercial contract with an annual or cumulative value of more than €50 million or with a term of more than five years;
- the introduction or modification of any retirement plan or any reorganization of the workforce entailing a total cost to the Group of more than €25 million;
- the adoption or modification of any bonus, profit-sharing or other equivalent arrangement for any member of the Executive Committee;
- the introduction or modification of stock option plans or free share plans of the Company or any Group company (or any other similar instrument) for the benefit of the Group's Executive Corporate Officers and/or employees or certain categories of them;
- the delisting of the Company;
- any decision to initiate, or to settle, as plaintiff or defendant, litigation, arbitration or other legal proceedings with a value of €25 million or more per proceeding or which may have a significant impact on the Group's reputation;
- the implementation of any insolvency, dissolution or liquidation proceedings (or any similar proceedings in each applicable jurisdiction), in respect of the Company or its significant subsidiaries;
- the application for listing or delisting of debt securities with a value of more than €100 million;
- any significant decision or modification relating to the Company's existing significant financing documentation, including taking any action or refraining from taking any action that would result, or could reasonably be expected to result, in a breach of the existing significant financing documentation;
- entering into or amending any borrowing or debt transaction in any form (including factoring and leasing) greater than €25 million, except for: (i) intra-group borrowings; or (ii) drawings under any existing group revolving credit facility for working capital purposes;
- the creation or modification of any encumbrance, assignment, lease, rental or granting of any security interest by way of guarantee or otherwise in all or part of the group's assets, including real estate or intellectual property rights, except those: i) related to the provision of goods and services in the ordinary course of business, including supplier factoring and supply chain financing; or ii) with a value of less than €50 million; and
- any issuance of financial guarantees or parent company guarantees in excess of an aggregate amount of €25 million.

(e) Role and duties of the Board of Directors

The Board has the roles and powers conferred upon it by law, the Company's Articles of Association, and the Board Charter. The Board of Directors is the governing body of EUROAPI.

The Board, in particular:

- determines the orientations of the Company's business and in particular its strategy and ensures their implementation, including with regard to the objectives set by the Company;
- subject to the powers expressly attributed to the shareholders' meetings and within the limits of the corporate purpose, deals with any issue concerning the proper operation of the Company, settles matters concerning it and carries out any controls and verifications it deems appropriate;
- appoints the Chair of the Board, the members of the Board's committees, the Chief Executive Officer, the Deputy Chief Executive Officers and sets their compensation, if any;
- authorizes the agreements and commitments referred to in articles L. 225-38 and L. 22-10-4 of the French Commercial Code;
- periodically reviews the succession plan for the Company's Chief Executive Officers and Executive Corporate Officers drawn up by the Nominations and Compensation Committee;
- proposes the appointment of the statutory auditors to the shareholders' meeting;
- prepares the Board's report on corporate governance and internal control; and
- prepares the draft resolutions referred to in article L. 22-10-8 of the French Commercial Code and the related report.

The Board ensures the quality of the information provided to shareholders and markets.

(f) Role and duties of the Lead Independent Director

The Board of Directors may appoint a Lead Independent Director from among its independent members, and determine his or her duties.

The term of office of the Lead Independent Director is the same as the term of office of the Independent Director, or any shorter term decided by the Board, with the understanding that the Board and/or the Lead Independent Director are entitled to terminate the Lead Independent Director's term of office at any time, without such termination entailing the termination of his or her term of office as a Board member.

Unless otherwise decided by the Board of Directors, the Lead Independent Director is entrusted with the following missions:

- act as liaison between the independent members, the Chair and the Chief Executive Officer;
- direct and advise the Board of Directors, without undermining the authority of the Chair, in the event of a conflict of interest;
- chair meetings of the independent members and any meetings of the Board of Directors in the absence of the Chair and, where applicable, the Vice-Chair, including closed sessions of the independent members;
- act as mediator in order to facilitate the resolution of any dispute involving the Chair;
- lead the evaluation of the Chair by the Board of Directors and;
- act as a key contact for engaging with EUROAPI's shareholders on topics related to the Board of Directors' responsibilities.

On October 30, 2023, Elizabeth Bastoni, independent member of the Board and Chair of the Nominations and Compensation Committee was named Lead Independent Director (see section 2.2.1(e) "Activities of the Lead Independent Director" below). In response to the new governance (see section 2.1.1(c) "Governance structure/Executive management/Chair of the Board and Chief Executive Officer" above), Elizabeth Bastoni stepped down as Independent Lead Director; she remains Chair of the Nominations and Compensation Committee.

In light of the new governance structure following the appointment of Emmanuel Blin as Chair of the Board, a non-executive corporate officer and an Independent Director, and the appointment of David Seignolle, as Chief Executive Officer, who is not a member of the Board, the Board of Directors has decided not to appoint a Lead Independent Director.

(g) Age requirements and term of office of members of the administrative, management or supervisory bodies

The initial term of office of a Director is four (4) years. The term of office of a Director expires at the end of the Annual Shareholders' Meeting called to approve the financial statements for the previous financial year and held in the year in which the term of office of the Director expires.

As an exception, the term of office of certain Directors may be shorter under the following conditions:

- for the sole purpose of implementing or maintaining a staggered board structure and the rotation of the terms of Directors, if possible, by thirds every year, the Ordinary Shareholders' meeting may elect one or more Directors to a term of one year, two years or three years (see section 2.1.3. "Declaration of compliance with the corporate governance system in force" below);
- Kevin Rodier, the first Director representing the employees, was appointed for a period of two (2) years ending at the end of the 2024 Annual Shareholders' Meeting. In compliance with the Company's Articles of Association (see section 2.1.1(l) "Employee representatives" below), the Trade union organization that received the most votes in the first round re-named Kevin Rodier for a new four-year (4) term, effective at the end of the 2024 Annual Shareholders' Meeting;
- Marie-Isabelle Penet, the second Director representing the employees, was initially appointed for a period of one (1) year, renewable, pending the establishment of the European Social and Economic Committee (*Comité Social et Économique* – CSE). The European Social and Economic Committee (*Comité Social et Économique* – CSE) was set up on July 6, 2023 and Marie-Isabelle Penet was reelected for a new four-year (4) term, in compliance with the Company's Articles of Association (see section 2.1.1(l) "Employee representatives" below).

The number of Directors who are over the age of 70 may not exceed one third of the Directors in office. If this limit is exceeded during the term of office, the oldest Director is automatically deemed to have resigned at the end of the next Shareholders' meeting.

The Chair shall not be over the age of 70 and the duration of the Chair's term of office may not exceed his or her term of office as Director.

The duration of the Chief Executive Officer, which may or may not be fixed, is set by the Board of Directors. When the Chief Executive Officer is a director, his term of office may not exceed his term of office as member of the Board. The Chief Executive Officer may not be older than the age of 65.

(h) Diversity policy applied to the Board of Directors and management bodies

The Boar of Directors regularly reflects upon the desirable balance of its composition and that of its specialized Committees, particularly from a diversity perspective.

Pursuant to Article L. 22-10-10 of the French Commercial Code and the recommendations of the AFEP-MEDEF Code, the table below describes the diversity policy applied to members of the Board of Directors. It indicates the criteria taken into consideration, the targets set by the Board, the measures implemented and the results.

Criteria	Policy and targets	Implementation and results achieved
Age and term of Directors	◦ Staggered terms. ◦ No more than one-third of Directors over the age of 70.	◦ Staggered terms to be implemented at the next renewal of the Board of Directors, at 2026 Annual Shareholders' Meeting. ◦ Targets achieved, given that no Board members are over 70 years old and the average age on the Board at December 31, 2024 was 55 years old.
Balanced representation of women and men	◦ Balanced representation of women and men on the Board of Directors, without taking into account the Directors representing the employees in compliance with French law. ◦ Balanced representation of women and men on the Board Committees, without taking into account the Directors representing the employees. ◦ Improving the balanced representation of women and men in executive management positions.	◦ As of the date of this Universal Registration Document, 45% of the Directors were women (50% in 2024). ◦ All Board Committees are chaired by women. The Board's Audit Committee comprises two women out of four members, the Nominations and Compensation Committee comprises one woman out of five members and the ESG Committee comprises two women out of three members. ◦ 33% of the Executive Committee members are women (33% in 2024).
Nationalities - International profiles	◦ The Board ensures that its composition and that of its committees are balanced, by taking steps to ensure that its missions and those of its committees are carried out with the necessary independence, competence and objectivity.	◦ The Board currently includes Directors with Franco-Belgian, French, Mexican, Swedish and U.S. nationalities. In addition, most of the Company's Directors have significant international and global experience, as they hold, or have held, executive positions or directorships in global companies or exercise key roles outside France.
Independence of Directors[1]	◦ The Board ensures that independent members (pursuant to the criteria provided for in the AFEP-MEDEF Code) represent at least a half of the members of the Board, at least two-thirds of the members of the Audit Committee and more than a half of the members of the Nominations and Compensation Committee. In accordance with the AFEP-MEDEF Code, Directors representing employees are not taken into account when calculating the percentage of independent Directors.	As of the date of the Universal Registration Document: ◦ 77% of the members of the Board of Directors are deemed independent (60% in 2024); ◦ 75% of the members of the Audit Committee are deemed independent (75% in 2024); ◦ 75% of the members of the Nominations and Compensation Committee are deemed independent (75% in 2024); ◦ 100% of the members of the ESG Committee are deemed independent (67% in 2024).

(1) See section 2.1.1(j) "Independent Directors of the Board of Directors" of the Universal Registration Document for more information on the independent Directors.

(i) Board's competencies matrix

	In-depth EUROAPI knowledge	Clients / Commercial	Innovation / R&D	Finance	ESG	Manufacturing	Management	International
Emmanuel Blin	O	O	O		O		O	O
Elizabeth Bastoni				O			O	O
Jean-Yves Caminade			O	O	O		O	
Cécile Dussart					O	O	O	O
Claire Giraut				O		O	O	O
Olivier Klaric				O	O		O	O
Géraldine Leveau			O	O			O	
Marie-Isabelle Penet	O		O		O	O	O	O
Mattias Perjos		O	O			O	O	O
Kevin Rodier	O					O		
Rodolfo J. Savitzky	O	O		O		O	O	O
Competencies metrics	36%	27%	45%	45%	45%	55%	91%	73%

(j) Independent Directors of the Board of Directors

Pursuant to the AFEP-MEDEF Code, a Director is considered "independent" when she/he has no relationship of any kind whatsoever with the Company, the Group or its management that may interfere with his or her freedom of judgement. An independent director is understood to be any non-executive director of the Company or the Group who has no particular bonds of interest (significant shareholder, employee, etc.). The Board of Directors and the Nominations and Compensation Committee use the criteria provided for in the AFEP-MEDEF Code to assess the independence of the Directors on an annual basis as well as in the event of the cooptation, the appointment or the renewal of a Director.

The Board of Directors, during its meeting of March 3, 2025, reviewed the analysis carried out by the Nominations and Compensation Committee regarding the independence of the members of the Board of Director, on the basis of the following criteria of the AFEP-MEDEF Code.

- Criterion 1: not be and not have been within the previous five years;
  - an employee or Executive Corporate Officer of the Company,
  - an employee, Executive Corporate Officer or Director of an entity consolidated within the Group,
  - an employee, Executive Corporate Officer or Director of the Company's parent company or a company consolidated within this parent company.
- Criterion 2: not be an Executive Corporate Officer of a company in which the Company (currently or within the last five years) holds a directorship, directly or indirectly, or in which an employee appointed as such or an Executive Corporate Officer of the Company holds a directorship;
- Criterion 3: not be a customer, supplier, commercial banker, investment banker or consultant;
  - that is significant to the Company or its Group,
  - or which the Company or its Group represents a significant portion of its activity.
- Criterion 4: not have close family ties with a Company's Director or Corporate Officer;
- Criterion 5: not have been a company Auditor within the previous five years;
- Criterion 6: not have been a company Director for over 12 years. Independent director status is lost on the date of the 12th anniversary;
- Criterion 7: a Non-Executive Corporate Officer cannot be considered independent if he or she receives variable compensation in cash or securities or any compensation linked to the performance of the Company or Group;
- Criterion 8: directors representing major shareholders in the Company or its parent company may be considered independent, provided these shareholders do not have control over the Company. Nevertheless, in excess of 10% of the share capital or voting rights, the Board, upon a report from the Nominations and Compensation Committee, should systematically review independence in the light of the shareholding structure and the existence of a potential conflict of interest.

After reviewing the analysis of the Nominations and Compensation Committee regarding the independence of the Directors, the Board of Directors considered that Elizabeth Bastoni, Claire Giraut, Cécile Dussart, Emmanuel Blin, Mattias Perjos and Rodolfo J. Savitzky were independent directors pursuant to the criteria set out above.

In addition, both the Board and the Nominations and Compensation Committee examined any business relations that may exist between the Company, its Directors, and the companies (advisory/consultancy/management firms) and institutions in which the Company's Directors are also Directors or Corporate Officers. The conclusions of the review were that none of the members of the Board of Director considered as independent have any material business relations with the Company.

Criteria[1]	Emmanuel Blin[2]	Elizabeth Batsoni	Jean-Yves Caminade[3]	Cécile Dussart	Claire Giraut	Olivier Klaric[4]	Géraldine Leveau[5]	Mattias Perjos	Rodolfo Savitzky
Criterion 1: executive corporate officer or employee during the previous five years	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 2: cross directorships	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 3: significant business relations	✓	✓	✓	✓	✓	✖	✓	✓	✓
Criterion 4: family ties	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 5: statutory auditor	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 6: term of office greater than 12 years	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 7: status of non-executive corporate officer	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Criterion 8: major shareholder status	✓	✓	✖	✓	✓	✖	✖	✓	✓
Independent	✓	✓	✖	✓	✓	✖	✖	✓	✓

(1) In this table, ✓ indicates that an independence criterion is met and ✖ indicates that an independence criterion has not been met.
(2) Emmanuel Blin was appointed Chair of the Board of Directors, effective on December 9, 2024, to replace Viviane Monges, who resigned on December 9, 2024.
(3) Jean-Yves Caminade is the permanent representative of Bpifrance Investissement, appointed on July 26, 2024 to replace Guillaume Mortelier, who resigned on July 26, 2024.
(4) Olivier Klaric is the permanent representative of Sanofi-Aventis Participations, member of the Board of Directors of the Company.
(5) Géraldine Leveau was co-opted upon proposal of the French State for the remainder of Jean-Christophe Dantonel's term of office. The 2024 Annual Shareholders' Meeting approved her appointment.

(k) Selection process for candidates as Directors

In the event of a vacancy on the Board of Directors, or when it has been decided to strengthen certain skills within the Board of Directors, and in particular to appoint or co-opt an independent Director, a procedure for selecting a new Director is followed by the Nominations and Compensation Committee.

The Nominations and Compensation Committee first identifies the competencies needed by the Board of Directors, while ensuring compliance with the diversity policy established by the Board (see section 2.1.1(h) "Diversity policy applied to the Board of Directors and management bodies" above).

With the support of internal resources and a firm specializing in recruitment when needed, the committee draws up a list of potential candidates taking into account the following criteria: (i) balance of the composition of the Board of Directors regarding the composition and the evolution of the shareholding of the Company; (ii) number of independent Directors targeted; (iii) gender balance between women and men requested by law; (iv) the opportunity to renew terms of office; and (v) integrity, competencies, experience and independence of each candidate.

The Nominations and Compensation Committee then interviews each of the proposed candidates and makes an initial selection, then organizes interviews with additional Directors before identifying the candidate or candidates it feels best meet the selection criteria it has identified.

Finally, the Nominations and Compensation Committee makes a recommendation to the Board of Directors, which analyzes the profile(s) presented to it and, after deliberating on the suitability of the candidate(s), may propose the appointment of one of them to the Annual Shareholders' Meeting.

On May 10, 2023, the Board of Directors co-opted Géraldine Leveau upon proposal of the French State for the remainder of Jean-Christophe Dantonel's term of office and has been ratified by the Company's shareholders during the 2024 Annual Shareholders' Meeting. The Board considers that the addition of Géraldine Leveau as a member has enabled the Board to benefit from her recognized expertise in innovation and reindustrialization.

(l) Employee representatives

Pursuant to the provisions of article L. 225-27-1 and article L. 22-10-7 of the French Commercial Code, the Articles of Association of the Company provide for the appointment of at least one or two directors representing employees on the Board of Directors if the number of other directors is higher than eight (see section 7.4 "Memorandum and Articles of Association" of the Universal Registration Document). Subject to the specific legal provisions applicable to them, Directors representing employees are subject to all legal and statutory provisions (including the provisions of the Board Charter), and have the same rights and are subject to the same obligations as those applicable to Directors (except for the requirements to hold at least 500 shares of the Company).

In accordance with article L. 225-27-1, III, 3° of the French Commercial Code, the first Director representing employees, Kevin Rodier, was appointed in July 2022 by the trade union organization that received the most votes in the first round of the last elections held prior that date, as acknowledged by the Board of Directors' meeting held on August 29, 2022. Kevin Rodier was appointed for a period of two (2) years ending at the end of the 2024 Annual Shareholders' Meeting. In compliance with the Company's Articles of Association the Trade union organization that received the most votes in the first round re-named Kevin Rodier for a four-year (4) term effective at the end of the 2024 Annual Shareholders' Meeting.

In the absence of an European Social and Economic Committee (*Comité Social et Economique* – CSE), the second Director representing employees, Marie-Isabelle Penet, was first appointed in July 2022 by the Trade union organization that received the most votes in the first round of the last elections held prior that date in accordance with the provisions of the Company's Articles of Association, as acknowledged by Board of Directors' meeting held on August 29, 2022. Marie-Isabelle Penet was initially appointed for a period of one (1) year, renewable, pending the establishment of the European Social and Economic Committee (*Comité Social et Economique* – CSE). The European Social and Economic Committee (*Comité Social et Economique* – CSE) was set up on July 6, 2023 and Marie-Isabelle Penet was reelected for a four-year term ending at the end of the 2027 Annual Shareholders' Meeting, by the Company's European Social and Economic Committee established in 2023.

The Board does not have any Directors representing employee shareholders, as the amount of the Company's capital held by employees does not exceed the 3% threshold that triggers the requirement for such a Director, as set out in articles L. 225-23 and L. 22-10-5 of the French Commercial Code (see section 5.4.6 "Ensure fair employee compensation and benefits" of the Universal Registration Document).

(m) Succession plans

Anticipating and ensuring a smooth succession process for the Corporate Officers of the Company is one of the Board's main responsibilities. To this end, the Board has entrusted the Nominations and Compensation Committee to put in place succession plans for the Company's Corporate Officers in compliance with the provisions of the AFEP-MEDEF Code.

This includes:

- short term: unexpected succession (*e.g.* resignation, separation, incapacity, death);
- medium term: accelerated succession (*e.g.* poor performance, lack of management); and
- long term: planned succession (*e.g.* retirement, end of the term of office).

The Nominations and Compensation Committee provides the Board with progress reports, in particular at executive sessions, and works closely with the Chair and the Chief Executive Officer to ensure overall consistency of the succession plan and to ensure a continuity in the key positions.

On the recommendation of the Compensation and Compensation Committee, the Board regularly reviews and approves the succession plans aimed at covering any unforeseeable or sooner-than-expected vacancies (notably due to death, separation, incapacity or resignation) for the positions of Chair of the Board of Directors and/or Chief Executive Officer. This plan sets out several possible solutions that could be envisaged if any of these events were to occur, and can remain in force without requiring an annual review. The Nominations and Compensation Committee provides the Board with progress reports, in particular during executive sessions, and works closely with the Executive Corporate Officers of the Company to ensure overall consistency of the succession plans and to ensure a continuity in the key positions.

In 2024, on the recommendation of the Nominations and Compensation Committee, the Board reviewed and validated the content of the succession plans for the Corporate Officers of the Company.

2.1.2 Declaration of Directors

(a) Statements concerning the members of the Board of Directors and the Executive Corporate Officers

To the best of the Company's knowledge, over the past five years: (i) no Director or Corporate Officer of the Company has been convicted of fraud; (ii) no Director or Corporate Officer has been associated with a bankruptcy, protection, liquidation or receivership; (iii) no charge and/or official public sanction has been brought against a Director or a Corporate Officer of the Company by a court or regulatory authority (including recognized professional bodies); and (iv) no Director or Corporate Officer of the Company has been stripped by a court of the right to serve as a member of an administrative, management or supervisory body of an issuer or to manage or conduct business for an issuer of securities.

(b) Conflicts of interest at the level of the administrative, management and executive management bodies

To the best of the Company's knowledge, as of the date of the Universal Registration Document, there are no potential conflicts of interest between the duties of the Directors or of the Corporate Officers of the Company and their private interests as of the date of the Universal Registration Document.

The Company and its subsidiaries have executed with Sanofi and its subsidiaries certain agreements related to the manufacture, supply, distribution and development of certain APIs, intermediates and other substances, the provision of services, as well as licensing agreements (see section 3.1.1 "Description of the Prior Reorganization Transactions" of the Universal Registration Document). It should be noted that Sanofi, through its subsidiary Sanofi Aventis Participations, has only one representative out of a total of 11 members on the Board of Directors of the Company, and that Sanofi and EUROAPI do not share any Executive Corporate Officers.

As of the date of the Universal Registration Document and to the Company's knowledge, there are no restrictions accepted by the members of the Board of Directors concerning the sale of their equity interest in the Company's share capital, with the exception of the rules relating to the prevention of insider trading and the recommendations of the AFEP-MEDEF Code that impose an obligation to retain shares.

On March 17, 2022, Sanofi and Bpifrance agreed to a lock-up of their shares in the Company for a period of 24 months, subject to customary exceptions. On February 28, 2024, Sanofi and Bpifrance agreed to extend their lock-up period until December 2025, subject to customary exceptions.

2.1.3 Declaration of compliance with the corporate governance system in force

The Company refers to the recommendations of the AFEP-MEDEF Code, which can be consulted on the Internet at the following address: http://www.medef.com.

The Company complies with the provisions of the AFEP-MEDEF Code, with the exception of the following points:

- the terms of office of the members of the Board of Directors will all expire at the Annual Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2025 (except for the Directors representing the employees). The staggering of terms of office will therefore not comply with recommendation 15.2 of the AFEP-MEDEF Code, which recommends avoiding a block renewal of the members of the Board of Directors. All of the members of the Board of Directors have been appointed simultaneously, concomitant with the initial public listing of the Company. On the other hand, the Articles of Association provide that by exception and in order to exclusively allow the implementation or continuation of the staggering of the terms of office of the directors, the ordinary shareholders' meeting may appoint one or more Directors for a period of one year, two years or three years. The Board of Directors will propose staggered terms of office for any renewal at the 2026 Annual Shareholders' meeting.

2.2 BOARD OF DIRECTORS ACTIVITIES

2.2.1 Activities of the Board of Directors

(a) Attendance

In 2024, the Board of Directors met 14 times, including executive sessions with an attendance rate of 98%.

	Board of Directors	Audit Committee	Remuneration and Nomination Committee	ESG Committee
Emmanuel Blin, Chair of the Board[1]	100%		89%	100%
Elizabeth Bastoni,	100%	100%	100%	
Géraldine Leveau[2]	100%			
Cécile Dussart	100%			100%
Claire Giraut	100%	100%		
Olivier Klaric[3]	100%	100%		
Jean-Yves Caminade[4]	100%		100%	
Rodolfo J. Savitzky	100%	100%		
Mattias Perjos	100%		100%	
Marie-Isabelle Penet[5]	93%			100%
Kevin Rodier[5]	100%		100%	
Directors whose directorship ended (on expiration of their term of office or through resignation) during 2024				
Viviane Monges[6]	100%			100%
Guillaume Mortelier	100%			
Adeline Le Franc	83%	50%		

(1) Emmanuel Blin was appointed Chair of the Board of Directors, effective on December 9, 2024.
(2) Géraldine Leveau was co-opted upon proposal of the French State for the remainder of Jean-Christophe Dantonel's term of office. The 2024 Annual Shareholders' Meeting approved her appointment.
(3) Permanent representative of Sanofi Aventis Participations, appointed on March 18, 2024, to replace Adeline Le Franc, who resigned on March 18, 2024.
(4) Jean-Yves Caminade is the permanent representative of Bpifrance Investissement, appointed on July 26, 2024, to replace Guillaume Mortelier, who resigned on July 26, 2024.
(5) Directors representing the employees.
(6) Viviane Monges resigned as Director and Chair of the Board of Directors on December 9, 2024. She was not replaced as Director. Emmanuel Blin took the Chair of the Board of Directors.

(b) Assessment of the Board's operating procedures

The Board Charter provides that once a year, the Board shall devote an item on its agenda regarding the evaluation of its operations and, at least every three years, it shall carry out a formal evaluation under the direction of the Nominations and Compensation Committee or an Independent Director, with the assistance of an outside consultant where appropriate. The purpose of this evaluation is to ensure the effective operations of the Board, and to measure the contribution of each member to the work of the Board, particularly in terms of skills and involvement.

The Board undertook an external assessment in 2024, decided at its meeting held on October 15, 2024, upon the recommendation of the Nominations and Compensation Committee. This assessment took the form of a written questionnaire sent to all the Directors through a digital platform. This written questionnaire was supplemented by oral interviews conduced by an outside consultant with the Directors and a list of items for improvements or changes was drawn up and presented to the Board of Directors. All the members of the Board of Directors in office at that date participated in the self-assessment exercise.

The Chair of the Nominations and Compensation Committee and the external consultant led this assessment exercise and submitted the findings for discussions first to the Nomination and Compensation Committee and then to the Board of Directors at its meeting held on March 3, 2025.

(c) Executive sessions

Directors who are not Executive Corporate Officers meet regularly, and at least once a year, without the presence of the Executive Directors, in particular to assess the performance of the Corporate Officers, and to review their succession plans.

In 2024, seven executive sessions were held.

Prior to the combination of the Chair of the Board's functions with those of the Chief Executive Officer on October 30, 2023, the executive sessions were chaired by Viviane Monges in its capacity as Chair of the Board of Directors.

The executive sessions that were held from October 30, 2023 to March 1, 2024, were chaired by Elizabeth Bastoni in her capacity as Lead Independent Director, Viviane Monges did not participate in the Executive sessions while she was Chief Executive Officer of the Company.

Viviane Monges resigned from her position as interim Chief Executive Officer, effective on March 1, 2024, and with that, resumed the responsibility of chairing the Executive sessions.

On December 9, 2024, the Board of Directors accepted the resignation of Viviane Monges as Director and Chair of the Board. Consequently, upon the recommendation of the Nominations and Compensation Committee, the Board appointed Emmanuel Blin as Chair of the Board. In response to the new governance, Elizabeth Bastoni stepped down as Lead Independent Director but remains Chair of the Nominations and Compensation Committee.

As of the date of the Universal Registration Document, the Board's executive sessions are chaired by Emmanuel Blin, in his capacity as Chair of the Board of Directors.

(d) Activities of the Board of Directors

In 2024, the main activities of the Board of Directors were the following:

- Strategy and growth, including evaluation of strategic options;
- Reset of FOCUS-27;
- Financial statements and results;
  - review of the company and consolidated financial statements for the first half of 2024, review of the related draft press releases,
  - presentation of the 2025 budget,
- Budget and Group risks;
- Corporate governance;
  - review of the composition of the Board of Directors and its committees,
  - examination of the independence of each of the members of the Board of Directors pursuant to the criteria set out in the AFEP-MEDEF Code,
  - Board effectiveness,
  - review of the Board of Directors' management report, the Corporate Governance Report, the non-financial performance statement *(Déclaration de performance extra-financière*) and the reports of the statutory auditors,
  - the notice of meeting for the 2024 Annual Shareholders' Meeting; (i) the draft resolutions submitted to the approval of the 2024 Annual Shareholders' Meeting; and (ii) the report of the Board of Directors on these resolutions,
  - review of the succession plans for the Corporate Officers,
  - external evaluation of the Board of Directors;
- Remuneration policy;
- executive session: determination of the 2024 variable remuneration of the Chief Executive Officer, the 2025 compensation policies of the Chief Executive Officer and of the Chair of the Board, plus an update on fixed and variable compensation of some members of the Executive Committee;
  - say on pay: preparation of the draft resolutions proposed to the 2025 Annual Shareholders' Meeting (*ex ante* vote on the remuneration policy for 2025 for the Chair of the Board of Directors and the Chief Executive Officer and *ex post* votes on the remuneration due or paid to Directors and Corporate Officers of the Company with respect to the financial year 2024),
  - review of the draft resolutions submitted for approval to the 2025 Annual Shareholders' Meeting, and
  - repartition of the sum allocated to Directors for 2024, principles of allocation for 2025;
- ESG matters: roadmap and KPIs implementation, CSRD and decarbonization planning.

(e) Activities of the Lead Independent Director

Elizabeth Bastoni, independent member of the Board and Chair of the Nominations and Compensation Committee was been named Lead Independent Director on October 30, 2023.

The main activities of the Lead Independent Director during the period mentioned above were the following:

- Meeting of Independent Directors (three in 2024),
- Executive Sessions, and
- Recruitment of Chief Executive Officer.

(f) Specific assignment entrusted to a Director

At its meeting held on October 25, 2023, the Board of Directors of the Company decided, on the recommendation of the Nominations and Compensation Committee to entrust Cécile Dussart, independent Director, with a specific and temporary assignment in compliance with the provisions of the Company's Board Charter.

The purpose of this assignment is to facilitate the induction and integration process for the Company's new Chief Operating Officer (COO). Cécile Dussart will assist the COO in its training on the Company's operations, procedures and corporate culture and will be the COO's point of contact for all questions relating to the knowledge of the Company, its business, organization, teams and processes. Upon the COO's request, Cécile Dussart will also be able to accompany him in either internal or external meetings as an observer without taking part in the discussions. This assignment started on November 1, 2023, for a 6-month period as determined by the Board of Directors.

It is however specified that Cécile Dussart may not participate or be involved in any strategic decision relating to the proper running of the Company and its development and that this specific assignment shall not be construed as granting Cécile Dussart the powers to act in the name and/or on behalf of the Company vis-à-vis third-parties or as involving Cécile Dussart in the day-to-day management of the Company.

The Board of Directors also decided that Cécile Dussart would (i) be compensated at the rate of €5,000 (exclusive of VAT) per month in consideration of the services rendered pursuant to this assignment; and would (ii) be reimbursed of all reasonable and necessary travel expenses in connection with the mission, in accordance with the Company's expense and travel reimbursement policy.

This specific assignment and the remunerations granted to Cécile Dussart have been submitted to the prior approval of the Board of Directors pursuant to the provisions of article L. 225-38 *et seq.* of the French Commercial Code on the related-party regulated agreements (*conventions réglementées*) in compliance with the provisions of the AFEP-MEDEF Code and was submitted for approval to the 2024 Annual Shareholders' Meeting.

2.2.2 Committees of the Board of Directors

(a) Audit Committee

Composition

As of the date of the Universal Registration Document, the Audit Committee comprises four members, three of whom are independent, meaning the two-thirds of its members are independent. Its members are: Claire Giraut[1] (Chair and Independent Director), Olivier Klaric[2] (representative of Sanofi Aventis Participations), Elizabeth Bastoni (Independent Director) and Rodolfo J. Savitzky (Independent Director)[1].

The members of the Audit Committee have the necessary financial and accounting skills due to their professional experience and their good knowledge of the Group's accounting and financial procedures (see section 2.1.1(i) "Board's competencies matrix" of the Universal Registration Document). In compliance with the AFEP-MEDEF Code, the Audit Committee therefor does not comprise any executive corporate officer.

Assignments

The duty of the Audit Committee is to monitor issues relating to the preparation and control of accounting and financial information and to ensure the effectiveness of the risk monitoring and operational internal control system and, if applicable, to make recommendations to ensure its integrity, in order to help the Board of Directors exercise its control and verification duties in this area.

In this context, the Audit Committee has the following primary duties:

- monitoring the financial reporting process;
- monitoring effectiveness of the internal control, internal audit and risk management systems that could materially affect the Company's financial statements;
- monitoring the statutory audit of the financial statements and, where applicable, the consolidated financial statements by the Company's statutory auditors;
- recommendation on the statutory auditors proposed for appointment or renewal by the shareholders' meeting;
- monitoring the independence of the statutory auditors;
- periodic monitoring of the status of major disputes;
- taking note of regulated agreements; and
- reviewing and monitoring the systems and procedures in place to ensure the dissemination and application of policies and rules of good practice in matters of ethics, competition, fraud and corruption and more generally compliance with the regulations in force.

The Audit Committee shall report regularly to the Board of Directors on the performance of its duties and shall inform the Board of Directors without delay of any difficulties encountered.

The Audit Committee meets as often as the interests of the Company so require and at least four times a year to review the annual, interim and, where applicable, quarterly financial statements (in each case consolidated where applicable).

The Audit Committee may interview any Director, Corporate Officer or member of the management of the Company, and carry out any internal or external audit on any subject it deems appropriate. It may be assisted for this purpose by one or more external advisors of its choice, after first informing the Board of Directors. In particular, the Audit Committee may interview any person involved in the preparation or control of the accounts, such as the Chief Financial Officer and senior employees of the Company's finance department.

The Audit Committee interviews the Statutory Auditors. It may interview them without any representative of the Company being present. The Audit Committee may also interview the Company's financial officers, including without the presence of members of the management, if the Audit Committee so wishes.

If they deem it necessary for the performance of their duties, Audit Committee members may request to be provided with any accounting, legal or financial document.

Main activities

In 2024, the Audit Committee met eight times with an attendance rate of 90%.

In 2024, the main activities of the Audit Committee were the following:

- interview of the Company's Chief Financial Officer and of key finance executives, review of the closing options for the first half and for the full year 2024, of the closing procedures, and of the finance organization;

[1] *Claire Giraut resigned as Chair and member of the Audit Committee on March 3, 2025, effective on May 21, 2025. Rodolfo J. Savitzky has been appointed as Chair of the Audit Committee on March.*
[2] *Olivier Klaric, as permanent representative of Sanofi Aventis Participation replaced Adeline Le Franc as a member of the Audit Committee on March 18, 2024.*

- review of the Company and of the consolidated financial statements for the full year 2023 and for the first half of 2024 with the management of the Company and the statutory auditors, including off-balance sheet commitments as well as of related press releases;
- interview of the Statutory Auditors on their risk assessment and internal control considerations, on the 2024 audit plan, and on their reports for the full year 2023 and for the first half 2024;
- review of the 2024 budget before presentation to the Board;
- review of the 2024 financial forecasts prepared by Management;
- review of the risk management and of the risk mapping;
- interview of the person responsible for the internal audit and risk control of the Company, and review of the internal control processes and conclusions; validation of the yearly internal audit plan, review of internal audit reports, and of the follow-up of remediation plans. Review of the Board of Directors' management report, and of the description of risk factors contained in the Universal Registration Document;
- validation of the statutory audit fees.

(b) Nominations and Compensation Committee

Composition

As of the date of the Universal Registration Document, the Nominations and Compensation Committee comprises five members, three of whom are independent, meaning that the majority of its members are independent[1]. of Elizabeth Bastoni (Chair and independent director), Emmanuel Blin (Chair of the Board of Directors), Jean-Yves Caminade (representative of Bpifrance Investissement)[2], Mattias Perjos (Independent Director) and Kevin Rodier[3] (representative of employees). In compliance with the AFEP-MEDEF Code, the Nominations and Compensation Committee therefore does not comprise an executive officer.

Assignments

The Nominations and Compensation Committee is a specialized committee of the Board of Directors whose main tasks are to assist the Board in (i) the composition of the administration and management bodies of the Company and its Group; and (ii) the determination and the regular assessment of all remuneration and benefits of the Company's Directors and Corporate Officers, including all deferred benefits and/or voluntary or forced departure severance pay granted to Corporate Officers.

With regard to nominations, the Nominations and Compensation Committee has the following primary duties:

- regular review of the composition of the Board of Directors and proposals for the appointment of members of the Board of Directors and of the Board Committees as well as for the appointment of Corporate Officers; and
- the annual assessment of the independence of the members of the Board of Directors.

With regards to compensation, the Nominations and Compensation Committee has the following primary duties:

- review and proposal to the Board of Directors concerning all elements and conditions of the remuneration of the Group's employees that are classified as Executive Committee members;
- recommendation and proposal to the Board of Directors concerning all elements and conditions of the remuneration of the Group's Corporate Officers; and
- review and proposal to the Board of Directors concerning the method for allocating remuneration for the activities of the Board of Directors;
- stakeholder engagement;
- Board effectiveness.

The Nominations and Compensation Committee meets whenever it deems necessary and, in any event, at least two times a year. Pursuant to the AFEP-MEDEF Code, the Nominations and Compensation Committee may request the Executive Corporate Officers of the Company to contribute to the work of the Committee with regard to nominations matters.

(1) The member representing employees is not taken into account for the purpose of calculating the proportion of independent members
(2) Permanent representative of Bpifrance Investissement, appointed on July 26, 2024, to replace Guillaume Mortelier, member representing Bpifrance Investissement, who resigned on July 26, 2024.
(3) Kevin Rodier was appointed as member of the Nominations and Compensation Committee on May 22, 2024.

Main activities

In 2024, the Nominations and Compensation Committee met nine times with an attendance rate of 97%.

In 2024, the main activities of the Nominations and Compensation Committee were the following:

- fixed and variable compensation of the Executive Corporate Officers, including the severance package for the departing Chief Executive Officer and the package for the new Chief Executive Officer;
- review of the performance criteria applicable to annual variable compensation;
- review of the fixed and variable compensation of some members of the Executive Committee;
- setting the amount of compensation allocated to Directors for 2024 and principles for allocating Directors' compensation between Board members for 2025;
- review of the Board of Directors' management report and the Corporate Governance Report;
- review of the succession plans for the Corporate Officers;
- review of the selection process for candidates as Directors;
- the notice of meeting for the 2024 Annual Shareholders' Meeting: (i) the draft resolutions on compensations submitted to the approval of the 2025 Annual Shareholders' Meeting and (ii) the report of the Board of Directors on these resolutions; and
- changes in the composition of the Board and its committees, annual review of the independence of the Directors, proposed cooptation of Directors, and start of the recruitment process for a new Chief Executive Officer for the Company.

In 2024, the Chief Executive Officer of the Company contributed to the work of the Nominations and Compensation Committee with regard to nominations matters where her/his input was required.

(c) ESG Committee

Composition

As of the date of the Universal Registration Document, the ESG Committee is composed of Cécile Dussart (Chair and independent member), Emmanuel Blin (Chair of the Board of Directors) and Marie-Isabelle Penet[1] (representative of employees).

Assignments

As part of its assignments, the ESG Committee carries out the following duties in particular:

- review of the guidelines, objectives and issues related to the Company's ESG policy;
- ensuring the consideration of issues falling within the scope of ESG in the Group's strategy and in its implementation;
- monitoring and control of the main environmental, social and societal risks of the Group;
- review of the reports drafted pursuant to legal and regulatory obligations in the area of ESG; and
- review of the Group's commitments to sustainable development with regard to the challenges specific to its business activity and its objectives.

The ESG Committee shall report regularly to the Board of Directors on the performance of its duties and shall inform it without delay of any difficulties encountered. The ESG Committee meets as often as necessary and, in any event, at least twice a year.

Main activities

In 2024, the ESG Committee met three times with an attendance rate of 100%.

In 2024, the main activities of the ESG Committee were the following:

- review of EUROAPI's ESG commitments and of the extent to which those commitments and objectives meet stakeholders expectations;
- monitoring the rollout of ESG programs and its integration in EUROAPI's strategy; and
- review of the Sutainability Statement.

2.2.3 Services agreements

On December 17, 2024, the Company and David Seignolle entered into a management agreement setting forth the main terms of his compensation and other undertakings in relation to his duties as Chief Executive Officer. For a description of his compensation, please see Section 2.3.1 of this Universal Registration Document.

[1] *Marie-Isabelle Penet was appointed as member of the ESG Committee on May 22, 2024*

2.3 REMUNERATION AND BENEFITS

The compensation policy for corporate officers for 2024 was decided by the Board of Directors at its meeting of February 28, 2024, based on the recommendation of the Nomination and Compensation Committee.

In accordance with Article L.22-10-8 of the French Commercial Code, and the principles defined in the AFEP/MEDEF Corporate Governance Code. The policy presented in this section will be submitted for approval to the 2025 Annual Shareholders' Meeting.

2.3.1 Remuneration policy for Directors and Executive Directors in 2025

Remuneration policy of the members of the Board of Directors

The Company's Annual Shareholders' Meeting of May 22, 2024, set the budget for the overall compensation for Directors at the annual amount of €1,100,000.

For 2025, upon recommendation of the Nomination and Compensation Policy, the Board of Directors has decided to reduce the total overall compensation budget for Directors at € 450,000. This reflect the reduction in the size of the Board and the removal of the compensation of the Chair of the Board from this amount, as disclosed in the next paragraph.

Upon recommendation of the Nominations and Compensation Committee, the Board of Directors freely distributes among its members the compensation allocated to the Board by the Shareholders' Meeting, taking into account, in accordance with the recommendations of the AFEP-MEDEF Code, the effective participation of directors in Board and committee meetings. The Board of Directors examines whether the level of compensation allocated to directors is appropriate in view of their duties and responsibilities.

The Directors receive a fixed remuneration, the amount of which depend on their actual attendance at Board meetings and the scope of the Board's work. If one board member has an attendance less than 80% of the meetings, the fixed remuneration is reduced accordingly.

Adeline le Franc, then, Olivier Klaric the representatives of Sanofi-Aventis Participation, Jean Yves Caminade the representative of Bpifrance Investissement, Géraldine Leveau, the representative of the French state and the Directors representing employees do not receive any remuneration with respect to their Directorship for the 2025 fiscal year.

The remuneration policy is as follows:

For each director:

- A fixed portion of €60,000 per annum based on a greater than 80% participation; and

For directors serving on a Board committee:

- Audit Committee:
  - For the Chair, an additional fixed amount of €25,000 per annum;
  - For the other members, an additional fixed portion of €10,000 per annum.
- Nominations and Compensation Committee:
  - For the Chair, an additional fixed amount of €25,000 per annum;
  - For the other members, an additional fixed portion of €10,000 per annum.
- ESG Committee:
  - For the Chair, an additional fixed amount of €15,000 per annum;
  - For the other members, an additional fixed portion of €10,000 per annum.

In addition to the remuneration policy described above, directors traveling from a non-European country to attend meetings of the Board of Directors will receive an additional remuneration of €4,000 per trip.

If the total amount due exceeds the allocation package, then all remuneration of the Board of Directors and the committees may be adjusted downward proportionately in order to remain within the package.

This remuneration policy for directors may be revised annually and shall be subject to the approval of the shareholders' meeting in accordance with the provisions of Article L. 22-10-8 of the French Commercial Code.

The Board of Directors shall also have the option of granting additional remuneration to a specific director or directors in the event of specific, ad hoc assignments.

Compensation of the Chair of the Board of Directors

In order to propose the compensation structure for the Chair of the Board of Directors, the Nomination and Compensation Committee relies on studies of external consultants indicating market practices for comparable companies. It also takes into account the specific tasks entrusted to the Chair of the Board as detailed in the Board Charter available on the website (https://www.euroapi.com/en/investors/governance/business-ethics-and-compliance/documentation).

The remuneration policy for the Chair of the Board has a single fixed component without any variable compensation.

The Chair of the Board does not receive additional compensation for being member of the Board of Directors.

On the 10th of December, 2024, the Board of Directors decided, on the recommendation of the Nominations and Remunerations Committee that the fixed annual compensation of Emmanuel Blin as the new Chair of the Board of Directors for 2025 will remain at 270,000 euros, a reduction of 10% versus the prior Chair.

The compensation policy for the Chair of the Board may be revised annually and shall be subject to the approval of the 2025 Annual Shareholders' Meeting in accordance with the provisions of Article L. 22-10-8 of the French Commercial Code.

Compensation policy for executive officers

Principles applicable to all executive officers

The Board of Directors follows the general guidelines, drawn up within the framework of the recommendations of the AFEP-MEDEF Code, for the determination, review and implementation of its compensation policy.

It takes constant care to ensure that the various components that make up the compensation of executive directors result in compensation that is competitive, fair, comprehensible, consistent and performance related. The compensation components of executive directors, whether vested or potential, are made public after the decision of the Board of Directors meeting having determined them.

This is reflected in the following manner:

- Alignment of the Chief Executive Officer's compensation with the short- and long-term interests of shareholders;
- Balance short- and long-term compensation, discouraging short-term risk-taking without compromising long-term results;
- Use the support of an independent external consulting firm as appropriate;
- Implement the performance criteria linked to the Group's long-term strategy, taking ESG issues into account;
- Ensure that the Chief Executive Officer's compensation is consistent with the compensation policy for the Group's employees, and in particular that of the members of the Executive Committee;
- Ensure that the performance conditions prevail in the compensation of the Company's Executive Corporate Officers.

The work of the Nominations and Compensation Committee is structured around three to four scheduled meetings throughout the year with intermediate preparatory work carried out by its Chair, Management and/or a third party consultant. The compensation policy for EUROAPI's Executive Corporate Officers for the 2024 fiscal year was discussed and examined by the Nominations and Compensation Committee during three meetings held between December 2024 and February 2025, before being proposed to and approved by the Board of Directors.

In accordance with Article L. 22-10-8 III of the French Commercial Code, in exceptional circumstances, the Board of Directors may, on the recommendation of the Nomination and Compensation committee, adapt certain provisions of the compensation policy, provided that this exemption is temporary, in accordance with the corporate interest and necessary to guarantee the sustainability or viability of the Company.

The compensation policy for the Executive Corporate Officers described hereafter may be revised annually and shall be subject to the approval of the Annual Shareholders' Meeting in accordance with the provisions of Article L. 22-10-8 of the French Commercial Code

Compensation of executive officers

When the Nomination and Compensation Committee proposes to the Board the compensation of executive officers, it ensures that the rules applied are consistent with the annual appraisal of the individual performance of the Group's executives as well as the Company's performance. It also takes into account all of the Company's strategic, financial and corporate social responsibility objectives, the interests of shareholders and other stakeholders and any changes to the AFEP-MEDEF Code.

To ensure appropriate global benchmarks that match EUROAPI's global business, WTW, a leading global remuneration consultancy, has been engaged to provide peer group surveys for France and for Europe. In 2022, the Board of Directors has validated a peer group which has a global scope and transformation challenge that was considered similar to that EUROAPI. They were considered equivalent in term of sales, headcount and market capitalization.

The peer group panels for the Executive Director are as follows:

- French companies: Assystem, Interparfums, Quadient, Manitou BF, Somfy, Vetoquinol, Vilmorin & Cie, Virbac.
- European companies: Alk -Abello, Corbion, Dechra Pharma, Evotec, Hexpol AB, Polypetide, Siegfried, Victrex.

The panel is reviewed every few years. No changes to the peer group were made in 2024. Taking into account the peer group data and the business size and performance,the Committee proposed to set the remuneration policy between the 1st quartile and median of the market.

The Committee ensures that none of the components of the compensation package are disproportionate and analyzes the compensation package as a whole by taking into account all of its components: fixed compensation, variable compensation, long-term incentive plan, supplementary pension plan and benefits-in-kind. Variable components make up a predominant portion of the compensation paid to executive officers.

Fixed compensation

The fixed compensation package for executive officers is determined by taking into account the level and complexity of their responsibilities, their experience in the position, and market practices for comparable groups and companies. An early review is possible if the scope of responsibilities changes significantly or the comparison of compensation with the benchmark panel reveals a significant gap.

At its meeting of December 9th, 2024, the Board of Directors decided, upon the recommendation of the Nominations and Compensation Committee that the Chief Executive Officer, David Seignolle would receive a fixed annual compensation of €485,000, which is between the first quartile and the median of the panel.

Annual variable compensation

Executive officers are entitled to annual variable compensation for which the Board of Directors, upon the recommendation of the Nomination and Compensation Committee, defines each year performance criteria that are diverse, demanding, precise and pre-defined, allowing for a comprehensive performance analysis, aligned with the Company's challenges and strategy and shareholders' interests. The assessment of the performance is based on a balance between predominant collective criteria and individual criteria, both operational and managerial.

The Board of Directors defines the target rate and the maximum rate of annual variable compensation annually as a percentage of the annual fixed compensation. It determines the proportion of collective and individual objectives and the corresponding set of criteria.

Payment of the annual variable compensation due to executive officers is subject to its approval by the Annual Shareholders' Meeting.

At its meeting of March 3, 2025, the Board of Directors set the objectives of the Chief Executive Corporate Officers variable compensation for 2025. The target rate of annual variable compensation is defined as 80% of the annual fixed compensation. The variable compensation may vary based on the achievement of objectives set by the Board of Directors, from 0% to 150% of his annual fixed compensation.The actual payment will be determined based on the fulfillment of the following objectives:

Criteria	Weighting
Free cash Flow in amount	25%
Core EBITDA margin (in %)	25%
ESG target	10%
Continue and accelerate the delivery of FOCUS-27	25%
Ensure people driven transformation	15%

In the event of a significant change in the Group's reporting perimeter, the Board may decide to adjust these criteria accordingly.

The financial objectives were set in line with the Group's strategy and on the basis of the budget validated by the Board of Directors on December 10, 2024.

The individual objectives and their weighting for 2025 are as follows:

Continue delivery of FOCUS-27 - 25%:

- Deliver FOCUS-27 plan for 2025 as planned, especially on finalizing stock piling for discontinuing API by end of 2025, including the inventory impact
- Implement the adjustment of the industrial footprint

Foster people driven transformation to support the delivery of FOCUS-27 -15%

- Empower the broad leadership to lead and drive the company’s transformation
- Perform an employee survey and define appropriate action plans across the company

ESG - 10%

- Strengthen safety performance by improving safety culture with 8 Management safety visits by eligible trained managers.
- Progress toward EUROAPI 2030 environmental commitments and register to Science Based Targets Initiative (SBTI) by end of 2025.

Payment of annual variable compensation for the Chief Executive Officer will be subject to approval at the 2025 Annual Shareholders' Meeting of the resolution related to the total compensation and benefits-in-kind paid in 2025 or granted to the Chief Executive Officer for 2025 under Article L.225-100 of the French Commercial Code.

Long-term compensation

The Group's long-term compensation policy is part of a global strategy to increase loyalty and align approximately 120 to 150 of the group’s executives and high potential employees for the success of its ambitious medium- and long-term objectives. Each long-term incentive plan is subject to prior approval by the Annual Shareholders' Meeting.

Performance shares and stock options are valued in accordance with IFRS and must not represent a percentage that is disproportionate to the overall compensation and shares granted to each executive officer.

Executive officers who receive performance shares formally undertake not to use hedging instruments during the vesting period.

Executive officers may not sell their vested shares during certain "blackout" periods, in accordance with the applicable legal and regulatory requirements and the Group's "Insider dealing" procedures.

Executive officers who resigns or are dismissed from their position forfeit their right to any shares that have not yet vested on the date of their removal. On retirement, executive officers maintain their rights to performance shares on a *pro rata temporis* basis unless the Board of Directors decides otherwise with good reason.

The value of the shares granted to the Chief Executive Officer should not exceed, on the grant date, a maximum of 130% of the fixed annual compensation.

Shareholding obligation

In accordance with the law and the procedures adopted periodically by the Board of Directors, executive directors must hold a significant and increasing number of shares.

Executive officers are required to hold, in registered form and for as long as they remain in office, 25% of the performance shares of the total shares they receive at the end of each vesting period. This requirement applies unless the Board of Directors decides otherwise in view of the executive officer's situation and particularly taking into account the objective of holding an increasing number of shares received under such plans.

Exceptional compensation

Highly specific circumstances may warrant the award of exceptional compensation to executive officers (e.g., due to their importance for the Company; the involvement they demand and the difficulties they present). The allocation of exceptional remuneration is non-recurring, justified and disclosed by the Board.

Its payment is subject to approval by the Annual Shareholders' Meeting and the amount is capped at 100% of the beneficiary's fixed compensation.

Benefits for taking up a position

Pursuant to the provisions of the AFEP-MEDEF Code, benefits for taking up a position may only be granted to a new Executive Corporate Officer who has come from a company outside the Group. The payment of this benefit, which may take a number of different forms, is intended to compensate the Executive Corporate Officer for the loss of the entitlements from which s/he previously benefited before joining the Group.

This indemnity would be arranged so as to reflect the type, risk profile and the vesting horizon of the lost benefits.

This indemnity must be explicitly indicated and its amount must be made public at the time it is determined, including in the event of periodic or deferred payment. It cannot be higher than the value of the entitlements lost by the new Executive Corporate Officer upon leaving his or her previous position.

Commitments given to executive officers

All commitments given to executive directors are authorized by the Board of Directors and submitted for approval to the Annual Shareholders' Meeting. Details can be found in section 7.4.5. Shareholders' meeting (Articles 21, 22, 23 and 24 of the article of association) of this document, except the last paragraph of the termination indemnity that will be subject to approval by the 2025 Annual Shareholders' Meeting.

Non-compete indemnity

The Chief Executive Officer may be subject to a non-compete clause, whose geographic scope is in line with that of the Company's activities, for a period of 12 months in the event of resignation, or six months in the event of dismissal (which may be renewed once), from the date of effective departure from the Company for any reason. In this respect, the Chief Executive Officer would receive, for the duration of and subject to compliance with the non-compete undertaking, a gross monthly fixed indemnity equal to 75% of his annual fixed remuneration received over the past 12 months preceding the end of his term of office (including the actual amount of the last known bonus).

In accordance with Article 25.3 of the AFEP-MEDEF Code, non-compete clause contains a provision allowing the Board of Directors to waive the implementation of the non-compete clause upon the departure of the Chief Executive Officer (in which case no non-compete indemnity will be payable).

Moreover, in accordance with Article 25.4 of the AFEP-MEDEF Code, the non-compete indemnity shall not be payable if the Chief Executive Officer exercises pension rights. In any event, no indemnity shall be paid beyond the age of 65.

Termination indemnity

In addition, the Chief Executive Officer is entitled to an indemnity that would be due in the event of dismissal (except in the event of gross negligence or serious misconduct) by decision of the Board of Directors, or forced departure (including a resignation) following a merger or demerger of the Company, a change of control, a significant change in the Company's strategy or a profound disagreement with the Board, the gross amount of which would be equivalent to 12 months' remuneration calculated on the basis of the average of the previous 12 months' remuneration (including the fixed compensation and the actual amount of the last known bonus if any). Until the amount of the first actual bonus is determined by the Board, the target bonus will be used for this computation.

In any case, this termination indemnity is subject to performance conditions applicable during the term of office. These performance conditions include the Core EBITDA margin, Free Cash Flow over a two-year observation period.

The CEO resigned as employee of the company when he was appointed CEO in line with AFEP MEDEF recommendations. There is a one-year waiting period before being eligible for a private unemployment guarantee. As a result the board agreed on the following: exceptionally the performance conditions will not apply in the case of termination (except in the event of gross negligence *(faute lourde)* or serious misconduct *(faute grave)*) or departure following significant reduction in responsibilities effective on or before December 10, 2025 and with a change in control of the Company. The gross amount of this

termination would be equivalent to 12 months' remuneration calculated on the basis of the average of the previous 12 months' remuneration as a CEO, including the Salary but excluding any variable compensation.

Termination and non-compete indemnities

Pursuant to the recommendations of the AFEP-MEDEF Code, the Board of Directors specifically authorized (i) the conclusion of the above-mentioned non-compete undertaking, including the duration of the non-compete obligation and the amount of the indemnity, taking into account the practical and effective consequences of the non-compete obligation and (ii) the termination indemnity due in case of termination of office or forced departure. The decision of the Board was made public. In any event, the sum of the non-compete and termination indemnities may not exceed 24 months' remuneration (including fixed and annual variable remuneration).

Supplementary pension plan

Executive directors can be covered by a supplementary pension plan, called "Article 82" (French General Tax Code) set up by the Group for certain Executive Levels.

Annual contributions to the plan paid by the Company can correspond to a maximum of 15% of the beneficiary's reference remuneration (monthly fixed and variable remuneration), of which half is paid as a gross insurance premium to an insurer and half in the form of a cash indemnity classified as salary.

Welfare plans and unemployment insurance plan

Executive Director benefit from Group pension and welfare plans (medical, disability, invalidity and death) under the same terms and conditions as EUROAPI employees. They also benefit from a private unemployment insurance plan.

Benefits-in-kind

Executive officer can benefit from the use of a company car or a car allowance. Executive officer can also benefit from reimbursement of expenses up to a maximum of €4,500 per month for travels and hotels from his home office.

Other components of compensation

Executive officers do not benefit from multi-annual or deferred variable compensation in cash. The Board of Directors prefers to use a share-based mechanism to strengthen the alignment of the executive officers' interests with those of shareholders. They are also not entitled to any compensation in respect of their term of office as Director.

Discontinuance of the employment contract in case of appointment as a corporate office

When a senior executive of the Group becomes Chief Executive Officer, Deputy Chief Executive Officer or Chairman and CEO of the Company, the employment contract with the Company is terminated either contractually or by resignation, unless the Board of Directors decides otherwise with a thoughtfully considered decision.

The results of the votes on the compensation policies submitted on the Shareholders' Meeting of May 22, 2024 are presented below:

Resolution	Policy to be voted	% of votes for
9	Determination of the total remuneration allocated to the Company's Board of Directors	99.65%
10	Approval of the information relating to remuneration paid during or awarded in respect of the financial year ended 31 December 2023 to corporate officers,	99.70%
11	Approval of the fixed, variable and exceptional components of the total remuneration and benefits in kind paid during the financial year ended 31 December 2023 or awarded in respect of the same financial year to Ms Viviane Monges, Chair of the Board of Directors of the Company,	99.62%
12	Approval of the fixed, variable and exceptional components of the total remuneration and benefits in kind paid during the financial year ended 31 December 2023 or awarded in respect of the same financial year to Mr Karl Rotthier, Chief Executive Officer of the Company until 30 October 2023,	87.13%
13	Approval of the fixed, variable and exceptional components of the total remuneration and benefits in kind paid during the year ended 31 December 2023 or awarded in respect of the same year to Ms Viviane Monges, Chief Executive Officer of the Company with effect from 30 October 2023,	99.33%
14	Approval of the remuneration policy for members of the Board of Directors,	99.64%
15	Approval of the remuneration policy for Ms Viviane Monges, Chair of the Board of Directors,	99.57%
16	Approval of the remuneration policy for Ms Viviane Monges, Chief Executive Officer of the Company, until March 1, 2024,	94.14%
17	Approval of the remuneration policy for Mr Ludwig de Mot, Chief Executive Officer of the Company, with effect from March 1, 2024,	82.59%

2.3.2 Director's remuneration for 2024

Pursuant to the compensation policy for the members of the Board of Directors approved by the Annual Shareholders' Meeting held on May 22, 2024, Viviane Monges, the representative of Sanofi-Aventis Participations, the representative of Bpifrance Investissement, Géraldine Leveau and the Directors representing employees did not receive any remuneration with respect to their Directorship for 2024.

Of the €1,100,000 allocated by the Company's Annual Shareholders' Meeting held on May 22, 2024, a total of €527,526 in remuneration was paid to directors in 2024 and allocated as follows among the independent members of the Board of Directors.

Table 3 (AMF nomenclature): Table on the remuneration paid to directors and other compensation received by non-executive corporate officers

Directors' remuneration has been validated by the Board of Directors meeting dated March 3rd, 2025.

In €	FY 2023		FY 2024	
Non executive corporate officers	**Gross amount due**	**Gross amount paid**	**Gross amount due**	**Gross amount paid**
Elizabeth Bastoni				
Remuneration (including fixed and variable remuneration)	111,750	101,750	122,609	132,609
Other remuneration	28,000	28,000	20,000	20,000
Emmanuel Blin				
Remuneration (including fixed and variable remuneration)	81,500	81,500	75,217	75,217
Other remuneration				
Cécile Dussart				
Remuneration (including fixed and variable remuneration)	67,750	67,750	75,000	75,000
Other remuneration				
Claire Giraut				
Remuneration (including fixed and variable remuneration)	89,750	89,750	85,000	85,000
Other remuneration				
Mattias Perjos				
Remuneration (including fixed and variable remuneration)	65,500	65,500	70,000	70,000
Other remuneration				
Rodolfo Savitzky				
Remuneration (including fixed and variable remuneration)	74,000	74,000	70,000	70,000
Other remuneration	—	—		

2.3.3 Compensation payable for 2024 to Viviane Monges Chair of the Board of Directors

Chair of the Board of Directors

For the year ending December 31, 2024, Mrs Vivian Monges, Chair of the Board of Directors, received a fixed remuneration of €281,818.

Table 1 (AMF nomenclature): Summary table of the remuneration, options and shares granted to each corporate officer

	2023	2024
Remuneration due for the year	342,500	324,318
Value of options granted during the year		
Value of performance shares granted during the year		
Value of special management incentive plan granted during the year		
Value of shares vested during the year	0	
Total	**342,500**	**324,318**

Table 2 (AMF nomenclature): Summary table of the remuneration of each corporate officer

	Amounts due for 2023	Amounts paid in 2023	Amounts due for 2024	Amounts paid in 2024
Fixed remuneration	300,000	300,000	281,818	281,818
Variable remuneration	0	0	0	0
Exceptional remuneration	36,500	0	36,500	73,000
Benefits in kind	6,000	0	6,000	12,000
Total	**342,500**	**300,000**	**324,318**	**366,818**

Between October 30, 2023 and February 29, 2024, Viviane Monges, Chair of the Board of Directors, was also Chief Executive Officer.

The Board of Directors upon the recommendation of the Nomination and Compensation Committee, has decided to award Viviane Monges' additional remuneration for the duration of her dual role to recognize the additional responsibilities. In addition to her remuneration as Chair of the Board of Director, Viviane Monges is entitled to:

- a fixed time-based remuneration: an additional gross remuneration of €820 per working day, prorated to the working day performed, up to a maximum of €18,250 per month; and
- benefit in kind: Viviane Monges is a Swiss resident. To compensate for housing costs In Paris for the duration of her assignment as CEO, she was awarded a housing allowance up to €3,000 to compensate her living expenses while in Paris, subject to submission of receipts.

Table 11 (AMF nomenclature)

The following table provides details on the terms and conditions of remuneration and other benefits for corporate officers:

	Employment contract		Supplementary pension plan		Payments or benefits due or likely to be due as a result of termination or change of office		Indemnities pursuant to a non-compete clause	
Corporate officers	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Viviane Monges, Chair of the Board of Directors		X		X		X		X

On December 9, 2024, Ms Viviane Monges, Chair of the Board resigned and Mr Emmanuel Blin has been appointed Chair of the Board,

2.3.4 Compensation payable for 2024 to Emmanuel Blin, Chair of the Board

For the year ending December 31, 2024, Mr Emmanuel Blin, Chair of the Board of Directors, received a fixed remuneration of € 17,386.

	2023	2024
Remuneration due for the year	NA	17,386
Value of options granted during the year		
Value of performance shares granted during the year		
Value of special management incentive plan granted during the year		
Value of shares vested during the year		
Total	**NA**	**17,386**

	Amounts due for 2023	Amounts paid in 2023	Amounts due for 2024	Amounts paid in 2024
Fixed remuneration	NA	NA	17,386	17,386
Variable remuneration			0	0
Exceptional remuneration			0	0
Benefits in kind			0	0
Total	**NA**	**NA**	**17,386**	**17,386**

Table 11 (AMF nomenclature)

The following table provides details on the terms and conditions of remuneration and other benefits for corporate officers:

	Employment contract		Supplementary pension plan		Payments or benefits due or likely to be due as a result of termination or change of office		Indemnities pursuant to a non-compete clause	
Corporate officers	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Emmanuel Blin, Chair of the Board of Directors		X		X		X		X

2.3.5 Compensation payable for 2024 to Ludwig de Mot, Chief Executive Officer

Chief Executive Officer

The following tables show a breakdown of the various components of Ludwig de Mot's compensation as Chief Executive Officer for the period from March 1, 2024 through December 9, 2024 on a *prorata temporis* basis.

The components of Ludwig de Mot's compensation for the 2024 fiscal year were determined in line with the compensation policy for the Chief Executive Officer approved by the Company's Annual Shareholders' Meeting held on May 22, 2024. The payment of the Chief Executive Officer's compensation in 2025 shall be submitted to the approval of the Annual Shareholders' Meeting of the Company to be held in 2025 pursuant to the provisions of Article L. 22-10-34 of the French Commercial Code (*ex post* say on pay).

Table 1 (AMF nomenclature): Summary table of the remuneration, options and shares granted to each corporate officer

	2023	2024
Remuneration due for the year	NA	603,125
Value of multi-year variable remuneration granted during the year		
Value of options granted during the year		63,467
Value of performance shares granted during the year		0
Value of special management incentive plan granted during the year		0
Value of shares vested during the year		0
Total	**NA**	**666,592**

Table 2 (AMF nomenclature): Summary table of the remuneration of each corporate officer

	Amounts due for 2023	Amounts paid in 2023	Amounts due for 2024	Amounts paid in 2024
Fixed remuneration			399,500	399,500
Variable remuneration			143,700	0
Exceptional remuneration				
Defined contribution plan (pension) [(1)]			59,925	59,925
Benefits in kind			0	0
Total			**603,125**	**459,425**

(1) Ludwig de Mot was eligible for an "Article 82" (French General Tax Code) supplemental pension plan. Under this plan, he benefited for financial year 2024 from a contribution corresponding to 15% of the reference remuneration (monthly fixed and variable remuneration), of which 50% was paid as a gross insurance premium to an "Article 82" life insurance account and 50% in the form of a cash indemnity classified as salary.

Table 11 (AMF nomenclature)

The following table provides details on the terms and conditions of remuneration and other benefits for corporate officers:

	Employment contract		Supplementary pension plan		Payments or benefits due or likely to be due as a result of termination or change of office		Indemnities pursuant to a non-compete clause	
Corporate officers	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Ludwig de Mot, CEO of the Company from March 1, 2024 to December 9,2024		X	X Article 82 (French General Tax Code)		X		X	

During its meeting held on December 9, 2024, the Board of Directors decided to set the remuneration of Ludwig de Mot for his duties as the Company's Chief Executive Officer for the period starting on March 1, 2024 and ending on December 9, 2024 as follows, subject to the approval of the 2025 Annual Shareholders' Meeting.

- Annual fixed remuneration:

  In respect of his fixed remuneration, Ludwig de Mot has received €399,500 calculated *prorata temporis* until December 9, 2024.

- Variable annual remuneration:

  For the financial objectives, on the basis of a strict application of the achievement levels for the 2024 fiscal year objectives, the achievement rate for the Core EBITDA margin was 0% of the target, the achievement rate for the Free Cash Flow Conversion was at 150% of the target.

The objectives related to the FOCUS-27 plan were partially achieved. Inventories were reduced by €94 million euros, which significantly contributed to the improvement of working capital in 2024. Additionally, funding for the plan was successfully completed in October 2024. The 451 million euro Revolving Credit Facility was extended to 2029, and a €200 million Deeply Subordinated Hybrid Bond was secured with Sanofi.

The objectives linked to People and Culture were also partially achieved, marked by the renewal of part of the Executive Committee. However, the targets related to change management within the cultural aspect were not met.

Regarding ESG objectives, there was partial achievement as well. While the number of management safety visits was completed, the percentage of women in senior leadership positions remained flat.

Upon recommendation of the Nominations and Remuneration Committee, the Board of Directors has decided to propose to the general meeting of May 2025 the payment of an annual variable remuneration pro rata temporis of €143,700 based on the assessment of the 2024 financial objectives validated by the Board of Directors on the March 3, 2025, the objectives related to FOCUS-27 were assessed as achieved at 50%, the objectives related to People and culture were assessed as achieved at 33% and objective related to ESG assessed at 50%.

Criteria	Weighting	Achievement
Free Cash Flow (before financing) in amount	25%	150%
Core EBITDA margin (in %)	25%	—%
FOCUS-27 Implementation	30%	50%
People and culture	15%	33%
ESG target	5%	50 %
TOTAL	**100%**	**60%**

- Long term remuneration:
  - In accordance with the compensation policy for Executive Corporate Officers, Ludwig de Mot does not retain any benefit from the stock options granted to him in May 2024, which are definitively lapsed.
- Non-compete indemnities:
  - Upon recommendation of the Nominations and Compensation Committee, the Board of Directors has decided not to apply the non-compete clause of the Chief Executive Officer. Mr. Ludwig De Mot will therefore not receive any compensation in this regard.
- Termination indemnities:
  - In accordance with the compensation policy for Executive Corporate Officers, Ludwig de Mot, following his resignation, does not receive any termination indemnity.

2.3.6 Compensation payable for 2024 to David Seignolle, Chief Executive Officer

The following tables show a breakdown of the various components of David Seignolle's compensation as Chief Executive Officer for the period starting on December 9, 2024 on a *prorata temporis* basis.

	2023	2024
Remuneration due for the year	NA	33,908
Value of multi-year variable remuneration granted during the year		
Value of options granted during the year		0
Value of performance shares granted during the year		0
Value of special management incentive plan granted during the year		0
Value of shares vested during the year		0
Total	**NA**	**33,908**

	Amounts due for 2023	Amounts paid in 2023	Amounts due for 2024	Amounts paid in 2024
Fixed remuneration			28,683	28,683
Variable remuneration				
Exceptional remuneration				
Defined contribution plan (pension) (1)			4,302	4,302
Benefits in kind (2)			923	923
Total			**33,908**	**33,908**

(1) David Seignolle is eligible for an "Article 82" (French General Tax Code) supplemental pension plan. Under this plan, he benefited for financial year 2024 from a contribution corresponding to 15% of the reference remuneration (monthly fixed and variable remuneration), of which 50% was paid as a gross insurance premium to an "Article 82" life insurance account and 50% in the form of a cash indemnity classified as salary).

(2) Benefits in kind correspond to a company car.

Table 11 (AMF nomenclature)

The following table provides details on the terms and conditions of remuneration and other benefits for corporate officers:

	Employment contract		Supplementary pension plan		Payments or benefits due or likely to be due as a result of termination or change of office		Indemnities pursuant to a non-compete clause	
Corporate officers	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
David Seignolle, CEO of the Company from December 9,2024		X	X Article 82 (French General Tax Code)		X		X	

2.3.7 Pay ratios

This information is provided in accordance with the provisions of the Pacte Act of May 22, 2019 and the recommendations of the AFEP-MEDEF Code in its January 2020 version.

Pay ratios between the level of compensation of executive directors and the average and median compensation of employees from EUROAPI France, representing 98% of the population present in France. It should be noted that there are no employees in the listed company as of December 31, 2024.

The ratios below have been calculated on the basis of fixed and variable compensation paid during the financial years mentioned, as well as bonus and performance shares acquired during the same periods and valued at their fair value. The total remuneration taken into account for the Chair is disclosed in table 2 in section 2.3.3 and 2.3.4 - Amount paid in 2024.

The total remuneration taken into account for the CEO is the sum of the compensation paid to Viviane Monges (as CEO for two months), Ludwig de Mot and David Seignolle in 2024.

For greater transparency, the table below also presents a pay ratio with a normative theoretical remuneration of the CEO. The scope of this information includes the employees of EUROAPI France.

The choice of this scope was made in order to have intelligible ratios and to exclude the problems of exchange rates, inflation and salary regimes (different legal constraints) of the various countries in which EUROAPI has employees. In addition, in order to maintain a constant scope, employees with employment contracts other than permanent or fixed-term contracts are excluded from this population.

Ratios		2024	2023	2022
CEO	Average	10	12	21
	Median	13	16	29
	2024 Compensation (table 2 - section 2.3.5 and 2.3.6)	535,833	709,833	1,098,441
CEO	Average	16		
	Median	21		
	Compensation normative theoritical	873,000		
Board Chair	Average	6	5	12
	Median	8	7	17
	2024 Compensation (table 2 - Section 2.3.3 and 2.3.4)	341,704	300,000	649,000
Employees	Average compensation	54,860	58,435	53,549
	Median compensation	40,749	43,647	37,316

Variation in %	2023-2024	2022-2023
Turnover	(10.00%)	3.80%
Core Ebitda	(45.84%)	(22.40%)

2.3.8 Stock options and Performance shares

Allotment of stock options

Allotment of stock options

Table 4 (AMF nomenclature): Stock options granted during financial year 2024 to each corporate officer by the Company or by any Group company

Name of the corporate officer	Number and date of the plan	Type of options (purchase or subscription)	Valuation of the options according to the method used for the consolidated financial statements	Number of options allotted during the financial year	Exercise price	Exercise period
Viviane Monges, Chair	N/A	N/A	N/A	N/A	N/A	N/A
Ludwig de Mot, CEO	May 22, 2024	Subscription	63,467	80,000	3,30€	05/22/2025 to 05/22/2033

Date of shareholders' meeting	5/22/2024
Date of the Board of Directors meeting	5/22/2024
Total number of shares that may be subscribed or purchased, including the number that may subscribed or purchased by:	623,000
Ludwig de Mot, CEO	80,000
Starting date for exercise of options	5/22/2025
Expiration date	5/22/2033
Subscription or purchase price	3.30 €
Exercise procedures (if the plan includes several tranches)	N/A
Number of shares subscribed	
Cumulative number of canceled or lapsed stock options	120,000
Stock options remaining at year-end	503,000

Table 5 (AMF nomenclature): Stock options exercised during financial year 2024 by each corporate officer

Name of the corporate officer	Number and date of the plan	Number of options exercised during the financial year	Exercise price
Viviane Monges, Chair	N/A	N/A	N/A
Ludwig de Mot, CEO	N/A	N/A	N/A

Table 8 (AMF nomenclature): Historical information about stock option grants

Information concerning stock options	Plan SO 22	Plan SO 23
Date of shareholders' meeting	30/03/2022	11/5/2023
Date of the Board of Directors meeting	6/3/2022	5/6/2023
Total number of shares that may be subscribed or purchased, including the number that may subscribed or purchased by:	327,082	405,350
Viviane Monges, Chair	NA	NA
Ludwig de Mot, CEO	NA	
Starting date for exercise of options	3/6/2026	5/6/2027
Expiration date	3/6/2031	5/6/2031
Subscription or purchase price	13.91 €	10.30 €
Exercise procedures (if the plan includes several tranches)	N/A	
Number of shares subscribed		
Cumulative number of canceled or lapsed stock options	162,315	189,262
Stock options remaining at year-end	164,766	216,088

Table 9 (AMF nomenclature): Stock options granted to the top ten employees excluding corporate officers and options exercised by said employees:

	Total options granted/shares subscribed or purchased	Weighted average price
Options granted during the financial year by the Company and any company included in the option allocation plan to the ten employees of the Company or of any company included within this scope receiving the largest number of options (overall figure)		
Options on the Company and the aforementioned companies that were exercised during the financial year by the ten employees of the Company or of those companies whose number of options thus purchased or subscribed is the highest figure	N/A	N/A

Free share plan

Table 6 (AMF nomenclature): Free shares granted to each corporate officer

Free shares allotted by the shareholders' meeting in financial year 2024 to each corporate officer by the Company and by any company of the group (listed by name)	PS 24	Type of shares granted in financial year 2024	Valuation of the shares using the method used for the consolidated financial statements	Vesting date	Availability date	Performance conditions
Viviane Monges, Chair	None					
Ludwig de Mot, CEO						

	PS 24	FS 24
Date of shareholders' meeting	May 22, 2024	
Total number of free shares awarded, including the number allotted to:	**596,750**	**534,400**
Viviane Monges, Chair	None	None
Ludwig de Mot, CEO	None	None
Vesting date	5/22/2027	5/22/2026
End date of lock-up period	5/22/2027	5/22/2026
Number of shares subscribed	NA	NA
Cumulative number of canceled or lapsed shares	33,000	35,500
Free shares awarded and remaining at year end	563,750	498,900

Table 7 (AMF nomenclature): Free shares granted that became available for each corporate officer

Free shares granted that became available for each corporate officer	Number and date of the plan	Number of shares that became available in financial year 2024	Vesting conditions
Viviane Monges, Chair		None	
Ludwig de Mot, CEO		None	

Table 10 (AMF nomenclature): Historical information about free share plans

Information on free shares awarded	Plan FS 22	Plan PS 22	Plan PS 23
Date of shareholders' meeting	June 3 2022	June 3, 2022	June 5, 2023
Total number of free shares awarded, including the number allotted to:	**1,007,514**	**216,318**	**357,870**
Viviane Monges, Chair	None	None	None
Ludwig de Mot, CEO	None	None	None
Vesting date	06/03/2024	06/03/2025	06/05/2026
End date of lock-up period	06/03/2025	06/03/2025	06/05/2026
Number of shares subscribed	915,908		
Cumulative number of canceled or lapsed shares	91,606	65,873	98,756
Free shares awarded and remaining at year end	—	150,445	259,114

History of performance shares granted by Sanofi

Date of shareholders' meeting	4/30/2021
Date of the Board of Directors meeting	04/30/2021
Number of EUROAPI beneficiaries(1)	97
Total number of Sanofi shares granted to EUROAPI beneficiaries	32,896
Vesting date for Sanofi shares	05/01/2024
End date of lock-up period	05/01/2024
Number of fully vested Sanofi shares awarded at 12/31/2024	9,622
Cumulative number of Sanofi shares canceled or lapsed at 12/31/2024	22,519.0
Sanofi shares granted and remaining at 12/31/2024	0

(1) The EUROAPI beneficiaries correspond to employees who are not corporate officers of the Group and who were previously attached to the Sanofi group.

Recurring annual long-term incentive plan

In accordance with the Group's long term compensation policy and the authorization given at the Annual Shareholders' Meeting of May 22, 2024, on May 22, 2024, the Board of Directors approved the recommendation of the Nomination and Compensation Committee and adopted three new long term Incentive:

- Two plans for the principal executives and key managers of the Group. The goal of this policy is to increase loyalty and mobilize approximately 120 to 150 of the Group's executives and high-potential employees for the success of its ambitious medium- and long-term objectives.

For the members of the extended leadership team (around 40 people) including the executive committee, this long-term incentive plan is composed of both stock options (50% of the valued amount) and performance shares (50% of the valued amount). For other beneficiaries, the plan consists only of performance shares.

The award of performance shares is not only intended to incentivize the beneficiaries to consider their actions with a long-term perspective, but also to develop employee loyalty and encourage an alignment of the employee's interests with those of the shareholders.

- One special Free share plan (FS 24) for around 90 key employees to acknowledge the important role they play in FOCUS-27 and the transformation of the company.

Under the stock option plan (Plan N° SO 24), the Board granted Ludwig de Mot 80,000 stock options as Chief Executive Officer.

The exercise period for the stock options will be nine years from the date they are granted.

Performance conditions applicable for the stock options granted under Plan N° SO 24 for the CEO is to achieve a growth in revenue at the expiry of the vesting period.

Options will vest in installments over an four year period starting from the Date of Grant (25% per year).

Performance conditions applicable for the performance shares granted under Plan PS 24 are as follows:

- For each of the non ESG performance conditions set forth below, the Board of Directors set, each year, the performance targets for each annual performance period (except for 2024, which was set on the Date of the Grant).
- Actual performance will be assessed separately for each objective against the yearly target set by the Board of Directors on the following conditions.

40% of shares: CDMO revenue as reported in the Financial statements

Number of vested shares	2024 CDMO revenue in M€
100%	> 265 M€
95%	> 260 M€ and < 265 M€
90%	> 255 M€ and < 260 M€
80%	> 250 M€ and < 255 M€
70%	> 245 M€ and < 250 M€
60%	> 240 M€ and < 245 M€

40% of shares linked to the optimization of Euroapi's API portfolio and focus on highly differentiated profitable products.

Number of vested shares	2024 target: % highly differentiated products
100%	> 58%
80%	> 57% and < 58%
60%	> 56% and < 57%

20% on ESG Index based on two criteria as followed

KPI contribution to decarbonation road map	2023 Baseline	2024	2025	2026
Internal calculattion of carbon footprint fo main 30 products	5/30	9/30	17/30	30/30
Reduction production hazardous waste (metric tons)	4284600 %	41989 (-2%)	41149 (-2%)	40326 (-2%)

Performance conditions applicable for the performance shares granted under Plan PS 23 are as follows:

- A financial performance condition applied on 40% of the shares granted and based on measuring growth revenue against the Group's target for the period 2023-2025.

Average level of Growth (2023-2025)	Number of shares vested
≥ 8.0%	100%
≥ 7.5% and < 8.0%	95%
≥ 7% and < 7.5%	90%
≥ 6.5% and < 7.0%	80%
≥ 6% and < 6.5%	70%
≥ 5.5% and < 6.0%	60%

- A financial performance condition applied on 40% of the shares granted and based on measuring Core EBITDA margin average for the period 2023-2025 at 15.3% or reach the Core annual EBITDA margin for financial year 2025.

Core EBITDA Margin (in average)	2025 Core EBITDA Margin	Number of shares vested
≥ 15.5%	≥ 18.5%	100%
≥ 15.3% and < 15.5%	≥ 18.0% and < 18.5%	95%
≥ 15.0% and < 15.3%	≥ 17.5% and < 18.0%	90%
≥ 14.5% and < 15,0%	≥ 17.0% and < 17.5%	80%
≥ 14% and < 14,5%	≥ 16.5% and < 17.0%	70%
≥ 13.5% and < 14,0%	≥ 16.0% and < 16.5%	60%

An ESG performance condition applied to 20% of the shares granted which will be measured as follows:

Index	2022 Base Line	2025 Target
Electricity from Renewable sources for industrial sites	83%	100%
Sites ISO 14001/50001 certified	75%	100%

Performance conditions applicable for the stock options granted under Plan N°SO 22 for the CEO is to achieve a growth in revenue at the expiry of the Vesting Period.

Performance conditions applicable for the Performance shares granted under Plan N°PS 22 are as follows: a criterion based on the revenue growth measured by reference to the Group's target for the 2021-2024 period; a criterion based on the Core EBITDA margin measured as the average of the three Core EBITDA margins for the 2022-2024 period, and a criterion based on the inventory coverage at Group's target by the end of the last year of the 2022-2024 period. Performance shares will vest according to the rate of achievement of the criteria, at 35% if two of the three criteria are met at the target level; 70% if all three criteria are met at the target level; and 100% if two criteria are met at 110% of the Group's targets and the third criterion is met at the target level.

2.4 RELATED-PARTY TRANSACTIONS

Please refer to Section 3.7 "Statutory auditors' report on related- party agreements".

Euroapi - St-Aubin-les-Elbeuf (France)

3

ORGANIZATION AND RISK MANAGEMENT AFR

3.1 ORGANIZATIONAL STRUCTURE

3.1.1 Description of the Prior Reorganization Transactions

In connection with the admission to trading of the Company's shares on the regulated market of Euronext Paris, a portion of the activities of development, manufacture, marketing, distribution and sales of active pharmaceutical ingredients (APIs) and intermediates of the Sanofi Group was carved-out from the rest of its business activities in order to consolidate these transferred activities within EUROAPI and/or its subsidiaries (the "Transferred Activity"). All of these reorganization transactions were completed between March 2021 and January 2022 (the "Prior Reorganization Transactions").

The Prior Reorganization Transactions were conducted in ten countries: France, Hungary, Germany, Italy, United Kingdom, Slovakia, Russia, United States, Japan and China. They are detailed below and were primarily completed through various securities and/or assets transactions in accordance with the following principles:

- The companies of the Sanofi Group that operated both activities within the scope of EUROAPI and activities that do not fall within this scope were split;
  - In France, Hungary, Germany and Italy, the assets and liabilities related to the Transferred Activity were transferred to a local, dedicated subsidiary, newly formed by the Sanofi group,
  - In the United States, Japan and China, the assets and liabilities related to the Transferred Activity were transferred to a dedicated, local subsidiary newly formed by EUROAPI,
  - In Slovakia and Russia, the assets and liabilities related to the Transferred Activity were transferred, respectively, to a branch office and a representative office attached to EUROAPI France (a company sold by Sanofi Chimie to the Company in the Prior Reorganization Transactions in France),
- After completion of these transactions to carve-out the Transferred Activity, the Sanofi group sold to the Company all the shares of the newly formed local subsidiaries held by Sanofi entities;
- In the United Kingdom, the local subsidiary of the Sanofi Group, whose activities fell primarily within the scope of the Group's activities, was renamed and then sold to the Company;
- In France, "Francopia", the local subsidiary of the Sanofi group, whose activities fell exclusively within the scope of the Group's business activity, was sold to the Company.

All securities sales of local subsidiaries of the Sanofi group to the Company in the context of the Prior Reorganization Transactions were executed on the basis of the value used for the carve-out transactions executed within the Sanofi group. The acquisition price for the Company to acquire the securities of the local subsidiaries in question was financed by the capital increase described in Section 6.4. "Stock market history" of the Universal Registration Document. EUROAPI therefore controls all the Transferred Activity.

Prior to Sanofi's combined annual shareholders' meeting, held on May 3, 2022, which approved the Distribution in Kind, shares of the Company corresponding to approximately 70% of the Company's share capital that was distributed to Sanofi's shareholders (other than Sanofi itself and holders of shares issued upon the exercise of Sanofi stock options since January 1, 2022) in connection with the Distribution in Kind and the Investment (see Section 6.1 "Items that may have an impact in the event of a public offer" of the Universal Registration Document), were purchased by Sanofi from Sanofi Aventis Participations.

Prior Reorganization Transactions implemented in France, Hungary, Germany, Italy, the United States, Japan, China, Slovakia and Russia

In France, Hungary, Germany, Italy, the United states, Japan, China, Slovakia and Russia, the portion of the Transferred Activity had been operated by a non-dedicated local subsidiary of the Sanofi group (or, in the case of (i) the United States, two non-dedicated local subsidiaries, and (ii) France, two subsidiaries, one that was dedicated and the other non-dedicated). The Prior Reorganization Transactions consisted primarily of transferring all the assets and liabilities related to the Transferred Activity to local subsidiaries of Sanofi or the Company (with the exception of Francopia). These transfers of assets and liabilities took the form of splits, sales of businesses (or the local equivalent) and/or sales of isolated assets and liabilities, depending on the jurisdiction in question. With a few exceptions, such as in Germany (see "Agreements signed by the Sanofi group and third parties for the execution of the Prior Reorganization Transactions" hereafter), these transfers covered all the liabilities attached to the Transferred Activity, including environmental liabilities prior to the date of the transfers. In France, Hungary, Germany and Italy, all the shares and voting rights of the local subsidiaries were then sold by the relevant entity of the Sanofi group to the Company.

In France, the Prior Reorganization Transactions consisted of selling all shares of Francopia to the Company. Prior to this sale, Sanofi Chimie transferred certain assets to Francopia, including the residual customer base and certain isolated assets related to the transferred APIs (including the intellectual property rights, the Drug Master Files and others) and the CEP (certificates of suitability to the European Pharmacopeia, as well as the inventories of raw materials used in the manufacture of said APIs), giving Francopia all the assets and liabilities attached to the activity for alkaloids.

At the same time as the transfers of assets and liabilities and the sales of securities described above, certain isolated assets and liabilities falling within the Transferred Activity, such as intellectual property rights (primarily trademarks and patents), inventories or contracts, were sold separately, such that, they are wholly owned, directly or indirectly, by the Company.

Prior Reorganization Transactions implemented in the United Kingdom

Before the Prior Reorganization Transactions, the Transferred Activity was operated in the United Kingdom by Genzyme Limited, a local subsidiary of the Sanofi group.

The Prior Reorganization Transactions implemented in the United Kingdom consisted of renaming this subsidiary "EUROAPI UK Limited", then selling all the shares of this entity to the Company. Prior to this sale, EUROAPI UK Limited acquired a patent and expertise in the manufacture of the API Sevelamer from a company of the Sanofi group. A contract signed with a customer of the Sanofi group was also transferred by Genzyme Corporation to EUROAPI UK Limited. The few assets (essentially inventories) held by this subsidiary and which were not dedicated to the Transferred Activity were sold to other entities of the Sanofi group. As a result of the completion of the Prior Reorganization Transactions in the United Kingdom, the Company directly holds 100% of the capital and voting rights of EUROAPI UK Limited.

Agreements signed by the Sanofi group and the Group for the execution of the Prior Reorganization Transactions

Prior Reorganization Transactions required the conclusion of two-tier agreements as follows:

Centrally, the master carve-out agreement

The Group and Sanofi entered into a master carve-out agreement (the "Master Carve-Out Agreement"), which sets out the general principles and organizes the terms for completing the Prior Reorganization Transactions, such as defining the limits of the development, manufacturing, marketing and distribution activities of Sanofi group's active pharmaceutical ingredients (APIs) included in the carve-out and transferred to the Group, the transferred assets and liabilities and as appropriate the specific terms applicable to their transfer, the indemnification rules between the parties or cooperation commitments between the parties.

The Master Carve-Out Agreement, as modified by amendment dated February 25, 2022, effective as of the date of its signature, provide for, subject to certain exceptions, the transfer to the Group of all assets and liabilities linked to the Transferred Activity. In this respect, under the Master Carve-Out Agreement, the Company and its subsidiaries are obliged to indemnify the Sanofi group companies against all liabilities linked to the Transferred Activity or transferred assets, including liabilities relating to product liability, environmental liabilities and/or those related to the ownership or the use of real estate transferred under the Prior Reorganization Transactions (subject to a few exceptions, mainly in Germany where specific rules described below are provided for), as well as the corporate, legal and tax liabilities relating to the Transferred Activity. The Group notably undertakes to indemnify Sanofi or any of its affiliates for any loss or action brought against the Sanofi group relating to environmental pollution or contamination, the release of dangerous substances and/or personal injuries caused by the latter related to the Transferred Activity. This indemnity is applicable whether the operative event or the circumstances at the origin of these liabilities are known or unknown or predate or postdate the effective date of the agreements relating to the Prior Reorganization Transactions in each of the relevant jurisdictions.

Notwithstanding the principle of transferring to EUROAPI all the liabilities related to the Transferred Activity, the Master Carve-Out Agreement, as amended, also provides for a number of commitments, including indemnification, made by Sanofi to the Group, such as:

- An environmental indemnification mechanism for the Vertolaye and Saint-Aubin-lès-Elbeuf sites located in France: as of October 1, 2021, Sanofi has undertaken to indemnify the Company for a maximum amount of €16.7 million for costs relating to restoration approved by the competent French authorities and initiated by the Sanofi group but not yet completed at the transfer date on certain plots of the Group sites located at Saint-Aubin-lès-Elbeuf and Vertolaye and subsequent to the pollution, contamination or release of dangerous substances into the environment caused by the Transferred Activity. This commitment will end on September 30, 2026;
- A mechanism to cover part of the repair and renovation work initiated by the Group at the Brindisi site: Sanofi has undertaken to compensate the Company or its subsidiary in Italy up to a maximum of €4.0 million for the costs relating to the repair and renovation of the pipes (rainwater and cooling water sewage system) at the Brindisi site for the portion of the costs exceeding €4.0 million. This commitment runs until December 31, 2025;
- A mechanism for handling the restoration work initiated by the Sanofi group on the Marat plot located close to the Vertolaye French site: in the wake of an order issued by the Préfet on September 30, 2021, Sanofi has undertaken to bear the cost of all restoration actions required by the competent authorities under the environmental regulation on the Marat plot for which only the property title was transferred to the Group on October 1, 2021. This commitment is valid until the earlier of the following two dates: (i) the date on which the competent authorities issue a document stating that the restoration measures for the Marat plot have been duly executed or any other document stating that they have met the main restoration measures for the Marat plot (in other words after completion of the soil and water restoration measures other than the monitoring of underground water) or (ii) the date on which the administrative responsibility concerning the environmental situation of the Marat plot is transferred to the Group. In accordance with the provisions of the Master Carve-Out Agreement, the Group has undertaken to request, from the authorities, the transfer of the administrative responsibility for the Marat plot and to cooperate with Sanofi for the purposes of the completion of the transfer, once the authorities have confirmed the completion of the restoration;
- An indemnification/handling mechanism for certain regulatory review costs: as of October 1, 2021, Sanofi has undertaken to indemnify the Company for a maximum amount of €15.0 million for costs related to the regulatory review of a list of APIs in the scope of the Transferred Activity. The scope of this regulatory review includes the validation of the compliance of the regulatory files of the transferred APIs or the business with the ICH Q2A (validation of analytical methods) and ICH Q11 (development and manufacture of pharmaceutical substances) standards, as well as the proactive assessment of the level of the current regulatory files associated with the transferred APIs or the business with respect to the latest recommendations of the International Council on Harmonization of Technical Requirements for the Registration of Pharmaceuticals for Human Use (ICH). This commitment is valid until September 30, 2025;
- Indemnification of certain commitments to the company BASF Agri Production SAS ("BASF"): Sanofi shall indemnify the Company or its subsidiary EUROAPI France for the damages that it might suffer in respect of an indemnification obligation in favor of BASF under the separation agreement entered into between BASF and the Sanofi group on February 13, 2004 (as amended, particularly by the September 28, 2021, tripartite agreement), transferred to the Company consecutive to the sale of the Saint-Aubin-lès-Elbeuf site, for losses suffered by BASF due to (i) environmental claims or (ii) occupational illnesses affecting its employees;
- Indemnification for certain expenses related to the Prior Reorganization Transactions: Sanofi shall indemnify the Company or its subsidiaries for certain expenses related to the Prior Reorganization Transactions incurred before June 30, 2022, for an amount of €9.4 million, and some operating expenditures related to the transition of IT systems in Germany incurred between (i) the loss of control by Sanofi resulting from the Distribution in Kind of the Company's shares at the time of the admission to trading of the Company's shares (the "Loss of Control") and (ii) December 31, 2022, for an amount of €3.1 million.

Furthermore, in accordance with the terms of the Master Carve-Out Agreement, Sanofi purchased an environmental insurance policy for the benefit of the Group for a period of ten years starting from October 1, 2021, and for a maximum amount of €50 million to cover environmental liabilities originating prior to the implementation of the Prior Reorganization Transactions (or in certain cases, the Company's initial listing). This insurance is subject to the customary exclusions for such insurance policies providing coverage for environmental liabilities. This policy, for which the premium is fully handled by Sanofi, was transferred to the Company in connection with the initial listing of the Company's shares.

In accordance with the provisions of the Master Carve-Out Agreement, the Company and Sanofi appointed a committee in charge of monitoring the Prior Reorganization Transactions set out by the Master Carve-Out Agreement that met until December 31, 2022 and a committee in charge of monitoring the commercial relations between the parties that will meet over a period of five years, starting from the Loss of Control by Sanofi. The composition of each of these committees, which includes an equal number of representatives of the Company and Sanofi, reflects a balanced governance between the parties. Each of these committees shall provide an escalation mechanism in the event of persistent disagreements.

The Master Carve Out Agreement is subject to French law. Any dispute arising out of or in connection with the Master Carve Out Agreement shall be submitted to arbitration under the rules of the International Chamber of Commerce.

Locally, the Local Transfer Agreements

In each of the countries concerned, the Company's dedicated subsidiary and a Sanofi group company have signed local transfer agreements (the "Local Transfer Agreements") setting out the terms for carrying out the transfer of the assets and liability dedicated to the Transferred Activity in accordance with applicable local laws. Depending on the countries, assets and liabilities transfers have been carried out through demergers, sale of business assets (or local equivalent) and/or sales of isolated assets and liabilities or securities sales.

In addition to these two levels of agreement, the Prior Reorganization Transactions also required the execution of certain sales of isolated assets and liabilities, as described above.

Agreements signed by the Sanofi group and third parties for the execution of the Prior Reorganization Transactions

Agreements entered into with BASF

The industrial site located in Saint-Aubin-lès-Elbeuf and transferred to EUROAPI was shared between Sanofi and BASF in accordance with a series of agreements concluded between the parties comprising, in particular, a separation agreement dated February 13, 2004 (as amended), a sale agreement concerning the land and buildings used for the wastewater treatment plant on November 29, 2013 (as amended), and services agreements. To guarantee the smooth operation of the Saint-Aubin-lès-Elbeuf site, especially the supply of certain services essential to the industrial activity, the transfer of assets and liabilities relating to the Transferred Activity in France required concluding on September 28, 2021, a tripartite agreement between BASF, Sanofi Chimie and EUROAPI France, as well as a commercial lease on September 1, 2021, and a master service agreement on October 1, 2021, providing in particular for the renewal or redrafting of the services agreements for general services, utilities and the waste treatment plant, effective as of January 1, 2022.

As of October 1, 2021, (i) Sanofi is required to indemnify the Company and its subsidiaries for any BASF claim based on environmental issues or occupational illnesses as recalled in Subsection "Agreements signed by the Sanofi group and the Group for the execution of the Prior Reorganization Transactions" above and (ii) the Company will be required to indemnify Sanofi or its subsidiaries against any other loss relating to the obligations or commitments with respect to the services described above and that may be incumbent on them due to the agreements with BASF.

Agreements relating to the Frankfurt site

Furthermore, the Prior Reorganization Transactions required the split and/or the duplication of some agreements concluded, between, on the one hand, Sanofi Aventis Deutschland GmbH ("SADG"), the entity that operated the portion of the Transferred Activity in Germany, and on the other hand, Infraserv GmbH & Co. Höchst KG ("ISH") and its affiliates (together with ISH, the "ISH Group"). The Transferred Activity is operated at the Höchst industrial park in Frankfurt am Main, in Germany. The ISH Group owns all the land on which the Höchst industrial park is built, which it leases to the companies located in the industrial park, and provides various services to these companies. SADG is currently a shareholder of the ISH Group with a 30% equity stake.

SADG and the ISH Group have entered into various agreements regarding real-estate leasing and the supply of services by the ISH Group, particularly services relating to buildings, utilities and networks, IT, environmental, logistics and other services. Most of these agreements concerned both the Transferred Activity and the business retained in the scope of SADG. Consequently, on June 30, 2021, SADG and the ISH Group concluded several agreements with the goal of dividing and/or duplicating their agreements in order to create a separate set of agreements dedicated to the Transferred Activity and another set dedicated to the business retained by SADG. As part of the Prior Reorganization Transactions carried out in Germany, the agreements relating to the Transferred Activity were transferred to EUROAPI Germany GmbH, a subsidiary of the Company, with effect from November 1, 2021.

The main provisions of the agreements with the ISH Group in the context of the agreements relating to the Transferred Activity in Germany are presented below:

- Some agreements provide for a right to adjust prices for the benefit of the ISH Group, in the event of change in the costs of the ISH Group resulting from a change of legislation, case law or administrative practice or in case of unexpected costs linked to the capital expenditures borne by the ISH Group;
- The new lease (the "Lease Agreement"), pursuant to which EUROAPI Germany GmbH leases the majority of its buildings contains a clause providing for the right for ISH to request a temporary or permanent price adjustment, for ancillary costs, in an appropriate amount and after certain imposed procedures, in the event that other companies located in the industrial park are unable to pay their share of costs due to insolvency;
- The ISH Group has requested a guarantee concerning the obligations provided for by the Lease Agreement in connection with the Transferred Activity, particularly the obligation to demolish the buildings when the lease expires. The Company, as the parent company of EUROAPI Germany GmbH, has granted a guarantee to cover these requests. In 2026, EUROAPI Germany GmbH will have to supply a bank guarantee, to supplement the guarantee granted by the Company, in the event that some of the Company's financial performance indicators fall short of the thresholds agreed by the parties on that date. The guarantee granted by the Company and the bank guarantee are limited to €28.5 million, subject to the adjustment in case of the addition or withdrawal of the Lease Agreement for buildings, which is subject to a demolition obligation.

Pursuant to the Lease Agreement, EUROAPI Germany GmbH is required to pay for certain restoration costs in the event of the construction of new buildings by or for EUROAPI Germany GmbH (as for example, the excavation of contaminated soils) or demolition of existing buildings.

Furthermore, EUROAPI Germany GmbH is required, pursuant to the Lease Agreement, to bear 2.19% of the costs relating to protection measures against environmental damages for the entire Höchst industrial park. This obligation can be increased to 2.29% in the event the Company exercises its option to lease an additional building from ISH (the G 839 pilot plant).

In this context, SADG and EUROAPI Germany GmbH, have agreed, as part of the demerger agreement entered into at the end of the Prior Reorganization Transactions, that all liabilities including environmental ones related to the Lease Agreement will definitely be the responsibility of the Company.

Furthermore, SADG is required to bear certain environmental protection costs related to the Offheim, Aßlar and Lindenholzhausen external landfills, which were previously used for SADG activities. According to the terms of the demerger agreement, SADG has transferred a share of these obligations to EUROAPI Germany GmbH, within the limit of 5.97% of the respective total annual costs for the Offheim landfill and 14.24% of the respective total annual costs for the Aßlar and Lindenholzhausen landfills.

The environmental liabilities that may exist, with respect to other commitments and predating the Prior Reorganization Transactions, have been retained by SADG.

Agreements entered into with the Sanofi group and the Group as part of the Prior Reorganization Transactions for the future conduct of business

The Group's related parties include the Company's shareholders, non-consolidated subsidiaries, affiliated companies (equity-accounted investees) and entities on which the various Group executives have significant influence.

For the year ended December 31, 2024, sales to the Group's customers other than Sanofi and sales to Sanofi accounted, respectively, for 53.7% and 46.3% of the Group's consolidated revenue.

The figures detailing the relations with these related parties can be found in Note 10.6 of the consolidated financial statements for the year ended December 31, 2024, presented in Section 4.6 "Consolidated financial statements" of the Universal Registration Document.

In addition to the completion of the Prior Reorganization Transactions, it was agreed that the Company and its subsidiaries continue to maintain a set of contractual commercial relations with the Sanofi group from which they originate. In the context of the Prior Reorganization Transactions carried out in 2021, the Company and its subsidiaries have thus concluded with Sanofi and some of its subsidiaries agreements concerning:

- the manufacture and supply of a number of APIs, intermediates and other substances;
- the development of APIs or intermediates;
- the distribution of some APIs;
- the provision of services.

The Company and its subsidiaries have also concluded with Sanofi and some of its subsidiaries license agreements concerning intellectual property rights, as well as other *ad hoc* agreements, in order to allow the parties to continue their activities and ensure the master agreements remain in effect.

The conclusion of these agreements is the outcome of independent negotiations between the Group's teams and the Sanofi group teams.

Manufacturing and supply agreements for certain APIs

The global manufacturing and supply agreement

In addition to the completion of the Prior Reorganization Transactions, it was agreed that the Sanofi group will continue to benefit from the services supplied by the Company and its subsidiaries under the new terms concluded as part of the transactions. To this end, Sanofi Winthrop Industrie, a Sanofi group company, and EUROAPI France, each one acting in its own name and in the name and on behalf of their affiliates, signed on October 1, 2021, a manufacturing and supply agreement for APIs, intermediates and other substances (the "Global Manufacturing and Supply Agreement") at fixed prices determined on the basis of market prices and sustainable for both parties, subject to the modulation mechanisms of the pricing policy described below, expiring five years after the Loss of Control of the Company by Sanofi. The Global Manufacturing and Supply Agreement, as amended or completed on March 1, 2022, with effect as of February 25, 2022 (with the exception of certain provisions effective as of January 1, 2022), on April 21, 2023, on December 13, 2023, on February 28, 2024, with effect as of January 1, 2024 (with the exception of certain provisions applicable for calendar year 2023), on September 10, 2024, on September 24, 2024, on September 30, 2024 and on October 4, 2024 covers the manufacture and/or supply by the Company of 86 APIs and/or intermediates and/or substances required to manufacture the medication marketed by the Sanofi group or manufactured by Sanofi on behalf of its customers. The intellectual property rights relating to APIs, intermediates and/or other substances covered by the Global Manufacturing and Supply Agreement and those required for their manufacture are held by the Company and its subsidiaries, with the exception of some cases in which they are held by the Sanofi group. The parties shall notify their intention to renew the Global Manufacturing and Supply Agreement at least two years before the end of said agreement, and as from this notification, to negotiate in good faith the terms and conditions of the renewal of the agreement.

Pursuant to the Global Manufacturing and Supply Agreement, the Sanofi group shall exclusively source from the Group, on an established list of territories, for its requirements for APIs and/or intermediates and/or other substances covered by the Global Manufacturing and Supply Agreement, with the exception of certain products listed exhaustively and subject to certain exceptions related to legal constraints, the Group's production capacities and the usual exceptions for such agreements. The exclusive sourcing obligation, which covers 42 APIs and/or intermediates and/or other substances, will be suspended in the event of foreseeable delay in the delivery of products for a duration comprised between one to three months with respect to the delivery date agreed upon by the parties or in the event of repeated incidents relating to product quality and consecutive to an identical cause. At Sanofi's discretion, this obligation may be terminated, product by product, in the event of delay in the delivery of products over a period exceeding three months (or in case of repeated delays over a shorter period), in case of annual customer level below 50% or non-compliance of the pharmaceutical products manufactured by Sanofi with the applicable quality standards, and to the extent where the latter is attributable to the Group; or in order to comply with the European regulation applicable to vertical agreements. The monthly customer service level is the percentage of the number of orders considered compliant (in terms of on-time delivery, quantity and product lifespan) out of the total number of orders received during a given month. In the event that the customer service level on an annual basis falls below a threshold defined by the parties based on the year of performance of the contract, but that exceeds 50%, the Company may be required to pay Sanofi a penalty. The amount of the penalty shall be a mutually agreed percentage of the amount of non-conforming orders that deviate from the expected target (capped at 10%). The Global Manufacturing and Supply Agreement also provides for the Group's obligation to exclusively supply the Sanofi group, limited to the 11 products listed and only in certain countries, with the exclusion of any other customer.

The terms of the Global Manufacturing and Supply Agreement include a price-volume corridor corresponding to an annual tiered compensation mechanism between the parties covering up and down fluctuations, beyond a threshold agreed upon by the parties, between the target revenue and the actual revenue related to Sanofi's purchases for a number of APIs. The price-volume corridor mechanism which is applicable between January 1, 2022, and December 31, 2026, includes (i) a global compensation mechanism, *i.e.* compensation due by one party to the other if the difference between global actual revenue and reference global sales is outside the globally applicable corridor for the year in question, the magnitude of which shall increase in increments one time over the 2022-2026 period, and (ii) a subsidiary compensation mechanism for the benefit of the Group calculated at the level of each of the production sites, *i.e.* compensation will be due by Sanofi if the difference between the site's actual revenue and the site's reference sales falls outside the applicable site-wide corridor (for the first three years only), during the 2022-2024 period, the magnitude of which shall increase in increments one time. Reference sales refer to the quantity of sales corresponding to Sanofi's expected purchases, defined by product covered by the price-volume corridor mechanism, by production site and by year. Actual revenue refers to, for a given year, the amount (in euros) of products for which Sanofi has received firm orders under the terms of the Global Manufacturing and Supply Agreement. Actual revenue includes the amount of products ordered by Sanofi within the limits of the capacity reservation clause described below, in the event that such order is refused by the Company. Any amounts paid under the Group's performance clause or compensation mechanism in the event of a significant increase in the price of certain raw materials or the evolution of energy costs (as described below) are excluded in the determination of the amount of actual revenue.

The Global Manufacturing and Supply Agreement also contains a capacity reservation clause in the Group's production sites, for the benefit of Sanofi, corresponding to an annual minimum quantity of five APIs or manufacturing intermediates (THTP, Fexofenadine, Metamizol Na, Cyclopentane and Irbesartan) excluded from the exclusive sourcing obligation and the price-volume corridor, at fixed prices determined by the parties. In the event that Sanofi orders a quantity below the quantity agreed between the parties under the reservation clause, per API and for a given year, compensation would be owed by Sanofi. Correlatively, the Global Manufacturing and Supply Agreement includes a maximum capacity clause beyond which the Company's supply obligation to Sanofi shall cease. In the event that Sanofi orders a quantity exceeding the minimum quantity and lower than the maximum capacity but the Company does not deliver the said quantity, the Company could be compelled to pay Sanofi a penalty as specified in the contract.

The Global Manufacturing and Supply Agreement also includes several commitments from Sanofi in the event of sale by Sanofi to a third party of a finished product including an API manufactured by the Group, from a production site or a business segment concerning such finished product. In such event, the parties have undertaken to ensure that the buyer accepts to continue the relationship with the Group, as a manufacturer, according to the terms set out in the Global Manufacturing and Supply Agreement. As an exception, in certain cases, Sanofi may, at its discretion, act as an intermediary between the Group and the purchaser of the finished product, the production site or a business segment. If some sold finished products are covered by the capacity reservation clause described above, the rights and obligations of the Sanofi group will be transferred to the buyer, subject to certain exceptions.

Pursuant to the Global Manufacturing and Supply Agreement, Sanofi will have to compensate the Group in case of a significant increase in the price of certain key raw materials and solvents used to manufacture APIs and intermediates for Sanofi. This mechanism is applicable starting from 2022 and until the end of 2026 as revised under the second amendment to the Global Manufacturing and Supply Agreement in effect as of January 1, 2024. Pursuant to the latter, the Group will be entitled, in the event of an increase of over 20% of the price of certain raw materials and solvents with respect to their reference price set in 2020, to an indemnification, the amount of which will depend on this increase. The parties agreed to extend the full compensation by Sanofi in the event of an increase of over 50% of the price of these raw materials or solvents, instead of the previous obligation for the parties to negotiate a new indemnification mechanism in good faith.

The Global Manufacturing and Supply Agreement, as amended, contains a reciprocal sharing of energy costs (gas, electricity and steam) in relation to reference prices determined by the parties, for Sanofi's portion of purchases. Under the terms of this agreement, in the event of a difference, calculated by energy source and at the level of each of the Group's sites, between (i) the energy costs for a given year for the concerned energy source and (ii) the Group's supply costs calculated on the basis of reference prices determined by the parties, compensation will be due by energy source and by Group site for Sanofi's portion of purchases, by Sanofi in the event of additional costs for Company and by Company in the event of a gain on the price of energy by Group site and by energy source. In addition, in the event of an increase of more than 10% in the quantities of energy used, the Group will be compensated only up to the percentage increase in product sales to Sanofi. This energy cost sharing mechanism is applicable from January 1, 2022, to December 31, 2026.

Under the second amendment to the Global Manufacturing and Supply Agreement in effect as of January 1, 2024, the parties cancelled the application of the performance clause corresponding to the annual retrocession by the Company, for calendar year 2023 and until the end of 2026. This relates to a portion of the fixed and variable cost savings made by the Company on the cost of APIs, intermediates and other substances sold to Sanofi, the amount of which had been previously agreed upon by the parties on the basis of the actual business volume and the savings relating to the industrial performance and raw materials supply, subject to certain adjustments.

The Global Manufacturing and Supply Agreement does not provide for early redemption and/or cancellation in the event of a change of control of the Company. It is governed by French law. Any dispute arising out of or in connection with the Global Manufacturing and Supply Agreement shall be submitted to arbitration under the rules of the International Chamber of Commerce. In a letter agreement dated April 21, 2023, the parties agreed to specific financial incentives to be paid by Sanofi in relation with the achievement by Company of minimum volumes and customer service levels of two APIs for 2023.

In order to adapt their commercial relationship to the current environment, in particular to the 2024 and 2025 cumulated Sanofi demand forecasts for APIs, which are significantly below projections and the higher raw materials and energy prices, which could not be fully reflected in price increases as per the initial Global Manufacturing and Supply Agreement as amended, Sanofi and Company agreed on a series of other additional revisions to the Global Manufacturing and Supply Agreement in a letter agreement dated December 13, 2023, that were formalized in the second amendment to the Global Manufacturing and Supply Agreement, executed on February 28, 2024. These include price increase for six selected APIs, the narrowing of the price-volume corridor, the above described annual compensation mechanism protecting both parties from annual revenue fluctuation and shortened payment terms to improve cash management. In addition, the parties executed on February 28, 2024 a Memorandum of Understanding in effect until December 31, 2025, providing for inventory compensation for a specific intermediate, a compensation mechanism under the price volume corridor at site level for substantial market demand decrease of volumes of one API for 2024, some incentives for manufacturing and technology transfer of some specific APIs and intermediates in 2024, a lump sum payment for a capacity extension project in 2024 and for some support services by Company in case of discontinuation of certain APIs by Company in 2024.

The parties agreed to specific financial incentives to be paid by Sanofi in relation with the achievement by Company of minimum volumes of specific APIs and performance of quality tasks to be achieved for 2024 in a letter agreement dated September 10, 2024 and to specific terms and conditions for an assignable standalone manufacturing and supply agreement between EUROAPI UK and Sanofi duplicated from the Global Manufacturing and Supply Agreement, to secure volumes and restate the selling price of the APIs manufactured by the Company's site of Haverhill, which may be potentially divested, in a term sheet dated September 24, 2024.

In a first letter agreement executed on September 30, 2024, the parties agreed on a capacity reservation mechanism for several APIs against a payment of €34 million capacity reservation fees by Sanofi to allow Company to invest and increase manufacturing capacity for four APIs of Euroapi manufacturing sites in Frankfurt am Main (Germany) and Vertolaye (France) for the 2027-2032 period, and in second letter agreement of same date, to an other capacity reservation mechanism for one API against a payment of €20 million by Sanofi to allow Company to invest and increase manufacturing capacity of Company's site in Elbeuf (France) to ensure supply continuity.

Further to Company's notification of the discontinuation of the production of an API end of 2025, the parties agreed on the securization of the manufacturing and supply of the API for 2024 and 2025 in a letter agreement executed on October 4, 2024.

All other off-balance-sheet commitments are detailed in Note 10.2 under Section 4.6 of the Universal Registration Document.

Reverse Manufacturing and Supply Agreements

In connection with the completion of the Prior Reorganization Transactions, a number of agreements were also entered into, effective on October 1, 2021. Under these agreements, some Sanofi group companies will have to supply certain services relating to the manufacture of APIs to the Group's companies (the "Reverse Manufacturing and Supply Agreements"). They include:

- A first agreement, as amended, in force until December 31, 2023, and renewable by mutual consent, pursuant to which Sanofi Chimie, acting as sub-contractor, will continue to manufacture a number of APIs belonging to a commercial partner of the Group, and will supply EUROAPI France. In a letter agreement dated April 21, 2023, the parties agreed to a specific financial incentive to be paid by Sanofi in relation with the production transfer of an intermediate intended for the API of a commercial partner from a Sanofi site to a Group's site and the extension of the corresponding supply agreement between the Company and the commercial partner. Such commitment was taken over by the parties in a second letter agreement dated December 13, 2023. In addition, the parties agreed in the Memorandum of Understanding executed on February 28, 2024, to an other incentive to be paid by Sanofi to the Company for the completion before the end of 2024 of a dismantling phase of the Group's workshop to receive the intermediate of the API of a commercial partner, in preparation for the shutdown of Sanofi's production workshop in 2025. Sanofi and the Company executed on May 17, 2024 a new Reverse Manufacturing and Supply Agreement for such API with new key terms for a period of five years, as of January 1, 2025;
- A second agreement, in force until December 31, 2024, pursuant to which Sanofi Chimie, as the sub-contractor, will be in charge of the manufacture of B12 derivative salts on behalf of EUROAPI France. The contract stipulates that the technology transfer free of charge to the Group must be completed no later than at the end of the contract. Under the terms of the Memorandum of Understanding signed on February 28, 2024, Sanofi agreed to an incentive payment to the Company in connection with the above-mentioned technology transfer. In a first amendment to this B12 Reverse Manufacturing Agreement, the parties extended its duration until end of December 2025 in order to ensure supply continuity for certain APIs including a life-saving product until completion of the production transfer from Sanofi to Company's site in Italy;

- A third agreement, in force for five years after the Loss of Control of the Company by Sanofi, and renewable by mutual consent, pursuant to which Sanofi Chimie, as the sub-contractor, will continue to manufacture a number of APIs on behalf of Francopia. The parties executed a first letter agreement on December 13, 2023 to cancel the performance clause mirroring the cancellation of the performance clause under the aforementioned second amendment to the Global Manufacturing and Supply Agreement, to cancel some pellet titration targets and a minimum yearly quantity obligation. Sanofi waived a specific claim concerning raw materials supplied by Company for processing by Sanofi in a second letter agreement signed on the same day.

Special agreement between the Group and the Sanofi group related to the packaging of pharmaceutical products

In addition to the Prior Reorganization Transactions, EUROAPI UK Limited and Genzyme Europe BV, a Sanofi subsidiary, each one acting in its name and in the name of its subsidiaries, reached an agreement pursuant to which EUROAPI UK Limited (and/or each of its concerned subsidiaries), acting as a Sanofi group sub-contractor, shall have to package, control and release Sanofi group pharmaceutical products. This agreement, as amended on February 28, 2022, became effective on January 1, 2022, for a period of five years starting from the Loss of Control of the Company by Sanofi.

Special agreements between the Group and the Sanofi group relating to the development of APIs

EUROAPI France and Sanofi-Aventis Research and Development (each one acting in its name and in the name of its affiliates) concluded on October 1, 2021, a master agreement for development and GMP manufacturing services (the "Master Agreement for Development and GMP Manufacturing Services") pursuant to which each of the parties acting, as appropriate, as either service provider or beneficiary of the services relating to the development and/or improvement of the manufacturing processes of certain APIs or intermediates. Furthermore, EUROAPI France entered into a similar development agreement with the Opella Healthcare Group SAS (subsidiary of the Sanofi group's general public health business). As part of these agreements, the Group is developing new chemical entities in Sanofi's R&D portfolio, including Tolebrutinib, or the development of a cationic lipid for certain messenger RNA vaccines being developed by Sanofi Pasteur. In accordance with these agreements, the parties can also enter into special agreements to define the specific rules concerning in particular capital expenditures, the intellectual property rights of the parties, order and/or manufacture projections and commitments for certain molecule volumes or prices. These agreements are concluded for an indefinite period, with each party having a right to terminate it at any time subject to compliance with a three-month notice period.

The Master Agreement for Development and GMP Manufacturing Services and the development agreement entered into with Opella Healthcare Group SAS provide that each present and future molecule development/manufacturing project on behalf of Sanofi or Opella Healthcare Group SAS under these contracts will be the subject of a specific application contract setting out the precise terms of the project. It is specified that Sanofi and Opella Healthcare Group SAS will have the opportunity, assessed for each application contract, to terminate any specific application contract for the development/manufacture of a molecule taken in the context of these agreements, in the event of a takeover of more than 50% of the Company by a third party company that itself develops or sells a molecule or a competing product of the molecule developed/manufactured by the Group on behalf of Sanofi or Opella Healthcare Group SAS. The parties may waive this principle or specify the notion of competitor, application contract by application contract and molecule by molecule.

Distribution agreements for certain APIs

EUROAPI France and Sanofi Chimie (each acting in its name and in the name of its affiliates) reached a distribution agreement for APIs belonging to the Sanofi group (the "Distribution Agreement"), effective as of October 1, 2021, for a period of five years starting from the Loss of Control of the Company by Sanofi and renewable by mutual consent. Pursuant to the Distribution Agreement, as amended on February 25, 2022, and with effect as of its execution date, the Company undertakes to distribute 22 APIs, including Clopidogrel, antihistamines (promethazine and alimemazine) and insulin, as a non-exclusive retailer for Sanofi. In accordance with the Distribution Agreement, the prices at which EUROAPI France purchases the APIs are determined by the parties and are fixed for the duration of the agreement, except for two products. The Distribution Agreement mainly covers the distribution by the Group of APIs in Europe and depending on the relevant products, certain other countries and territories, mainly the United States, Japan, South Korea, Russia and India.

Pursuant to the Distribution Agreement and during the initial term of this agreement, Sanofi has undertaken, in the name and on behalf of its affiliates, not to establish a dedicated in-house commercial organization aimed at promoting the sale of APIs and not to conclude any new global distribution agreement with a third party, which could in each of these cases directly compete with the distribution by the Group of APIs covered by the Distribution Agreement, provided that some exceptions related to (i) the direct sale of APIs manufactured by the Sanofi group, in compliance with the European regulation applicable in vertical agreements; (ii) compliance with existing Sanofi group contractual obligations to third parties (particularly partners or license holders) not transferred to the Group or the renewal of the latter; and (iii) the conclusion or completion by Sanofi of certain transactions, such as mergers, acquisitions or sales, directly or indirectly related to APIs.

Furthermore, EUROAPI France and Sanofi Aventis Singapore, each acting in its name and on behalf of its affiliates, have signed a distribution agreement pursuant to which Sanofi Aventis Singapore will distribute and sell in South Korea some APIs manufactured by EUROAPI France and its affiliates. The distribution agreement, which became effective on November 1, 2021, is entered into for five years starting from the Loss of Control of the Company by Sanofi. This agreement is not exclusive, except for the API Glymepiride.

Service agreements

At the same time as the completion of the Prior Reorganization Transactions and the carve-out of the Transferred Activity, Sanofi and the Company agreed that it would be necessary for each of them to continue benefiting, following the Prior Reorganization Transactions, from a number of services that the other party or its group used to provide it before the Prior Reorganization Transactions. In this respect, Sanofi and the Company or some of their affiliates have entered into (i) transitional services agreements and (ii) long-term services agreements.

Transitional services agreements

Sanofi and the Company (acting in their own name and in the name and on behalf of their affiliates) have concluded, with effect from October 1, 2021, two transitional services agreements (the "Transitional Services Agreements").

- One under which Sanofi or its affiliates provide(s) services to the Group, including services related to IT and digital solutions, microbiological analysis, operation of climate-controlled rooms for sample storage, health, safety and environmental compliance, management and accounting;
- Another under which the Group provides services to Sanofi or its affiliates and in particular services related to raw materials handling and management, water analysis and the analysis of nitrosamine samples (ICH M7).

Each of the two Transitional Services Agreements will end at the expiration of the last statement of works completed in accordance with its terms, at the end of a three-year period, subject to the extension of a statement of works by the parties beyond that date.

Services Agreements

Sanofi and the Company, directly or through their affiliates, have concluded the following main services agreements (the "Services Agreements").

a) Two agreements concluded for a period of five years, effective on November 1, 2021, between EUROAPI France and Sanofi Chimie, on the one hand, and EUROAPI Germany GmbH and Sanofi, on the other hand, and relating to the reciprocal supply, storage and distribution of the reference standards related to the APIs or intermediates and required for the production of dosages concerning the APIs and the finished drug products containing these APIs.

b) An agreement with effect from November 1, 2021, to December 31, 2025, and concerning the supply by Sanofi-Aventis Deutschland GmbH to EUROAPI Germany GmbH of logistics services relating to certain activities carried out at the Frankfurt industrial sites, as amended on January 31, 2023, on October 9, 2023 and on December 11, 2024.

License agreements

In addition to the completion of the Prior Reorganization Transactions, the Company and its subsidiaries have entered into intellectual property license agreements. All of these agreements are valid for the duration of the protection of the licensed intellectual property rights:

- A non-exclusive and free license between the Company and Sanofi concerning the intellectual property rights transferred by Sanofi to the Company and its subsidiaries pursuant to which the Company gives a license to Sanofi and its affiliated companies to use the intellectual property rights transferred in the context of their activities other than the production of APIs for which the intellectual property rights belong to the Company or its subsidiaries under the Prior Reorganization Transactions;

- A non-exclusive and free license between EUROAPI UK Limited and Genzyme Cooperation, a Sanofi group company, specifically concerning the Sevelamer API, pursuant to which EUROAPI UK Limited gives a license to Genzyme Corporation for the use of the intellectual property rights transferred in order to allow Sanofi to continue to comply with the agreement entered into with a third party granting the latter a right of use concerning both the API and the drug product using Sevelamer;
- A non-exclusive and free license between EUROAPI Germany and Opella Healthcare Group (Sanofi's affiliate) specifically concerning the Fexofenadine API, pursuant to which EUROAPI Germany grants a license to Opella Healthcare Group for the use of the transferred intellectual property rights solely for the purpose of allowing Sanofi to directly or indirectly manufacture, market, sell and/or distribute a specific form of Fexofenadine and any finished pharmaceutical product using said substance;
- A non-exclusive license between EUROAPI Hungary and Sanofi specifically concerning the API Irbesartan, pursuant to which Sanofi will grant EUROAPI Hungary a right of use to the intellectual property rights relating to Irbesartan, in consideration for royalties (at a mid-single digit percentage (middle of range) of total annual revenue made with customers other than the Sanofi group) and solely for the purpose of allowing EUROAPI Hungary or its affiliates to directly or indirectly manufacture, market, sell and/or distribute the corresponding API manufactured at the Budapest site in Hungary;
- A non-exclusive and free license between the Company and Sanofi regarding some know-how not exclusively related to the transferred activity but used in connection thereto (as specified in the license agreement), pursuant to which Sanofi will grant the Company and its subsidiaries a right to use such know-how in connection with its present or future activities.

As part of the admission to trading of the Company's shares on the regulated market of Euronext Paris, it is planned that, as from the admission of the Company's shares to trading on the regulated market of Euronext Paris, the Group's companies shall cease to use the name "Sanofi", subject to grace periods in order to cover certain specific situations.

Other relationships with related parties

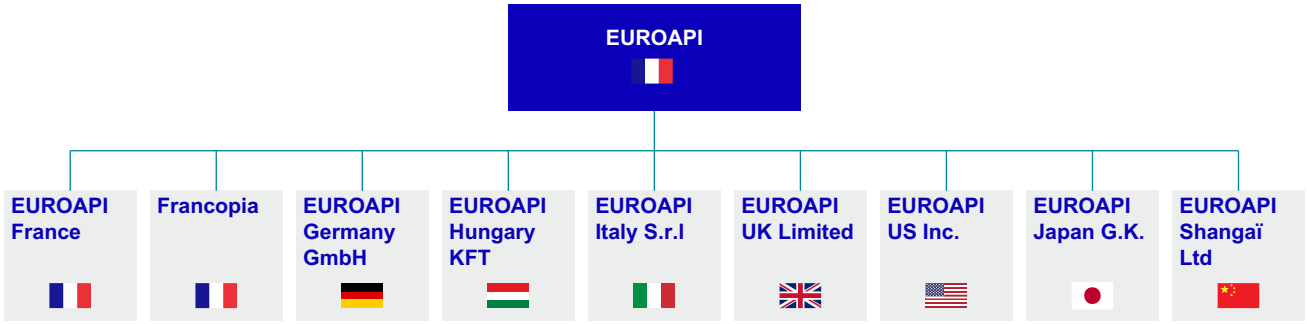
Tax agreements

The Company and its Subsidiaries in France have left the Sanofi SA tax consolidation with retroactive effect as of January 1, 2022, as a result of the Company's initial listing on the regulated market of Euronext Paris.

As from January 1, 2023, a tax consolidation group has been created between the Company and its subsidiaries in France for which it holds at least 95% of the capital. The creation of this group led to the conclusion of tax consolidation agreements between the Company and each of the member companies of this consolidation group to settle the contribution of the subsidiaries to the overall tax for which the Company has become the sole taxpayer as the new head company of the group.

3.1.2 Organization of the Group

The simplified organizational chart below shows the legal organization of the Group and its main subsidiaries as of the date of the Universal Registration Document.



3.1.3 The Company's major subsidiaries

The principal direct and indirect subsidiaries of the Company are described below:

- **EUROAPI France** is a French simplified joint-stock company (*société par actions simplifiée,* (SAS)), with a share capital of €146,089,593 and registered office at 15, rue Traversière, 75012 Paris, France, registered under number 891 090 680 with the Paris Trade and Companies Register;
- **Francopia** is a French limited liability company *(société à responsabilité limitée),* with a share capital of €18,213,824 and registered office at 15, rue Traversière, 75012 Paris, France and registered under number 775 662 463 with the Paris Trade and Companies Register;
- **EUROAPI Germany GmbH** is a German limited liability company *(Gesellschaft mit beschränkter Haftung)*, with a share capital of €1,000,000 and registered office at Brüningstraße 50, 65926 Frankfurt am Main, Germany, and it is registered under number HRB 121366 with the German business register *(Handelsregister des Amtsgerichts Frankfurt am Main);*
- **EUROAPI Italy S.r.l.** is an Italian limited liability company *(Società a Responsabilita Limitata),* with a share capital of €5,000,000 and registered office at Brindisi (BR), Via Angelo Titi no. 22, Italy. It is registered under number 02640720740 (tax code) with the Italian business register *(Registro delle Imprese di Brindisi);*
- **EUROAPI Hungary Kft.** is a Hungarian limited liability company *(Korlátolt Felelősségű Társaság),* with a share capital of 750,000,000 forint and registered office at 1045 Budapest, Tó u. 1-5., Hungary, and it is registered under number 01-09-377596 with the Hungarian business register;
- **EUROAPI UK Limited** is a British private limited company, with a share capital of 124,245 pounds sterling and registered office at 37 Hollands Road, Haverhill, Suffolk, CB9 8PU, United Kingdom. It is registered under number 01556886 with the British business register;
- **EUROAPI Shanghai Ltd.** is a Chinese limited liability company with a share capital of 80,000 yuan and registered office at Room 322, East Floor 3, No. 569 Xizang South Road, Huangpu District, Shanghai, China;
- **EUROAPI Japan G.K.** is a Japanese limited liability company *(godo kaisha)* with its registered office at 1-11-1 Marunouchi, Chiyoda-ku, Tokyo, Japan. It is registered under number 0111-03-010276;
- **EUROAPI US Inc.** is a Delaware Corporation, with its registered office at Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle County, Delaware 19808, United States.

3.2 RISK FACTORS

In the context of the provisions of article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council, as amended, the main risks presented in this chapter are the ones that the Company, as of the date of the Universal Registration Document, considers to be likely to have a material adverse effect on the Group or its business, financial position and reputation, results or outlook, and to be important when making an investment decision. These risks are those that the Company has identified in particular in the context of the development of the mapping of the Group's major risks, which assesses their net criticality, *i.e.* their severity and probability of occurrence, after taking into account the action plans put in place, as of the date of the Universal Registration Document. The Company has synthesized these risks into five categories presented below in no particular order of importance.

Main risk factors	Net criticality
3.2.1 Risks related to the Company's business environment	
• (a) Risks related to the international nature of the Group activities	●●●
3.2.2 Risks related to the Company's activities	
• (a) Risks related to the operation of industrial sites	●●●
• (b) Risks related to supply difficulties, raw material and energy costs, and relationships with certain suppliers and subcontractors	●●●
• (c) Risk related to Group investments	●●●
• (d) Risks related to the Group's API Solutions business	●●●
• (e) Risks related to the Group's CDMO activities	●●●
• (f) Risks related to IT systems and cybersecurity	●●●
• (g) Risks related to social dialogue	●●●
• (h) Risks related to the Company's dependence on its key personnel and qualified employees	●●●
• (i) Risks related to climate change	●●●
3.2.3 Risks related to the separation of the Group's activities from the rest of the Sanofi group's activities and the Group's structural organization	
• (a) Risks related to the influence exerted on the Company's business and strategy by Sanofi, the Company's main shareholder	●●●
• (b) Risks related to difficulties or delays in implementing the organisations, processes, procedures and appropriate IT systems necessary for the proper functioning of the Group	●●●
• (c) Risks related to contractual relations established with the Sanofi Group	●●●
3.2.4 Risks related to the Company's financial position	
• (a) Exchange rate risks	●●●
• (b) Interest rate risks	●●●
• (c) Liquidity risks	●●●
3.2.5 Legal and regulatory risks	
• (a) Risks related to product liability	●●●
• (b) Risks related to environmental and safety regulations and liabilities	●●●
• (c) Risks related to the laws and regulations applicable to the Company's activities	●●●
• (d) Legal risks related to the operation of activities under exclusive rights	●●●
• (e) Risks related to compliance and ethics actions or investigations	●●●

●●● High ●●● Medium ●●● Low

3.2.1 Risks related to the Company's business environment

(a) Risks related to the international nature of the Group activities

Description of the risk factor	Main risk management measures
The Group sells and markets its active pharmaceutical ingredients (APIs) in more than 80 countries, which exposes it to the direct and indirect consequences of: • Geopolitical or macroeconomic crises such as trade conflicts, tensions or armed conflicts, • Health crises, epidemics or pandemics, • Natural hazards and catastrophes impacting large geographical areas. The occurrence of such events may expose the Group to delays or disruptions or interruptions in the Group's supply chain and could have a negative impact on the Group's business, revenue, operating income and outlook.	To anticipate the risks related to geopolitical instability and the international character of its activities, the Group relies on the Corporate Affairs department, and, in particular, on a dedicated network responsible for monitoring developments in each country, especially in those in which the Group has production sites. In addition, the Group can rely on a supply chain largely based in Europe, completed by a mono-sourcing exit program which contribute to reduce the Group exposure to some geopolitical risks or to some geographies regularly impacted by natural catastrophes. At last, the Finance department assesses the credit risk of each customer and adapts its management (credit limit, payment terms, payment methods, orders blocked…). This overall approach allows the Group to develop its business continuity capacity.

3.2.2 Risks related to the Company's activities

(a) Risks related to the operation of industrial sites

Description of the risk factor	Main risk management measures
The Group operates industrial chemical and pharmaceutical production sites in several countries in Europe, including four sites with "upper-tier" Seveso facilities in Vertolaye, Frankfurt, Budapest and Brindisi and one site "lower-tier" Seveso in Saint-Aubin-lès-Elbeuf. The Group is exposed to various industrial risks related to environment and people and property safety (fire, pollution, accidental releases, etc.) both within the Group's facilities and outside the Group's facility, in particular near urban centers or during the transport of the various finished products or raw materials. The administrative and/or criminal liability of the Group and, potentially, the criminal liability of its officers could be incurred, and the Group could be required to pay financial penalties or experience the temporary shutdown of a production line or site and, under certain conditions, its closure. In addition, malfunctions of the equipment or manufacturing processes used by the Group or human and/or technical failures as well as natural disasters (such as floods, earthquakes, droughts, extreme storms) could have a negative impact on the production of certain products or even on production as a whole. The occurrence of these risks could have a material adverse effect on the Group's financial position, reputation, results and outlook.	The Group develops risk reduction plans that incorporate short- and medium-term investments as well as organizational or management actions, such as maintenance or obsolescence management programs. It also draws on the results of loss prevention visits (insurance) and regular regulatory audits to define scenarios that enable it to assess and anticipate the consequences of different events and develop human and material recommendations. The Group is also constantly mobilized to develop and operate safe industrial processes, promote a culture of safety and ensure the protection of the health and safety of its employees. Accordingly, it implements Health, Safety and Environment (HSE) procedures that take into account the main problems related to industrial processes. In particular, with regard to chemical risk management, the Group is putting in place procedures for the safety and monitoring of the chemical substances and mixtures that it uses and manufactures at its sites. Facilities operating on the Seveso sites are inspected at least twice a year by the Authorities. It ensures technical and regulatory monitoring of the hazardous substances and mixtures used and manufactured. Where appropriate, the Group may be required to substitute the use of certain substances at its sites. Employees of the Group that come into contact with chemicals classified as hazardous in the course of their professional activities within the Group shall receive appropriate medical monitoring that takes into account the inherent risks of these substances.

(b) Risks related to supply difficulties, raw material and energy costs, and relationships with certain suppliers and subcontractors

Description of the risk factor	Main risk management measures
Supply and raw materials The Group's manufacturing processes depend on: • the availability of the raw materials used in its business, • the capacity to anticipate the needs of its customers correctly and therefore to manage the Group's inventory levels. Some dependence to a limited number of third-party suppliers for some raw materials exposes the Group to changes in supply prices or in the availability, quality or delivery times of the raw material or services in question. The Group may not be able to find other suppliers, which could result in temporary or permanent inability to deliver products and adversely affect its business, financial position, results and profitability. **Energy** The Group may directly or indirectly experience pressures related to the price volatility of gas and electricity. In addition, energy supply difficulties and/or price volatility of energy worldwide, mainly due to geopolitical tensions, impact the Group's suppliers as described above. The occurrence of one of these events could lead to disruptions in the Group's production or to a temporary or permanent inability to deliver its products within satisfactory time limits and an increase in operational costs and thus a decrease in profitability.	The Group conducts regular monitoring of supply difficulties, assessing risks related to supply chain (raw materials supply, API production and product release) and defines mitigation plans. The Group has also implemented a program to develop several sources of supply for critical raw materials (mono-sourcing exit program and reduction of regional dependences) whenever the market proposes these potential sources. In the current climate of strong price increase, in particular for raw materials and energy, the Group also intends to further formalize the relationship with its suppliers through contracts rather than purchase orders. Actual standard Group's contracts contain clauses allowing the Group to pass on part of the increases to its customers. Regarding Sanofi, the Global Manufacturing and Supply Agreement, as amended, includes a compensation mechanism for the Group in the event of a significant increase in the price of certain key raw materials and solvents and a clause providing for reciprocal sharing of a portion of the increase in energy costs related to Sanofi's purchases, which is applicable from January 1, 2022, to December 31, 2026. To handle the difficulties of energy supply and the increase in its cost, the Group sources directly from the gas and electricity markets and uses hedging instruments to smooth out prices over time. These instruments cover almost all the Group's energy purchases in 2024, 2025 and 2026 (except spot purchases) and, as of the date of the Universal Registration Document, approximately 98% of its energy purchases for 2025 (UK excluded). In addition, the manufacturing of alkaloids marketed by Francopia is subcontracted to a Sanofi group site under a Reverse Manufacturing and Supply Agreement in effect for a period of five years post carve-out. Furthermore, the import quota regime introduced by the ANSM to limit the sale of opiates in France by other companies located abroad was supplemented in 2018 by a secure inventory policy adapted to the needs of operators, which helps to secure supplies. Finally, the raw materials necessary for the manufacture of the APIs of Francopia and the finished products are stored separately to reduce the risk of shortage in the event of an incident.

(c) Risk related to Group investments

Description of the risk factor	Main risk management measures
To maintain the excellence of its manufacturing facilities and innovation platform, the Group makes significant recurring investments, including maintenance and compliance investments to ensure continuous compliance of the Group's production sites with applicable regulatory and environmental standards and performance and growth investments to improve and/or increase its API production and development capacities. Any inability of the Group to implement the planned investments could have an impact on the achievement of its strategic objectives. Deviations from initial projections could have a negative impact on the expected level of return on investment of the project in question and, consequently, on the Group's business, financial position, operating results and cash flow. Finally, the Group may need additional financial resources to finance its planned medium-term and long-term investments. However, it may not be able to realize all or part of its capital expenditures if its cash flows from operations are not sufficient. In the event of any of these developments, the Group may be unable to maintain and/or increase its production capacity, which could have a significant material adverse effect on its business, results, financial position and outlook.	The Group benefits from the investments made by the Sanofi Group on the transferred sites over the past few years, which mainly include maintenance and compliance investments. It continues this investment policy by increasing the proportion of performance and growth investments in the total share of its investments and by improving the management of its performance and growth investments. These projects (duration, amounts) are monitored by dedicated teams at the local level and/or globally for strategic projects. Moreover, some of the Group's growth investments made as part of its CDMO activities have been co-financed by its customers, in addition to the amounts invested by the Group, in the form of payments prior to investments made or of increased payments on the price of the products during the commercial relationship. The Group has completed and secured the financing of its FOCUS-27 strategic plan. The Group and its banking syndicate have agreed on a new secured €451 million Revolving Credit Facility (RCF), refinancing the existing revolving facility with a maturity in February 2029.

(d) Risks related to the Group's API Solutions business

Description of the risk factor	Main risk management measures
APIs marketed by the Group as part of its activity of selling APIs to third parties for which the intellectual property is held by the Group or licensed by the Group and/or covered by a distribution agreement (the "API Solutions" business) are subject to intense competition, which could have the effect of reducing the Group's market share or force the Group to lower its prices and thus its revenue. The Group's future operating income in API Solutions business will depend on its ability to attract new customers for the APIs in its portfolio, improve the manufacturing processes of APIs, successfully identify new APIs that the Group intends to manufacture to expand its product portfolio and/or on its ability to manufacture certain categories of API that may require specific equipments. The Group occupies a premium position in the API market. The Group may not be able to maintain its premium positioning, resulting in a decrease in demand for the Group's products or a decrease in prices to enable the Group to continue to sell its products. The level of demand for the APIs manufactured by the Group also depends on i) the clinical development and marketing of products; and ii) the reduction of supply costs or termination of certain products by its customers. Finally, some of the Group's business relationships have little or no formalization, especially with regard to purchase orders. Any reduction, cancellation or delay in sales to the Group's customers, the loss of one or more major customers, especially with regard to purchase orders. the Group's potential inability to successfully develop relationships with new customers, future price reductions or other contractual benefits granted to Group customers may result in significant fluctuations or declines in revenue and may have a material negative impact on the Group's business, financial position, operating income and outlook.	To limit competitive pressure, the Group relies on several tools, processes and remediation plans: • competitive oversight, by product range and technology, which informs the business strategy of the Group, which is factored into its price positioning, as well as the organization of its sales forces and product offering; • a business risk analysis, which is regularly reviewed to guarantee Group responsiveness and excellence in its support of its customers; • multi-year contracts with customers are encouraged to secure the Group's revenue through the continuous improvement of the associated costs; i. action plans for the optimization of structure costs (see section 1.4 "Strategy and objectives" of the Universal Registration Document) and the transformation of the Group, has been deployed in 2023, and, ii. regular investment in the continuous improvement of processes, in addition to activities for research of new technologies and the development of innovative processes to reduce the production costs and environmental footprint of the Group's production methods and differentiate itself through its technological advances and capacity for innovation, • the size and diversity of the Group's portfolio, which consists of approximately 165 APIs registered with regulatory authorities in many countries, offers stability. Its network of industrial sites and production capacities enables it to ensure the continuity of production operations and monitor projects from the clinical phases to the commercial phases. The FOCUS-27 project (see section 1.4. "Strategy and objectives" of the Universal Registration Document), has confirmed the potential of several highly differentiated and profitable products, mostly sold to clients other than Sanofi. The commercial strategy will be refocused on these APIs to foster profitable growth. The decision has been taken to discontinue 13 APIs with low or negative margins; • the Group is using its best efforts to maintain its reputation as a provider of reliable, high-quality APIs, its regulatory activities and its strong competitive position in the major geographical areas of the global market for APIs and the confidence of its customers and provides them with expertise in a wide range of that market to best meet their specific needs.

(e) Risks related to the Group's CDMO activities

Description of the risk factor	Main risk management measures
The Contract Development and Manufacturing Organization (CDMO[1]) activity of the Group is exposed to strong competition to win development and marketing agreements for the more promising molecules. Operating income in CDMO business will depend on the Group's ability to attract new customers, enter into new contracts in a satisfactory manner for the manufacture of APIs developed by its customers, initiate the development and/or production of APIs or batches on behalf of existing or new customers, or expand relationships with existing customers for new products within a reasonable timeframe. Despite its resources, the Group cannot guarantee that it will be able to develop satisfactory manufacturing processes that meet its customers' specifications, or that finished products incorporating the APIs manufactured by the Group will achieve the intended therapeutic results. In addition, the products developed by the Group on behalf of its customers may i) not receive the necessary regulatory approvals by health authorities; or ii) not pass successfully inspections by health regulatory authorities or audits performed by customers on its production sites; or iii) be discontinued following clinical phase 1, 2 or 3, which would result in an end to product development and collaboration with the Group. Finally, the quality of the Group's products and the Group's ability to deliver its products within a satisfactory timeframe and their perception by the market are important elements for the Group's reputation and, consequently, for its business. The occurrence of any of these events could have a material adverse effect on the Group's business, financial position, results, outlook or reputation.	To limit competitive pressure, the Group relies on several tools, processes and remediation plans: • competitive oversight, by product range and technology, which informs the business strategy of the Group, which is factored into its price positioning, as well as the organization of its sales forces and product offering; • a business risk analysis, which is regularly reviewed to guarantee Group responsiveness and excellence in its support of its customers; • multi-year contracts with customers are encouraged to secure the Group's revenue: i. action plans for the optimization of structure costs (see section 1.4 "Strategy and objectives" of the Universal Registration Document) and the transformation of the Group, in particular in the context of the development of its CDMO activities, has been deployed in 2023, and, ii. regular investment in the continuous improvement of processes, in addition to activities for research of new technologies and the development of innovative processes to reduce the production costs and environmental footprint of the Group's production methods and differentiate itself through its technological advances and capacity for innovation, in particular in the context of the development of its CDMO activities.

(1) An external manufacturing project for a customer that owns the intellectual property of the API being manufactured, which starts with the development of the production process by the Group or the transfer of the production process to the Group, is considered as CDMO activity. Some of these projects do not include a development phase, and in such cases the Group focuses on the manufacturing phase. The Group therefore describes this activity, which includes both types of business relationships, as "CDMO".

(f) Risks related to IT systems and cybersecurity

Description of the risk factor	Main risk management measures
The Group relies on its own IT systems to conduct its business but outsources certain aspects of its information systems and certain business activities to service providers. Despite a policy aimed at strengthening and continuously monitoring the resilience and security of its IT systems, the Group's inability to control a significant failure or interruption resulting from an incident (*e.g.* a power outage or fire), computer virus, cyberattack or other cause could jeopardize integrity, availability or confidentiality of the information system, gain access to sensitive information about the Group's strategy and activities or certain personal data. The Group is exposed to the same risks in case of failure of the service providers. Such events could have a material adverse effect on the business, financial position, reputation, results and outlook of the Group.	Under the responsibility of the Chief Digital Officer, the Head of Cybersecurity is managing the security team and ensuring the effective implementation and management of the IT cybersecurity roadmap. The cybersecurity roadmap was defined and deployed at Group level and with local teams at each manufacturing facility (involving Site Head responsibility) ensuring site-level compliance with the roadmap and strategy. The Group's cybersecurity strategy is built on four pillars: • protection of the Group's IT assets and network, with resources such as antivirus and endpoint detection and response (EDR) solutions, firewalls and application of defense in depth principles; • monitoring of Company terminals using daily compliance indicators; • detection of threats, using a security operations center (SOC) which relies on the various security tools deployed to detect and qualify security alerts and take appropriate actions completed by activities related to crisis management preparedness, data backup and restoration capabilities; • training of all employees coordinated by central team with the support of local team to ensure the regular awareness of users as they represent the first line of defense.

(g) Risks related to social dialogue

Description of the risk factor	Main risk management measures
Labor disturbances such as strikes, walkouts, advocacy actions or other labor tensions could disrupt the Group's business and have a significant negative impact on its image and on its business and results. In addition, the Group cannot exclude that changes related to the strategic development of the Group may affect some sites and cause disruptions in relations with its employees. Pursuant to the FOCUS-27 project (see section 1.4. "Strategy and objectives" of the Universal Registration Document), the rationalization of the Group industrial footprint affects the Frankfurt site (two workshops could be mothballed to rightsize the small complex chemistry capacities) and leads to the Brindisi and Haverhill sites divestment. This project might have an impact on the Group's social climate. The occurrence of any of these events could have an adverse effect on the Group's business, financial position, results and outlook.	As part of the labor process necessary for its creation, the Group conducted negotiations to establish, in France, institutions representing employees comprising a Social and Economic Committee (*Comité Social et Économique* (CSE)) at the headquarters level, followed by a Central Social and Economic Committee. Employee representative bodies have been elected and implemented in Germany with a Work Council and Spokesman Committee as well as the establishment of work councils in Hungary and Italy. In December 2022, a European Work Council has been implemented, allowing an increased quality of social dialogue within the Group. Following the 2023 professional elections, French representative bodies have been renewed in December 2023. Social dialogue will be pursued in 2025, for example, through the renegotiation of the 2022 French profit-sharing agreement.

(h) Risks related to the Company's dependence on its key personnel and qualified employees

Description of the risk factor	Main risk management measures
The Group depends on the expertise of its management team and other key employees. The inability of the Group to attract, integrate and/or retain highly qualified personnel, particularly those in key functions, may pose a challenge to succession plans, adversely affect the implementation of the Group's strategy and its ability to achieve its objectives and could affect its business and operating income.	The Group initiated the implementation of a succession plan for persons in senior management functions, including programs for training and transmission of operational capabilities within the Group. As part of the implementation of its target organizational structure, the Group carried out an analysis to identify possible skills gaps. An active recruitment system has also been put in place. The system consists of various phases: planning and approval, candidate searches, profile reviews, interviews, selections and offers and post-recruitment. In addition, a training plan has been developed to address the deficit of certain skills and anticipate skill management needs.

(i) Risks related to climate change

Description of the risk factor	Main risk management measures
Climate related risks are created by a range of hazards. Some are slow in their onset (such as changes in temperature and precipitation leading to droughts, or agricultural losses), while others happen more suddenly (such as storms and floods). It is now widely recognized that climate-related impacts are not just a future threat and could have a material adverse effect on the business, financial position, results and outlook of the Group.	Since 2021, the Group has been working towards implementing EU Taxonomy. The Group adopted a double perspective when considering climate-related risks: • impact of our activities on the environment and people; • impact of climate change on our activities. In 2025, the Group will continue to work to address physical risks resulting from climate change that are either chronic (induced by longer-term shifts in climate patterns) or acute (event-driven) in a way that is consistent with the TCFD and the EU Green Deal classification. End of 2023, the Group commissioned a specific science-based study from an expert third-party to assess the current climate risks and associated natural hazards on the 11 most-critical locations located in 6 countries in Europe (including all our main sites and those of our key manufacturing and logistics partners in our supply chain) as well as their potential future evolution. The analysis was based on two climate change scenarios defined by the United Nations Intergovernmental Panel on Climate Change: • RCP2.6 (+1.5°C by 2100 *vs* pre-industrial levels), and; • RCP8.5 (+4.3°C by 2100 *vs* pre-industrial levels). For each scenario and for each of the 11 locations, climate projections on 2030 and 2050 time horizons show likely evolutions across a range of indicators, including floods; heavy precipitation days; extreme heat conditions (including heatwave and freezing conditions), drought and water stress. This science-based study enhanced our understanding of the most relevant inherent climate-change related natural hazards for each site. It also allows to feed the Group risk management processes with new data and indicators. In addition to these global analyses, site-specific studies on natural hazards will also be conducted where necessary due to local conditions. Overall, the purpose of these different climate-related analyses is to feed our site-level risk assessments and business impact analyses. Ultimately, they feed into our regularly updated improvement, adaptation and mitigation plans addressing environmental and risk issues in the medium to long-term.

3.2.3 Risks related to the separation of the Group's activities from the rest of the Sanofi group's activities and the Group's structural organization

(a) Risks related to the influence exerted on the Company's business and strategy by Sanofi, the Company's main shareholder

Description of the risk factor	Main risk management measures
The Group's independence from its main shareholder is a key success factor for its business and technical relationships with other pharmaceutical laboratories. As of the date of the Universal Registration Document, Sanofi Aventis Participations, a company owned 100%, directly and indirectly, by Sanofi, holds around 30% of the capital and voting rights of the Company, and remains the Company's main shareholder. Therefore, Sanofi could have a decisive influence on strategic decisions of the Group, in view of Sanofi's relative weighting in the Group's revenue and as main shareholder. In addition, the new revolving credit facility (the "RCF Loan Agreement") entered into by the Company on October 10, 2024 (see section 4.3 Financial resources and liabilities paragraph relating to the "RCF Loan Agreement" of the Universal Registration Document) provides for, *inter alia*, an event of repayment and/or early cancellation in the event of a change in control of the Company at the request of any lender after a conciliation period of at least 60 days. A change of control would occur in the event that (i) Sanofi ceases to hold, directly or indirectly, on a fully diluted basis, at least 15% of the capital and voting rights of the Company and ceases to hold, directly or indirectly, the right to appoint or dismiss a member of the Board of Directors of the Company; (ii) any person (other than Sanofi) or group of persons acting in concert (unless Sanofi would hold a majority share in such a group), would acquire more than 50% of the voting rights of the Company; or (iii) all or a substantial portion of the Group's assets would be sold to a non-Group member (in one or more transactions).	The Company established a governance structure that it considers to be in compliance with the AFEP-MEDEF Code (see section 2.1.3. "Declaration of compliance with the corporate governance system in force" of the Universal Registration Document). In this regard, it should be noted that Sanofi, through its subsidiary Sanofi Aventis Participations, has only one representative out of a total of 11 members of the Board of Directors of the Company as of the date of this Universal Registration Document. Among the Board of Directors, six of them are independent according to the criteria defined in the AFEP-MEDEF Code. Both companies (Sanofi and EUROAPI) do not have any executive corporate officers in common (Chief Executive Officer and/or Deputy Chief Executive Officer). In addition, Sanofi and EPIC Bpi France have agreed to extend the duration of their lock-up until December 2025 to support the FOCUS-27 project deployment by ensuring the stability of the shareholding structure.

(b) Risks related to difficulties or delays in implementing the organisations, processes, procedures and appropriate IT systems necessary for the proper functioning of the Group

Description of the risk factor	Main risk management measures
Being a listed Company, the Group has developed the required financial and management controls, reporting systems and procedures and hired adapted internal and outsourced accounting and finance staff. Despite these measures, it may not be able to put the necessary reporting structures and internal control procedures in place in a timely manner. The Group could discover weaknesses or areas for improvement in its internal control, which could lead to unanticipated issues such as difficulty in producing financial statements in a timely manner or the inability to prevent or detect all errors and/or instances of fraud. The Group could also be investigated and/or incur penalties levied by regulatory authorities in France or abroad. Any inability by the Group to put in place adequate internal controls and/or maintain appropriate and effective internal control procedures in the light of its new structure could have a material adverse effect on the Group's business, reputation, outlook, financial position and operating income. In addition, the Group's IT systems may not be mature and fully operational, which could expose it to difficulties and/or delays in the establishment of these structures and procedures, unanticipated additional costs or even previously unidentified difficulties. Delays in the organization of internal control, internal audit and IT systems may also delay the achievement of strategic objectives.	Since 2022, the Group Internal Control team updates on a yearly basis the Group Internal Control Framework, listing the controls created by global process owners to cover their identified function/ business risks. The annual self-assessment of internal controls is now rolled-out to all relevant operational process owners for providing their evaluation of controls for their perimeter. Therefore, the integrity of the self-assessment as well as the efficiency of the respective processes is screened. Furthermore, a monitoring of the implementation status of action plans, which have been set-up during the self-assessment cycle, is fully integrated as an ongoing process. The internal auditing activities have been outsourced since the creation of the Group to a recognized service provider to ensure immediate implementation and professionalization of these tasks with adequate resources adapted to the Group's size. During 2024, six audits were performed and the Internal Audit function has been progressively internalized leading to shared audit reviews at the end of the year. For the detected deficiencies adequate action plans with deadlines have been set-up by the relevant process owners. A close monitoring of the implementation of action plans is carried out. The information technology systems and procedures specific to the Company with regard to internal control and internal audit are constantly updated to match with the specific characteristics of the Company.

(c) Risks related to contractual relations established with the Sanofi group

Description of the risk factor	Main risk management measures

The Group currently supplies significant quantities of certain APIs to Sanofi under a manufacturing and supply agreement, as amended (the "Global Manufacturing and Supply Agreement") entered into as part of the completion of the Prior Reorganization Transactions, with effect from October 1, 2021, for a period of five years following the loss of control by Sanofi resulting from the Company's initial listing, which is renewable by mutual consent (see paragraph "Manufacturing and supply agreements for certain APIs" of the section 3.1.1 "Description of the prior Reorganization Transactions" of the Universal Registration Document). The Group has also entered into other commercial agreements with Sanofi in connection with the completion of the Prior Reorganization Transactions (see paragraph "Manufacturing and supply agreements for certain APIs" of the section 3.1.1 "Description of the prior Reorganization Transactions" of the Universal Registration Document) such as (i) the Reverse Manufacturing and Supply Agreements, as amended, under which Sanofi manufactures several items in the value chain of certain APIs on behalf of Francopia and of vitamin B12 salt derivatives on behalf of EUROAPI France; (ii) the Distribution Agreement, as amended, under which the Group acts as a distributor of some of the APIs manufactured by Sanofi (see paragraph "Distribution Agreements for certain APIs" of the section 3.1.1 "Description of the prior Reorganization Transactions" of the Universal Registration Document); and (iii) the Master Agreement for Development and GMP Manufacturing Services under which Sanofi and the Group both act, as the case may be, as a provider or as a beneficiary of services relating to the development of certain APIs for the CDMO services (see paragraph "Special agreements between the Group and the Sanofi Group relating to the development of APIs" of the section 3.1.1 "Description of the prior Reorganization Transaction" of the Universal Registration Document). The Global Manufacturing and Supply Agreement and the Distribution Agreement contain fixed price clauses for the duration of the agreement, subject, in the case of the Global Manufacturing and Supply Agreement, to modulation mechanisms for the pricing policy. Any one of these agreements may be terminated early, may not be renewed automatically when it expires, or may be renewed on less favorable terms. The supply of APIs to the relevant subsidiaries of Sanofi may also be interrupted, or the Group may not be in a position to win certain tenders launched by Sanofi, or Sanofi may decide to cease the marketing of all or part of some drugs. Likewise, and to a lesser extent, Sanofi may not meet all or some of its obligations under Reverse Manufacturing and Supply Agreements and/or the Distribution Agreement to supply APIs intended for distribution by the Group, which could have a negative effect on the Group's revenue and level of profitability.

The Master Agreement for Development and GMP Manufacturing Services dated October 1, 2021, relating to the development of key molecules for the Group's CDMO activities, and the development agreement entered into with Opella Healthcare Group SAS (a subsidiary of the Sanofi group's consumer healthcare business) provide that each current and future development/manufacturing project for a molecule on behalf of Sanofi or Opella Healthcare Group SAS under these agreements will be the subject of a specific application contract specifying the terms of the project. It is specified that Sanofi and Opella Healthcare Group SAS will have the opportunity, assessed for each application contract, to terminate any specific application contract for the development/manufacture of a molecule taken in the context of these agreements, in the event of a takeover of more than 50% of the Company by a third party company that itself develops or sells a molecule or a product competing with the molecule developed/manufactured by the Group on behalf of Sanofi or Opella Healthcare Group SAS. The parties may deviate from this principle or specify the concept of a competitor, application contract by application contract and molecule by molecule (see paragraph "Special agreements between the Group and the Sanofi group relating to the development of APIs" of the section 3.1.1 "Description of the prior Reorganization Transaction" of the Universal Registration Document).

The occurrence of any of these events could have a material adverse effect on the level of production of certain key Group products and therefore on its business, financial position, results and outlook.

In accordance with the terms of the Master Carve-Out Agreement entered into by and between the Company and Sanofi, which lays down the general principles and organizes the terms and conditions for the completion of the Prior Reorganization Transactions, the Company and Sanofi have appointed a committee to monitor the Prior Reorganization Transactions and a committee to monitor the commercial relationships between the parties. Both committees will continue to meet for a period of three years, and five years from the Loss of Control by Sanofi, respectively. In addition, the Global Manufacturing and Supply Agreement entered into by the Group with effect from October 1, 2021, has a term of five years following the loss of control by Sanofi. Finally, for several products, the Group acts as the sole source of supply listed in the Sanofi group's regulatory file for a specific drug.

However, the 2024 and 2025 cumulated demand forecasts for API received from Sanofi in early 2024 were significantly below projections. In addition to the volume reduction, higher raw materials and energy prices, which could not be fully reflected in price increases as per the current MSA, weighing on the profitability of our API Solution business.

Acknowledging the need for both parties to adapt their commercial relationship to the current environment, Sanofi and EUROAPI have agreed on a series of revisions to the Manufacturing and Supply Agreement, including (see section 3.1.1 "Description of the prior Reorganization Transactions" of the Universal Registration Document):

- cancellation of the mutual performance clause. This clause required notably EUROAPI to retrocede to Sanofi a portion of the fixed and variable cost savings realized on APIs sold to Sanofi annually until the end of 2026;
- price increases for six selected APIs;
- evolution of the pass-through clause for key raw materials and solvents, with full compensation by Sanofi in case of a price increase above 20%;
- narrowing of the price-volume corridor, an annual compensation mechanism protecting both parties from annual revenue fluctuation;
- shortened payment terms;
- intermediate inventory compensation;
- incentives for manufacturing and technology transfer of some specific APIs and intermediates;
- support services by Company in case of discontinuation of certain APIs by Company;
- incentive for a capacity extension project for one API.

3.2.4 Risks related to the Company's financial position

(a) Exchange rate risks

Description of the risk factor	Main risk management measures
The Group sells and markets its APIs in over 80 countries. It is therefore exposed to foreign exchange risk arising from various exposures to currencies other than the euro, which is the Company's functional currency and the reporting currency for the Group's consolidated financial statements. The Group's main exchange rate risk exposure currencies are the U.S. dollar (USD), Hungarian forint (HUF), British pound (GBP) and Japanese yen (JPY). A share of the Group's expenses is denominated in U.S. dollars (USD), while the majority of its sales are denominated in euro (EUR), with the resulting exchange rate risk. The monitoring and evaluation of trends in exchange rate fluctuations is centralized by the finance team at Group level. Nevertheless, the Group cannot exclude that an unfavorable change in the exchange rates of the above currencies may have an adverse effect on its consolidated financial position and results.	The overall management of exchange rate risk for the Group as a whole is overseen by the Group's Finance department. The only authorized instruments are spot, swap and forward purchases/sales as well as vanilla exchange options (call/put). The Group does not use financial instruments on a speculative basis.

(€ million)	Impact on operating income		Impact on shareholder's equity	
Dec. 31, 2024	**10% increase**	**10% decrease**	**10% increase**	**10% decrease**
GBP	0.5	(0.5)	(0.2)	0.2
HUF	0.2	(0.2)	25.8	(25.8)
USD	3.6	(3.6)	0.9	(0.9)
JPY	1.5	(1.5)	0.7	(0.7)
Total	**5.8**	**(5.8)**	**27.3**	**(27.3)**

(b) Interest rate risks

Description of the risk factor	Main risk management measures
Mid-October 2024, the Group issued a €200 million Perpetual Deeply Subordinated Hybrid Bond subscribed by Sanofi at fixed rate (8.113%, yearly interests could be capitalized). The Group's exposure to interest rate fluctuations relates to the €451 million RCF Loan Agreement, which bears interest at a EURIBOR-indexed variable rate, plus an applicable margin. In the event that EURIBOR is below zero, this rate will be considered as equal to zero (see section 4.3 Financial resources and liabilities paragraph relating to the "RCF Loan Agreement" of the Universal Registration Document). The Group may be required to put in place appropriate hedging products in line with the distribution targets between fixed and variable rates. As of the date of the Universal Registration Document, taking into account the policy rates set by central banks and the expectations of rate increases, the Group has not put in place such instruments.	Given the centralization of financing, interest rate risk is localized at Group level. The only instruments allowed are swaps and so-called vanilla (cap/floor) exchange options. The Group does not use financial instruments on a speculative basis.

(c) Liquidity risks

Description of the risk factor	Main risk management measures
Liquidity risk is the risk of not having the necessary funds to meet commitments at maturity. This includes the risk that assets cannot be sold quickly on satisfactory terms in case of need and the risk of anticipated liability or lack of access to credit on satisfactory terms. As of December 31, 2024, the Group is in a net positive cash position in the amount of €22.4 million. In a crisis situation, the Group may not be able to obtain the necessary financing or refinancing to implement its investment plan or obtain such financing or refinancing on acceptable terms. As of December 31, 2024, the Group's financial liabilities included €104.9 million in accounts payable, €152.3 million in other current liabilities, €18.5 million in lease liabilities, and €15 million of liabilities related to operations held for sale. On October 10, 2024, the Group issued a €200 million Perpetual Deeply Subordinated Hybrid Bond subscribed by Sanofi and entered into a new secured €451 million RCF Loan Agreement with a maturity in February 2029. This RCF Loan Agreement contains certain affirmative and negative undertakings, described in the section 4.3 "Financial resources and liabilities" paragraph relating to the "RCF Loan Agreement" of the Universal Registration Document. The Hybrid Bond funds were cashed on October 15.	The Group has set up a centralized cash flow driven by the Company for all of its subsidiaries (cash pivot and centralized management of financing). Monitoring is provided by a treasury management system that retrieves the bank statements of all Group subsidiaries and the issuance of almost all payments. Electronic payments not managed by the said IT tool will be administered by the Group through the online banking services of its banking partners (mainly in Japan and China). Pursuant the FOCUS-27 project (see section 1.4. "Strategy and objectives" of the Universal Registration Document), the End-to-End processes will continue to be strengthened allowing the Group to improve the working capital through inventory reduction objectives and the deployment of a factoring project in 2025. The Group has completed and secured the financing of its FOCUS-27 strategic plan. The Group and its banking syndicate have agreed on a new secured €451 million Revolving Credit Facility (RCF), refinancing the existing revolving facility with a maturity in February 2029. In the meantime, Sanofi confirmed its support in the execution of the FOCUS-27 plan through an investment of €200 million in a Perpetual Deeply Subordinated Hybrid Bond. This non-dilutive instrument, which will be classified as "Equity" in EUROAPI's consolidated financial statements, provides EUROAPI with additional financial flexibility to deliver its FOCUS-27 plan (see section 4.3 "Financial resources and liabilities"). Sanofi has also agreed to reserve a minimum available capacity for five selected products manufactured by EUROAPI for €54 million (of which €18 million already paid in December 2024, the remaining amount in 2025).

3.2.5 Legal and regulatory risks

(a) Risks related to product liability

Description of the risk factor	Main risk management measures
Activities related to the manufacture, import, export and marketing of products used in the composition of drugs, in particular APIs, are subject to rules and controls by the authorities with the ultimate purpose of ensuring drug quality. The Group produces APIs and intermediates in the composition of drugs for human use. Failure by the Group to comply with regulations, standards or contractual commitments would expose the Group to liability in civil, criminal or commercial disputes. In addition, the Group could be exposed to administrative fines, temporary or permanent closure of a site, partial or total closure of certain API production lines with additional financial costs for the Company and/or its management by a third party, or a potential prohibition on sales or distribution of the Company's products in certain jurisdictions. The Company may also be subject to claims and legal proceedings brought by customers alleging that they have suffered losses as a result of a non-compliant product, including reimbursement, product recall, claims for contractual damages, late payment penalties, breach of consumer laws or health issues. In addition, non-compliant products could result from quality control deficiencies or the presence of impurities at a level higher than the acceptable daily content. Should the Group be unable to resolve an event of non-compliance affecting one of its products or the risking of its liability for its products, its reputation and the marketing of its products could be heavily and seriously affected, which could have a material adverse effect on the Group's financial position, results and, where appropriate, outlook. For example, in March 2024, an internal audit of the Company on the Brindisi site (Italy) has revealed, some quality control deficiencies throughout the production site. Consequently, the Company announced on March 14, 2024 that its Italian subsidiary has suspended the production of all APIs in Brindisi, alerted the relevant health authorities, its customers and other stakeholder potentially impacted by this event. The Brindisi GMP license has been reactivated mid-July, allowing the site to resume its activities.	The Group Quality Management System and organization have been designed to deliver clients with fully compliant products and services (including GDP, GMP, GRP standards) meeting their expectations in terms of quality and supply. In the performance of all the Group operational activities, Quality starts with full engagement of its employees to respect standards, carefully designed, risk based, and continuously revised to meet the latest regulations and practices. Quality training programs allow to maintain employees' skills at a high level of standard. Our Quality Management System is audited on a regular basis by both internal and external auditors. The Group also continues to proactively assess the risk of mutagenic impurities in its key APIs over the next five years in accordance with the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH) guideline M7(R1) on assessment and control of DNA reactive (mutagenic) impurities in pharmaceuticals to limit potential carcinogenic risks. This expertise will enable the Group to ensure risk control and develop a competitive advantage over its competitors by offering its pharmaceutical customers regulatory files that comply with the current requirements of the authorities. Depending on the chemical process applied by the Group, the identification of a mutagenic impurity may be a competitive opportunity factor in the event of compliance with the applicable regulations. Moreover, as of October 1, 2021, Sanofi has agreed to compensate the Company for the costs related to the studies required to develop regulatory state-of-the-art data (including mutagenic impurities assessment, analytical methods validation) of a list of APIs included in the scope of the Transferred Activity, up to a maximum amount of €15 million (see section 3.1.1 "Description of the prior Reorganization Transactions" paragraph "Agreements signed by the Sanofi Group and the Group for the execution of the Prior Reorganization Transactions" of the Universal Registration Document). This remediation plan will cover all studies needed from 2021 to 2025.

(b) Risks related to environmental and safety regulations and liabilities

Description of the risk factor	Main risk management measures
The Group operates in an increasingly restrictive legislative and regulatory environment with respect to environmental protection, public health and safety. This could force the Group to invest significantly in order to anticipate and, where appropriate, remedy such restrictions and/or prohibitions, or could, in the absence of alternatives, lead to the reduction, suspension or cessation of the production of certain products or the operation of certain production units, without the assurance of compensation for the corresponding losses. In the event of non-compliance with environmental regulations or with the requirements imposed by operating licenses and authorizations (aqueous releases and/or accidental leaks, emissions, waste treatment), the Group is subject to administrative and/or criminal penalties, or even temporary or permanent closure of the sites affected. The personal criminal liability of its officers, as individuals, could also be sought in connection with these events of non-compliance. Finally, due to their age and/or original location or use (pharmaceutical or other), some of the Group's industrial sites or neighboring sites have historical contamination of soil and/or surface water and/or shallow and deep aquifer water. The Group cannot exclude being charged to remedy such contamination in the future in its capacity as an industrial operator responsible for the related environmental liabilities, including potential historical liabilities linked to operational activities. To that end, provisions were recognized by the Group to cover environmental risks (see the amount of provisions for environmental risks as of December 31, 2024 in note 5.13.1 of the consolidated financial statements in chapter 4 "Financial information and financial statements" of the Universal Registration Document at December 31, 2024). The environmental liabilities that may emerge on the Group's sites may have a material adverse effect on the Group's business, reputation, results, financial position and outlook.	The Group devotes a significant share of its investments to the maintenance of its industrial equipment, the compliance and safety of production equipment and facilities and the improvement of productivity. Actions to remedy the historical impacts arising from the activities conducted on the Vertolaye and Saint-Aubin-lès-Elbeuf sites are being carried out under the supervision of the competent administrative authorities. The Group's sites are implementing regulatory oversight and employing local third-party companies to implement advanced regulatory oversight to comply with the latest regulatory developments and anticipate potential regulatory developments by identifying weak signals and regulatory trends. Furthermore, all the industrial sites of the Group achieved ISO 14001 (best environmental practices) and ISO 50001 (best energy practices) certification in 2023. In order to mitigate risks related to environmental liabilities, on December 31, 2024, the Group recorded provisions for environmental risks for a total amount of €38.5 million to cover, in particular, risks related to the current on-site hydraulic containment of polluted aquifer with the installation of hydraulic pumps in order to confine polluted shallow and deep aquifer water outside the boundaries of the relevant land and the application of corresponding regular control measures in such locations as Frankfurt, Brindisi, Budapest and Vertolaye. However, no assurance can be given that these provisions are sufficient to cover the actual costs incurred in relation to the identified contamination. The Group also has insurance covering environmental liabilities prior to the date of the transfers for a period of ten years from October 1, 2021, and for a maximum amount of €50 million (subject to the usual exclusions for this type of insurance) and a commitment by Sanofi to assume the remediation costs identified at certain non-operational Group sites located in France, limited to €16.7 million (see section 3.1.1 "Description of the prior Reorganization Transactions", paragraph "Agreements signed by the Sanofi group and the Group for the execution of the Prior Reorganization Transactions" of the Universal Registration Document).

(c) Risks related to the laws and regulations applicable to the Company's activities

Description of the risk factor	Main risk management measures
The Group operates in a very restrictive and highly evolving legislative and regulatory environment applicable at all times in the life of products, production and distribution processes and terms of use. Changes to these regulations, their interpretation by the competent courts or authorities, and changes to the applicable good practices create increasing constraints. International and national authorities have very broad powers of authorization, inspection and sanctioning and may impose financial penalties or technical constraints such as suspensions, product or site operating bans, product removals or recalls. Health authorities have also the power to decide to suspend or withdraw product authorizations if regulatory standards were not applied, which could result in production delays, with a material adverse effect on the Group's competitive position, business, financial position, statement of operations and cash flows. In addition, the Group operates in a field that falls within the scope of regulations applicable to foreign investments in France, particularly in the area of public health. As a result, certain foreign investments may be subject to prior authorization by the Minister of the Economy, who may attach one or more conditions to the authorization of such a transaction and, in certain cases, refuse to grant such authorization.	The Group's Quality department monitors applicable regulations and ensures that harmonized quality standards are applied throughout the world in order to comply with regulatory requirements. In addition, as of October 1, 2021, Sanofi has agreed to compensate the Company for the costs related to the studies required to develop regulatory state-of-the-art data (including mutagenic impurities assessment, analytical methods validation) of a list of APIs included in the scope of the Transferred Activity (as defined in section 3.1.1 "Description of the Prior Reorganization Transactions" of the Universal Registration Document).

(d) Legal risks related to the operation of activities under exclusive rights

Description of the risk factor	Main risk management measures
Through its subsidiary Francopia, the Group markets alkaloids, including opiates-controlled substances, for the composition of narcotic products in France, Canada and Japan, but excluding some countries such as the United States. Francopia is, as of the date of the Universal Registration Document, the only operator in France authorized by the ANSM to market alkaloids on French territory. The ANSM has also put in place an import quota regime that limits the sale of alkaloids in France by other companies located outside France. However, in countries in which the Group markets alkaloids, health authorities such as the ANSM might decide to allow higher import quotas (currently limited in France to 10% of the volumes of APIs used by opiate drug producers operating in France), thus forcing the Group's products to face increased competition. Similar quotas exist in other countries, in particular the United States and Spain, which limit the marketing of the Group's alkaloids. The consequences of such a decision could have a material adverse effect on the Group's business, the selling price of the Group's products and, consequently, the Group's financial position, results and outlook. The risk of dependence of the Group on the Sanofi group, which produces all of the alkaloids marketed by Francopia, is described in section 3.2.2. b) "Risks related to supply difficulties, raw material and energy costs, and relationships with certain suppliers and subcontractors" of the Universal Registration Document.	Francopia's business in France is under the control of the International Narcotics Control Board (INCB) in accordance with the principle of "one country, one producer" that arose from the 1961 United Nations Single Convention on Narcotic Drugs. In this context, the ANSM has introduced an import quota scheme to define the scope of Francopia's exclusivity for French pharmaceutical operators.

(e) Risks related to compliance and ethics actions or investigations

Description of the risk factor	Main risk management measures
The Group's activities are subject to various ethics and compliance regulations. Due to the nature of its operations, its interactions with diverse external stakeholders and geographical coverage, the Group can also be exposed to risks related to non-compliance with anti-bribery laws, competition laws, good manufacturing practices, environmental regulations and other industry standards. Most recently and due to the uncertainty and volatility of the international political situation, the Group had to perform a close monitoring of its activities in countries under sanctions. Inappropriate or illegal behavior by the Group employees, officers and/or external third parties acting in the name and on behalf of the Group could occur and expose the Group and/or its officers to reputational damages or potential criminal and civil penalties.	As part of its organization and governance, the Group has adopted a set of policies designed for all its employees to ensure the integrity of its business practices, the management of its information and the protection of its employees. These policies cover anti-bribery conflict-of-interest, gifts, alert management and a disciplinary policy, all translated in local language and shared through eLearning's and live trainings when relevant. The Group procedures and policies are aimed to educate employees on the applicable standards by guiding them in their day-to-day activity in order to react properly when facing difficult situations. The Group has also defined processes that include notably control framework and investigations regarding ethics and compliance to prevent, for example, corruption, money laundering, misappropriation of assets, conflicts of interest or non-compliance with procedures and other legal issues that could impact the Group liability, reputation, operations and finance. In 2024, the Group has performed a corruption and influence peddling risk mapping, in compliance with Sapin 2 law and French Anti-Bribery Agency methodology. This exercise allowed to identify the risk scenarios linked to the Group activities and to fine tune associated action plan to ensure a proper management of bribery risks.

3.3 INSURANCE AND RISK COVERAGE

3.3.1 Insurance policy

The Group's insurance policy is coordinated by the Group's Assurance Department with the support of the operational departments.

The implementation of insurance policies is based on the determination of the level of coverage necessary to handle the reasonably estimated occurrence of liability, damage or other risks. This assessment relies on the outputs of the Group's Risk Management processes associated to the expertise of the Group's insurance broker and the insurer risk underwriters. Non-insured risks are those for which there is no offer of coverage on the insurance market or those for which the offer of coverage and/or its cost are not in line with the potential interest of the insurance or for which the Group considers that the risk does not require insurance coverage.

In particular, the Group has taken out property damage/operating loss, civil liability, environmental and cargo policies with internationally renowned and solvent insurance companies. The Group's policies are supplemented, for risks not covered by them, on a case-by-case basis by policies subscribed locally for a particular subsidiary or site.

3.3.2 Risk coverage policy

Objectives

Risk control is considered a priority by Group management, which closely links internal controls to internal audits. The Group's risk management and internal control systems are based on the Sanofi group's internal control and risk management practices, adapted to the Group's business model, geographic footprint and size. They are in turn based on a range of appropriate resources, procedures and actions to ensure that the necessary measures are taken to enable the Group to:

- achieve its objectives, fulfill its missions, and detect development opportunities in all of its fields of activity while adhering to its values and ethics and complying with laws and regulations; and
- protect its core assets that are the foundations of its business, identify critical points and potentially risky internal and external events and situations for the smooth operation of its business.

Organizational framework

The risk management process and internal controls, which allow the Group to identify and prevent the risks that it may face, are overseen by the Assurance and Finance departments. The Assurance department, which also brings together the Group's expertise in Risk management, Insurance, Internal Control and Internal Audit, reports to the Group CFO and feeds the Group Executive Committee to support decision making. For Internal Audit activities, the Chief Assurance Officer is directly reporting to the Audit Committee of the Supervisory Board.

Within each of the Group industrial site, a Business Continuity Plans Coordinator is responsible for identifying industrial risks, which are then coordinated at Group level by an Industrial Operations Program Project Manager. In addition, the identification of business risks, strategic projects and health, safety and environmental (HSE) risks is the responsibility of the Sales Operations department, the Strategy department and the Industrial Affairs department. Risks related to the Company, other global support functions and disputes are identified at the Group level by a Risk Manager within the Assurance department.

Each operational department in all Group's entities is responsible for the internal control of its activities, under the control of the Assurance department, which coordinates the operation of the whole system. Assurance department plays a central role in making sure that the procedures applicable at Group level are well established and supports the definition of the framework within which subsidiaries exercise their internal control responsibilities.

Risk management and internal control system

The Group's overall risk management and internal control system is based on several elements, including but not limited to:

- standardized procedures by business line and function;
- operational risk key controls;
- management of the Group's overall risks at different scales (functional departments, subsidiaries);
- mapping of the Group's major risks validated by the Group's Executive Committee in December 2023 and updated in 2024 on Compliance and ESG aspects;
- monitoring of the Group's internal control system; ethical system and organization comprising the Group's procedures and Code of Ethics and training courses put in place since 2022; and
- internal audit, which, as an independent assurance function, assesses the efficiency and functioning of the system as a whole. 2024 has been a transition year for Internal audit moving from a fully outsourced function to a co-sourced function supported by both internal and external resources.

Group risk management

Group risk management within the Assurance department refers to the measures put in place by the Group to identify, analyze and mitigate the risks it is exposed to. The process for developing and reviewing the risk includes the following:

- a group risk map developed by the Risk Manager, which was implemented in 2020 with the Company risk management framework, allowing the identification of the main risks to which the Group is exposed and assesses, for each of them, their potential impact as well as the action plan put in place, and in particular the persons responsible within the Group for monitoring the remediation plans and associated controls. This risk map is regularly updated and supported by specific risks maps like the IT risk map (updated in 2023), the double materiality matrix (updated in 2023/2024) or the corruption and influence peddling risk map (updated in 2024);
- a group Key Controls Framework updated at least yearly and self-assessed once a year leading to dedicated action plans;
- an audit plan formally approved by the Audit Committee and performed jointly with KPMG leading to reports and recommendations duly followed during follow-up campaigns (3 times a year);
- an insurance coverage adequately dimensioned to reduce Group exposure in case of unexpected major incident.

The risk exposure is presented regularly by the Chief Assurance Officer, to the Group ExCom and to the Audit Committee, and, at its request, to the Board of Directors or to one of its other committees.

Ethical measures and organization

Ethics and anti-corruption rules are key values and a major concern of the Group. The Group, under the responsibility of its Head of Ethics, Compliance and Data Privacy, has put in place Code of Ethics and related procedures. The Group also expects its partners, mainly suppliers and customers, to comply with its Ethics and Compliance standards by making sure that their Ethics and Compliance standards are in line with EUROAPI's. A whistleblowing system was implemented mid-2022. It allows employees and external stakeholders to raise their concern on the potential of actual violations of laws, standards, internal policies or a Code of Ethics.

In addition, the prohibition on engaging in fraudulent practices is the subject of dedicated training modules (notably Code of Ethics, anti-bribery, conflict of interests, gifts and invitations) and extensive communication (*International Ethics and Anti-Bribery days*) within the Group to raise awareness among employees and limit the risks related to corruption and ethics. The Head of Ethics and Compliance also delivers in person trainings to all the local leadership teams on the Group's Ethics and Compliance standards to ensure they are properly disseminated and applied.

Moreover, and to build a strong compliance culture in all locations where it operates, the Group has appointed more than 30 compliance champions throughout the world to make sure that Ethics and Compliance standards are widely understood and respected.

3.4 REGULATORY ENVIRONMENT

3.4.1 Sector regulations

The pharmaceutical and biotechnology sectors for human and animal health are highly regulated. National and supranational health authorities have established a broad set of legal and arbitration proceedings requirements, regulations and guidelines to regulate the clinical trials and quality standards necessary for the approval of new drugs and for their safety and efficiency optimization. In particular, these authorities regulate the quality system to be put in place, as well as the development, manufacture, control, distribution and marketing of the products.

In general, medicinal product manufacturers must ensure compliance with regulations and standards for products used in the composition of drugs, including active pharmaceutical ingredients (APIs). Activities related to the manufacture, import, export and marketing of APIs are thus subject to rules and controls by the authorities with the ultimate purpose of ensuring drug quality.

Activities related to APIs are subject to good manufacturing practices ("GMP") and good distribution practices ("GDP"). For example, an international GMP standard (ICH Q7 Good Manufacturing Practice (GMP) for the Manufacturing of APIs) has been developed by the International Council for Harmonization (ICH) of Technical Requirements for Pharmaceuticals for Human Use, a body created in 1990 and reformed in 2015. The ICH also develops guidelines concerning product quality and quality system requirements, based on a scientific consensus among representatives of pharmaceutical regulatory bodies and experts. These guidelines are then implemented by international and local authorities that recognize the ICH.

In addition, production sites must be registered with their local health authorities, such as, for example, the National Agency for the Safety of Medicines and Health Products (*Agence Nationale de Sécurité du Médicament et des produits de santé* – "ANSM") in France, the Medicines and Healthcare Products Regulatory Agency ("MHRA") in the United Kingdom, and the Italian Medicines Agency (*Agenzia Italiana del Farmaco* – "AIFA") in Italy, as well as with the international health authorities of other countries in which the products are marketed, such as the Food and Drug Administration ("FDA") in the United States or the Pharmaceutical and Medical Device Agency ("PMDA") in Japan. The Group's six production sites are registered with their local health authorities, as well as with the FDA and the PMDA, and are audited by these agencies. Finally, exports and imports of APIs worldwide are also subject to laws, regulations, guidance documents and standards issued by supranational, national or local authorities.

European Union

The placing of APIs on the market

In the European Union (except in Italy), the placing of APIs on the market is not subject to a marketing authorization, unlike medicinal products. However, according to Annex I of European Directive No. 2001/83 (EC) (for medicinal products for human use) and Annex I of European Directive No. 2001/82 (EC) (for medicinal products for veterinary use), the marketing authorization application for a medicinal product must contain information concerning the API(s) contained in that medicinal product. For the purposes of providing this information, the manufacturer of an API can choose one of three types of procedures:

- establish a permanent file on the API (Active Substance Master File ("ASMF"));
- obtain a certificate of compliance with the European Pharmacopeia ("CEP"); or
- provide the market authorization applicant/holder with the chemical documentation to allow the file in question to be completed.

The first two options are preferred by the Group for confidentiality reasons between the different parties (marketing authorization holder and API manufacturer) and ease of registration in the case of multiple customers.

Creation of a permanent file on the API (ASMF)

The ASMF contains information including a detailed description of the manufacturing process, quality control during manufacturing, and process validation. The ASMF is submitted to the competent health authorities by its holder – the manufacturer of the API – only in support of a market authorization application or a change in the market authorization package, which are themselves submitted by the manufacturer of a medicinal product containing the API. The API manufacturer's submission of the ASMF must therefore be concurrent with the filing of the marketing authorization application by the medicinal product's manufacturer with the competent authority. The ASMF consists of a so-called "closed" part containing information considered confidential by the manufacturer of the API, such as information relating to intellectual property or know-how, and accessible only to the competent authorities. Only the "open" part of the ASMF is accessible to marketing authorization applicants whose medicinal product contains the same API and must include the information needed by the product's manufacturer. The marketing authorization applicant is fully responsible for the contents of its application file and must have all the

information necessary to ensure the API's suitability for the needs of its drug, as well as the quality and quality control of the API.

Obtaining of a certificate of suitability to the European Pharmacopeia (CEP)

The European Directorate for the Quality of Medicines and HealthCare ("EDQM"), an executive division of the Council of Europe, manages and updates the European pharmacopeia, which is a collection of common standards defining, on the one hand, general quality requirements and, on the other hand, specific quality requirements for APIs, known as monographs. Monographs have been developed for a number of well-established ingredients, including organic or inorganic APIs and excipients obtained by a manufacturing process or by extraction. The manufacturer of an API that forms the subject of a monograph in the European Pharmacopeia can apply for a CEP, which is granted, where appropriate, after the review of a detailed application file and samples by the EDQM. The CEP (Certificates of suitability to the European Pharmacopeia) guarantees the application of the relevant monographs and makes it possible to verify that the quality of the ingredient is suitable for use in drugs. In particular, it ensures that all impurities and potential contaminations associated with the manufacturing process, implemented in accordance with the relevant monograph, are fully controlled by the latter.

Provision of complete chemical documentation

The third option is for the manufacturer of the API to provide the marketing authorization applicant with the complete chemical documentation, which the marketing authorization applicant then incorporates directly into its marketing authorization file. In this case, information considered confidential by the manufacturer of the API, such as information relating to intellectual property or know-how, is made available to the holder of the marketing authorization. This situation applies in particular to the APIs manufactured by the Company as CDMO for the manufacturer of the drug who intends to fully manage the file on the APIs manufactured for it by the Company.

Good manufacturing and distribution practices

With regard to the GMP and GDP applicable in the European Union, these are defined by the European Medicines Agency ("EMA") under the terms of the relevant European directives, then adopted or transposed into the national law of the Member States and implemented by the national competent authorities, such as the ANSM in France.

The European GMP is derived from the 2000 ICH Q7 guide. The objective of the GMP is to ensure an appropriate quality management system and to ensure that APIs meet the quality and purity requirements necessary for their use in the manufacture of medicines or vaccines. They cover all operations of reception of materials, production, packaging, repackaging, labeling, re-labeling, quality control, release, storage and distribution of APIs, as well as the associated controls.

Manufacturers of medicinal products for human or veterinary use, and therefore their suppliers of APIs, such as the Group, have the obligation to use only APIs that comply with the GMP, and in the case of medicinal products for human use, also with the GDP. In order to certify their compliance with the GMP, sites may be issued by the competent national authorities with a certificate of compliance. All processes for the manufacturing of APIs at the Group's six sites are certified as GMP compliant.

Furthermore, sites engaged in the manufacture, import and distribution of APIs, such as the Group, are subject to specific obligations regulating their creation and their activities, including an authorization issued by the national competent authorities. Thus, in France, these activities carried out by the Company have required prior authorization issued by the Director of the ANSM. The ANSM has the power of inspection and injunction over these sites and may suspend or prohibit all or part of their activities in the event of non-compliance with applicable regulations.

In addition to regulatory inspections by health authorities, sites involved in the manufacture or distribution of APIs may be subject to contractual audits organized by customers (manufacturers of drugs containing the APIs), taking into account the obligations imposed on drug manufacturers as described above. This is the case for the Group's sites, which are regularly audited by its customers.

United Kingdom

The regulations described above in relation to the European Union are also applicable in Northern Ireland. However, following the United Kingdom's exit from the European Union on January 1, 2021, the rest of the United Kingdom (England, Wales and Scotland) is subject to different regulations from those applicable within the European Union. However, the general GMPs such as ICH Q7 are also applicable in the United Kingdom. In addition, MHRA has decided to continue to recognize EU/EEA batch testing and EU/EEA QP certification since it is acknowledged that the regulatory standards are equivalent to those in the United Kingdom.

United States

In the United States, a manufacturer of a product deemed to be a "human drug product", including an API, may file a Drug Master File ("DMF") – also known as a "Type II DMF" – with the FDA when this covers only the API. This file contains confidential and detailed information about the facilities, processes or components used in the manufacture, control, processing, packaging and storage of APIs. The filing of a DMF is not mandatory and does not need to be formally approved by the FDA. It will be assessed only when a market authorization application file makes reference to it. As with European packages, this approach is preferred by the Group because it makes it possible to control the confidentiality of production operations with respect to the customer.

In line with the European practice, another approach is for the manufacturer of the API to provide the marketing authorization applicant with the chemical documentation that the latter will incorporate directly into its pharmaceutical file, for example the Investigational New Drug Application (IND), New Drug Application (NDA) or Abbreviated New Drug Application (ANDA) for generic drugs.

The FDA conducts inspections outside the United States on sites that manufacture pharmaceutical products or APIs for export to the United States. For example, the Group's production sites in the European Union and the United Kingdom are subject to regular inspections by representatives of the FDA. In the event of any finding of potential non-compliance with the requirements applicable to APIs used in the United States, the FDA's inspectors are likely to notify the site's violation risks by issuing a "Form 483" notice requiring the site's management to remedy the situation.

In the United States, the import of APIs is controlled and can be rejected by Customs and Border Protection, generally after consultation with the competent health authorities, such as the FDA.

Japan

In Japan, the PMDA invites manufacturers of APIs to submit a file called a Japanese Drug Master File ("JMF"). This is not a mandatory procedure, and the JMF is presented by the PMDA as neither a marketing authorization nor a patent. However, like the ASMF in the European Union and the DMF in the United States, the JMF consists of a "closed" and an "open" part and is intended to protect the know-how of the manufacturer of the API when information relating to that ingredient is used for the purposes of a drug marketing authorization application. The filing of a JMF by a foreign manufacturer of an API requires the designation of a responsible person, known as an "in-country caretaker", living in Japan, who is responsible for relations with the PMDA. Within the Group, this role is provided by EUROAPI Japan, a subsidiary of the Company. Given the PMDA's level of requirement with regard to the form and detail of JMF applications, the procedure can be lengthy and complex.

Other countries

Many other countries to which APIs manufactured by the Group are exported, such as China, Russia, Brazil and India, require the creation of files for products used in the composition of drugs. Their national authorities are likely to carry out inspections of sites producing APIs imported into their territory. For example, the Group's production sites in the European Union and the United Kingdom receive regular visits from representatives of the health authorities of many countries to monitor how the APIs are produced.

However, some specific aspects of these countries' GMP are quite similar to the GMP defined in ICH Q7, allowing some streamlining of the Group's procedures.

Specific aspects related to animal health products

APIs for veterinary use are managed in a similar manner to APIs for human use. They may give rise to specific inspections by certain authorities.

Specific aspects related to opiates controlled substances

The production, manufacture, transportation, import, export, possession, supply, sale, acquisition and use of certain APIs or drugs classified as narcotics or poisonous substances are subject to stricter regulations than other health products. These specific regulations apply in particular to the opiates controlled substances manufactured by the Group. In France, the production and distribution of these products are therefore subject to authorization and require specific traceability and enhanced security conditions. In addition, the marketing of these products is subject to more or less severe restrictions depending on the country. In France, supplies of narcotics for drug manufacturers can be obtained only from Francopia, a Group company, unless an exception is made by ANSM. Mainly through Francopia, the Group markets opiates mainly in France, Japan and Canada, and excluding the United States.

Due to the serious risks of dependence that may be caused by the excessive or illegal use of opiates, which are classified as narcotics, complaints have been filed against certain manufacturers or distributors, particularly in the United States (see Section 3.5.1 “Risks related to product liability” of the Universal Registration Document).

Problems related to mutagenic impurities and nitrosamines

Since July 2017, the guide “ICH guideline M7 on assessment and control of DNA reactive (mutagenic) impurities in pharmaceuticals to limit potential carcinogenic risk” is applicable to products marketed by the Group and requires the assessment of impurities in APIs in the event of any major changes to processes or to territorial scope. In this context, this guide requires manufacturers of APIs to assess impurities in relation to the mutagenic risk inherent in each molecule. Depending on the classification of each molecule, scientific assessments, expert analyses or process developments must be implemented to evaluate the risk and ensure that the presence of mutagenic impurities remains below the acceptable daily limit. Although these requirements are not presently applicable retrospectively to products already on the market, the required expert analyses are deployed progressively.

In 2018, the presence of nitrosamines was detected in a number of APIs and drugs used for the treatment of hypertension, triggering a crisis management situation in the pharmaceutical industry. Nitrosamines are classified as probable carcinogens for humans and are tolerated only at very low levels to avoid initiating a risk of cancer. The authorities identified several factors that could be responsible for the presence of nitrosamines, including the chemical process used to produce the API, cross-contamination and raw materials. Following this crisis, several national and supranational authorities, such as the EMA, the FDA and the European authorities responsible for medicinal products, asked all holders of a marketing authorization for chemical medicinal products to carry out, as a precautionary measure, an assessment of the risks linked to the presence of nitrosamines and to formulate a strategy for controlling those risks. The Group conducted a review of the entire portfolio of APIs transferred to the Group between 2018 and 2021. This review made it possible to show the absence of any risk for nearly all of the APIs produced by the Group (in particular, the absence of N-nitrosodimethylamine and N-nitrosodiethylamine impurities for sartans, such as irbesartan and olmesartan medoxomil) or, for a few, to implement action plans to remedy the presence of nitrosamines (systematic expert analysis, optimization of processes under development, submission of corresponding regulatory files to the competent authorities), in particular for rifampicin and rifapentine, for which a process optimization plan is currently being developed by the Group, with the aim of implementing an industrial process in 2024-2025. It is likely that other regulatory texts will be published in the coming years.

3.4.2 Fraud and abuse

The Group is subject to various regulations on fraud and abuse. These regulations concern fraudulent acts, such as misappropriation of assets or corruption, non-compliant behavior in interactions with third parties, including government officials, customers and suppliers, and inappropriate marketing or promotion practices and conflicts of interest.

The Group is thus subject to anti-corruption regulations, such as the Sapin II Law in France, the Bribery Act of 2010 in the United Kingdom or the Foreign Corrupt Practices Act ("FCPA") in the United States.

The Group is also subject to regulations specifically aimed at the health sector that regulate relations between healthcare companies and health professionals, particularly in relation to the management of conflicts of interest, the transparency of certain benefits granted, and the prohibition of benefits or gifts. In France, for example, as a manufacturer of APIs for human use, the Group is subject to the provisions of the French Public Health Code *(Code de la santé publique)* concerning benefits granted by healthcare companies (in particular, articles L. 1453-1 to L. 1453-14 of the French Public Health Code *(Code de la santé publique)*) prohibiting the provision of benefits to health professionals and making any exceptions subject to authorization or declaration rules, as well as an obligation to make public the existence of any agreements or benefits granted to a wide range of health professionals.

3.4.3 Environmental regulations

A number of the Group's activities involve the handling, manufacture, use or sale of substances that are or could be classified as toxic or dangerous substances within the meaning of regulations concerning the protection of the environment, health and safety, as is the case for other companies engaged in similar activities. Consequently, the Group's production activities in particular are subject to various environmental regulations defined and implemented at the European, national or local level, such as the European Regulation on the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), the Classification, Labeling and Packaging (CLP)/Globally Harmonized System (GHS), in addition to Seveso regulations, IPPC/IED regulations, the Waste Framework Directive, the Emissions Trading Scheme Directive, the Water Framework Directive, the Energy Directive and national taxes on the use of fossil fuels, and various other provisions to combat global warming. Thus, the Group's production sites are subject to various obligations under environmental regulations, such as the regulations relating to classified facilities for the protection of the environment *(Installation Classée pour la Protection de l'Environnement* (ICPEs)) in France concerning the handling, use, manufacture, reuse and destruction of substances and pollutants, the rehabilitation of old industrial sites or the regulations relating to waste.

These regulations impose, among other things, the requirement to obtain a permit to carry out certain activities, or to notify such activities to the competent authorities, and to comply with binding and evolving rules relating to the protection of the environment and to health and safety for the conduct of such activities.

The authorities responsible for the environment, health or safety have the power to inspect sites and to impose administrative and/or criminal penalties in the event of non-compliance. For example, non-compliant aqueous waste from an industrial site may be subject to a formal notice (as may have been the case at the Saint-Aubin-lès-Elbeuf site) prior to the adoption, where appropriate, of administrative sanctions and criminal proceedings.

These regulations may also provide strengthened provisions, particularly with regard to safety, for facilities with a Seveso rating due to the risks posed to human health and/or the environment by the substances and mixtures used and manufactured in these facilities. There are two categories of Seveso facilities according to the total quantity of hazardous materials on site: "upper-tier" and "lower-tier". The Group operates four sites with "upper-tier" Seveso facilities in Vertolaye, Frankfurt, Budapest and Brindisi and one site "lower-tier" Seveso in Saint-Aubin-lès-Elbeuf. In France, "upper-tier" Seveso facilities, such as the one operating in Vertolaye, must therefore have technological risk prevention plans ("TRPPs") to organize the cohabitation of the industrial sites at risk and the neighboring areas. The measures prescribed by the TRPP, namely, land measures (expropriations, land clearance rights), additional measures to reduce risk at source at industrial sites (process modification, unit relocation, etc.), work to reinforce existing neighboring housing in case of technological accidents, or restrictions on future planning, are covered by tripartite financing between the State, local authorities and the operators of the facilities causing the risk.

In addition, under the environmental regulations generally applicable in Europe and particularly in France, Germany and Italy, the operator or former operator of activities that have caused contamination of the operated land or surrounding land may retain responsibility for the existence of such contamination and its potential health or environmental consequences. This responsibility, which may last for decades (for example, 30 years from the declaration of cessation of operations of classified facilities in France), may require the operator or former operator, whether or not it is the owner of the operated land, to undertake, at its own expense, environmental investigations, monitoring measures and/or remediation measures. Moreover, the principle that the waste producer is responsible for the waste until it is finally disposed of may result in liability on the part of the waste producer due to the impact of such waste on land belonging to third parties, including waste generated in the past by activities that are no longer being carried out.

Finally, under the European regulations on chemical substances, in particular the REACH regulation, each substance manufactured and/or imported by each Group entity in quantities of more than one ton per year must be registered. This can generate significant costs, particularly in relation to the sharing of the necessary data. The assessment carried out by the European Chemicals Agency (ECHA) on the information submitted in the context of registrations may result in the identification of substances of very high concern, thus leading to the adoption of restrictions on use (annex XVII of the REACH Regulation), or even to prohibitions on the placing on the market and/or use of these substances (annex XIV of the REACH Regulation). Such restrictions and/or prohibitions could significantly impact the Group's activities and must be carefully monitored and anticipated as early as possible to identify appropriate alternative substances.

3.4.4 Regulations on foreign investments in France

Certain foreign investments in French companies are subject to prior authorization from the Minister of the Economy when all or a portion of the target's business activity is related to a strategic sector, such as energy, transport, public health, telecommunications, etc. As of the date of the Universal Registration Document, the Group operated certain activities covered by the regulation on foreign investments in France, particularly for public health. Due to the operation of activities, the Company and the Group fall within the scope of the laws and regulations governing foreign investments in France set forth by articles L. 151-3 and R. 151-2 et seq. of the French Monetary and Financial Code.

Under these provisions, the acquisition by a non-French citizen, a French citizen who does not reside in France, a non-French entity or a French entity controlled by such persons or entities of control, within the meaning of article L. 233-3 of the French Commercial Code, or of all or a portion of a branch of activity of the Company or one of its French subsidiaries conducted activities enumerated by the aforementioned provisions, is subject to the prior authorization of the Minister of the Economy. Moreover, the acquisition by an investor that is not a citizen of a member State of the European Union, or of a State that is a party to the agreement on the European Economic Area (EEA), that results, directly or indirectly, in exceeding, alone or in concert, the threshold of 25% of the voting rights of the Company or of one of its French subsidiaries conducting these activities, is subject to this same procedure.

In the context of the prior authorization procedure, the Minister of the Economy is charged with verifying that the conditions of the planned transaction preserves the national interests. In this respect the Minister may attach one or more conditions to the authorization of such a transaction in order to ensure the continuity of the concerned activities, industrial capacities, research and development capacities or related expertise, or even, on the basis of a motivated decision, refuse such an authorization, particularly if national interests cannot be protected.

Any transaction executed in violation of these provisions is null and void. It is also subject to financial sanctions, the maximum amount of which is twice the amount of the illegal investment, and to the criminal sanctions set forth in article 459 of the French Customs Code *(Code des douanes)*.

3.5 LEGAL AND ARBITRATION PROCEEDINGS

As of the date of the Universal Registration Document, the Company is not aware of any governmental, judicial or arbitration proceeding, either pending or threatened, that could have, or has had during the past 12 months, any material impacts on the financial position or profitability of the Group.

3.6 MATERIAL CONTRACTS

The material contracts signed by the companies of the Group outside the normal course of business in the past two years are presented in section 4.3 “Financial Resources and liabilities” (paragraph relating to the “RCF Loan Agreement”) and in section 3.1 “Organizational structure” of the Universal Registration Document.

3.7 STATUTORY AUDITORS' REPORT ON RELATED-PARTY AGREEMENTS

This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Annual General Meeting of Euroapi,

In our capacity as statutory auditors of your Company, we hereby present to you our report on related party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*) of the continuation of the implementation, during the year ended 31 December 2024, of the agreements previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

Agreements submitted for approval to the Annual General Meeting

Agreements authorized and concluded during the year ended 31 December 2024

In accordance with Article L. 225-40 of the French Commercial Code (Code de commerce), we have been notified of the following related party agreements which received prior authorization from your Board of Directors.

With Euroapi France, a subsidiary of your Company, and Sanofi Winthrop Industries, a subsidiary of Sanofi Aventis Participations

Persons concerned

- Sanofi Aventis Participations, shareholder holding more than 10% of your Company's voting rights;
- Mr Olivier Klaric, representative of Sanofi Aventis Participations on your company's Board of Directors.

1) New Reverse Manufacturing and Supply Agreement A ("new rMSA A") for the manufacture of an active pharmaceutical ingredient ("API") for a business partner of Euroapi France

Nature and purpose

Euroapi France and Sanofi Winthrop Industries (hereinafter "Sanofi") signed on May 17, 2024 a new Reverse Manufacturing and Supply Agreement A ("new rMSA A") for the manufacture of an active pharmaceutical ingredient ("API") that modifies and updates the scope of the current rMSA A that expired on December 31, 2024 for a single API. The new main terms are: Minimum Annual Quantity, Maximum Annual Capacity, tiered sales price table, price review mechanism, and the ability to internalize some of the key API intermediates.

Conditions

The agreement was signed on May 17, 2024. It will be in force from January 1, 2025 until December 31, 2029.

The total value of the contract under the above terms is estimated at €64 million based on minimum annual quantities. The financial risk lies in the volatility of the costs of critical raw materials supplied by Euroapi France to Sanofi, which is mitigated by the possibility of renegotiating the sale price with the commercial partner from 2026.

Reasons justifying why the Company benefits from this agreement

Your Board of Directors gave the following reasons: securing manufacturing and supply for five more years with minimum annual quantities and revised prices.

2) First Amendment to the Reverse Manufacturing and Supply Agreement Sels of B12 ("rMSA B12")

Nature and purpose

On July 29, 2024, Euroapi France and Sanofi Winthrop Industries (hereinafter "Sanofi") signed an amendment to the rMSA B12 which expired at the end of 2024, to extend it until the end of December 2025, in order to ensure the continuity of supply of certain APIs, including a product of vital importance.

Conditions

The agreement was signed on July 29, 2024. It will be in force from 1 January 2025 until 31 December 2025.

The financial impact under the terms set out above is a reduction of contract manufacturing costs estimated between M€1 and M€ 2 for 2025 compared to the current contract price.

Reasons justifying why the Company benefits from this agreement

Your Board of Directors gave the following reasons: to secure production to meet the needs of Euroapi's customers until the completion of the transfer of production from Sanofi to the Euroapi site in Brindisi, Italy.

3) Letter agreement of September 10, 2024 relating to the Global Manufacturing & Supply Agreement ("GMSA")

Nature and purpose

On September 10, 2024, Euroapi France and Sanofi Winthrop Industries (hereinafter "Sanofi") signed a letter agreement to the GMSA to add a performance bonus for 2024. This letter includes (i) the definition of customer service levels to be achieved on specific active pharmaceutical ingredients ("APIs") with minimum volumes and incentive amounts to be paid by Sanofi in the event that Euroapi achieves the objectives for the 2024 financial year, and (ii) the definition of quality services to be performed in order to obtain an incentive amount to be paid by Sanofi to Euroapi France if these services are performed for the 2024 financial year.

Conditions

The agreement was signed on September 10, 2024. It entered into force on the date of signature.

Under this agreement, Euroapi has recognized M€4 in sales in its 2024 consolidated financial statements, payable by Sanofi in 2025.

Reasons justifying why the Company benefits from this agreement

Your Board of Directors gave the following reasons: increase in revenue related to the improvement of execution performance and additional quality services aimed at securing the production of APIs.

4) Letter agreement of 4 October 2024 relating to the Global Manufacturing and Supply Agreement ("GMSA")

Nature and purpose

On October 4, 2024, Euroapi France and Sanofi Winthrop Industries (hereinafter "Sanofi") signed a letter agreement relating to the GMSA following Euroapi's notification to Sanofi of the discontinuation of production of an API at the end of 2025, to secure the site's production and the supply of an API to Sanofi for the period 2024 – 2025.

Conditions

The agreement was signed on October 4, 2024. It is in force from the date of its signature until 31 December 2025.

Under this agreement, Euroapi has recognized M€ 4.3 in revenue in its 2024 consolidated financial statements. This amount was paid by Sanofi in 2024 and up to M€ 1.7 remains payable by Sanofi in 2026.

Reasons justifying why the Company benefits from this agreement

Your Board of Directors gave the following reasons: increase in revenue related to improved execution performance and securization of API manufacturing.

5) Letter agreement of September 30, 2024 related to the Global Manufacturing and Supply Agreement ("GMSA") for four active pharmaceutical ingredients

Nature and purpose

On September 30, 2024, Euroapi France and Sanofi Winthrop Industries (hereinafter "Sanofi") signed a letter agreement relating to the GMSA for a capacity reservation mechanism for four active pharmaceutical ingredients ("APIs") against the payment of a capacity reservation fee by Sanofi to allow Euroapi to invest in and increase the production capacity of these four APIs manufactured by the Euroapi production sites in Frankfurt am Main (Germany) and Vertolaye (France) for the period 2027-2032.

Conditions

The agreement was signed on September 30, 2024. It will be in force from October 1, 2024 to December 31, 2032.

Sanofi has committed to pay M€ 34 in capacity reservation fees under the provisions set out above, of which M€ 11 paid in 2024 and M€ 23 to be paid in 2025. No net sales have been recognized in this respect in the 2024 consolidated financial statements.

Reasons justifying why the Company benefits from this agreement

Your Board of Directors gave the following reasons: increase in revenue linked to increased volumes, improved performance and securing API manufacturing.

6) Letter agreement of 30 September, 2024 relating to the Global Manufacturing and Supply Agreement ("GMSA") for an active pharmaceutical ingredient

Nature and purpose

On September30, 2024, Euroapi France and Sanofi Winthrop Industries (hereinafter "Sanofi") signed a letter agreement relating to the GMSA for a capacity reservation mechanism for an active pharmaceutical ingredient ("API") against the payment of a capacity reservation fee by Sanofi to allow Euroapi to invest and increase the production capacity of its Elbeuf site (France) to ensure continuity of supply to Sanofi for the period 2027-2032.

Conditions

The agreement was signed on September 30, 2024. It will be in force from October 1, 2024 to December 31, 2032.

Sanofi has committed to pay M€ 20 in capacity reservation fees under the provisions set out above, of which M€ 7 paid in 2024 and M€ 13 to be paid in 2025. No net sales have been recognized in this respect in the 2024 consolidated financial statements.

Reasons justifying why the Company benefits from this agreement

Your Board of Directors gave the following reasons: increase in revenue linked to increased volumes, improved performance and securing the API manufacturing.

With Euroapi France, a subsidiary of your Company, Euroapi UK, a subsidiary of your Company and Sanofi Winthrop Industries, a subsidiary of Sanofi Aventis Participations

Persons concerned

- Sanofi Aventis Participations, shareholder holding more than 10% of your Company's voting rights;
- Mr Olivier Klaric, representative of Sanofi Aventis Participations on your Company's Board of Directors.

Memorandum of Understanding ("MoU") relating to the Global Manufacturing and Supply Agreement ("GMSA")

Nature and purpose

Euroapi France, Euroapi UK and Sanofi Winthrop Industries (hereinafter "Sanofi") signed on September 24, 2024 a memorandum of understanding relating to the GMSA concerning the negotiations of the terms and conditions of a specific autonomous manufacturing and supply contract to be signed by Euroapi UK to secure the volumes of an API manufactured by Euroapi's Haverhill site, which could potentially be divested (stand-alone transferable contract between Euroapi UK and Sanofi duplicated from the GMSA).

Conditions

The agreement was signed on September 24, 2024. It will enter into force retroactively on January 1, 2025 until December 31, 2027, in the event of sale of Euroapi UK.

Reasons justifying why the Company benefits from this agreement

Your Board of Directors gave the following reasons: minimum sales volumes secured with a "take-or-pay" mechanism for three years with a view to the divestment of the site.

With Euroapi Germany, a subsidiary of your Company, and Sanofi Aventis Deutschland GmbH, a subsidiary of Sanofi Aventis Participations

Persons concerned:

- Sanofi Aventis Participations, shareholder holding more than 10% of your Company's voting rights;
- Mr. Olivier Klaric, representative of Sanofi Aventis Participations on your company's Board of Directors.

Amendment No. 3 to the Storage and Distribution Service Agreement (November 1, 2021)

Nature and purpose

Euroapi Germany and Sanofi Aventis Deutschland (hereinafter "Sanofi") signed Amendment No. 3 to the Storage and Distribution Agreement on December 31, 2024. The purpose of this amendment is to provide for the possibility for Euroapi to qualify new carriers in place of Sanofi, as well as a discount capped at a percentage of the volume of services invoiced by Sanofi for each calendar year 2024 and 2025.

Conditions

The agreement was signed on December 31, 2024 and came into force retroactively on September 1, 2024 for the initial contract duration, i.e. until December 31, 2025.

The financial impact of this amendment under the Storage and Distribution Service agreement is a discount of K€ 180 on the services performed by Sanofi for Euroapi in 2024 and capped at K€ 180 in 2025.

Reasons justifying why the Company benefits from this agreement

Your Board of Directors gave the following reasons: reduction of the costs of services for Euroapi thanks to the annual discount, and securing logistics services until Euroapi has outsourced its storage and distribution needs in 2025.

Agreements with no prior authorization

In accordance with Article L. 225-42 of the French Commercial Code (Code de commerce), we hereby inform you that the following agreements did not receive prior authorization from your Board of Directors.

Our role is to inform you of the reasons why the authorization procedure was not followed.

With Euroapi Germany, a subsidiary of your Company, and Sanofi Aventis Deutschland GmbH, a subsidiary of Sanofi Aventis Participations

Persons concerned

- Sanofi Aventis Participations, shareholder holding more than 10% of your Company's voting rights;
- Mr Olivier Klaric, representative of Sanofi Aventis Participations on your Company's Board of Directors.

Two Amendments to the Storage and Distribution Service Agreement (November 1, 2021)

Nature and purpose

Euroapi Germany and Sanofi Aventis Deutschland Gmbh (hereinafter "Sanofi") signed two amendments to the Storage and Distribution Agreement on January 31, 2023 and October 9, 2023. The purpose of these amendments is the following:

- Amendment No. 1 covers the repackaging of Metamizole following its new classification as a hazardous product;
- Amendment No. 2 provides for a change of storage warehouse.

Conditions

The agreements were signed on January 31, 2023 and October 09, 2023. They are respectively in force from the date of signature for the duration of the initial contract, i.e. until December 31, 2025.

Reasons justifying why the Company benefits from this agreement

Your Board of Directors gave the following reasons: reduction of the costs of services for Euroapi thanks to the annual discount, and securing logistics services until Euroapi has outsourced its storage and distribution needs in 2025.

Due to an omission by your Board of Directors, the above agreements have not been subject to a prior authorization provided for in Article L. 225-38 of the French Commercial Code (Code de commerce).

We hereby specify that your Board of Directors, at its meeting held on December 10, 2024, decided to subsequently authorize these agreements.

Agreements previously approved by the Annual General Meeting

In accordance with Article R. 225-30 of the French Commercial Code (Code de commerce), we have been notified that the implementation of the following agreements, which were approved by the Annual General Meeting in prior years, continued during the year ended December 31, 2024.

With Mrs Cécile Dussart, Independent Director of your Company

Nature and purpose

On October 25, 2023, your Board of Directors authorized the conclusion of an agreement with Mrs. Cécile Dussart to assist the new Chief Operating Officer in his training on your Company's operations, procedures and corporate culture. In this role, Mrs Cécile Dussart will not participate or be involved in any decision relating to the proper running of your Company.

Conditions

The agreement has a duration of six months. It was signed on October 25, 2023 and entered into force on November 1, 2023.

Mrs Cécile Dussart (i) was paid €5,000 (excluding taxes) per month in consideration of the services rendered pursuant to the assignment and (ii) was reimbursed of all reasonable and necessary travel expenses in connection with the assignement, in accordance with your Company's expense and travel reimbursement policy.

With Euroapi France, a subsidiary of your Company, and Sanofi Winthrop Industries, a subsidiary of Sanofi Aventis Participations

Persons concerned

- Sanofi Aventis Participations, shareholder holding more than 10% of your Company's voting rights;
- Mr Olivier Klaric, representative of Sanofi Aventis Participations on your Company's Board of Directors.

1) Memorandum of Understanding ("MoU") relating to the Global Manufacturing and Supply Agreement ("GMSA"), Reverse Manufacturing and Supply Agreement B12 ("rMSA B12") and Reverse Manufacturing and Supply Agreement A ("rMSA A")

Nature and purpose

On February 28, 2024, your Board of Directors authorized the conclusion of a Memorandum of Understanding (MoU) between Euroapi France and Sanofi Winthrop Industries (hereinafter "Sanofi") incorporating the following provisions:

- With respect to the GMSA: (i) compensation mechanism for substantial market demand decrease, (ii) purchase by Sanofi of the remaining active ingredients and stock of intermediates of a specific active ingredient, (iii) payment by Sanofi of a lump sum during the term of the GMSA for a capacity extension project, and (iv) payment by Sanofi of incentive amounts for the qualification of investments dedicated to the manufacture of an active pharmaceutical ingredient ("API") for Sanofi and for the transfer of certain active ingredients manufactured by Sanofi to Euroapi sites.
- With respect to rMSA B12: payment by Sanofi of an incentive amount for a transfer of production of vitamin B12 derivative salts from a Sanofi site to a Euroapi site.
- With respect to rMSA A: payment by Sanofi of an incentive amount for the completion before the end of 2024 of a dismantling phase of Euroapi's workshop to receive the intermediate of a commercial partner, in preparation for the shutdown of Sanofi's production workshop at the end of the second quarter of 2025.

Conditions

The agreement was signed on February 28, 2024. It entered into force on the date of signature until December 31, 2025.

The financial impacts in the 2024 consolidated financial statements under the provisions set out above are as follows: M€ 34 invoiced, collected, and recognized as net sales in 2024 and M€ 4 recognized in other revenue and invoiced in 2024, of which M€ 2 to be paid in 2025; and M€ 3 in net sales to be recognized in 2025.

2) Letter agreement No. 2 relating to the Global Manufacturing & Supply Agreement ("GMSA") and the Reverse Manufacturing and Supply Agreement A ("rMSA A")

Nature and purpose

On December 13, 2023, Euroapi France and Sanofi Winthrop Industries (hereinafter "Sanofi") signed an amendment letter (No. 2) to the GMSA and rMSA A, which (i) modifies the conditions, compared to the letter agreement No. 1 dated April 21, 2023, to obtain the payment by Sanofi of an incentive amount for the transfer to a Euroapi site of a specific active ingredient ("API") initially manufactured by Sanofi, and (ii) provides for the reimbursement of an investment to secure this transferred production.

Conditions

The agreement entered into force on December 13, 2023.

The agreement has a neutral impact as an amount of M€ 2.5 excluding tax was disbursed in December 2024 as a reimbursement of the investment paid by the commercial partner A.

3) Amendment No. 2 to the Global Manufacturing & Supply Agreement ("GMSA")

Nature and purpose

On February 28, 2024, Euroapi France and Sanofi Winthrop Industries (hereinafter "Sanofi") signed an amendment (No. 2) to the GMSA, taking up and supplementing the provisions of the amendment letter of December 13, 2023: (i) shortened payment terms, (ii) cancellation of the performance clause for the period from 2023 to the end of 2026 (cancellation of retrocessions of part of the manufacturing cost savings on active pharmaceutical ingredients ("APIs") manufactured and sold by Euroapi to Sanofi), (iii) price increase for six APIs, (iv) positive adjustments to prices and minimum guaranteed volumes for one API, (v) modification of the raw material pass-through mechanism, (vi) the narrowing of the price-volume corridor, (vii) revision of the customer service level, and (viii) update of the list of products with exclusive supply by territories.

Conditions

The agreement entered in force from 1 January 2024 until the end of the GMSA in 2027, with the exception of the cancellation of the performance clause which applies from the 2023 financial year.

With Francopia, a subsidiary of your Company, and Sanofi Chimie which became Sanofi Winthrop Industries on January 1, 2024, a subsidiary of Sanofi Aventis Participations

Persons concerned

- Sanofi Aventis Participations, shareholder holding more than 10% of your Company's voting rights
- Mr Olivier Klaric, representative of Sanofi Aventis Participations on your Company's Board of Directors

Letter agreement No. 1 to the Francopia Reverse Manufacturing and Supply Agreement ("rMSA Francopia")

Nature and purpose

On December 13, 2023, Francopia, a subsidiary of your Company, and Sanofi Chimie, which became Sanofi Winthrop Industries on January 1, 2024 (hereinafter "Sanofi"), signed an amendment letter (No. 1) to the rMSA Francopia, the provisions of which are as follows: (i) cancellation of the performance clause, (ii) cancellation of the target for the pellet titration, and (iii) cancellation of the minimum annual quantity of active ingredients.

Conditions

The agreement is into force on December 13, 2023 until the end of the rMSA Francopia in 2027.

Paris and Paris-La Défense, March 28, 2025
The Statutory Auditors
French original *signed by*

BDO Paris	**ERNST & YOUNG Audit**
Eric Picarle	Pierre Chassagne

Euroapi - Haverhill (United Kingdom)

4

FINANCIAL INFORMATION AND FINANCIAL STATEMENTS AFR

4.1 HIGHLIGHTS OF THE 2024 FINANCIAL YEAR

4.1.1 Main events

- On February 28, 2024, EUROAPI launched FOCUS-27, a comprehensive 4-year program that aims to improve competitiveness and unlock sustainable and profitable growth. The Group also announced that Sanofi and EPIC BpiFrance had agreed to extend the duration of their lock-up until December 2025, as well as a series of revisions to the Manufacturing and Supply Agreement signed in October 2021 with Sanofi.
- On March 14, 2024, EUROAPI suspended the production of all APIs on its site of Brindisi following the identification of quality control deficiencies at local level.
- On May 23, 2024, EUROAPI announced that it has entered into a Contract Manufacturing Organization (CMO) agreement with a global animal health company. The total contract value is expected to range between €130 and 150 million, over the 2025-2029 period.
- On June 6, 2024, EUROAPI announced that it has been selected as one of the 13 companies eligible to share up to EUR 1 billion in total public funding under the Important Project of Common European Interest (IPCEI) dedicated to the pharmaceutical sector, “IPCEI Med4Cure”.
- On June 26, 2024, the Group detailed the operational roadmap of its FOCUS-27 plan together with its financing aspects, including the investment from Sanofi into a €200 million Deeply Subordinated Hybrid Bond and the extension of the €451 million Revolving Credit Facility.
- On October 10, 2024, EUROAPI announced that it has completed and secured the financing of its FOCUS-27 strategic plan and agreed with Sanofi to further amend the Manufacturing and Supply Agreement signed in 2021. The closing of the financing was announced on October 15, 2024.
- On December 9, 2024, Emmanuel Blin was appointed Chair of the Board following the resignation of Viviane Monges, and David Seignolle as Chief Executive Officer, following the resignation of Ludwig de Mot.

4.1.2 Other events

EUROAPI share-based payments

- On May 22, 2024, the Board of Directors granted several new stock option plans, performance shares, and free shares. Detailed information concerning the terms and conditions of these plans and the financial impacts on the consolidated financial statements is presented in Note 5.11.

Capital increase

- By decision of June 3, 2024, the Board of Directors carried out a capital increase resulting from the definitive allocation of free shares to its employees for a total amount of €536,093.

4.2 ANALYSIS OF THE GROUP'S RESULTS

EUROAPI 2024 Net Sales reached €911.9 million, -10% versus 2023 and 9.4% at Constant Exchange Rates.

Net sales by flow and type

(in € million)	December 31, 2024	December 31, 2023	Change
API Solutions - Other clients	354.1	360.3	(1.7%)
API Solutions - Sanofi	309.5	367.2	(15.7%)
API Solutions	**663.6**	**727.5**	**(8.8%)**
CDMO - Other clients	135.6	180.5	(24.8%)
CDMO - Sanofi	112.7	105.3	7.0%
CDMO	**248.3**	**285.8**	**(13.1%)**
Total net sales	**911.9**	**1013.2**	**(10.0%)**
Total net sales - Other clients	**489.7**	**540.7**	**(9.4%)**
Total net sales - Sanofi	**422.2**	**472.5**	**(10.7%)**

API Solutions

API Solutions' Net Sales decreased by 8.8% to €663.6 million.

- The decline in sales to Sanofi (-15.7%) was mainly due to reduced volume, especially in Sevelamer, manufactured in Haverhill, and the suspension of production in Brindisi. 2024 Net sales include €38 million from the revision of the historical Global MSA clauses agreed with Sanofi in February 2024, primarily related to the stock clearance of Buserelin (€21 million).
- Sales to Other clients declined by 1.7%. The positive momentum from the cross-selling strategy (contributing to approximately 9.5% of API Solutions sales to Other Clients in 2024) and from the addition of 37 new clients was offset by the temporary suspension of API production in Brindisi and lower sales of Vitamin B12, due to reduced demand and a timing impact (some sales originally scheduled in Q4 2024 were postponed to 2025).

CDMO

CDMO sales decreased by 13.1% to €248.3 million

- Sales to Sanofi rose 7.0%, driven by the ramp-up of a sizeable commercial phase contract in Large Molecules and by the production of BTK inhibitor for Sanofi following the positive results from the Phase 3 study.
- Sales to Other Clients decreased by 24.8% as a result of the suspension of production in Brindisi, which affected a commercial phase contract in biochemistry. 2024 performance was further impacted by the downsizing of two large historical commercial contracts (approximately 40 million euros), which more than offset the revenue increase from new contracts.
- 58 contracts were active at the end of 2024, down from 69 in 2023. Sixteen new projects were signed, 65% with new customers. The decline in the number of projects was due to the successful completion of eight phase one and phase two projects, which are suspended until the next phase, and the discontinuation of seven mature pre-carve-out commercial projects.

Net sales by product category

(in € million)	December 31, 2024	December 31, 2023	Change
Large molecules	90.5	76.5	18.3%
Highly potent molecules	91.0	96.4	(5.6%)
Biochemistry molecules derived from fermentation	110.1	184.1	(40.2%)
Complex chemical synthesis molecules	620.3	656.2	(5.5%)
Total net sales	**911.9**	**1013.2**	**(10.0%)**

Large molecules increased by 18.3% to €90.5 million. The downsizing of a commercial contract with a large biotech was more than offset by the one-off impact of Buserelin's stock clearance and the ramp-up of a commercial phase project with Sanofi.

Highly Potent molecules decreased by 5.6% to €91.0 million. On the back of a low comparison base in 2023, 2024 performance was impacted by the suspension of production of a highly potent anti-inflammatory manufactured in Brindisi.

Biochemistry molecules derived from fermentation decreased by 40.2% to €110.1 million, impacted by the temporary suspension of API production in Brindisi and a decrease in Vitamin B12 sales.

Complex chemical synthesis molecules decreased by 5.5% to €620.3 million, impacted by the decreasing API volumes from Sanofi, partially offset by the production of BTK inhibitor for Sanofi.

4.2.1 Group income statement analysis

The table below shows the Group's consolidated statement of income for the year ended December 31, 2024 and December 31, 2023.

(in € million)	December 31, 2024	December 31, 2023
Net sales	911.9	1,013.2
Other revenues	7.3	5.7
Cost of sales	(776.8)	(854.3)
Gross profit	**142.4**	**164.6**
Gross Margin (% of net sales)	**15.6%**	**16.2%**
Selling and distribution expenses	(37.6)	(40.9)
Research and development expenses	(25.8)	(29.6)
Administrative and general expenses	(89.4)	(90.0)
Other operating income and expenses	2.0	0.4
Impairment of assets	(18.8)	(226.4)
Restructuring costs and similar items	(93.1)	(12.3)
Operating income	**(120.4)**	**(234.3)**
Operating income (% of net sales)	**(13.2)%**	**(23.1)%**
Financial result	**(19.2)**	**(8.5)**
Income/(loss) before tax	**(139.6)**	**(242.8)**
Income/(loss) before tax (% of net sales)	**(15.3)%**	**(24.0)%**
Income tax expense	9.0	53.0
ETR (%)	**(6.5)%**	**(21.8)%**
Net income/(loss)	**(130.6)**	**(189.7)**
Net income/(loss) (% of net sales)	**(14.3)%**	**(18.7)%**

Nb: figures on a consolidated basis.

Gross profit

Gross profit was €142.4 million, compared to €164.6 million in 2023. The gross profit margin decreased by 60 bps Year-on-Year to 15.6%. This includes the exceptional impact of stock clearance for Buserelin, the impact of the revision of the Global MSA with Sanofi in February 2024, reduced energy and raw material prices, and enhanced industrial performance. These positive effects were offset notably by unfavorable fixed-cost absorption triggered by the release of products produced during the peak inflation cycle of the past 24 months.

Operating expenses

Selling and distribution expenses for 2024 amounted to €37.6 million, versus €40.9 million for 2023. Research and development expenses for 2024 came to €25.8 million, versus €29.6 million for 2023. Administrative and general expenses for 2024 amounted to €89.4 million, versus €90.0 million for 2023.

Impairment of assets

In the absence of indicators of loss of value, EUROAPI did not perform any impairment test as of December 31, 2024; except for Biano GMP's.

BianoGMP's goodwill has been tested for impairment, based on the latest estimated future cash flows on a five-year period, an extrapolation of the cash flows over a further five-year period, and a terminal value.

The value in use determined has led to an impairment of the full amount of goodwill of €4.1 million triggered mainly by the slow ramp up of CDMO activities.

Given the recoverable value estimated as of December 31, 2023, based on the 2023 impairment test, and in the absence of significant changes in 2023 assumptions, EUROAPI recorded an additional impairment of €11.2 million corresponding to the acquisition of tangible assets over the period for EUROAPI Italy.

A fair value of EUROAPI UK have been estimated which led to an additional impairment (see note 5.10 on the consolidated financial statements)

Restructuring costs and similar items

Restructuring costs and similar items for 2024 amounted to €93.1 million, primarily reflecting the execution of the FOCUS-27 plan and the transformation of the company:

- €62.5 million of idle costs linked to the execution of FOCUS-27, including the ramp-down of two workshops in Frankfurt that started in 2024 and reduced inventories in Vertolaye,
- €11.3 million in expenditures linked to the overall transformation of the company and the initial implementation of FOCUS-27, including consulting fees,
- €12.3 million of employee-related restructuring costs, of which €11 million linked to the FOCUS-27 plan. The total restructuring costs related to FOCUS-27 are estimated between €110 and €120 million between 2024 and 2027.

In 2023, restructuring costs and similar items totaled €12.3 million reflecting the execution of the value creation plan announced in March 2023

See note 6.7 on the consolidated financial statements

Operating income

Operating Income was €(120.4) million compared to €(234.3) million in 2023. Depreciation, amortization and impairment of assets amounted to €76.8 million in 2024, compared to €302.9 million in 2023.

Financial income

Net financial income was €(19.2) million in 2024, compared to €(8.5) million in 2023, negatively impacted by the increasing cost of debt and the impact of the refinancing of the Revolving Credit Facility.

Income tax

Income tax amounted to a proceed of €9.0 million for the year ended December 31, 2024, compared to a proceed of €53.0 million for the year ended December 31, 2023, which included €42.0 million deferred taxes from the revaluation of the tax value of EUROAPI Hungary assets in 2023.

Net income

Consolidated net income amounted to €(130.6) million for the year ended December 31, 2024, compared to €(189.7) million in 2023.

Key performance indicators

(in € million)	December 31, 2024	December 31, 2023
Net sales	**911.9**	**1013.2**
Gross profit	**142.4**	**164.6**
as a % of net sales	*15.6%*	*16.2%*
EBITDA	**-43.6**	**68.6**
as a % of net sales	*(4.8%)*	*6.8%*
Core EBITDA	**50.4**	**93.1**
as a % of net sales	*5.5%*	*9.2%*
Net income	**-130.6**	**-189.7**
Basic EPS (in euros)	**-1.4**	**-2.0**
Free Cash Flow before financing	**15.0**	**-132.2**
Net Debt position	**25.2**	**-171.0**
Net Debt to Core EBITDA ratio (IFRS 16 restated)	**(0.52x)**	**1.98x**

EBITDA and Core EBITDA[1]

EBITDA for the fiscal year 2024 was €-43.6 million compared to €68.6 million in 2023, including €87.1 million non-recurring items, of which:

- €62.5 million of idle costs linked to the execution of FOCUS-27, including the ramp-down of two workshops in Frankfurt that started in 2024 and reduced inventories in Vertolaye,
- €11.3 million in expenditures linked to the transformation of the company and the initial implementation of FOCUS-27, including consulting fees,
- €12.3 million of employee-related expenses, including redundancy plans in Germany and the UK.

Core EBITDA amounted to €50.4 million, down 45.8% compared to €93.1 million in 2023. Core EBITDA margin was 5.5% compared to 9.2% in 2023.

The decrease in Core EBITDA margin was driven by several factors, including the increase in the exceptional impact of stock clearance for Buserelin in the first half of the year, the revision of the global MSA with Sanofi, reduced energy and raw materials prices, and enhanced industrial performance. These positive effects were offset notably by unfavorable fixed-cost absorption triggered by the release of products produced during the peak inflation cycle of the past 24 months.

Key components of the change in Core EBITDA margin	**FY 2024/FY 2023 in percentage points (rounded figures)**
FY 2023 Core EBITDA margin	**9.3%**
Volume	0.8
Price and Mix	-0.4
Impact of Buserelin's stock clearance	1.0
Industrial performance	+0.8
Energy and Raw Materials	0.8
Unfavorable fixed cost absorption	-2.6
Other Gross Margin impacts	-2.4
OPEX	-0.3
Brindisi and Havervill sites	-1.4
FY 2024 Core EBITDA margin	**5.5%**

[1] *Please refer to Section 4.2.6.Alternative performance measures.*

4.2.2 Group cash flow analysis

(in € million)	December 31, 2024	December 31, 2023
Net cash provided by/(used in) operating activities	**122.9**	**5.1**
Net cash provided by/(used in) investing activities	**(108.0)**	**(137.3)**
Net cash provided by/(used in) financing activities	**26.5**	**92.2**
Impact of exchange rates on cash and cash equivalents	(0.6)	0.0
Net change in cash and cash equivalents	**40.8**	**(40.0)**
Cash and cash equivalents, at beginning of period	**34.5**	**74.5**
Cash and cash equivalents, at end of period	**75.2**	**34.5**

Cash and cash equivalents totaled €75.2 million at December 31, 2024. For more details, please refer to the consolidated financial statements.

Net cash provided by (used in) operating activities

The following table shows net cash provided by operating activities for the periods ended December 31, 2024 and December 31, 2023:

(in € million)	December 31, 2024	December 31, 2023
Net income	**(130.6)**	**(189.7)**
Depreciation, amortization and impairment of property, plant and equipment, right-of-use assets and intangible assets	76.8	302.9
income tax expense	(9.0)	(53.0)
Other profit or loss items with no cash effect and reclassification of interests	25.8	13.7
Operating cash flow before changes in working capital	**(36.9)**	**73.9**
(Increase)/decrease in inventories	94.0	(40.4)
(Increase)/decrease in trade receivables	52.2	48.9
Increase/(decrease) in trade payables	(46.8)	(52.9)
Net change in other current assets and other current liabilities	60.4	(24.3)
Net cash provided by/(used in) operating activities	**122.9**	**5.1**

The working capital improvement is mainly due to:

- €52.2 million change in trade receivables, driven by better cash collection and enhancement of DSO (days sales outstanding);
- €94.0 million change in inventories. Inventory Months On Hand (MOH) was 6.9 in 2024 compared to 7.6 in 2023;
- €(46.8) million decrease in trade payables.
- Other current assets and liabilities include a €23 million variation in VAT tax reimbursement and €18 million paid by Sanofi to reserve a minimum available capacity for five selected products as part of the financing of FOCUS-27.

Net cash provided by operating activities amounted to €122.9 million for the year ended December 31, 2024.

Net cash provided by (used in) investing activities

The following table shows net cash used in investing activities for the year ended December 31, 2024 and December 31, 2023:

(in € million)	December 31, 2024	December 31, 2023
Acquisitions of property, plant and equipment and intangible assets	(108.0)	(132.8)
Acquisitions of consolidated undertakings	—	(4.5)
Net cash provided by/(used in) investing activities	**(108.0)**	**(137.3)**

Net cash used in investing activities during the period primarily reflected acquisitions of property, plant and equipment, intangible assets and investments in subsidiaries, which totaled €108.0 million for the year ended December 31, 2024 versus €137.3 million for the year ended December 31, 2023.

Net cash flow from (used in) financing activities

(in € million)	December 31, 2024	December 31, 2023
Capital increases	—	—
Dividends paid	—	—
Repayment of lease liabilities	(5.5)	(7.3)
Net issuance of perpetual subordinated notes	197.3	—
Net change in short-term debt	(155.0)	105.0
Finance costs paid	(10.9)	(6.1)
Acquisition and disposal of treasury shares	(0.1)	(0.6)
Other net cash flow arising from financing activities [(a)]	0.7	1.2
Net cash provided by/(used in) financing activities	**26.5**	**92.2**

Net cash from financing activities amounted to €26.5 million for the year ended December 31, 2024 compared to €92.2 million for the year ended December 31, 2023.

Net Debt Position

(in € millions)	December 31, 2024
Net cash/(Debt) position – December 2023	**(171.0)**
Cash Flow from Operating activities	**122.9**
Of which change in Working Capital	159.8
(Increase)/decrease in inventories	94.0
(Increase)/decrease in trade receivables	52.2
Increase/(decrease) in trade payables	(46.8)
Other current assets and liabilities	60.4
Cash Flow from Investing Activities	**(108.0)**
Of which acquisition of property plant and equipment and intangible assets (CAPEX)	108.0
Cash Flow from Financing activities	**181.1**
Exchange rate	**0.1**
Net Cash/(Debt) position – December 2024	**25.2**

Cash flow from financing activities includes €197,3 million of Deeply Subordinated Hybrid Bonds subscribed by Sanofi in October 2024 to support the execution of the FOCUS-27 plan. This non-dilutive instrument has been classified as “Equity.”

(in € millions)	December 31, 2024	December 31, 2023
Bank Cash Balances	**75.2**	**34.5**
Revolving Credit Facilities	**(50.0)**	**(205.0)**
Net Debt Position	**(25.2)**	**171.0**

4.2.3 Balance sheet analysis

(in € million)	December 31, 2024	December 31, 2023
Assets		
Non-current assets	659.2	633.1
Current assets	830.3	979.3
Total assets	**1,489.5**	**1,612.4**
Liabilities		
Total equity	983.5	927.7
Non-current liabilities	177.6	175.8
Current liabilities	328.4	508.9
Total equity and liabilities	**1,489.5**	**1,612.4**

Inventories amounted to €524.2 million at December 31, 2024, and €644.8 million at December 31, 2023.

Accounts receivable and Accounts payable amounted respectively to €161.3 million and €104.9 million at December 31, 2024.

Working capital requirement mainly corresponds to the value of inventories plus accounts receivable and minus accounts payable. The Group's working capital requirement amounted respectively to €580.6 million and €701.5 million for the years ended December 31, 2024, and 2023.

4.2.4 Contractual obligations and off-balance sheet commitments

The Group has contracted off-balance sheet commitments, including operating commitments as well as financing commitments with the RCF Loan Agreement.

At December 31, 2024, the net commitments given and related to the off-balance sheet items of EUROAPI operating activities amounted to €176.7 million. The non-cancelable purchase commitments include firm orders for property, plant and equipment (€30.9 million), as well as purchasing commitments for goods and services contracted under material supply and other services agreements net of the commitments received, which amounted to €145.9 million.

In particular, the Group is required, under the RCF Loan Agreement, to comply with certain commitments described in Section 3.2.4 "Liquidity risks" (see also Section 4.3 "Financial resources and liabilities").

The Group's contractual obligations and off-balance sheet commitments, including the principal commitments resulting from the agreements signed with Sanofi as part of the Prior Reorganization Transactions of the Group, are presented and described in Note 10.2 of the consolidated financial statements.

4.2.5 Investments

(a) Main investments made during the past two financial years

The Group makes recurring investments, primarily in the maintenance and improvement of its production sites, in order to continually ensure compliance with applicable regulatory and environmental standards, in accordance with the Group's ESG objectives. In order to increase its capacities for production and development of APIs, the Group also makes investments in performance and growth, such as improvements to its production tool.

The total amount of the investments made by the Group for the year ended December 31, 2024, was €108.0 million, compared with €132.7 million for the year ended December 31, 2023 (representing 11.8% and 13.1% of consolidated net sales, respectively).

The table below presents the amount of capital expenditures made over the last three financial years:

	Year ended December 31,	
(€ million)	**2024**	**2023**
Acquisitions of property, plant and equipment	(87.9)	(151.7)
Acquisitions of intangible assets	(13.1)	(13.9)
Change in debt for non-current assets	(7.1)	32.9
"CAPEX"	**(108.0)**	**(132.7)**

The Group's capital expenditures ("CAPEX") correspond to the item "Acquisitions of property, plant and equipment and intangible assets" in the consolidated statement of cash flow.

The table below shows the breakdown of acquisitions of property, plant and equipment:

	Year ended December 31	
As a percentage	**2024**	**2023**
Maintenance and compliance investments	47%	48%
Performance and growth investments	53%	52%
Total investments	**100%**	**100%**

The percentage of performance and growth investments was stable at 53% in 2024, in line with the Group strategy to invest to fuel the future growth of the company.

Maintenance and compliance investments primarily represent investments to maintain or improve the flexibility of the Group's industrial tool, comply with the regulations in force, improve the quality of its products or even to reduce its operating costs:

- Maintenance investments: these correspond to the investments necessary for the continuity of the activity at the Group's production sites (renewal of equipment parts, replacement of reactors and production equipment, such as tanks); and
- Compliance investments: these are the investments necessary to comply with changes in the regulatory framework of the Group activities. These include investments made to comply with applicable quality and HSE standards (air emissions or quality of the water discharged and of the soils or exposure to chemical products), such as the construction of a purification site or the compliance of equipment under pressure.

Performance and growth investments correspond to acquisitions of property, plant and equipment and intangible assets that significantly increase the Group's production or development capacities, primarily as part of the development of its services as a Contract Development and Manufacturing Company (CDMO):

- Performance investments: these are investments intended to increase productivity, primarily through an increase in yield or speed or the reduction of operating costs by reducing the energy or raw materials consumed (improvement in machines, expansion of the largest reactors, automation operations, organization of work);
- Growth investments: these correspond to the installation of capacities that complement existing industrial facilities and the installation of new buildings.

Some of the Group's growth investments may be co-financed by its customers as part of its CDMO activities, increasing the amounts invested by the Group, in the form of payments prior to investments realization or of increased payments on the price of the products during the commercial relationship. Furthermore, certain investments may be subsidized via grants, which are deducted from the amounts invested.

(b) Main investments in progress

During the year ending December 31, 2024, the Group pursued its policy to invest in the development of its CDMO activities, performance and growth investments. This includes notably: the increase of prostaglandin capacity at the Budapest site, the design and construction of a new production workshop dedicated to the production of HP-APIs hormones at the Vertolaye site and the expansion of capacities for production of peptides and oligonucleotides in Frankfurt.

(c) Main future investments

EUROAPI will continue to invest to ensure the required maintenance and compliance CAPEX as well as ongoing CMO activities while working on the divestment of Haverhill and Brindisi.

Prioritizing high-return projects, EUROAPI should invest between €350 and €400 million CAPEX between 2024 and 2027, with a focus on strategic growth initiatives, including increased capacities for Peptides and Oligonucleotides, Vitamin B12, and Prostaglandins.

To foster profitable growth, future CAPEX will be focused on:

a) Dedicated growth investments will strengthen Elbeuf site biochemistry fermentation capabilities.

b) Vertolaye's multi-production capabilities will be leveraged to boost Corticosteroids and Hormones sales through innovative processes and accelerate the CDMO roadmap.

c) The Frankfurt Large Molecules platform to grow the Tides capacities.

d) In Budapest, EUROAPI will continue to increase its Prostaglandin capacities.

(d) Environmental factors that could influence the use of the property, plant and equipment

Information about the environmental aspects that could influence the use of the Group's property, plant and equipment is provided in the chapter 5 of the Universal Registration Document.

4.2.6 Alternative Performance Measures

EBITDA, and Core EBITDA are alternative performance measures within the meaning of AMF Position no. 2015-12, as they are not standardized accounting measures meeting a single generally accepted definition under IFRS. They should not be considered as substitutes for operating income net income defined by IFRS. Other issuers may calculate EBITDA and Core EBITDA, differently from the definitions used by the Group.

EBITDA and Core EBITDA

EBITDA corresponds to operating income (loss) restated for depreciation and amortization and net impairment of intangible assets and property, plant and equipment. In addition to EBITDA, the Group presents Core EBITDA, which is a monitoring indicator of the underlying performance of the business after restatement for certain expenses and/or income that do not reflect the Group's operating performance. Core EBITDA thus corresponds to EBITDA adjusted from restructuring costs and similar items (excluding depreciation and write-downs), allocations net of reversals of unutilized provisions for environmental risks, and other items not representative of the Group's current operating performance or related to the effects of acquisitions or disposals.

EUROAPI considers that the exclusion of these items allows investors to better understand the underlying economic performance of the Group, considering that the exclusion of these items better reflects the current operating performance of the company.

In particular, the Group excludes from its Core EBITDA expenses related to its initial listing, such as those resulting from the exceptional allocation of free shares to certain executives and the employee shareholding plan (described in Note 5.11.6 "Share-based payment" of the Consolidated financial statements), as it considers that they do not reflect the Group's current operating performance.

Restructuring costs and similar items are detailed in Note 6.7 of the Consolidated financial statements, and allocations net of reversals of unutilized provisions for environmental risks are detailed in Note 5.13.1.

The table below shows the reconciliation of EBITDA and Core EBITDA with operating income.

(in € million)	December 31, 2024	December 31, 2023
Operating income	**(120.4)**	**(234.3)**
Depreciation and amortization [(1)]	76.8	302.9
EBITDA	**(43.6)**	**68.6**
Restructuring costs and similar items (excluding depreciation and amortization) [(2)]	87.1	12.3
Allocations net of reversals of unutilized provisions for environmental risks	4.9	0.8
Other [(3)]	2.0	11.5
Core EBITDA	**50.4**	**93.1**

(1) Corresponds to "Depreciation, amortization and impairment of property, plant and equipment, intangible assets, right-of-use assets, and goodwill" in the consolidated statement of cash flows, including amortization and impairment relating to restructuring costs and similar items.
(2) Corresponds to restructuring costs and similar items (excluding depreciation, amortization and impairment) as disclosed in Note 6.7 and Note 8 of the consolidated financial statements.
(3) For 2023 and 2024, the amount corresponds mainly to expenses related to the initial listing of EUROAPI, such as those resulting from the exceptional allocation of free shares to certain executives.

4.3 FINANCIAL RESOURCES AND LIABILITIES

Net cash provided by (used in) operating activities

Net cash provided by (used in) operating activities amounted, respectively, to €122.6 million and €5.1 million, for the years ended December 31, 2024 and 2023. A detailed analysis of net cash provided by (used in) operating activities for the years ended December 31, 2024 and 2023 is presented in Section 4.2.2 “Group cash flow analysis”.

The Group’s ability to generate cash from its operating activities in the future will depend on its future operating performance, which in turn will depend to some extent on economic, financial, competitive, market, regulatory and other factors, many of which are beyond the Group’s control.

Financial liabilities

The Group short-term debt and financial liabilities are detailed in Note 5.17 of Consolidated financial statements.

Lease liabilities amounted to €18.5 million and €20.1 million, at December 31, 2024 and 2023, respectively. The Group’s lease liabilities are detailed in Note 5.12 of Consolidated financial statements.

As part of the FOCUS-27 strategic plan the Group secured several financial instruments:

- A new secured RCF Loan Agreement for €451 million, drawable in euros, with an extended maturity till February 26, 2029, which replaced the former one;
- A €200 million investment from Sanofi through a Perpetual Subordinated Hybrid Bond;
- €54 million minimum available capacity reservation from Sanofi

Revised RCF Loan Agreement

The purpose of the revised RCF Loan Agreement is to finance the Group’s general corporate purposes and the FOCUS-27 plan. It is governed by French law. As a general rule, drawn downs are not subject to prior authorization from the Lenders but are subject only to the absence of an early repayment event and the accuracy of the customary representations.

The RCF Loan Agreement contains certain affirmative and negative commitments, subject to the usual exceptions for this type of financing, including:

- the commitment not to divest more than €200 million of consolidated assets (excluding EUROAPI UK and Italy) over the life of the facility;
- the commitment not to make acquisitions exceeding €25 million over the life of the facility;
- permitted indebtedness: factoring basket of €100 million (with recourse factoring up to €50 million), other financial indebtedness basket of €50 million;
- the commitment not to create certain security interests (pledges);
- the commitment not to enter into any amalgamation, de-merger or merger;
- the commitment not to declare, make or pay any dividend;
- the commitment not to amend, vary, innovate, supplement, supersede, waive or terminate any term of the Sanofi Subordinated Debt Instrument or grant any consent under the Sanofi Subordinated Debt Instrument without the consent of all the Lenders;
- the commitment not to grant loans to third parties or enter into transactions involving derivatives of a speculative nature;
- a covenant tested every three months on Available Liquidity (including Available Commitments) stipulating that the level is no less than €50 million. On December 31, 2024, available liquidity is €476.2 million (before reclassification of €2.2 million of liquidity of EUROAPI UK to assets held for sale as explained in note 5.10).
- From June 2027 onwards, a covenant tested every six months stipulating that the ratio of total net debt to consolidated core EBITDA may not exceed 4.00. The covenant represents total net debt being defined as the consolidated financial debt less available cash and cash equivalent investments and the consolidated Core EBITDA as disclosed in the financial report of the Group for the relevant testing date adjusted by disapplying IFRS 16.

- It also provides for, *inter alia*, an event of repayment and/or early cancellation in the event of a change in control of the Company at the request of any lender after a conciliation period of at least 60 days. A change of control would occur in the event that (i) Sanofi ceases to hold, directly or indirectly, on a fully diluted basis, at least 15% of the capital and voting rights of the Company and ceases to hold, directly or indirectly, the right to appoint or dismiss a member of the Board of Directors of the Company, (ii) any person (other than Sanofi) or group of persons acting in concert (unless Sanofi would hold a majority share in such a group), would acquire more than 50% of the voting rights of the Company or (iii) all or a substantial portion of the Group's assets would be sold to a non-Group member (in one or more transactions).

Perpetual Deeply Subordinated Hybrid Bond

In October 2024, the Group issued a Perpetual Deeply Subordinated Hybrid Bond (TSSDI) for a total amount of €200 million subscribed by Sanofi.

The characteristics of the instruments are:

- No maturity date;
- The hybrid bond carries an 8.113% annual coupon until the first reset date, scheduled for February 2029 and callable after 5 years;
- Absence of mandatory repayment. On any interest payment date, EUROAPI may decide to defer the interest payment, subject to certain conditions, including the absence of dividend payment or share repurchases.

Based on these characteristics, this non dilutive instrument is presented as equity for a total amount of €200 million. Transaction costs linked to this transaction have been recorded in deduction of equity for an amount of €2.0 million (net of income tax).

The capitalization of the interests constitutes an off balance-sheet commitment of €3.5 million as of December 31, 2024 as mentioned in note 10.2.

Minimum available capacity reservation

- To support the implementation of FOCUS-27, Sanofi has agreed to reserve a minimum available capacity for five selected products manufactured by EUROAPI. Sanofi agreed to pay €54 million, of which €18 million were paid in 2024, and €36 million will be paid in 2025.

EUROAPI Group Cash Pooling

The Group has set up an internal cash pool system between the Company and its subsidiaries to centralize liquidity inside the Group.

4.4 SUBSEQUENT EVENTS

- None

4.5 OUTLOOK

4.5.1 Outlook 2025

In 2025, EUROAPI will continue focusing on enhancing profitability and protecting cash flow from operations while investing in future growth.

- For the full year 2025, the increase in sales to other clients should be offset by a further decline in sales to Sanofi. Consequently, we expect net sales to range from slightly decreasing to steady on a comparable basis[1] compared to the full year 2024.
- Core EBITDA margin should improve, driven by increased industrial, procurement, and operational efficiencies, and should reach between 7% and 9% of net sales.

This full-year guidance was built on the following assumptions:

- Net Sales are expected to range from slightly decreasing to steady. This should notably be driven by solid growth in API sales to clients other than Sanofi, particularly in HP APIs, and Opiates, and by double-digit growth in sales from early-phase CDMO, offset by continued reduced API demand from Sanofi, particularly for Sevelamer, a slight decrease in Vitamin B12 sales, and the discontinuation of several pre-carve-out mature CMO projects. 2025 sales will also include a positive impact of the build-up of strategic inventories by customers affected by the discontinuation of the 13 APIs.
- The Core EBITDA margin improvement to a 7% to 9% range should be supported by further industrial efficiencies, enhanced procurement, and cost-effectiveness across all functions. EBITDA should be impacted by further exceptional items (including idle costs), though to a lesser extent than in 2024.
- Cash flow before financing should include ongoing improvement of working capital, although slower than in 2024, and the positive impact of Sanofi's investment in securing future product capacities (€36 million for the full year). The 2025 CAPEX should be slightly lower than the 2024 level as a result of the optimization of maintenance CAPEX.

(1) *At constant perimeter and constant exchange rates*

4.6 CONSOLIDATED FINANCIAL STATEMENTS

4.6.1 Consolidated financial statements 2024

Consolidated statement of financial position

(in € million)	Note	December 31, 2024	December 31, 2023
Goodwill	5.1	—	4.6
Property, plant and equipment	5.2/5.5	491.3	468.9
Right-of-use assets	5.3/5.5	38.0	37.2
Intangible assets	5.4/5.5	38.1	34.2
Other non-current assets	5.6	4.6	9.0
Deferred tax assets	7	87.2	79.2
Non-current assets		**659.2**	**633.1**
Inventories	5.7	524.2	644.8
Trade receivables	5.8	161.3	216.3
Other current assets	5.9	44.6	83.7
Cash and cash equivalents	5.17	73.0	34.5
Assets held for sale	5.10	27.2	—
Current assets		**830.3**	**979.3**
Total assets		**1,489.5**	**1,612.4**
Equity attributable to owners of the parent		983.5	927.7
Equity attributable to non-controlling interests		—	—
Total equity	**5.11**	**983.5**	**927.7**
Non-current lease liabilities	5.12	13.2	15.5
Provisions	5.13	164.4	158.6
Other non-current liabilities		—	—
Deferred tax liabilities	7	—	1.6
Non-current liabilities		**177.6**	**175.8**
Trade payables	5.14	104.9	159.6
Other current liabilities	5.15	152.5	139.3
Current lease liabilities	5.12	5.3	4.6
Short-term debt and other financial liabilities	5.17	50.6	205.4
Liabilities related to assets held for sale	5.10	15.2	—
Current liabilities		**328.4**	**508.9**
Total equity and liabilities		**1,489.5**	**1,612.4**

Consolidated income statement

(in € million)	Note	December 31, 2024	December 31, 2023
Net sales	6.1	911.9	1,013.2
Other revenues	6.1	7.3	5.7
Cost of sales	6.2	(776.8)	(854.3)
Gross profit		**142.4**	**164.6**
Selling and distribution expenses		(37.6)	(40.9)
Research and development expenses	6.3	(25.8)	(29.6)
Administrative and general expenses		(89.4)	(90.0)
Other operating income and expense	6.5	2.0	0.4
Impairment of assets	5.5/6.6	(18.8)	(226.4)
Restructuring costs and similar items	6.7	(93.1)	(12.3)
Operating income/(loss)		**(120.4)**	**(234.3)**
Financial expenses	6.8	(28.1)	(10.9)
Financial income	6.8	9.0	2.5
Income/(loss) before tax		**(139.6)**	**(242.8)**
Income tax expense	7	9.0	53.0
Net income/(loss)		**(130.6)**	**(189.7)**
Attributable to owners of the parent		(130.6)	(189.7)
Attributable to non-controlling interests		—	—
			—
Average number of shares outstanding (in millions)	5.11.4	94.5	94.2
Average number of shares after dilution (in millions)	5.11.4	94.6	95.9
Basic earnings per share (in euros)		(1.38)	(2.02)
Diluted earnings per share (in euros) [(a)]		(1.38)	(2.02)

(a) Diluted earnings per share for periods in which there was a net loss is presented as equivalent to basic earnings per share.

Consolidated statement of comprehensive income

(in € million)	Note	December 31, 2024	December 31, 2023
Net income/(loss)		**(130.6)**	**(189.7)**
Attributable to owners of the parent		*(130.6)*	*(189.7)*
Attributable to non-controlling interests		—	—
Other comprehensive income:			
Actuarial gains/(losses)	5.13	5.6	(7.0)
Tax effects		(1.6)	1.9
Subtotal: items that will not subsequently be reclassified to profit or loss (A)		**4.0**	**(5.1)**
Currency translation differences [(a)]		(18.1)	8.0
Subtotal: items that may be reclassified to profit or loss (B)		**(18.1)**	**8.0**
Other comprehensive income for the period, net of taxes (A+B)		**(14.1)**	**3.0**
Comprehensive income		**(144.7)**	**(186.8)**
Of which comprehensive income attributable to owners of the parent		*(144.7)*	*(186.8)*
Of which comprehensive income attributable to non-controlling interests		—	—

(a) The €18.1 million negative impact shown under currency translation differences mainly concerns Hungary (for a negative €18.9 million) compared to a positive €8.0 million as of December 31,2023 (mainly in Hungary for a positive €7.1 million).

Consolidated statement of cash flows

(in € million)	Note	December 31, 2024	December 31, 2023
Net income/(loss)		**(130.6)**	**(189.7)**
Depreciation, amortization and impairment of property, plant and equipment, right-of-use assets and intangible assets	5.2 to 5.4	76.8	302.9
Income tax expense/(income)		(9.0)	(53.0)
Other profit or loss items with no cash effect and reclassification of financial interests [(a)]		25.8	13.7
Operating cash flow before changes in working capital		**(36.9)**	**73.9**
(Increase)/decrease in inventories		94.0	(40.4)
(Increase)/decrease in trade receivables		52.2	48.9
Increase/(decrease) in trade payables		(46.8)	(52.9)
Net change in other current assets and other current liabilities [(b)]		60.4	(24.3)
Net cash provided by operating activities		**122.9**	**5.1**
Acquisitions of property, plant and equipment and intangible assets [(c)]		(108.0)	(132.8)
Acquisitions of consolidated undertakings		—	(4.5)
Proceeds from disposals of property, plant and equipment and intangible assets		—	—
Net cash used in investing activities		**(108.0)**	**(137.3)**
Capital increases	5.11.1	—	—
Net issuance of perpetual subordinated notes	5.11.2	197.3	—
Dividends paid		—	—
Repayment of lease liabilities	5.12	(5.5)	(7.3)
Net change in short-term debt	5.17	(155.0)	105.0
Net finance costs paid [(d)]		(10.9)	(6.1)
Acquisitions and disposals of treasury shares	5.11.3	(0.1)	(0.6)
Other net cash flow arising from financing activities		0.7	1.2
Net cash provided by financing activities		**26.5**	**92.2**
Impact of exchange rates on cash and cash equivalents		(0.6)	—
Net change in cash and cash equivalents		**40.8**	**(40.0)**
Cash and cash equivalents at beginning of period		**34.5**	**74.5**
Cash and cash equivalents at end of period [(e)]		**75.2**	**34.5**

(a) In 2024, this line includes mainly financial interests for €11.2 million, variations and discounting effects of provisions for €14.9 million, unrealized exchange gains and losses for a negative €4.1 million and share-based payment expense for €2.7 million (see Note 5.11.5).

In 2023, this line mainly comprises financial interests, variations and discounting effects of provisions, unrealized exchange gains and losses for €9.9 million and share-based payment expense for €4.9 million.

(b) In 2024, this line includes €18.0 million of capacity reservation received from Sanofi (see Note 5.18), change in VAT receivables for €26.5 million mainly due to VAT reimbursements in France and in Germany, €4.0 million of cash received in respect of the indemnity provided by Sanofi against environmental liabilities arising on non-operational site and €1.6 million of income tax paid.

In 2023, the line includes €16.9 million of income tax paid and the change in VAT receivables for €5.8 million.

(c) In 2024, this line includes the acquisition carried out during the period for €100.9 million and the change over the period in amounts payable for acquisitions of non-current assets (capital expenditure) for a negative €7.1 million.

In 2023, this line includes the acquisition carried out during the period for €165.6 million and the change over the period in amounts payable for acquisitions of non-current assets (capital expenditure) for a positive €32.9 million (see Note 5.15).

(d) In 2024, net finance costs paid include interest paid and transaction costs paid for €16.9 million, €6.0 million of interest received.

In 2023, net finance costs paid include interest paid for €6.9 million and €0.8 million of interest received.

(e) In 2024, this line include €2.2 million of cash and cash equivalent of EUROAPI UK reclassified to asset held for sale in the consolidated statement of financial position (see note 5.10).

Consolidated statement of changes in equity

(in € million)	Share capital	Legal reserve and share premium	Treasury shares	Cumulative translation adjustments	Other reserves and retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at January 1, 2023	**94.6**	**1,862.3**	**(1.3)**	**(1.4)**	**(844.0)**	**1,110.2**	**—**	**1,110.2**
Other comprehensive income for the period	—	—	—	8.0	(5.1)	3.0	—	3.0
Net income/(loss) for the period	—	—	—	—	(189.7)	(189.7)	—	(189.7)
Comprehensive income for the period	**—**	**—**	**—**	**8.0**	**(194.8)**	**(186.8)**	**—**	**(186.8)**
Capital increases	0.5	(0.5)	—	—	—	—	—	—
Share-based payment	—	—	—	—	4.9	4.9	—	4.9
Treasury shares	—	—	(0.6)	—	—	(0.6)	—	(0.6)
Other movements	—	—	—	—	—	—	—	—
Balance at December 31, 2023	**95.1**	**1,861.8**	**(1.9)**	**6.7**	**(1,033.9)**	**927.7**	**—**	**927.7**

(in € million)	Share capital	Legal reserve and share premium	Treasury shares	Cumulative translation adjustments	Perpetual Subordinated Hybrid Bond	Other reserves and retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at January 1, 2024	**95.1**	**1,861.8**	**(1.9)**	**6.7**		**(1,033.9)**	**927.7**	**—**	**927.7**
Other comprehensive income for the period	—	—	—	(18.1)	—	4.0	(14.1)	—	(14.1)
Net income/(loss) for the period	—	—	—	—	—	(130.6)	(130.6)	—	(130.6)
Comprehensive income for the period	**—**	**—**	**—**	**(18.1)**	**—**	**(126.6)**	**(144.7)**	**—**	**(144.7)**
Capital increases [(a)]	0.5	(0.5)	—	—	—	—	—	—	—
Share-based payment [(b)]	—	—	—	—	—	2.7	2.7	—	2.7
Treasury shares	—	—	(0.1)	—	—	—	(0.1)	—	(0.1)
Net issuance (repayment) of perpetual subordinated notes [(c)]	—	—	—	—	200.0	(2.0)	198.0	—	198.0
Other movements	—	—	—	—	—	—	—	—	—
Balance at December 31, 2024	**95.6**	**1,861.3**	**(2.0)**	**(11.5)**	**200.0**	**(1,159.8)**	**983.5**	**—**	**983.5**

(a) Note 5.11 explains in detail the capital increase.
(b) Note 5.11.6 explains the main impacts presented under "Share-based payment".
(c) The variation of €198.0 million corresponds to the €200.0 million of Perpetual Subordinated Hybrid Bond issued in 2024 (as explained in Note 5.11) net of transaction costs and €0.7 million related to income tax effects.

Notes to the consolidated financial statements as of December 31, 2024

Note 1. Introduction

EUROAPI, together with its subsidiaries (collectively "EUROAPI", "the Group" or "the Company") is a leading player in the active pharmaceutical ingredient (API) market.

The Group comprises (i) six specialist API manufacturing sites in five European countries (France, Germany, United Kingdom, Italy and Hungary); (ii) a number of development platforms, the two largest of which are housed at the Group's sites in Hungary and Germany; (iii) a commercial network responsible for the worldwide distribution and commercialization of a portfolio of approximately 200 active pharmaceutical ingredients for both API solutions and CDMO activities; and (iv) development and business management teams responsible for those activities within EUROAPI.

EUROAPI is listed on the regulated market of Euronext Paris (Euronext: EAPI).

The consolidated financial statements cover the 12-month period ended December 31, 2024 and were approved and authorized for issue by the EUROAPI Board of Directors at its meeting on March 3, 2025.

Note 2. Basis of preparation of financial statements and accounting policies – International Financial Reporting Standards (IFRS)

Pursuant to Regulation No. 1606/2002 of July 19, 2002, as amended by European Regulation No. 297/2008 of March 11, 2008, the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), as endorsed by the European Union and issued by the International Accounting Standards Board (IASB). The IFRSs endorsed by the European Union as of December 31, 2024 can be consulted via the following web link:

https://www.efrag.org/Endorsement

The term "IFRS" refers collectively to International Accounting Standards and International Financial Reporting Standards (IASs and IFRSs) and to the interpretations of the IFRS Interpretations Committee (IFRS-IC).

The material accounting principles IAS 1 are presented at the beginning of the corresponding notes.

Unless otherwise indicated, the amounts shown in the consolidated financial statements are presented in millions of euros and all values are rounded to the nearest tenth of a million unless otherwise indicated. Rounding differences may result in minor differences between the statements.

New standards, amendments and interpretations

New standards applicable from January 1, 2024

Standards, amendments and interpretations whose application was mandatory as of January 1, 2024 are as follows:

- Amendments to IAS 1 Presentation of Financial Statements – "Classification of Liabilities as Current or Non-current" and "Non-current liabilities with covenants" (issued on January 23, 2020 and October 31, 2022);
- Amendments to IFRS 16 "Lease liability in a Sale and Leaseback" (issued on September 22, 2022);
- Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures: Supplier Finance Arrangements" (issued on May, 25, 2023).

These new amendments had no material impact on the Group's consolidated financial statements.

New pronouncements issued by the IASB and applicable from 2025 or later:

Standards, amendments and interpretations issued by the IASB that will have mandatory application in 2025 or subsequent years:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023 and endorsed by the European Union on 12 November 2024).These amendments are applicable from January 1, 2025;

- Amendments to IFRS 9 and IFRS 7: the Classification and Measurement of Financial Instruments (issued on 30 May 2024 and not yet endorsed by the European Union);
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024 and not yet endorsed by the European Union);
- IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024 and not yet endorsed by the European Union).

Those amendments have not been early adopted by EUROAPI. The Group is currently (i) analyzing the potential impacts of IFRS 18 on the presentation of the Group's consolidated financial statements and (ii) doesn't expect any material impact of other amendments.

Use of estimates

The preparation of financial statements under IFRS requires management to make estimates and assumptions that affect the amounts presented in the financial statements and the notes thereto.

Material estimates and assumptions, prepared on the basis of information available at the end of the reporting period, relate to:

- the level and pattern of recognition of revenue from industrial services contracts with "CDMO" customers (see Note 6.1);
- the recoverable amount of cash generating units (see Note 5.5);
- the carrying amount, and allowances for impairment and destruction of inventories (see Note 5.7);
- the measurement of liabilities relating to post-employment and other long term benefits (see Note 5.13);
- the recoverability of deferred tax assets (Note 7); and
- the amount of provisions for risks (see Note 5.13), including environmental risks and provisions linked to the FOCUS-27 plan.

Risks associated with climate change as assessed to date, and the commitments made by EUROAPI on cutting greenhouse gas emissions, do not have a material impact on the financial statements. EUROAPI's ambitious decarbonization roadmap relies on several drivers such as increased use of renewable energies, energy savings projects or heat recovery programs.

Foreign currency translation

Foreign currency translation of the financial statements of foreign entities

EUROAPI presents its consolidated financial statements in euros (€). In accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates";

Exchange differences arising on the settlement or translation of monetary items are recognized in the operational result except for exchange differences related to current accounts and other financial items, which are recognized in the financial result.

Financial instruments

Fair value of financial instruments

Under IFRS 13 "Fair Value Measurement" and IFRS 7 "Financial Instruments: Disclosures", fair value measurements must be classified using a hierarchy based on the inputs used to measure the fair value of the instrument. This hierarchy has three levels:

- level 1: quoted prices in active markets for identical assets or liabilities (without modification or repackaging);
- level 2: quoted prices in active markets for similar assets and liabilities, or valuation techniques in which all critical inputs are derived from observable market data; and
- level 3: valuation techniques in which not all critical inputs are derived from observable market data.

The table below shows the disclosures required under IFRS 7 relating to the measurement principles applied to financial instruments.

Note	Type of financial instrument	Measurement principle	Level in fair value hierarchy	Valuation technique	Method used to determine fair value
	Long-term loans and advances, and other non-current receivables and payables	Amortized cost	N/A	N/A	The amortized cost of long-term loans and advances, and other non-current receivables and payables, is not materially different from their fair value at the end of the reporting period.
5.8/5.14	Trade receivables and payables	Amortized cost	N/A	N/A	Trade receivables and payables are measured at fair value (which in most cases equates to face value) on initial recognition, and subsequently at amortized cost.
5.13	Financial assets measured at fair value held to meet obligations under post-employment benefit plans	Fair value	1	Market value	Quoted market
5.12	Lease liabilities and debt	Amortized cost	N/A	N/A	Amortized cost is regarded as an acceptable approximation of fair value as reported in the notes to the consolidated financial statements. The liability for future lease payments is discounted using the incremental borrowing rate.
5.16	Forward currency contracts	Fair value	2		Mark-to-market

Seasonal trends

EUROAPI's activities are not subject to significant seasonal fluctuations. It should be noted however that the production cycle for the bulk of APIs exceeds six months.

CDMO contracts can take around six months to start generating revenue and are executed over an average period of 18 to 24 months.

Note 3. 2024 highlights

3.1 Main acquisitions of the period

No acquisition during the period.

During the year, EUROAPI finalized the purchase price allocation of BianoGMP company as described in Note 5.1.

3.2 Other significant events

Change in governance

On December 9, 2024, EUROAPI announced the appointment of David Seignolle as Chief Executive Officer and Emmanuel Blin as Chair of the Board.

Launch of the FOCUS-27 program

On February 28, 2024, EUROAPI launched FOCUS-27, a comprehensive 4-year program that aims to improve competitiveness and unlock sustainable and profitable growth. By the end of 2027, FOCUS-27 targets to generate 75 to 80 M€ annual run rate incremental Core EBITDA. The operational roadmap and the financing of the plan has been detailed on June 26, 2024.

FOCUS-27 is built on four pillars:

- A streamlined value-added API portfolio focused on highly differentiated profitable APIs, particularly Peptides and Oligonucleotides, Prostaglandins, Corticosteroids, Hormones, Vitamin B12, and Opiates. Thirteen APIs will be discontinued in 2026 and 2027;
- A CDMO focused on late-stage and high-value complex small molecules and tides supported by unique technological platforms;
- A rationalized industrial footprint with four production sites (Elbeuf, Vertolaye, Budapest and Frankfurt), the planned divestment of Haverhill and Brindisi manufacturing sites before the end of the plan, and between €300 and €400 million in Capex throughout the plan;
- A streamlined organization supporting a more efficient and leaner operating model. This organizational transformation will reduce approximately 550 headcounts (excluding Brindisi and Haverhill) across all functions by 2027.

Restructuring costs related to FOCUS-27 program are estimated in the range of €110 to €120 million between 2024 and 2027 (excluding Idle costs and the potential costs related to the divestment of Haverhill and Brindisi), of which €12.3 million have been recognized as of December 31, 2024 corresponding to the impact of social plans in EUROAPI Germany and EUROAPI UK (see Note 6.7).

The Group also incurs other costs in relation with the execution of the FOCUS-27 plan, classified in restructuring costs and similar items and adjusted from Core EBITDA (see Note 6.4):

- External and internal transformation costs amounting to €11.3 million as of December 31, 2024 corresponding to expenditure on the implementation of the FOCUS-27 plan; and
- Idle costs: the Group assesses at each period the potential idle costs linked to variations in the activities of its production lines, and records as an expense for the period the fixed costs not allocated to the value of inventories. In 2024, the launch of the FOCUS-27 program involved a deep impact of reorganization of production leading to the progressive reduction of activity of certain workshops (especially in Frankfurt), to focus on differentiated and profitable APIs (adaptation of certain workshops and planned divestment of the Brindisi and Haverhill production sites), and to reduce the level of inventories (in particular in Vertolaye) by stopping production lines. These costs not allocated to inventories depending on a voluntary program set up by the Group were recorded as an expense for the period and classified as an element of the FOCUS-27 program in restructuring costs in order to better assess the extent of this on the performance of the period. The corresponding idle costs amount to €68.5 million as of December 31, 2024.

FOCUS-27: short and long-term financing

EUROAPI closed the financing of its FOCUS-27 plan in October 2024, including the following arrangements:

- EUROAPI announced with Sanofi a €200 million investment though a Perpetual Subordinated Hybrid Bond (see Note 5.11);
- A new secured €451 million Revolving Credit Facility with a maturity in February 2029 (see Note 9.3);
- Sanofi also agreed to reserve minimum available capacities for selected products manufactured by EUROAPI through a €54 million payment over the plan (see Note 5.18);
- In addition EUROAPI announced an inventory reduction plan to improve the total Working Capital by €140 million between 2024 and 2027.

Amended contractual terms signed with Sanofi

On February 28, 2024, EUROAPI announced a series of revisions to the Manufacturing and Supply Agreement signed in October 2021 with Sanofi, including: (i) the cancellation of the mutual performance clause, (ii) price increases in 6 selected APIs, (iii) the evolution of the pass-through clause for key raw materials and solvents, with full compensation by Sanofi in case of an above 20% price increase, (iv) the narrowing of the Price-Volume corridor with an annual compensation mechanism protecting both parties from annual revenue fluctuation and (v) shortened payment terms.

EUROAPI and Sanofi also concluded a Memorandum of Understanding (MoU) on February 28, 2024, incorporating the main following provisions: (i) compensation mechanism for substantial market demand decrease of volumes of one API, (ii) purchase by Sanofi of the remaining active ingredients and stock of intermediates of a specific active ingredient, (iii) payment by Sanofi of a lump sum during the term of the GMSA for a capacity extension project, and (iv) payment by Sanofi of incentive amounts for the qualification of investments dedicated to the manufacture of an active pharmaceutical ingredient ("API") for Sanofi and for the manufacturing and technology transfer of certain active ingredients manufactured by Sanofi to Euroapi sites.

The main accounting impacts of these arrangements in 2024 are detailed in Note 10.2 and 10.6.

Lock-up extended until December 2025 for Sanofi and EPIC BpiFrance

On February 28, 2024, EUROAPI announced that Sanofi and EPIC BpiFrance have agreed to extend the duration of their lock-up until December 2025.

Temporary suspension of API production at the Brindisi site in Italy

On March 14, 2024, EUROAPI suspended the production of all APIs on its site of Brindisi following the identification of quality control deficiencies at local level. On June 26, 2024, the company announced that the investigation launched at its initiative confirmed the existence of malpractices at the local level and safeguard measures have been taken. Following the effective and reliable remediation plan deployed by the site and the reactivation of the GMP license by the Italian Health Authorities (AIFA), the API shipments and production resumed during the third quarter of 2024. The Group received a claim from one of its customers following the temporary suspension of its activities in Italy, and did not accrue any provision as of December 31, 2024 (see Note 10.3).

Important Project of Common European Interest (IPCEI)

On June 6, 2024, EUROAPI has received official notification from the European Commission that the Company has been selected as one of the 13 companies eligible to share up to EUR 1 billion in total public funding under the Important Project of Common European Interest (IPCEI) dedicated to the pharmaceutical sector, “IPCEI Med4Cure”. A notification from the French Government was received on December 4, 2024 confirming that EUROAPI France will receive up to €140 million in the next coming years (see Note 6.3).

EUROAPI share-based payments

On May 22, 2024, the Board of Directors granted several new stock option plans, performance shares and free shares. Detailed information concerning the terms and conditions of these plans and the financial impacts on the consolidated financial statements is presented in Note 5.11.

Capital increase

By decision of June 3, 2024, the Board of Directors carried out a capital increase resulting from the definitive allocation of free shares to its employees for a total amount of €536,093.

Note 4. Scope of consolidation

ACCOUNTING PRINCIPLES

Scope of consolidation

All entities in EUROAPI's scope are controlled and fully consolidated. EUROAPI do not have any associate, joint-venture, joint-operation or non-consolidated investment. See detailed scope presented in Note 10.8.

Note 5. Notes to statement of financial position

5.1 Business combinations and goodwill

ACCOUNTING PRINCIPLE

Business combinations are recorded in accordance with the acquisition method as defined in IFRS 3.

Goodwill is not amortized but is tested for impairment (described in Note 5.5) at least annually or more frequently where there is evidence calling into question the net carrying amount of the asset. Acquisition-related costs are expensed in the period in which they are incurred and the services received in "restructuring costs and similar items", and are excluded from the core EBITDA as defined in the note 8.1.

The Group may finalize the recognition of the business combination during the measurement period. This period ends when all the necessary information has been obtained and no later than 12 months after the acquisition date.

The purchase price allocation of BianoGMB, acquired by EUROAPI on November 21, 2023, has been finalized in 2024. The final goodwill amounts to €4.1 million as of December 31, 2024, vs €4.6 million of provisional goodwill recognized in 2023.

5.2 Property, plant and equipment

ACCOUNTING PRINCIPLE

The gross value of items of property, plant and equipment, net of any residual value (estimated disposal value at the end of the asset's useful life) and deducted of any governmental grants and subsidies, is depreciated on a straight-line basis over the useful life of the asset. The useful life of an asset is usually equivalent to its economic life.

The useful lives applied to property, plant and equipment are as follows:

Buildings	15 to 40 years
Fixtures	10 to 20 years
Machinery and equipment	5 to 15 years
Other	3 to 15 years

Useful lives and residual values of property, plant and equipment are reviewed regularly. The effect of any adjustment to useful lives or residual values is recognized prospectively as a change in accounting estimate.

Depreciation charged against items of property, plant and equipment is incorporated into the cost of inventories or expensed when incurred. Depreciation expense is presented within the income statement line item that corresponds to the function for which the asset is used.

Property, plant and equipment that is under construction and unavailable for use is depreciated from the date on which it is brought into service, defined as the date of acceptance of the asset for operational use.

The net carrying amount of property, plant and equipment owned by EUROAPI stood at €491.3 million as of December 31, 2024.

(in € million)	December 31, 2023	Acquisitions and other increases	Depreciation expense	Impairment losses, net of reversals	Disposals and other decreases	Currency translation differences	Transfers[(a)]	December 31, 2024
Land	16.3	—	—	—	—	(0.1)	(13.9)	2.4
Buildings	321.4	—	—	—	(0.6)	(6.5)	(15.5)	298.7
Machinery and equipment	1,628.9	0.2	—	—	(16.8)	(11.3)	(10.3)	1,590.6
Fixtures, fittings and other	174.2	0.4	—	—	(0.7)	(1.7)	(15.6)	156.5
Property, plant and equipment in progress	206.2	86.7	—	—	—	(2.6)	(148.2)	142.1
Gross value	**2,346.8**	**87.2**	**—**	**—**	**(18.1)**	**(22.2)**	**(203.5)**	**2,190.3**
Land	—	—	—	—	—	—	(0.5)	(0.5)
Buildings	(211.8)	—	(6.9)	—	0.6	4.0	8.1	(205.9)
Machinery and equipment	(1,527.9)	—	(29.9)	(0.5)	16.7	8.3	201.7	(1,331.7)
Fixtures, fittings and other	(134.7)	—	(5.5)	(0.4)	0.7	0.8	0.9	(138.2)
Property, plant and equipment in progress	(3.5)	—	—	(12.0)	—	—	(7.3)	(22.8)
Accumulated depreciation and impairment	**(1,877.9)**	**—**	**(42.3)**	**(13.0)**	**18.0**	**13.1**	**203.0**	**(1,699.0)**
Land	16.3	—	—	—	—	(0.1)	(14.3)	1.9
Buildings	109.6	—	(6.9)	—	—	(2.5)	(7.4)	92.8
Machinery and equipment	101.0	0.2	(29.9)	(0.5)	(0.1)	(3.1)	191.4	259.0
Fixtures, fittings and other	39.4	0.4	(5.5)	(0.4)	—	(0.9)	(14.7)	18.3
Property, plant and equipment in progress	202.7	86.7	—	(12.0)	—	(2.6)	(155.5)	119.3
Net value	**468.9**	**87.2**	**(42.3)**	**(13.0)**	**(0.1)**	**(9.1)**	**(0.4)**	**491.3**

(a) The transfers made during the period mainly correspond to the commissioning of the exercise and the reclassification in assets held for sale for EUROAPI UK.

5.3 Right-of-use assets

ACCOUNTING PRINCIPLE

The discount rate used to determine the lease liability is the interest rate implicit in the lease or, if that cannot be readily determined, the lessee's incremental borrowing rate (based on the lease term, not maturities). EUROAPI generally uses the latter rate as a discount rate; it corresponds to the risk-free rate for the currency in which the lease is denominated, plus an uplift for credit risk over the duration of the payments.

EUROAPI has elected to use the exemptions permitted under IFRS 16 relating to leases with a term of 12 months or less and leases of low-value assets (less than €5,000). Lease payments on such leases are recognized when incurred as an operating expense, within the relevant income statement line item for the use of the leased asset.

Non-cancelable operating leases attributed to EUROAPI comprise mainly:

- leases of office space and industrial premises;
- leases of vehicles.

Right-of-use assets relating to property, plant and equipment held under leases break down as follows:

(in € million)	December 31, 2023	Acquisitions and other increases	Depreciation expense	Disposals and other decreases	Transfers	December 31, 2024
Land and buildings	50.6	1.8	—	—	3.8	56.3
Machinery and equipment	—	—	—	—	—	—
Other property, plant and equipment	8.8	2.2	—	(0.1)	(0.3)	10.6
Gross value	**59.4**	**4.1**	**—**	**(0.1)**	**3.6**	**66.8**
Land and buildings	(17.6)	(0.1)	(4.9)	—	—	(22.5)
Machinery and equipment	—	—	—	—	—	—
Other property, plant and equipment	(4.7)	—	(1.8)	0.1	—	(6.4)
Accumulated depreciation and impairment	**(22.3)**	**(0.1)**	**(6.7)**	**0.1**	**—**	**(28.9)**
Land and buildings	33.1	1.8	(4.9)	—	3.8	33.8
Machinery and equipment	—	—	—	—	—	—
Other property, plant and equipment	4.1	2.2	(1.8)	—	(0.3)	4.2
Net value	**37.2**	**4.0**	**(6.7)**	**—**	**3.6**	**37.9**

Lease expenses on short-term leases and low-value assets are not significant in 2023 and 2024.

5.4 Intangible assets

ACCOUNTING PRINCIPLE

Intangible assets, which mainly comprise acquired or internally-developed computer software, are amortized on a straight line basis over their useful lives, ranging between three and five years.

The useful lives of intangible assets are reviewed regularly at the end of each reporting period. In the event of a change in estimate of the amortization period, the amortization charge is adjusted prospectively.

Amortization charged against intangible assets is recognized in the income statement according to the nature and use of each intangible asset taken individually.

Internally generated costs incurred to develop or upgrade software are capitalized if the criteria specified in IAS 38 “Intangible Assets” are satisfied and are amortized on a straight-line basis over the useful life of the software.

Internally generated research and development

Research expenditure is systematically recognized as an expense when incurred.

Development expenditure comprises expenditure incurred in relation to in-house programs to develop or improve industrial manufacturing processes prior to their operational and industrial use. Because such developments are subject to risks and uncertainties inherent to EUROAPI’s activities, the criteria for capitalization are considered by program. Considering risks and uncertainties about the technical feasibility of development projects, internally generated development expenditure (mainly comprising primary costs of development platforms) is generally expensed as incurred within “Research and development expenses”. Conversely, where the six IAS 38 criteria are considered to have been met, such expenditures are recognized as an asset in the statement of financial position within “Intangible assets” as incurred.

Intangible assets derived from in-house development projects are amortized over their useful lives. If the asset contributes to the inventory production cycle, the related amortization expense is incorporated in the cost of inventories; otherwise, it is recognized as a component of operating income within the appropriate income statement line item.

Movements in other intangible assets during the year 2024 were as follows:

(in € million)	December 31, 2023	Acquisitions and other increases	Depreciation expense	Currency translation differences	Transfers	December 31, 2024
Software	51.9	9.5	—	(0.4)	1.9	62.9
Other intangible assets	5.9	3.5	—	—	—	9.4
Other rights	1.3	—	—	—	(1.0)	0.3
Gross value	**59.1**	**13.1**	**—**	**(0.4)**	**0.9**	**72.5**
Software	(23.7)	—	(8.7)	0.4	(2.2)	(34.2)
Other intangible assets	—			—	—	—
Other rights	(1.2)	—	—	—	1.0	(0.2)
Accumulated amortization and impairment	**(24.9)**	**—**	**(8.7)**	**0.4**	**(1.2)**	**(34.4)**
Software	28.2	9.5	(8.7)	—	(0.3)	28.7
Other intangible assets	5.9	3.5	—	—	—	9.4
Other rights	0.1	—	—	—	(0.1)	—
Net value	**34.2**	**13.1**	**(8.7)**	**—**	**(0.3)**	**38.1**

As of December 31, 2024, costs related to the ELLA program in Elbeuf (a new process to improve B12 production) and Buprenorphine project in Vertolaye (launch of a new product as part of the pipeline extension program) were capitalized as intangible assets for €8.7 million, including a €3.3 million increase in 2024.

5.5 Impairment of goodwill, property, plant and equipment, right of use assets and intangible assets

ACCOUNTING PRINCIPLE

Property, plant and equipment, right of use assets, amortized intangible assets and goodwill are tested for impairment when there is an indication that they may have become impaired, and at least once a year for goodwill. Indications of impairment are assessed using quantitative and qualitative criteria.

The qualitative criteria used relate mainly to risks of non-compliance with pharmaceutical industry regulations and good manufacturing practices, and technological advances. The quantitative criteria used relate to commercial and manufacturing activity levels that could have lasting negative effects on EUROAPI's operating results.

If there is an indication that an individual asset may have become impaired, the recoverable amount of the asset is determined separately if possible, or at the level of the cash-generating unit (CGU) to which the asset belongs.

A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Identifying such asset groups requires management to exercise judgment, based on how operations are managed. Cash-generating units are identified consistently from period to period unless a change is justified.

The recoverable amount of a CGU is also measured if there is an indication that the CGU itself may have become impaired.

The CGUs of the EUROAPI Group mainly comprise depreciable items of property, plant and equipment and inventories measured at acquisition or production cost.

Impairment losses taken against non current assets are presented in a dedicated income statement line.

Key assumptions underlying the determination of recoverable amounts.

The recoverable amount determined by the Group is generally equal to the present value of the future cash flows expected to be derived from a CGU and based on the following:

- cash flow projections are taken from the Long-Term Plan prepared each year and reflect changes in volumes, prices, direct costs and investment in the period, determined based on contracts and activities and in line with past data and expected changes over the period covered by the Long-Term Plan;
- this plan covers the year in progress and the next four years, with an extrapolation period of cash flow estimates. This period is representative of the average duration of the Group's long-term industrial projects and its short-term activities;
- terminal values are calculated based on discounted forecast flows for the last year of a long-term plan after extrapolation. These flows are determined for each CGU based on a perpetual growth rate mainly founded on long-term inflation;
- these terminal values are calculated based on discount rates and perpetual growth rates reflecting the country or the geographic area of the CGU;
- a discount rate (weighted average cost of capital) is determined corresponding to Consumer Healthcare index: it is equal to the risk-free rate plus a risk premium weighted for country-specific risks. A risk premium is included in the calculation of the weighted average cost of capital of entities located in countries outside the euro zone. The discount rates estimated by management for each CGU therefore reflect current market assessments of the time value of money and the country specific risks to which the CGU is exposed, with the other risks reflected in the expected future cash flows from the assets. These rates were updated by an independent expert once a year.

At December 31, 2024, EUROAPI reviewed its non-current assets and cash-generating units (CGUs) for any internal and external indications of impairment. In the absence of indicator of loss of value, EUROAPI did not perform any impairment test as of December 31, 2024. except for Biano GMP's.

Given the recoverable value estimated as of December 31, 2023 based on the 2023 impairment test, and in the absence of significant change in 2023 assumptions, fixed assets acquired by EUROAPI Italy in 2024 have been impaired for a total amount of €11.2 million.

As mentioned before, BianoGMP's goodwill has been tested for impairment after the group decision to reduce the investments in the company. The impairment test is based on the latest estimated future cash flows on a five-year period, an extrapolation of the cash flows over a further five-year period, and a terminal value.

The assumption used for the impairment test are:

- Discount rate: 8.3%;
- Perpetual growth rate: 1%.

The value in use determined has led to an impairment of the full amount of goodwill of €4.1 million.

5.6 Other non-current assets

The amount of €4.6 million as of December 31, 2024 corresponds mainly to a €2.1 million receivable in respect of the indemnity provided by Sanofi against environmental liabilities arising on non-operational sites (against €4.0 million in 2023). This item is presented in Note 10.6.

5.7 Inventories

ACCOUNTING PRINCIPLE

Cost of inventories is calculated using weighted average cost or the first in, first out (FIFO) method.

It mainly comprises: the purchase cost of materials used in the manufacture of products; direct and indirect labor costs; depreciation charged during the period against production lines used to manufacture inventories; other expenses such as the operating costs of the industrial facilities where inventories are manufactured; and other costs incurred to bring inventories to their present location and condition. The Group assesses also potential idle costs linked to variations in the utilization of its production lines. When underactivity occurs (e.g. any decreased higher than a certain applied threshold in activity compared to referenced activity per workshop), the calculated idle costs is excluded from the inventory costs and recognized as an expense of the period.

EUROAPI assesses inventory levels relative to sales at each reporting date. Production and inventory levels of active ingredients manufactured to meet contractual obligations under supply contracts entered into by EUROAPI are calibrated to meet the needs of the customer. When items produced for a customer cannot be sold or reallocated for alternative commercial use, an allowance for their destruction is recognized. At each reporting date, EUROAPI applies impairment criteria that take account of inventory turnover, obsolescence, net realizable value, and non-compliant production outputs. Decisions on impairment allowances are made for each product identified as being within one of those categories.

Chemical raw materials and work in process are only written down by reference to the recoverable amount of the corresponding finished products. However, they may also be written down if they are intended for a single customer which terminates its supply contract or decides to suspend manufacture of the product. Raw materials and in-process active ingredients are subject to a lesser risk of becoming time-expired than pharmaceutical products. At the end of the manufacturing process, finished products are checked for compliance with quality standards appropriate for their intended use, and with customer specifications. At that stage, the only inventories that can be written down are batches that have failed compliance checks and cannot be returned to production. The recoverable amount of finished products that have cleared compliance checks is measured at each reporting date by reference to market or contract price, and an impairment allowance is recognized if said price is lower than the carrying amount of the inventories in the statement of financial position.

Consequently, EUROAPI may make adjustments to the carrying amount of inventories in the statement of financial position to allow for excess, obsolete or slow-moving inventories in line with changes in customer demand; stricter quality requirements arising from technological or regulatory developments, or other economic factors.

	December 31, 2024			December 31, 2023		
(in € million)	Gross value	Allowances	Carrying amount	Gross value	Allowances	Carrying amount
Raw materials	79.3	(8.6)	70.7	104.6	(3.7)	100.9
Work in progress	332.7	(13.5)	319.1	334.0	(7.7)	326.3
Finished goods	154.2	(19.9)	134.3	238.4	(20.8)	217.6
Total	**566.2**	**(42.0)**	**524.2**	**677.0**	**(32.2)**	**644.8**

The decrease of inventory levels over the period is the result of the execution of FOCUS-27 program mainly in France and Germany, and the reclassification in asset held for sale of EUROAPI UK's inventories.

5.8 Trade receivables

ACCOUNTING PRINCIPLE

Impairment of trade receivables is based on the simplified approach provided under IFRS 9. No expected credit losses are calculated since the Group has no historical experience of credit losses and the level of past credit losses remains low and related mainly to CDMO receivables. the Management has set up committees dedicated to CDMO trade receivables. These committees review receivables on an aged-balance basis each month in order to analyze the risk exposure of CDMO customers and to assess provisions for bad debts on individual doubtful debts.

Impairment losses on trade receivables are recognized within “Commercial and distribution expenses” in the income statement.

Trade receivables break down as follows:

(in € million)	December 31, 2024	December 31, 2023
Gross value	167.0	220.3
Allowances	(5.7)	(4.1)
Carrying amount	**161.3**	**216.3**

(in € millions)	December 31, 2024	December 31, 2023
Trade receivables - third parties	100.5	127.3
Trade receivables - related parties	60.8	89.0
Carrying amount	**161.3**	**216.3**

The table below shows the aging profile of overdue trade receivables, based on gross value:

(in € million)	Not due - gross value	<1 month past due	1 to 3 months past due	3 to 6 months past due	6 to 12 months past due	> 12 months past due	Total past due - gross value
December 31, 2024	**156.5**	**4.6**	**1.4**	**0.5**	**3.0**	**1.0**	**10.5**
December 31, 2023	197.5	12.9	4.0	1.3	1.9	2.8	22.9

5.9 Other current assets

Other current assets comprise:

(in € million)	December 31, 2024	December 31, 2023
Customer contract assets	—	0.6
Tax receivables [(a)]	22.9	50.2
Other receivables [(b)]	11.1	17.2
Prepaid expenses	4.3	7.2
Other current financial assets [(c)]	6.2	8.4
Total	**44.6**	**83.7**

(a) In 2024, this caption includes €13.8 million in VAT receivables. In 2023, it includes €40.7 million in VAT receivables. The decrease over the period is mainly due to VAT reimbursements in France and Germany.

(b) In 2024, this caption includes mainly €1.8 million in receivables mainly in respect of indemnities provided by Sanofi resulting from various agreement signed in 2021 (see Note 10.2), versus €6.3 million in 2023, and €9.3 million in grants receivable in France and Italy versus €10.4 million in 2023.

(c) This caption mainly comprises the current portion of the indemnity provided by Sanofi (€5.9 million in 2024 against €7.8 million in 2023) against environmental liabilities arising on non-operating sites (see Note 10.2).

5.10 Assets and liabilities held for sale and discontinued operations

EUROAPI UK assets and liabilities are reclassified in a different line “Assets held for sale” and “Liabilities directly associated with assets held for sale ” for respectively €27.2 million and €15.2 million mainly comprising working capital, including inventories for €22.0 million.

At the end of December 31, 2024, the Group is in advance negotiation in the sale of EUROAPI UK. As the activity of EUROAPI UK does not meet the definition of a discontinued operation, its contribution is maintained within continuing operations in the consolidated income statement and cash flows statement.

Based on latest estimation of EUROAPI UK, we estimated the assets at the fair value less cost to sell which led to an additional impairment of €6.0 million.

The amount of cumulative currency translation differences amounting to a positive €11.5 million as of December 2024, will be recycled as profit and loss when the disposal occurs.

5.11 Equity

Total equity stood at €983.5 million as of December 31, 2024.

5.11.1 Share capital and share premium

By decision of June 3, 2024, the Board of Directors carried out a capital increase resulting from the definitive allocation of free shares to its employees for a total amount of €536,093.

As of December 31, 2024, EUROAPI’s share capital amounted to €95.6 million and the share premium stood at €1,861.3 million.

The table below shows movements in the share capital of EUROAPI for all of the periods presented:

	Number of shares	% of share capital for the period
December 31, 2024	**95,589,777**	**100**
December 31, 2023	95,053,684	100

The par value of each share is equal to €1.

5.11.2 Perpetual Hybrid Bond subscribed by Sanofi

ACCOUNTING PRINCIPLE

The issuer of a financial instrument shall classify the instrument, or its component parts, on initial recognition as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

The instrument is an equity instrument if it includes no contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer.

Transaction costs of an equity transaction shall be accounted for as a deduction from equity.

In October 2024, the Group issued a Perpetual Deeply Subordinated Hybrid Bond (TSSDI) for a total amount of €200 million subscribed by Sanofi.

The characteristics of the instruments are:

- No maturity date;
- The hybrid bond is carrying a 8.113% annual coupon until the first reset date, scheduled for February 2029 and callable after 5 years;
- Absence of mandatory repayment: on any interest payment date, EUROAPI may decide to defer the interest payment, subject to certain conditions, including the absence of dividend payment or share repurchases.

Based on these characteristics, this non dilutive instrument is presented as equity for a total amount of €200 million. Transaction costs linked to this transaction have been recorded in deduction of equity for an amount of €2.0 million (net of income tax).

The capitalization of the interests constitute an off balance-sheet commitment of €3.5 million as of December 31, 2024 as mentioned in note 10.2.

5.11.3 Treasury shares

At December 31, 2024, the totality of shares owned by EUROAPI are held under the liquidity agreement.

Purchases and sales in EUROAPI shares under the liquidity agreement in 2024 were as follows:

	2024	2023
Number of shares purchased during the year	2,187,281	1,407,849
Number of shares sold during the year	2,041,261	1,208,256

At December 31, 2024, EUROAPI held 361.610 treasury shares representing 0.38% of the share capital.

5.11.4 Number of shares used to calculate earnings per share

(in millions)	December 31, 2024	December 31, 2023
Average number of shares outstanding	94.5	94.2
Adjustment for share-based payments with dilutive effect	0.1	1.7
Average number of shares used to compute diluted earnings per share	94.6	95.9

Earnings per share and diluted earnings per share as of December 31, 2024 are presented in the consolidated income statement.

5.11.5 Currency translation differences

Cumulative currency translation differences amounted to a negative €11.5 million as of December 31, 2024, mainly in Hungary for a negative €22.1 million and the United Kingdom for a positive €11.5 million.

5.11.6 Share-based payments

ACCOUNTING PRINCIPLE

Share-based payment expense is recognized as a component of operating income, within administrative and general expenses item. In measuring the expense, the expected level of attainment of any performance conditions is taken into account.

The new plans implemented by the Group during the period are equity-settled plans and have been valued by an independent expert. The valuation model complies with the basic assumptions of the Monte-Carlo and Black-Scholes models, adapted to the specific features of the plans concerned.

Sanofi performance share plans

Under the plan rules, employees transferred to EUROAPI forfeited any unvested shares at the initial listing date on a pro rata basis.

Under the terms of the Master Carve Out Agreement signed in 2021, employees are compensated in cash by EUROAPI for forfeited shares, the cost of which is reinvoiced to Sanofi: the cash compensation is equivalent to the number of forfeited shares multiplied by the average opening share price of Sanofi shares over the 20 days prior to the initial listing date;

The cash compensation for the 2021 Sanofi performance share plan was settled in May 2024 and reinvoiced to Sanofi for an amount of €2.6 million.

The total amount expensed during the period represented €0.4 million (including payroll taxes).

Sanofi performance share plans are fully settled as of December 31, 2024.

2022 EUROAPI free share plans

On June 3, 2022, EUROAPI's Board of Directors approved free share plans for all employees and certain executives and managers (the Employee free share plan and the Special Management Incentive share plan) in the context of the listing on Euronext. These plans are subject to a service condition.

On May 30, 2022 and June 3, 2022, EUROAPI's Board of Directors approved free share plans for key executives and the Chief Executive Officer (Executive Committee matching performance share plan and CEO matching performance share plan) in the context of the listing on Euronext. These plans are subject to performance and service conditions (see section 2.3 of the Universal Registration Document 2022).

The total amount expensed during the period represented €1.6 million (including payroll taxes).

The Employee free share plan and the Special Management Incentive share plan were settled in June 2024. By decision of June 3, 2024, the Board of Directors carried out a capital increase resulting from the definitive allocation of these free shares to its employees for a total amount of €536,093 as explained in Note 5.11.1.

2022 EUROAPI performance share and stock option plans

On June 3, 2022 EUROAPI's Board of Directors approved the implementation of a long-term incentive plan for the Group's key executives and managers, including the Chief Executive Officer, through free share and stock option plans subject to performance and service conditions. Considering the last estimate of performance and service assumptions, no expense has been booked during the period.

2023 EUROAPI performance share and stock option plans

On June 5, 2023 EUROAPI's Board of Directors approved the implementation of a long-term incentive plan for the Group's key executives and managers, including the Chief Executive Officer, through free share and stock option plans subject to performance and service conditions. In accordance with IFRS 2, an expense equivalent to the fair value of the plans is recognized in profit or loss on a straight-line basis over the vesting period, with a contra-entry to equity. The total amount expensed during the period represented €0.3 million (including payroll taxes).

2024 EUROAPI free shares, performance share and stock option plans

On May 22, 2024 EUROAPI's Board of Directors approved the implementation of a long-term incentive plan for the Group's key executives and managers, including the Chief Executive Officer, through free share, performance share and stock option plans subject to performance and service conditions.

The total amount expensed during the period represented €1.1 million (including payroll taxes).

The principal features of the plans granted are set out below:

	Executive Committee matching performance share plan [c]	CEO matching performance share plan	Performance share plan 2022[d]	Stock option plan 2022	Performance share plan 2023 [e]	Stock option plan 2023	Free share plan 2024	Performance share plan 2024 [f]	Stock option plan 2024
Date granted by the Board	May 30, 2022	June 3, 2022	June 3, 2022	June 3, 2022	June 5, 2023	June 5, 2023	May 22, 2024	May 22, 2024	May 22, 2024
Total number of shares or options granted *(in thousands)*	461.2	181.2	216.3	327.1	357.9	405.4	526.4	602.3	623.0
Vesting period	3 years	3 years	3 years	4 years	3 years	1 to 4 years	2 years	3 years	1 to 4 years
Exercise period	NA	NA	NA	June 3, 2026 to June 3, 2031	NA	June 5, 2024 to June 3, 2032	NA	NA	May 22, 2025 to May 22, 2033
Exercise price	NA	NA	NA	13.91	NA	10.30	NA	NA	3.30
Shares or options delivered or canceled *(in thousands)*	401.6	181.2	64.3	161.9	96.6	190.0	19.0	38.5	152.0
Outstanding shares or options at December 31, 2024 *(in thousands)*	59.6	—	152.0	165.2	261.3	215.3	507.4	563.8	471.0
Share price at grant date in euros [a]	13.45	14.20	14.20	14.20	10.18	10.18	3.30	3.30	3.30
Fair value per share or option in euros [b]	13.18	13.92	13.99	4.51	10.02	3.25	3.27	3.25	1.57

(a) Quoted market price per share at the grant date.

(b) Weighting between fair value determined using the Monte Carlo model and the market price of EUROAPI shares at the grant date, adjusted for expected dividends during the vesting period.

(c) The Executive Committee matching share plan was approved by the Board of Directors on May 30, 2022, based on principles similar to the CEO matching performance share plan as described in the Listing Prospectus with regards to internal performance and external conditions. These include internal performance conditions for 75% of the grant (growth in revenue, Core EBITDA margin and inventory coverage, each representing 25% of the grant) and a Total Shareholder Return (TSR) condition versus a panel of companies and an index, for 25%.

(d) The 2022 performance share plan is subject to internal performance conditions (growth in revenue, core EBITDA margin and inventory coverage).

(e) The 2023 performance share plan is subject to internal performance conditions (growth in revenue, core EBITDA margin and ESG indicators: Electricity from renewable sources and sites ISO certifications).

(f) The 2024 performance share plan is subject to internal performance conditions (CDMO, highly differentiated products and two ESG indicators: carbon footprint of main 30 products and reduction production hazardous waste).

The total amount of share-based payments recognized as an expense in the consolidated income statement amounted to €3.4 million (including payroll taxes) in 2024 against €7.9 million in 2023.

5.12 Lease liabilities

Lease liabilities comprise:

(in € million)	December 31, 2024	December 31, 2023
Non-current lease liabilities	13.2	15.5
Current lease liabilities	5.2	4.5
Total lease liabilities	**18.5**	**20.1**

Total cash outflows on leases (excluding annual lease expense on short-term leases and low-value assets) amounted to €5.5 million for the 12-month period ended December 31, 2024 (of which €5.1 million in repayments of lease liabilities and €0.3 million in interest).

A maturity analysis of lease liabilities as of December 31, 2024 is presented below:

		Future minimum lease payments			
(in € millions)	Total	Less than 1 year	From 1 to 3 years	From 3 to 5 years	More than 5 years
Total lease liabilities as of December 31, 2024	**18.5**	**5.2**	**5.2**	**3.6**	**4.5**
Total lease liabilities as of December 31, 2023	20.1	4.5	6.3	3.4	5.7

5.13 Non-current provisions

ACCOUNTING PRINCIPLE

EUROAPI estimates provisions on the basis of events and circumstances related to present obligations and of past experience of similar situations, and to the best of management's knowledge.

The table below shows movements in non-current provisions:

(in € million)	Provisions for environmental risks [a]	Provisions for pensions and other post-employment benefits	Provisions for other long-term benefits [b]	Other provisions [c]	Total
Balance at December 31, 2023	**29.3**	**71.4**	**31.8**	**26.1**	**158.6**
Additions to provisions	5.0	4.0	0.8	12.9	22.7
Reversals of provisions (utilizations)	—	(1.5)	(3.5)	(3.0)	(8.0)
Reversals of surplus provisions	—	0.2	(0.4)	(0.2)	(0.3)
Transfers [d]	(3.1)	—	—	(1.6)	(4.7)
Net interest related to employee benefits, and discounting effect	(0.1)	2.3	0.4	0.7	3.4
Currency translation differences	(0.3)	(0.2)	—	—	(0.6)
Reclassification Assets/Liabilities held for sale [e]	(0.7)	—	(0.4)	—	(1.1)
Actuarial gains and losses on defined-benefit plans	—	(5.6)	—	—	(5.6)
Balance at December 31, 2024	**30.1**	**70.5**	**28.8**	**35.0**	**164.4**

(a) The non-current portion of the provision for environmental risk amounts to €30.1 million as of December 31, 2024, mainly concerning France and Germany. The current portion of the provision for environmental risk amounts to €8.5 million and is presented in Note 5.13.1.

In 2023, the non-current portion of the provision for environmental risk amounted to €29.3 million, mainly concerning France and Germany. The current portion of the provision for environmental risk amounted to €12.8 million and is presented in Note 5.13.1.

(b) The €28.8 million in this aggregate is mainly composed of seniority bonuses for €13.8 million (o/w €8.6 million in France and €4.7 million in Germany) and €14.7 million of long-term provision for vacation in France.

In 2023, the €31.8 million in this aggregate was composed of seniority bonuses for €15 million (o/w €9.3 million in France and €4.8 million in Germany) and €16.7 million of long-term provision for vacation in France.

(c) This item mainly comprises restoration provisions for leased buildings in Germany (€29.5 million) and provisions for litigation mainly in France, Japan and Italy for €5.6 million.

In 2023, this item mainly comprised restoration provisions for leased buildings in Germany (€24.9 million).

(d) Mainly related to the reclassifications of the current part of provision in other current liabilities (see Note 5.15)..

(e) See Note 5.10

5.13.1 Provision for environmental risks

ACCOUNTING PRINCIPLE

For environmental risks, EUROAPI recognizes a provision where there is a legal or constructive obligation to remediate harm to human health or the environment resulting from contamination at a site, and the cost can be reliably measured. The amount of the provision is a best estimate of future expenditures on environmental remediation plans, based on the costs that EUROAPI believes it will have to incur over an average period not exceeding (other than in exceptional circumstances) ten years.

Sites identified as exposed to environmental risks are permanently monitored. Existing provisions are judged to be adequate based on available information. However, given the uncertainties as to the amount and timing of future expenditures and regulatory changes, provisions for environmental risks may require significant adjustment in future periods.

Provisions for environmental liabilities are recognized in “Cost of sales” if the provision relates to operational sites, and in “Other operating expenses” if the provision relates to non-operational sites.

Where the effect of the time value of money is material, provisions are measured at the present value of the outflow of resources expected to be required to settle the obligation, calculated using a discount rate that reflects an estimate of the time value of money and the risks specific to the obligation.

Discounting effects on provisions are recorded in financial expenses.

The table below shows movements in provisions for environmental risks classified in current and non-current liabilities:

(in € million)	December 31, 2024	December 31, 2023
Balance at beginning of period	**42.1**	**45.4**
Of which:		—
Classified in non-current liabilities	*29.3*	*32.8*
Classified in current liabilities	*12.8*	*12.6*
Additions to provisions	5.0	1.8
Reversals of provisions (utilizations)	(7.3)	(3.5)
Reversals of surplus provisions	—	(1.1)
Discounting effect	(0.1)	(0.8)
Reclassification Assets/Liabilities held for sale [(a)]	(0.8)	—
Currency translation differences	(0.4)	0.2
Balance at end of period	**38.5**	**42.1**
Of which :		
Classified in non-current liabilities	*30.1*	*29.3*
Classified in current liabilities	*8.5*	*12.8*

(a) See Note 5.10

5.13.2 Provisions for pensions and other post-employment benefits

ACCOUNTING PRINCIPLE

Benefits are provided in the form of either defined contribution plans or defined benefit plans.

In the case of defined contribution plans, the cost is recognized immediately in the period in which it is incurred, and equates to the amount of the contributions paid by EUROAPI.

For defined benefit plans, EUROAPI recognizes its obligations to pay pensions and similar benefits to employees as a liability, based on an actuarial estimate of the rights vested or currently vesting in employees, using the projected unit credit method. Estimates are performed at the end of each reporting period, and are based on financial assumptions (such as discount rates and the rate of salary increases) and demographic assumptions (such as life expectancy, retirement age, employee turnover).

In the case of multi-employer defined benefit plans where plan assets cannot be allocated to each participating employer with sufficient reliability, the plan is accounted for as a defined contribution plan, in accordance with paragraph 34 of IAS 19.

Employee benefit obligations are recognized net of the fair value of plan assets.

EUROAPI offers its employees pension plans and other post-employment benefits. The specific features of the plans (benefit formulas, fund investment policy and fund assets held) vary depending on the applicable laws and regulations in each country.

Pension obligations in the two principal countries represented approximately 95.2% of the total value of the defined-benefit obligation as of December 31, 2024. The principles of the main defined benefit plans in those two countries are described below:

France

Lump-sum retirement benefit plans

All EUROAPI employees working in France are entitled, under plans historically offered by Sanofi, to a lump-sum payment on retirement. The amount of that payment depends both on their length of service within the company and on the rights guaranteed by collective and internal agreements. The employee's final salary is used in calculating the amount of these lump-sum retirement benefits. These plans are mandatory in France.

Supplementary pension plan

A few EUROAPI employees working in France are entitled, under the plan historically offered by Sanofi, to a supplementary pension plan that was terminated in 2019, with rights frozen as of December 31, 2019. Rights no longer accrue under the plan after December 31, 2019 and the vesting of a beneficiary's rights remains subject to the service criterion provided for by the plan. The plan is fully funded through an insurance contract which will be used to pay annuities when the beneficiaries retire.

Germany

Top-up defined benefit pension plans

The benefits offered under this pension plan are wholly unfunded (there are no employee contributions and no Contractual Trust Agreement (CTA) as a financing vehicle). The benefits are based on monthly portions. Employees are entitled to receive an annuity under this plan if their salary exceeds the social security ceiling. The amount of the pension is calculated by fictious contributions between 11,5% and 15% of the portion of the salary that exceeds the social security ceiling, and is converted to an annuity by a factor of 20%. The plan also includes disability and death benefits, and represents approximately 31% of the total obligations in Germany.

Sanofi-Aventis plus (SAV plus)

This is a top-up plan that replaces the previous top-up defined-benefit plan. New entrants joining the plan on or after April 1, 2015 contribute fictious amounts to an unfunded account granting fixed and variable interest that is revised every three years. All employees whose salary exceeds the social security ceiling are automatically covered by the plan. The employer's contribution is 15% of the amount by which the employee's salary exceeds the social security ceiling.

Multi-employer plan (Pensionskasse)

This is a defined benefit plan treated as a defined-contribution plan, in accordance with the accounting policies described in this note. Currently, contributions cover the level of annuities. Only the portion relating to the future revaluation of the annuities is included in the defined benefit pension obligation.

Actuarial assumptions used to measure EUROAPI's pension obligation

An actuarial valuation of the obligation was performed with the assistance of independent actuaries as of December 31, 2023 and December 31, 2024. The calculations were based on the following financial and demographic assumptions:

	2024		2023	
	France	Germany	France	Germany
Discount rate [a][b]	3.30%	3.10% to 3.30%	3.15%	3.10% to 3.15%
General inflation rate [c]	2.00%	2.00%	2.10%	2.10%
Retirement benefit indexation	3.20%	2.75%	3.20%	2.85%
Retirement age	63 to 67	63	63 to 67	63
Mortality table	TGH-THF 05	Heubeck RT 2018 G	TGH-THF 05	Heubeck RT 2018 G

(a) The discount rates used were based on market rates for high quality corporate bonds with a duration close to that of the expected benefit payments under the plans. The benchmarks used to determine discount rates were the same for all periods presented.
(b) The rate depends on the duration of the plan.
(c) Inflation for the eurozone is determined using a multi-criterion method.

Sensitivity analysis

The table below shows the sensitivity of the EUROAPI Group's obligations for pensions and other post-employment benefits to changes in key actuarial assumptions as of December 31, 2024:

(in € millions)	Pensions and other post-employment benefits, by principal country - 2024				
Measurement of defined benefit obligation	Change in assumption	France	Germany	Hungary	Italy
Value of defined benefit obligation		**17.2**	**50.6**	**2.9**	**0.4**
Discount rate	-0.5%	18.3	55.5	3.0	0.5
General inflation rate	+0.5%	17.2	59.2	2.9	0.4
Pension benefit indexation	+0.5%	17.2	59.1	2.9	0.4
Mortality table	+ 1 an	17.2	50.6	2.9	0.4

The table below reconciles the net obligation in respect of EUROAPI's pension and other post-employment benefit plans with the amounts recognized in the consolidated financial statements:

	Pensions and other post-employment benefits	
(in € millions)	2024	2023
Measurement of the obligation:		
Beginning of period	71.4	63.4
Service cost	3.9	3.1
Interest cost	2.3	2.3
Actuarial losses/(gains) due to changes in financial assumptions	(3.3)	6.9
Actuarial losses/(gains) due to experience adjustments	(2.3)	0.1
Plan amendments, curtailments or settlements not specified in the terms of the plan	0.2	(1.0)
Benefits paid	(1.5)	(1.0)
Transfers	0.6	(1.9)
Currency translation differences	(0.2)	0.1
Obligation at end of period	**71.1**	**72.0**
Fair value of plan assets:		
Beginning of period	0.6	1.9
Transfers	0.0	(1.3)
Currency translation differences	0.0	0.0
Fair value of plan assets at end of period [a]	**0.6**	**0.6**
Net amount shown in the balance sheet		
Net obligation	70.5	71.4
Effect of asset ceiling	0.0	0.0
Net amount shown in the balance sheet at end of period	**70.5**	**71.4**

(a) Cash funds in euro

The table below shows the net obligation in respect of pension plans and other post-employment benefits by geographical region as of December 31, 2024:

(in € millions)	Pensions and other post-employment benefits by geographical region				
December 31, 2024	**France**	**Germany**	**Hungary**	**Italy**	**Total**
Measurement of obligation	17.2	50.6	2.9	0.4	71.1
Fair value of plan assets	0.6	0.0	0.0	0.0	0.6
Net amount shown in the balance sheet at end of period	**16.6**	**50.6**	**2.9**	**0.4**	**70.5**

The net obligation by geographical region presented as of December 31, 2023 was as follows:

(in € millions)	Pensions and other post-employment benefits by geographical region				
December 31, 2023	**France**	**Germany**	**Hungary**	**Italy**	**Total**
Measurement of obligation	19.5	49.1	3.0	0.4	72.0
Fair value of plan assets	0.6	0.0	0.0	0.0	0.6
Net amount shown in the balance sheet at end of period	**18.9**	**49.1**	**3.0**	**0.4**	**71.4**

The table below shows the service cost for EUROAPI's pension and other post-employment benefit plans, by geographical region as of December 31, 2024:

(in € millions)	Pensions and other post-employment benefits by geographical region				
Service cost for 2024	**France**	**Germany**	**Hungary**	**Other**	**Total**
Current service cost	1.6	2.1	0.2	0.0	3.9
Net interest cost/(income) including administration costs and taxes paid during the period	0.6	1.5	0.2	0.0	2.3
(Gains)/losses related to plan amendments, curtailments or settlements not specified in the terms of the plan	(1.0)	1.3	0.0	0.0	0.2
Expense/(gain) recognized directly in profit or loss	**1.2**	**4.9**	**0.3**	**0.0**	**6.4**

The service cost split by geographical region as of December 31, 2023 was as follows:

(in € millions)	Pensions and other post-employment benefits by geographical region				
Service cost for 2023	**France**	**Germany**	**Hungary**	**Other**	**Total**
Current service cost	1.5	1.9	(0.3)	0.0	3.1
Net interest cost/(income) including administration costs and taxes paid during the period	0.6	1.6	0.2	0.0	2.3
(Gains)/losses related to plan amendments, curtailments or settlements not specified in the terms of the plan	(1.0)	0.0	0.0	0.0	(1.0)
Expense/(gain) recognized directly in profit or loss	**1.1**	**3.5**	**(0.2)**	**0.0**	**4.4**

The table below shows the expected timing of benefit payments under pension and other post-employment benefit plans for the next ten years:

(in € millions)	**France**	**Germany**	**Hungary**	**Other**	**Total**
Estimated benefit payments					
2025	0.1	1.0	0.1	0.0	1.2
2026	0.2	1.4	0.2	0.0	1.8
2027	0.3	1.4	0.3	0.0	2.0
2028	0.2	1.6	0.2	0.0	2.0
2029	0.3	1.8	0.2	0.0	2.3
2030 to 2034	9.2	5.2	1.6	0.2	16.3

5.13.3 Restructuring provisions

ACCOUNTING PRINCIPLE

Restructuring provisions are recognized on the date the obligation arises, i.e., when the EUROAPI Group (i) has a detailed, formal restructuring plan and (ii) has raised a valid expectation in those affected that it will carry out the restructuring.

The table below shows movements in restructuring provisions classified in current and non-current liabilities:

(in € million)	December 31, 2024	December 31, 2023
Balance at beginning of period	**1.4**	**4.0**
Of which:		
• *Classified in non-current liabilities*	—	—
• *Classified in current liabilities*	*1.4*	*4.0*
Change in provisions recognized in profit or loss for the period	8.5	(0.9)
Provisions utilized	(2.7)	(1.7)
Reclassification Assets/Liabilities held for sale [(a)]	(0.1)	—
Currency translation differences	—	—
Balance at end of period	**7.0**	**1.4**
Of which :		
Classified in non-current liabilities	*0.1*	—
Classified in current liabilities	*7.0*	*1.4*

(a) See Note 5.10

The timing of future reversals of provisions as of December 31, 2024 is as follows:

At December 31, 2024		**Benefit payments by period**			
(in € million)	**Total**	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**
Total provisions	**7.0**	**7.0**	**—**	**0.1**	**—**
Germany [(a)]	7.0	7.0	—	0.1	—

(a) In July 2024, a FOCUS-27 detailed social plan has been announced in Germany to employees and their representatives. The provision related to this plan amounts to €5.7 million as of December 31, 2024.

5.14 Trade payables

Trade payables break down as follows:

(in € million)	December 31, 2024	December 31, 2023
Trade payables - third parties	86.8	129.0
Trade payables - related parties	18.1	30.6
Carrying amount	**104.9**	**159.6**

The decrease of trade payables is explained by purchases phasing and better processing of invoices.

5.15 Other current liabilities

Other current liabilities break down as follows:

(in € million)	December 31, 2024	December 31, 2023
Customer contract liabilities [(a)]	37.1	16.3
Current income tax liabilities	0.4	0.3
Taxes payable, other than corporate income taxes	5.2	1.9
Employee-related liabilities	53.2	52.0
Provisions [(b)]	21.7	17.2
Amounts payable for acquisitions of non-current assets	32.6	41.9
Other current liabilities	2.3	9.8
Total	**152.5**	**139.3**

(a) See Note 5.18.

(b) As of December 31, 2024, provisions amount to €21.7 million, and mainly comprise; the current portion of environmental provisions (€8.5 million) and restructuring provisions (€7,0 million). As of December 31, 2023, provisions amounted to €17.2 million, and mainly comprised the current portion of environmental provisions (€12.8 million) and restructuring provisions (€1.4 million).

5.16 Derivative financial instruments

ACCOUNTING PRINCIPLE

Currency derivative instruments used by EUROAPI are not designated as hedges for hedge accounting. They are initially and subsequently measured at fair value, with changes in fair value recognized in the income statement in "Other operating income" or in "Financial income" or "Financial expenses", depending on the nature of the underlying economic item which is hedged. They are recorded in other current assets and liabilities in the statement of financial position.

The table below shows the fair value of derivative instruments as of December 31, 2024:

(in € million)	Non-current assets	Current assets	Total assets	Non-current liabilities	Current liabilities	Total liabilities	Market value at December 31, 2024 (net)	Market value at December 31, 2023 (net)
Currency derivatives								
Operating	—	—	—	—	0.2	0.2	(0.2)	0.1
Financial	—	0.1	0.1	—	0.1	0.1	(0.1)	(0.1)
Total	**—**	**0.1**	**0.1**	**—**	**0.3**	**0.3**	**(0.2)**	**—**

Currency derivatives used to manage operating risk exposures

The table below shows operating currency hedging instruments in place as of December 31, 2024. The notional amount is translated into euros at the relevant closing exchange rate:

December 31, 2024 *(in € millions)*	Notional amount	Mark-to-market
Forward currency sales	18.1	(0.2)
Of which USD	*18.1*	*(0.2)*
Forward currency purchases	10.0	—
Of which HUF	*10.0*	—
Total	**28.1**	**(0.2)**

Currency derivatives used to manage financial exposure

The cash pooling arrangements for foreign subsidiaries outside the eurozone, and some of EUROAPI's financing activities, expose EUROAPI SA (holding company) to financial foreign exchange risk (i.e., the risk of changes in the value of loans and borrowings denominated in a currency other than the functional currency of the lender or borrower).

The table below shows financial currency hedging instruments in place as of December 31, 2024. The notional amount is translated into euros at the relevant closing exchange rate:

December 31, 2024 *(in € million)*	Notional amount	Mark-to-market
Forward currency sales	13.1	(0.1)
Of which GBP	*13.1*	*(0.1)*
Forward currency purchases	35.0	0.1
Of which USD	*4.7*	*0.1*
Of which GBP	*3.6*	—
Of which HUF	*26.6*	—
Total	**48.1**	**(0.1)**

5.17 Debt, cash and cash equivalents

ACCOUNTING PRINCIPLE

The components of cash and cash equivalents shown in the statement of financial position and statement of cash flows reflect the cash held by the EUROAPI Group.

Changes in financial position during the period were as follows:

(in € million)	December 31, 2024	December 31, 2023
Long-term debt	—	—
Short-term debt and current portion of long-term debt	50.6	205.4
Interest rate and currency derivative used to manage debt	0.1	0.1
Total debt	**50.6**	**205.4**
Cash and cash equivalents	**(73.0)**	**(34.5)**
Net debt/(Net cash) [(a)]	**(22.4)**	**171.0**

(a) Net debt does not include (i) EUROAPI UK net cash position which has been reclassified as asset held for sales in 2024 and (ii) lease liabilities, which amount to €18.5 million as of December 31, 2024 and €20.1 million as of December 31, 2023.

The table below shows an analysis of net debt by type:

	December 31, 2024			December 31, 2023		
(in € million)	Non-current	Current	Total	Non-current	Current	Total
Bond issues	—	—	—	—	—	—
Other borrowings	—	50.6	50.6	—	205.4	205.4
Bank credit balances	—	—	—	—	—	—
Interest rate and currency derivative used to manage debt	—	0.1	0.1	—	0.1	0.1
Total debt	**—**	**50.6**	**50.6**	**—**	**205.4**	**205.4**
Cash and cash equivalents	**—**	**(73.0)**	**(73.0)**	**—**	**(34.5)**	**(34.5)**
Net debt/(Net cash)	**—**	**(22.4)**	**(22.4)**	**—**	**171.0**	**171.0**

Cash and cash equivalents include overnight investment facility (liquid short-term investments) amounting to €50.0 million as of December 31, 2024 (compared to €10.6 million as of December 31, 2023).

Net debt includes an amount of €50.6 million drawn under the RCF Loan Agreement, recorded in other borrowings as explained in Note 9.3 (compared to €205.4 million as of December 31, 2023).

The table below shows net debt by interest rate:

(in € millions)		Current	Non-current				
	Total	**2025**	**2026**	**2027**	**2028**	**2029**	**2030 and later**
Floating-rate debt	50.0	50.0	—	—	—	—	—
of which EUR	*50.0*	*50.0*					
% floating-rate	**100%**						
Debt	**50.0**	**50.0**	**—**	**—**	**—**	**—**	**—**
Cash and cash equivalents	73.0	73.0	—	—	—	—	—
of which EUR	*60.2*	*60.2*					
of which USD	*8.9*	*8.9*					
of which HUF	*1.5*	*1.5*					
of which GBP	*0.3*	*0.3*					
of which JPY	*1.6*	*1.6*					
of which CNY	*0.2*	*0.2*					
of which RUB	*0.3*	*0.3*					
% floating-rate	100%						
Net debt/(Net cash)	**23.0**	**23.0**	**—**	**—**	**—**	**—**	**—**

Interest and fees

The applicable margin varies depending on the ratio of consolidated net debt to consolidated Core EBITDA as defined in the RCF Loan Agreement, described in Note 9.3.

5.18 Customer contract liabilities

ACCOUNTING PRINCIPLE

Customer contract liabilities are composed of upfront payments made by EUROAPI customers to finance the initial operations necessary for the fulfillment of contractual obligations and finance the adaptation of the facility. Such payments are advance payments for future services rendered and are recognized as revenue with the same pattern as the delivery of the goods or services.

Customer contract liabilities amounted to €37.1 million as of December 31, 2024, compared to €16.3 million as of December 31, 2023. This €20.9 million increase is mainly due to the capacity reservations from Sanofi for €18.0 million, new CDMO contract liabilities for €8.3 million compensated by 6.2M€ recognized in 2024 net sales.

The contract liabilities breakdown is as follow:

- €8.9 million due to CDMO contracts, mainly in Germany for €4.8 million, (of which €0.6 million from Sanofi);
- €18 million of capacity reservation received from Sanofi in France and in Germany, that will be recognized in turnover over the period 2027-2032 in proportion of the delivery of the APIs (see note 10.2);
- €10.3 million corresponding to advance payments from Sanofi for the modernization of equipment related to API product at Frankfurt site that will be recognized over the period 2025-2027 in net sales in proportion of the delivery of the APIs.

Note 6. Notes to the income statements

6.1 Net sales and other revenues

ACCOUNTING PRINCIPLE

EUROAPI derives a substantial proportion of its revenues from the supply of manufactured or distributed active pharmaceutical ingredients, in particular via its API Solutions business; it also derives revenues (albeit to a lesser extent) from the contract manufacturing of active pharmaceutical ingredients, which involves supplying certain third-party customers with high added value industrial services under CDMO contracts.

Revenue from sales of manufactured or distributed active pharmaceutical ingredients

The bulk of EUROAPI's revenue derives from sales of manufactured or distributed active pharmaceutical ingredients. Sales are presented within "Net sales" in the income statement in an amount that reflects the consideration received in exchange for satisfying performance obligations, when it is highly probable that there will be no revenue reversal. Revenue is recognized when the API product promised under the contract is delivered to the customer.

EUROAPI does not recognize sales returns for any reason other than non-compliance, supported by analyses carried out by the customer on receipt of the product. Products declared as non-compliant by customers are not returned to inventories and recognized in the statement of financial position unless the active ingredients returned can be reprocessed and ultimately resold.

Revenue from CDMO

EUROAPI also supplies high added value industrial services under service contracts. Those services include formulation, galenic and analytical development, quality control, regulatory support, and product life cycle management.

Financial consideration received from those activities are recognized as revenue, once the performance obligations defined at contract inception are satisfied (i.e., when control over the goods and services promised under the contract is transferred to the customer). At the inception of each contract, management determines what goods and services are promised under the contract, and the pattern of transfer to the customer. Revenue from CDMO is recognized on milestones achieved when they are distinct performance obligations in the contacts. Where control is transferred over time, management determines a method for measuring the progress towards transfer, which may be based on inputs (such as costs incurred) or on outputs (by reference to units produced or shipped). If it is not possible to measure progress reliably, EUROAPI recognizes revenue equal to the amount of costs incurred and rebillable to the customer. If a contract is for the supply of active pharmaceutical ingredients, the sale is recognized when the products are physically delivered. Where a contract includes a "stand-ready" performance obligation, EUROAPI recognizes the associated revenue on a straight-line basis over the total duration of the contract.

If a contract includes a significant financing component due to the payment terms exceeding 12 months, that component is taken into account when determining the transaction price and reflected in the amount of revenue recognized. Accordingly, a financial expense is recognized where EUROAPI receives financing, and financial income where EUROAPI grants financing.

Recognizing revenue from contracts with customers in accordance with the IFRS 15 revenue recognition model may require management assumptions and judgments, mainly relating to:

- identify the performance obligations on CDMO contract;
- determine part of revenue in net sales based on projected shipment volumes regarding upfront payment from customers on equipment modernization's related to API products (as explained in Note 5.18);
- measurement of progress towards meeting a performance obligation in contracts where the obligation is transferred to the customer over time, and determination of the amount of revenue to be recognized;
- determination of the duration of the contract and transaction price in cases where the contract allows the customer an extension option or an option to acquire additional goods or services, and the assessment, measurement and recognition of such option rights where material; and
- determination of the quantities specified in the contract, where the contract includes variable or optional quantities.

Advance payments received from customers

Payments received from customers that represent future revenues are recognized within "Other current liabilities"; they are then released to profit or loss once performance of the contract starts, following the same pattern as for the transfer of performance obligations to the customer in line with the approach described above in the section.

Customer contract liabilities are presented in Note 5.18.

Other revenues

Other revenues include activities and services that are not EUROAPI core activities (i.e., not related to the manufacturing and/or distribution of APIs and services provided under CDMO contracts).

Net sales amounted to €911.9 million for the year ended December 31, 2024 (see Note 8.2).

Other revenue amounted to €7.3 million and included mainly:

- Secondary packaging performed in Haverhill for certain Sanofi finished products;
- Quality testing of Sanofi products in the United Kingdom, also handled in Haverhill;
- Incentive from Sanofi for €4.0 million on technical batches to reinforce the manufacturing transfer plan from Sanofi.

6.2 Cost of sales

ACCOUNTING PRINCIPLE

Cost of sales mainly comprises the direct and indirect manufacturing costs of active ingredients sold by EUROAPI. The manufacturing cost of active ingredients sold includes (i) direct costs of materials and solvents used in the manufacturing process; (ii) depreciation expenses corresponding to the normal use of property, plant and equipment and software for manufacturing purposes; and (iii) personnel and other costs directly attributable to production and to site operation.

6.3 Research and development expenses

ACCOUNTING PRINCIPLE

Research and development (R&D) expenses mainly comprise primary expenditures incurred by EUROAPI development platforms relating to in-house projects to develop new products and services or to improve existing products and services before they move into industrial operation.

Government grants relating to research and development projects are recognized in profit and loss to offset the corresponding cost incurred.

(in € million)	December 31, 2024	December 31, 2023
Research and development	(25.8)	(29.6)
Total	**(25.8)**	**(29.6)**

In 2024, the total amount of research and development costs includes (i) €4.5 million of research tax credit in France, UK, Hungary and Germany, compared to €3.6 million in 2023 and (ii) €1.9 million of IPCEI funding as explained in Note 3.2, compared to €0.5 million in 2023.

6.4 Personnel costs

Total personnel costs (other than termination benefits, presented in Note 6.7) include the following items:

(in € million)	December 31, 2024	December 31, 2023
Salaries	(198.0)	(201.6)
Social security charges and defined contribution plan [(a)]	(65.0)	(66.3)
Defined benefit plans, and voluntary and statutory profit-sharing schemes	(23.1)	(11.2)
Stock options and other share-based payment expense [(b)]	(3.4)	(7.9)
Other employee benefits	(6.5)	(16.5)
Total	**(296.0)**	**(303.6)**

(a) In 2024, defined-contribution plan expenses amounted to €6.5 million, stable compared to 2023.
(b) This amount includes payroll costs. See detail of EUROAPI share plans in Note 5.11.

6.5 Other operating income and expenses

ACCOUNTING PRINCIPLE

Other operating income and Other operating expenses mainly include realized and unrealized foreign exchange gains and losses on operating activities and gains and losses on disposals of non-financial assets.

Other operating income and expenses amounted to €2.0 million in 2024, mainly due to foreign exchange losses on operating items, compared with €0.4 million in 2023.

6.6 Impairment of assets

In 2024, the total impact of impairment loss amounts €18.8 million, compared to €226.4 million in 2023. See detail in Notes 5.5 and 5.10.

6.7. Restructuring costs and similar items

ACCOUNTING PRINCIPLE

Restructuring costs correspond to expenses incurred in connection with the transformation or reorganization of the EUROAPI Group's operations and support functions. These costs include collective redundancy plans, compensation awarded to third parties for the early termination of contracts, commitments made in connection with transformation and reorganization decisions, and costs related to the temporary shutdown of sites or production lines associated with such programs.

They also include accelerated depreciation charges arising from closures of production facilities (including leased facilities), and losses on any resulting asset disposals.

In addition, restructuring costs and similar items comprise expenses (both internal and external) incurred in connection with the FOCUS-27 plan.

Restructuring costs and similar items breaks down as follows:

(in € million)	December 31, 2024	December 31, 2023
Employee-related expenses	(12.3)	—
Charges, gains or losses on assets	—	—
Transformation programs and other costs	(80.8)	(13.2)
Total	**(93.1)**	**(13.2)**

Employee-related expenses of €12.3 million include redundancy plan impact announced in EUROAPI Germany and EUROAPI UK and severance payment in connection with the renewal of the Executive leadership team.

The implementation of FOCUS-27 transformation program described in Note 3.2 started in 2024 and triggered idle costs for a total of €68.5 million due to the following events and conditions:

- Vertolaye: in connection with the inventory reduction program, as well as the discontinuation of 2 APIs, leading to the non-use of temporary workers and anticipated closure of some workshops;
- Frankfurt: it has been decided to discontinue 9 APIs. The ramp down of two main workshops has already started to be mothballed with right sizing of the cost structure from 2026 onwards;
- Brindisi: consequently to the refocus on added-value APIs, the site is planned to be divested;
- Haverhill: consequently to the significant decrease in Sanofi's volumes demand for Sevelamer, the Haverhill site is planned to be divested;
- Ujpest: as per the company's strategy to refocus on highly profitable APIs, the site has reorganized activities on one workshop to free-up production capacities around the high margin products.

6.8 Financial income and expenses

ACCOUNTING PRINCIPLE

The cost of debt is composed of drawing interests, fees (commitment fees and utilization fees) and issuance costs of the RCF. Issuance costs are spread over duration of the RCF.

The interest income is mainly composed of revenue linked to overnight investment facility (see Note 5.17).

An analysis of financial income and expenses is presented below:

(in € million)	December 31, 2024	December 31, 2023
Cost of debt [(a)]	(17.3)	(7.7)
Interest income [(b)]	6.0	0.8
Cost of net debt	**(11.2)**	**(6.9)**
Other financial expenses [(c)]	(5.1)	(0.2)
Non-operating foreign exchange gains/(losses)	0.3	1.5
Borrowing costs capitalized on tangible & intangible assets	0.7	0.3
Discounting effect of provisions [(d)]	(0.7)	(0.1)
Net interest cost related to employee benefits	(2.7)	(2.8)
Net interest expense on lease liabilities	(0.3)	(0.3)
Net financial income/(expense)	**(19.2)**	**(8.5)**
Of which financial expenses	**(28.1)**	**(10.9)**
Of which financial income	**9.0**	**2.5**

(a) The cost of debt is linked to the RCF (interests and commitments and utilization fees).
(b) Interest income include €5.8 million of revenue linked to overnight investment facility.
(c) Other financial expenses comprise the transaction costs linked to RCF renewal for €4.8 million.
(d) See detail in Note 5.13.

Note 7. Taxes

Pillar 2

The OECD/G20 Inclusive Framework on base erosion and profit shifting provides for a two-pillar approach (i) to address the tax challenges arising from the digitalization of the global economy through the allocation of profits to market jurisdictions ("Pillar One") and (ii) to ensure that large multinational enterprises pay a minimum level of tax, irrespective of where their registered offices are located or the jurisdictions in which they operate ("Pillar Two").

Pillar Two introduces a global minimum tax at an effective rate of 15% for multinational groups whose global annual revenues exceed €750 million.

On December 15, 2022, the Member States of the European Union unanimously adopted a directive implementing the Pillar Two global minimum tax rules and requiring Member States to implement the directive into their national laws by the end of 2023.

On December 31, 2023, the 2024 Finance Law was enacted in France, introducing the Pillar 2 global minimum tax rules, applicable for financial years beginning on or after December 31, 2023.

EUROAPI is eligible to the safe harbour rules and no top-up tax is required at the end of December 2024.

The EUROAPI Group does not recognize any deferred taxes arising from the implementation of Pillar Two model rules.

The table below shows the allocation of income tax expense between current and deferred taxes:

(in € million)	December 31, 2024	December 31, 2023
Current taxes	(4.0)	(1.4)
Deferred taxes	13.0	54.4
Total	**9.0**	**53.0**

The difference between the effective tax rate (on income before tax and investments accounted for using the equity method) and the standard corporate income tax rate applicable in France is explained as follows:

(in € million)	December 31, 2024	December 31, 2023
Income before taxes	(139.6)	(242.8)
Standard tax rate applicable in France	25.83%	25.83%
Theoretical tax income/(expense)	**36.1**	**62.7**
Impact of permanent differences [(a)]	(6.4)	49.4
Research tax credit	1.1	1.0
Differences in tax rates	1.7	4.2
Impact of non-recognized deferred tax assets [(b)]	(23.9)	(65.6)
Perpetual Hybrid Bond	0.6	—
Other	(0.2)	1.3
Effective tax income/(expense)	**9.0**	**53.0**

(a) Whereas the 2023 amount of permanent differences mainly included the ad hoc impact of the revaluation of the tax value of the Hungarian assets, the 2024 amount includes mainly impacts of remaining share plans, Biano' impairment and several non deductible/taxable items (e.g. attendance fees, limitation of deductibility of net financial expenses).

(b) This impact is mainly related to Italy, UK and Germany considering the medium-term results projections in these countries.

An analysis of the net deferred tax position is presented below:

(in € million)	December 31, 2024	December 31, 2023
Deferred tax assets	189.9	161.1
Deferred tax liabilities	—	(1.6)
Deferred tax assets/(liability)	**189.9**	**159.5**
Unrecognized deferred tax assets	(102.7)	(81.9)
Net deferred tax asset/(liability)	**87.2**	**77.6**

The table below provides an analysis of the net deferred tax position by source:

(in € million)	December 31, 2024	December 31, 2023
Deferred taxes on:		
Consolidation adjustments (intragroup margin in inventory)	(0.1)	0.1
Provisions for pensions and other employee benefits	4.6	5.2
Accrued expenses and provisions deductible at the time of payment	2.9	1.4
Temporary differences on PP&E and intangible assets	51.8	60.6
Tax losses available for carry-forward	20.2	8.4
Other	7.8	1.8
Net deferred tax asset/(liability)	**87.2**	**77.6**

As of December 31, 2024, unrecognized deferred tax assets amounted to €102.7 million, which mostly derives from the following items:

- The deferred tax assets in Italy, Germany and the UK (including those related to the net operating losses and those related to the asset impairment) have not been recognized, considering the medium-term results projections in these countries;
- The deferred tax asset resulting from the step up of the tax value of the assets in Hungary will partly convert into tax losses in the next coming years. Considering the Hungarian domestic tax legislation it is expected that a portion of this DTA would convert into tax losses which would expire before being used (5 years). Therefore, the unrecognized deferred tax assets amounts to €9.7 million as of December 31, 2024.

The tax losses carried forward as of December 31, 2024, amounts to €289 million. These tax losses can be carried forward without time limit, except those incurred in Hungary (€70.7 million). Deferred taxes related to losses available for carryforward amounted to €20.2 million, including €19.3 million in France which are fully recognized, as the tax losses of the EUROAPI French tax group should be fully used in a medium term according to tax results forecasts.

Note 8. Segment information

ACCOUNTING PRINCIPLE

Segment information is prepared on the basis of information communicated to the Chief Executive Officer (CEO). The CEO, who has been designated as the chief operating decision-maker (CODM) of EUROAPI in accordance with IFRS 8 "Operating Segments", makes decisions on EUROAPI's strategy and on the allocation of resources.

EUROAPI has identified a single operating segment that meets the IFRS 8 criteria.

Reporting a single segment is consistent with the EUROAPI Group's cross-functional structure and governance arrangements; it reflects the level at which strategic and operational decisions are made, budgetary planning and resource allocations carried out, and performance measured on the basis of information provided regularly to the CODM.

8.1 Segment results

EUROAPI measures the operating performance of its operating segment on the basis of "Core EBITDA", the key internal performance indicator monitored by the Group.

Core EBITDA is determined by adding the following items back to operating income or loss as determined under IFRS:

1) depreciation and amortization expense (see consolidated statement of cash flows) ;
2) impairment losses charged against intangible assets and property, plant and equipment, net of reversals (see Note 5.5) ;
3) restructuring costs and similar items (see Note 6.7) ;
4) charges to provisions for environmental risks, net of reversals of unused provisions (see Note 5.13) ; and
5) any other amounts relating to other items regarded as unusual in nature or size.

A reconciliation of "Core EBITDA" to "Operating income/(loss)" for the year ended December 31, 2024 is shown below:

(in € million)	December 31, 2024	December 31, 2023
Operating income/(loss) (EBIT)	**(120.4)**	**(234.3)**
(+) Depreciation, amortization and impairment	76.8	302.9
Operating income/(loss) before depreciation, amortization and impairment (EBITDA)	**(43.6)**	**68.6**
(+) Restructuring costs and similar items excluding depreciation, amortization and impairment [(a)]	87.1	12.3
(+) Increase in provisions for environmental risks, net of reversals of surplus provisions	4.9	0.8
(+) Other [(b)]	2.0	11.5
Core EBITDA	**50.4**	**93.1**

(a) See Note 6.7
(b) "Other" for 2024 and 2023 corresponds to the employee share plan, free share plans and forfeited share expenses in connection with the loss of control of the Sanofi group and the initial listing of EUROAPI shares on Euronext as detailed in Note 5.11.

8.2 Additional information

An analysis of net sales by category is provided below:

(In € million)	December 31, 2024	December 31, 2023
API Solutions	663.6	727.5
CDMO	248.3	285.8
Total net sales	**911.9**	**1,013.2**

An analysis of net sales by product type is provided below:

(in € million)	December 31, 2024	December 31, 2023
Large molecules	90.5	76.5
Highly potent molecules	91.0	96.4
Biochemistry molecules derived from fermentation	110.1	184.1
Complex chemical synthesis molecules	620.3	656.2
Total net sales	**911.9**	**1,013.2**

The total net sales of €911.9 million excluding €422.2 million sales to Sanofi (mainly invoiced to several entities located in Europe), are broken down by destination region as follows:

	Geographical split of 2024 net sales, excluding sales to Sanofi							
(in € million)	Total EUROAPI	*of which sales to Sanofi*	Europe	*of which France*	*of which rest of Europe*	North America	Asia-Pacific	Rest of the World
Net sales	911.9	*422.2*	285.0	*77.2*	*207.8*	77.9	114.6	12.2

The analysis of 2023 net sales by geographical region is breakdown as below:

	Geographical split of 2023 net sales, excluding sales to Sanofi							
(in € million)	Total EUROAPI	*of which sales to Sanofi*	Europe	*of which France*	*of which rest of Europe*	North America	Asia-Pacific	Rest of the World
Net sales	1,013.2	*472.5*	287.2	*66.3*	*220.9*	86.3	79.3	87.9

An analysis of 2024 non-current assets by geographical region is breakdown as below:

	December 31, 2024						
(in € million)	Total EUROAPI	Europe	*of which France*	*of which rest of Europe*	North America	Asia-Pacific	Rest of the World
Non-current assets, excluding DTA and other non-current assets :							
- property, plant and equipment	491.3	491.2	*285.4*	*205.9*	—	—	0.0
- Right of use	38.0	37.1	*7.3*	*29.9*	0.2	0.6	0.0
- Goodwill	—	—	—	—	—	—	0.0
- intangible assets	38.1	38.1	*36.2*	*1.9*	—	—	0.0

An analysis of 2023 non-current assets by geographical region is breakdown as below:

	December 31, 2023						
(in € million)	Total EUROAPI	Europe	*of which France*	*of which rest of Europe*	North America	Asia-Pacific	Rest of the World
Non-current assets, excluding DTA and other non-current assets :							
- property, plant and equipment	468.9	468.9	*277.1*	*191.8*	—	—	0.0
- Right of use	37.2	36.2	*8.1*	*28.0*	0.2	0.8	0.0
- Goodwill	4.6	4.6	—	*4.6*	—	—	0.0
- intangible assets	34.2	34.2	*29.4*	*4.8*	—	—	0.0

Note 9. Risk exposure

9.1 Foreign exchange risk

The EUROAPI Group sells in over 80 countries. Group entities are exposed to foreign exchange risk when they enter into transactions in a currency other than their functional currency. Management of exposure to exchange rate fluctuations, including currency hedging policies, is centralized at the level of EUROAPI's finance teams (see Note 5.16).

The consolidated financial statements are presented in euros. The principal currencies other than the euro in which transactions are denominated are the US dollar (USD), Hungarian forint (HUF), pound sterling (GBP) and Japanese yen (JPY).

9.2 Interest rate risk

The only interest rate exposure is that linked to the use of the RCF.

Loans borrowed under the RCF Loan Agreement will bear interest at a EURIBOR-indexed variable rate, plus an applicable margin.

The applicable margin level is reviewed every six months. In the new secured €451M RCF signed on October 10, 2024, the margin varies within a range of 1.35% and 2.10% as a function of the covenant (leverage ratio) defined in Note 9.3.

9.3 Liquidity risk

EUROAPI has set up a new secured RCF Loan Agreement for €451 million, drawable in euros, with an extended maturity till February 26, 2029, which replaced the former one, to manage its liquidity in connection with ordinary operations.

The purpose of the revised RCF Loan Agreement is to finance the Group's general corporate purposes and the FOCUS-27 plan. It is governed by French law. As a general rule, drawdowns are not subject to prior authorization from the Lenders but are subject only to the absence of an early repayment event and the accuracy of the customary representations.

The RCF Loan Agreement contains certain affirmative and negative commitments, subject to the usual exceptions for this type of financing, including:

- The commitment not to divest more than €200 million of consolidated assets (excluding EUROAPI UK and Italy) over the life of the facility;
- The commitment not to make acquisitions exceeding €25 million over the life of the facility;
- Permitted indebtedness: factoring basket of €100 million (with recourse factoring up to €50 million), other financial indebtedness basket of €50 million;
- The commitment not to create certain security interests (pledges);
- The commitment not to enter into any amalgamation, demerger or merger;
- The commitment not to declare, make or pay any dividend;
- The commitment not to amend, vary, novate, supplement, supersede, waive or terminate any term of the Sanofi Subordinated Debt Instrument or grant any consent under the Sanofi Subordinated Debt Instrument without the consent of all the Lenders;
- The commitment not to grant loans to third parties or enter into transactions involving derivatives of a speculative nature;
- A covenant tested every three months on Available Liquidity (including Available Commitments) stipulating that the level is no less than €50 million. On December 31, 2024, available liquidity is €476.2 million (before reclassification of €2.2 million of liquidity of EUROAPI UK to asset held for sale as explained in note 5.10).
- From June 2027 onwards, a covenant tested every six months stipulating that the ratio of total net debt to consolidated core EBITDA may not exceed 4.00. The covenant represents total net debt being defined as the consolidated financial debt less available cash and cash equivalent investments and the consolidated Core EBITDA as disclosed in the financial report of the Group for the relevant testing date adjusted by disapplying IFRS 16;

- It also provides for, inter alia, an event of repayment and/or early cancellation in the event of a change in control of the Company at the request of any lender after a conciliation period of at least 60 days. A change of control would occur in the event that (i) Sanofi ceases to hold, directly or indirectly, on a fully diluted basis, at least 15% of the capital and voting rights of the Company and ceases to hold, directly or indirectly, the right to appoint or dismiss a member of the Board of Directors of the Company, (ii) any person (other than Sanofi) or group of persons acting in concert (unless Sanofi would hold a majority share in such a group), would acquire more than 50% of the voting rights of the Company or (iii) all or a substantial portion of the Group's assets would be sold to a non-Group member (in one or more transactions).

The EUROAPI Group has set up an internal cash pooling arrangement between the parent company and its subsidiaries to centralize the Group's liquidity.

9.4 Customer credit risk

The Group monitors all customer risks (see Note 5.8).

To this end, all customer creations are checked by the credit management department with a financial information tool. The financial assessment of the customer is carried out at least once a year for infrequent customers, and three to four times a year for regular customers, to ensure their financial soundness.

Note 10. Other information

10.1 Subsequent events

None

10.2 Off-balance sheet commitments

Off-balance sheet commitments linked to the Master Carve Out Agreement

In connection with the Preliminary Reorganization Transactions, EUROAPI and Sanofi signed a Master Carve Out Agreement effective October 1, 2021, setting out the general principles and arrangements for transferring the assets and liabilities associated with EUROAPI's activities. This agreement was amended on February 25, 2022.

These agreements set certain limitations on liabilities in respect of the transferred activities and the related assets and liabilities, and certain indemnity undertakings, that impact EUROAPI's consolidated financial statements for the year ended December 31, 2024.

The indemnities granted by Sanofi under the Master Carve Out Agreement are described below.

Certain non-transferred environmental liabilities retained by Sanofi

Sanofi retains the remediation obligation relating to the "Marat" parcel of land situated close to the Vertolaye site in France; only the freehold of that parcel of land was transferred as of October 1, 2021, with the transfer of the operating license contingent on Sanofi completing the remediation work. That undertaking is valid until the earlier of (i) completion of the principal remediation measures as required and attested by the competent authorities, and (ii) the date on which administrative responsibility for the environmental situation at the "Marat" parcel of land is transferred to the EUROAPI Group.

The legal remediation obligation retained by Sanofi, and reflected in the historical financial statements in an amount of €14.6 million, was therefore not transferred to EUROAPI.

Certain regulatory compliance expenditures relating to certain EUROAPI active pharmaceutical ingredients

Sanofi agreed to indemnify EUROAPI with effect from October 1, 2021 for certain expenditures to be incurred in order to achieve regulatory compliance. The indemnity is capped at €15.0 million, and relates to the costs of the "State of the Art" regulatory review of certain active pharmaceutical ingredients as agreed between the parties that fall within the scope of the activities transferred to EUROAPI. That undertaking is valid up to and including September 30, 2025, and constitutes an off balance sheet commitment received by EUROAPI.

In 2024, €4.6 million in "State of the Art" expenses were incurred and reinvoiced to Sanofi.

The remaining off-balance sheet commitment received from Sanofi amounts to €2.8 million.

Certain undertakings in favor of BASF Agri production SAS (BASF)

Sanofi made an undertaking in the form of a €21 million guarantee to indemnify EUROAPI against any loss it may incur in respect of an obligation, under a carve out agreement between BASF and Sanofi dated February 13, 2004 (as amended, in particular by the tripartite agreement dated September 28, 2021) that was transferred to EUROAPI consecutively with the transfer of the Saint-Aubin-lès-Elbeuf site pursuant to the Preliminary Reorganization Transactions, to indemnify BASF for losses incurred as a result of environmental incidents.

This undertaking represents an off-balance sheet commitment received of €21 million as of December 31, 2024 (unchanged compared to December 31, 2023).

Environmental insurance contracted by Sanofi

In accordance with the undertakings made in the Master Carve Out Agreement, EUROAPI is covered by environmental insurance contracted by Sanofi for a 10-year period commencing October 1, 2021, providing coverage of up to €50 million for environmental liabilities not yet identified as of the transfer date and originating prior to implementation of the Preliminary Reorganization Transactions (or in some cases, prior to the EUROAPI initial public offering). The insurance is subject to the customary exclusions for environmental liability cover. The policy, the entire cost of which is borne by Sanofi, was transferred to EUROAPI at the date of the initial public offering; it covers EUROAPI against public liability in respect of pollution and remediation.

This undertaking constitutes an off-balance sheet commitment received. In 2024, this insurance was not used by EUROAPI.

Brindisi Capital expenditure

Sanofi agreed to indemnify EUROAPI in an amount equal to any cost incurred in connection with capital expenditure at EUROAPI Italy's facilities located in Brindisi and pertaining to the repair of the sewage network (process, rainwater and cooling water sewage), provided that the indemnification obligation was (i) only due for the portion of Brindisi capital expenditure above €4 million, which is the amount already included in EUROAPI's Capital Expenditure Plan with respect to such work, and which shall remain borne by EUROAPI and duly evidenced to Sanofi, and (ii) limited to a cap of €4 million in the aggregate and for costs invoiced to or expensed by EUROAPI prior to December 31, 2025.

In 2024, €3.2 million was invoiced to Sanofi by EUROAPI Italy under this agreement.

Off-balance sheet commitments linked to the Global Manufacturing and Supply Agreement

Consistent with their long-established relationship, EUROAPI and Sanofi entered into a Global Manufacturing and Supply Agreement on October 1, 2021 covering active pharmaceutical ingredients, intermediates and other substances, for a five-year term starting from the date of the EUROAPI initial public offering in 2022. The agreement provides for exclusivity of supply of certain active pharmaceutical ingredients, and specifies the pricing terms on which commercial transactions between Sanofi and EUROAPI will be conducted over the entire contractual term.

It contains two price adjustment clauses that generate off-balance sheet commitments:

- A €330.6 million commitment as of December 31, 2024, under the Price Volume Corridor clause: compensates one or the other party in the event of variances above or below specified target levels of revenue for a list of active pharmaceutical ingredients, as defined for an initial three-year period.
  In 2024, €5.4 million were recognized in turnover under this clause;
- A €162.2 million commitment as of December 31, 2024, under the Capacity Reservation clause: compensates EUROAPI for any failure by Sanofi to order the annual quantities reserved, for a specified list of active pharmaceutical ingredients.
  In 2024, €1.3 million was recognized in turnover under this clause.

The Memorandum of Understanding relating to the Global Manufacturing and Supply Agreement with Sanofi (described in note 3.2) generates off-balance sheet commitments for a total of €3 million regarding Lump sum allowance commitment to facilitate EUROAPI's capacity extension project set up.

Minimum available capacity reservation signed with Sanofi in 2024

In the frame of FOCUS-27 plan, EUROAPI and Sanofi have agreed on September 30, 2024, to new terms and conditions related to a mechanism of minimum capacity reservation for the period 2027-2032 on five identified products for a total of €54 million.

As of December 31, 2024, €18 million were recognized in balance sheet in contract liabilities as explained in Note 5.18. Off-balance sheet commitment received from Sanofi related to this agreement amounts to €36 million.

Perpetual subordinated hybrid bond subscribed by Sanofi

As explained in Note 3.2, a €200 million Perpetual Subordinated Hybrid Bond has been subscribed by Sanofi. EUROAPI may decide to defer and capitalize the interest payment on this instrument.

As of December 31, 2024, the off-balance sheet commitment related to the capitalization of the interests amount to €3.5 million.

Other off-balance sheet commitments

- The RCF Loan Agreement, drawable in euros, maturing on February 26, 2029, as described in Note 9.3:

At December 31, 2024

(in € million)	Initial amount	Drawn amount	Net amount
RCF Loan [a]	451.0	50.0	401.0

(a) The new RCF Loan Agreement includes the following securities:
- *Share security over EUROAPI France, EUROAPI Germany and EUROAPI Hungary*
- *Security over intercompany receivables into the pledged companies*

- EUROAPI has received financial guarantees from banks for a total of €2.3 million and has given financial guarantees for €10.4 million.
- Off-balance sheet commitments relating to EUROAPI's operating activities (other than commitments arising from the agreements mentioned above) were as follows:

At December 31, 2024		**Payments due by period**			
(in € million)	**Total**	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**
Leases [a]	0.2	0.1	—	—	0.1
Irrevocable purchase commitments					
- given [b]	278.7	250.0	28.3	0.3	—
- received [c]	(102.2)	(102.2)	—	—	—
Total - net commitments given	**176.7**	**148.0**	**28.3**	**0.3**	**0.1**

(a) This line mainly comprises future lease payment commitments for low value assets and short term leases for which no lease liability was recognized in the statement of financial position as of December 31, 2024.
(b) Irrevocable purchase commitments comprise commitments to suppliers of property, plant and equipment (for €30.9 million) and firm commitments to purchase goods and services under materials supply contracts (for €247.8 million).
(c) This line mainly comprises firm commitments received to purchase goods and services.

10.3 Legal and arbitration proceedings

EUROAPI and other Group companies are involved in litigation, arbitration and other legal proceedings. These proceedings typically relate to commercial, employee-related and tax matters, and to waste disposal and pollution claims. Provisions related to legal and arbitration proceedings are recognized in accordance with the principles described in Note 5.13.

Assessing the risks involves a series of complex judgments about future events. Those assessments are based on estimates and assumptions that have been deemed reasonable by management. EUROAPI believes that the aggregate provisions recorded for the above matters are adequate based upon currently available information.

As of December 31, 2024, EUROAPI was subject to three ongoing major claims: (i) a commercial claim in Japan (see note 5.13); (ii) developments in subcontractor employee-related litigation in Italy dating from June 2010, further to the notification of a civil claim for damages by a service provider (see note 5.13) and (iii) a commercial claim in Italy as effect of the temporary suspension of the production in the of the year 2024. In this last dispute, the Group and its advisors are currently assessing the summons in court (approximately 19 million euros) and considers at this stage that it has not breached its contractual obligations. Thus, EUROAPI has not recorded any provision as of December 31, 2024.

10.4 Number of employees

As of December 31, 2024, the Group had an average of 3,491 employees (excluding apprentices and rated professionalization contracts and including the corporate officer), breaking down as follows:

	December 31, 2024	December 31, 2023
France	1,217	1,212
Germany	811	801
Hungary	1,020	981
Italy	215	217
United Kingdom	189	235
United States	18	19
Japan	15	15
China	6	5
Total	**3,491**	**3,485**

10.5 Compensation of key executives

The table below breaks down by type the compensation of key executives (Board of Directors and Executive Committee members):

(in € millions)	December 31, 2024	December 31, 2023
Short-term benefits	6.0	7.6
Post-employment benefits	0.2	0.3
Termination benefits	2.0	3.4
Share-based payment	0.5	(0.5)
Total recognized in profit and loss [(a)]	**8.7**	**10.8**

(a) Including payroll taxes.

10.6 Related parties

ACCOUNTING PRINCIPLE

Transactions with Sanofi, which has exercised significant influence over EUROAPI since the IPO, or with its subsidiaries, are related party transactions.

Key executives also constitute a related party for EUROAPI. The company did not enter into any transactions with them in 2024. Their compensation is detailed in Note 10.5.

The principal transactions between EUROAPI and Sanofi Group are:

- Sales of active pharmaceutical ingredients to Sanofi for use in the production of medicines sold by Sanofi;
- Purchases of active pharmaceutical ingredients produced by Sanofi and distributed by EUROAPI;
- Purchases of opiate-based active ingredients manufactured by Sanofi at its Aramon site; and
- Production and development services provided by Sanofi to EUROAPI, or by EUROAPI to Sanofi;
- Transactions covered by the Master Carve Out Agreement;
- Perpetual Deeply Subordinated Hybrid Bond (TSSDI) has been issued by EUROAPI for a total amount of €200 million subscribed by Sanofi (see Note 5.11.2).

(in € million)	December 31, 2024	December 31, 2023
Net sales and other revenues [(a)]	429.5	478.1
Purchases and other expenses	(106.6)	(150.6)

(a) Price adjustment clauses were activated over the period, including raw material pass-through and partial energy price sharing as defined in the Global Manufacturing and Supply Agreement with Sanofi. In addition, 2024 net sales include €29 million related to the Memorandum of Understanding agreed with Sanofi in February 2024, primarily Buserelin's stock clearance.

In 2023, the Company negotiated with Sanofi the cancellation of the performance clause from 2023 until the end of the Manufacturing and Supply Agreement and benefited from an additional incentive of €12 million associated with performance obligations.

(in € millions)	December 31, 2024	December 31, 2023
Trade receivables (Note 5.8)	60.8	89.0
Trade payables (Note 5.14)	(18.1)	(30.6)
Other non-current assets (Note 5.6) [(a)]	2.1	6.6
Other current assets (Note 5.9) [(b)]	7.0	14.1

(a) In 2024, his line comprises €2.1 million receivable in respect of the indemnity provided by Sanofi against environmental liabilities arising on non-operational sites

In 2023, this line comprises €4.0 million receivable in respect of the indemnity provided by Sanofi against environmental liabilities arising on non-operational sites and €2.6 million receivable in respect of the long-term portion of cash compensation for Sanofi forfeited shares.

(b) In 2024, this line comprises mainly €5.9 million receivable for the current portion of the indemnity provided by Sanofi against environmental liabilities arising on non-operational sites.

In 2023, this line comprises €6.3 million receivable in respect of indemnities provided by Sanofi resulting from various agreements signed in 2021 (mainly operating excellence costs) and €7.8 million for the current portion of the indemnity provided by Sanofi against environmental liabilities arising on non-operational sites.

10.7 Audit fees

	Ernst & Young				BDO			
	2024		2023		2024		2023	
(in € millions)	Amount	%	Amount	%	Amount	%	Amount	%
Audit: statutory audit of annual and consolidated financial statements	0.9	85.0%	0.9	88.5%	0.4	100%	0.4	100.0%
Certification of sustainability information	0.2	15.0%	0.0	0.0%	0.0		0.0	0.0%
Services other than statutory audit and certification of sustainability information	0.0	0.0%	0.1	11.5%	0.0	0%	0.0	0.0%
Audit-related services	0.0		0.0	0.0%	0.0		0.0	0%
Tax	0.0		0.0	0.0%	0.0		0.0	0%
Others	0.0		0.1	0.0%	0.0		0.0	0%
Total	**1.0**	**100%**	**1.0**	**100%**	**0.4**	**100%**	**0.4**	**100%**

10.8 List of companies included in the scope of consolidation

Fully consolidated companies.

The subsidiaries controlled by EUROAPI and making up the Group's scope of consolidation as of December 31, 2024 are listed below by region:

		Group ownership interest		Group voting interest	
Europe		**At December 31, 2024**	**At December 31, 2023**	**At December 31, 2024**	**At December 31, 2023**
EUROAPI	France	100	100	100	100
EUROAPI France SAS	France	100	100	100	100
EUROAPI H1	France	100	100	100	100
EUROAPI H2	France	100	100	100	100
EUROAPI H3	France	100	100	100	100
EUROAPI Italy S.r.l	Italy	100	100	100	100
FRANCOPIA	France	100	100	100	100
EUROAPI Hungary	Hungary	100	100	100	100
EUROAPI Germany	Germany	100	100	100	100
BIANO	Germany	100	100	100	100
EUROAPI UK Limited	United Kingdom	100	100	100	100

North America		**At December 31, 2024**	**At December 31, 2023**	**At December 31, 2024**	**At December 31, 2023**
EUROAPI US	United States	100	100	100	100

Asia		**At December 31, 2024**	**At December 31, 2023**	**At December 31, 2024**	**At December 31, 2023**
EUROAPI Japan G. K.	Japan	100	100	100	100
EUROAPI Shanghai	China	100	100	100	100

4.6.2 Statutory Auditors' report on the consolidated financial statements

Year ended December 31, 2024

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of Euroapi,

Opinion

In compliance with the engagement entrusted to us by decisions of the sole shareholder, we have audited the accompanying consolidated financial statements of Euroapi for the year ended December 31, 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from January 1st, 2024 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Revenue recognition

See Notes "6.1 Net sales and other revenue" and "5.18 Customer contract liabilities" to the consolidated financial statements

Risk identified	Our response
As at December 31, 2024, total net sales of your Group amounted to M€ 911.9. As indicated in Note 6.1 to the consolidated financial statements, it includes: ◦ revenue coming from sales of active pharmaceutical ingredients as part of its "API Solutions" business. Sales are recognized upon physical delivery of the products for an amount that considers contractual price adjustments clauses, in particular those included in multi-year agreements with the Sanofi group; ◦ revenue deriving from its contract manufacturing of active pharmaceutical ingredients, for which your Group provides industrial services under "CDMO" contracts. Revenue is recognized (i) upon physical delivery of the products when the contract is for the supply of active pharmaceutical ingredients, (ii) upon milestones achievement when they are distinct contractual performance obligations, or (iii) over time when control of goods and services is transferred to customers over time. We considered the recognition of revenue as a key audit matter given (i) numerous contracts with customers including custom manufacturing agreements, and (ii) the use of judgements and estimates by Management.	Within the scope of our audit, we gained an understanding of the internal control procedures relating to the revenue recognition process. For a sample of significant contracts, we: ◦ assessed the compliance with applicable accounting standards of the accounting treatment used; ◦ analyzed Management's estimates and assumptions, in particular those related to determination of the level and pattern of recognition of revenue from CDMO contracts, based on the contractual terms and specific facts and circumstances; In particular, for a sample of contracts with the Sanofi Group, we: ◦ analyzed the accounting treatment of contract amendments signed during the period; ◦ tested, on a sample basis, the valuation of price adjustments defined in certain contracts, based on the contractual terms and the latest communications between the parties. Finally, we tested, on a sample basis, the accuracy of revenue recorded based on documents supporting revenue recognition (shipping documents, customer acceptance certificates, etc.) depending on the pattern of transfer of goods and services to customers.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

Format of preparation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

On the basis of our work, we conclude that the preparation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (*Autorité des marchés financiers*) agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Euroapi by decision of the sole shareholder dated March 18, 2022 for BDO Paris and October 1, 2021 for ERNST & YOUNG Audit.

As at December 31,2024, BDO Paris was in the third year and ERNST & YOUNG Audit was in the fourth year of total uninterrupted engagement (including three years since the securities of the Company were admitted to trading on a regulated market).

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company'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 it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards 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 made on the basis of these consolidated financial statements.

As specified in Article L. 821-55 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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.
- Obtains 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 internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.

- Assesses the appropriateness of Management's 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 Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 821-27 to L. 821-34 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris et Paris-La Défense, March 28, 2025

The Statutory Auditors
French original signed by

BDO Paris
Eric Picarle

ERNST & YOUNG Audit
Pierre Chassagne

4.7 STATUTORY FINANCIAL STATEMENTS

4.7.1 2024 statutory financial statements

Balance sheet – Assets

(in € millions)	Notes	Gross	Depreciation, amortization and impairment	Net at Dec. 31, 2024	Net at Dec. 31, 2023
Concessions, patents, licenses, software, rights and other		0.3		0.3	0.3
Intangible assets		**0.3**		**0.3**	**0.3**
Property, plant and equipment					
Other equity investments		1,850.4	(683.8)	1,166.6	1,166.6
Other non-current financial assets		1.3	(0.3)	1.0	1.2
Non-current financial assets	**3.1/3.3**	**1,851.7**	**(684.1)**	**1,167.7**	**1,167.9**
TOTAL NON-CURRENT ASSETS		**1,852.0**	**(684.1)**	**1,167.9**	**1,168.1**
Trade receivables		14.4	—	14.4	8.0
Other receivables		241.1	(5.0)	236.2	245.1
Receivables	**3.2/3.3**	**255.5**	**(5.0)**	**250.6**	**253.2**
Treasury instruments [(a)]		50.1	—	50.1	10.6
Cash and cash equivalents		2.2	—	2.2	2.3
TOTAL CURRENT ASSETS		**307.8**	**(5.0)**	**302.8**	**266.0**
Deferred debt issuance costs		1.3		1.3	1.4
Bond redemption premiums		—			
Unrealized foreign exchange losses		3.0		3.0	2.9
TOTAL ASSETS		**2,164.1**	**(689.1)**	**1,475.0**	**1,438.5**

(a) Treasury instruments correspond to the overnight investment facility for €50.1 million as of December 31, 2024. In the statutory financial statements published as of December 31, 2023, this item was included in the line "cash and cash equivalents" for €10,6 million.

Balance sheet – Equity and liabilities

(in € millions)	Notes	December 31, 2024	December 31, 2023
Share capital		95.6	95.1
Additional paid-in capital		1,861.4	1,861.9
Retained earnings		(750.4)	(51.6)
NET INCOME/(LOSS) FOR THE PERIOD		**(48.1)**	**(698.9)**
TOTAL SHAREHOLDERS' EQUITY	**3.4**	**1,158.4**	**1,206.5**
TOTAL OTHER EQUITY	**3.5**	**200.0**	**0.0**
Provisions for liabilities	3.6	3.0	2.9
Provisions for charges			
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES	**3.6**	**3.0**	**2.9**
Bank borrowings		54.1	205.4
Other borrowings and financial liabilities		51.1	17.2
Trade payables		4.9	3.2
Tax and employee-related liabilities		0.4	1.4
Other liabilities		0.1	0.4
LIABILITIES	**3.7**	**110.6**	**227.5**
TOTAL LIABILITIES		**110.6**	**227.5**
Unrealized foreign exchange gains		3.1	1.6
TOTAL EQUITY AND LIABILITIES		**1,475.0**	**1,438.5**

Income statement

(in € millions)	Notes	December 31, 2024	December 31, 2023
Sales of services	4.1	7.4	—
Net sales	**4.1**	**7.4**	**—**
Operating subsidies		—	—
Reversals of depreciation, amortization and provisions, expense transfers		—	0.1
Other income		0.0	0.3
TOTAL REVENUE (I)		**7.4**	**0.4**
Other purchases and external charges	4.1	(15.2)	(6.4)
Other taxes		(0.2)	(0.2)
Wages and salaries		(1.1)	(1.2)
Social security charges		0.0	(0.4)
Other expenses		(0.5)	(1.0)
TOTAL OPERATING EXPENSES (II)		**(17.0)**	**(9.3)**
NET OPERATING INCOME/(LOSS) (I-II)		**(9.6)**	**(8.9)**
Other interest income		19.0	11.9
Reversals of provisions and impairment, expense transfers		48.0	3.7
Foreign exchange gains		3.0	2.4
Financial income	**4.2**	**70.1**	**17.9**
TOTAL FINANCIAL INCOME (V)		**70.1**	**17.9**
Depreciation, amortization, impairment and additions to provisions		(5.3)	(695.6)
Interest and similar expense		(99.2)	(11.9)
Foreign exchange losses		(3.9)	(2.6)
TOTAL FINANCIAL EXPENSES (VI)	**4.2**	**(108.4)**	**(710.2)**
NET FINANCIAL INCOME/(EXPENSE) (V-VI)	**4.2**	**(38.3)**	**(692.2)**
RECURRING INCOME/(LOSS) BEFORE TAX (I-II+III-IV+V-VI)		**(47.9)**	**(701.1)**
On corporate actions		0.2	0.3
TOTAL NON-RECURRING INCOME (VII)		**0.2**	**0.3**
On corporate actions		(0.7)	(0.8)
TOTAL NON-RECURRING EXPENSES (VIII)		**(0.7)**	**(0.8)**
NET NON-RECURRING INCOME/(EXPENSE) (VII-VIII)		**(0.5)**	**(0.5)**
Employee profit-sharing (IX)			
Income tax expense (X)	4.3	0.3	2.8
TOTAL INCOME (I+III+V+VII)		**77.7**	**18.6**
TOTAL EXPENSES (II-IV+VI+VIII+IX+X)		**(125.8)**	**(717.5)**
NET INCOME/(LOSS)		**(48.1)**	**(698.9)**

Notes to the statutory financial statements at December 31, 2024

Note 1. Summary of significant accounting policies

The Company's corporate name is EUROAPI.

The balance sheet at December 31, 2024 (before appropriation of earnings), shows total assets of €1,475.0 million. The income statement shows a loss of €48.1 million.

The financial statements cover the twelve-month period from January 1, 2024 to December 31, 2024.

The notes and tables below are an integral part of the annual financial statements.

Accounting policies

The financial statements for the year ended December 31, 2024 have been prepared in accordance with the provisions of the French Commercial Code *(Code de commerce),* notably articles L.123-12 to L.123-28, with rule no. 2014-03 of June 5, 2014 issued by the French accounting standard-setter *(Autorité des normes comptables* – ANC) as amended by rule no. 2015-06 of November 23, 2015 and all subsequent rules, and with the opinions issued by the French accounting advisory committee *(Comité de la réglementation comptable* – CRC).

The financial statements have been prepared and presented in accordance with the generally accepted rules applicable in this respect and in compliance with the principle of prudence and the underlying assumptions of going concern, consistency and the accrual basis of accounting.

Assets and liabilities are stated on a historical cost basis.

Only material information has been disclosed and all amounts are expressed in millions of euros, unless otherwise specified.

Equity investments and other long-term investments

Investments in subsidiaries and associates are recognized at their cost or transfer value.

They are tested for impairment at each period-end, to verify that their carrying amount does not exceed value in use. Value in use is estimated based on several criteria, including the investee's equity and its adjusted net asset value as estimated using the discounted cash flows method or based on observable inputs, when available (share price, expected sale price in the case of subsidiaries held for sale), or based on analyses performed by internal or external experts.

If an investment's value in use is less than its carrying amount, an impairment loss is recognized for the difference (with the exception of treasury shares recorded under long-term investments and held for cancellation). Additions to and reversals of impairment of investments in subsidiaries and associates are recognized in financial income and expense.

The value in use determined by the Group is generally equal to the present value of the future cash flows expected to be derived from the equity investments and based on the following:

- Cash flow projections are taken from the long-term plan prepared each year and reflect changes in volumes, prices, direct costs and investment in the period, determined based on contracts and activities and in line with past data and expected changes over the period covered by the long-term plan;
- This plan covers the year in progress and the next four years, with an extrapolation period of cash flow estimates. This period is representative of the average duration of the Group's long-term contract portfolio and its short-term activities;
- Terminal values are calculated based on discounted forecast flows for the last year of the long-term plan, after extrapolation. These flows are determined for each equity investment based on a perpetual growth rate mainly founded on long-term inflation;
- These terminal values are calculated based on discount rates and perpetual growth rates reflecting the country or the geographic area of the equity investment;
- A discount rate (weighted average cost of capital, WACC) is determined corresponding to the Consumer Healthcare index, equal to the risk-free rate plus a risk premium weighted for country-specific risks. A risk premium is included in the calculation of the weighted average cost of capital of entities located in countries outside the eurozone. The discount rates estimated by management for each equity investment therefore reflect current market assessments of the time value of money and the country-specific risks to which the equity investment is exposed, with the other risks reflected in the expected future cash flows from the assets. These rates are updated by an independent expert once a year.

Receivables

Receivables are stated at face value. An impairment loss is recognized when an asset's realizable value falls below its carrying amount.

Perpetual bonds

Perpetual subordinated bonds (TSSDI) are recorded as other equity. The commitment is recorded at its historical value. The repayment of these securities is at the discretion of the issuer, EUROAPI.

All transaction costs related to the TSSDI were immediately recorded as expenses in their entirety.

The interest on the TSSDI is recognized as financial expenses, in return for the accrued interest account in the liabilities, over time.

Provisions

A provision is recognized for any present obligation to a third party arising from a past event that can be measured reliably, and that corresponds to an identifiable risk.

Non-recurring income and expenses

Non-recurring income and expenses include one-off items that do not arise from the Company's ordinary activities.

Foreign currency transactions

Assets denominated in a foreign currency are translated using the exchange rate at the recognition date or, where applicable, the hedging rate if the hedge was arranged prior to their acquisition. Any expenses incurred in arranging hedges are also included in the acquisition cost.

Payables, receivables and cash and cash equivalents denominated in foreign currency are translated at the exchange rate in force at the end of the reporting period. Any resulting foreign exchange gains or losses are recorded in the balance sheet under unrealized foreign exchange gains and losses.

A provision for risks is set aside for the full amount of unrealized foreign exchange losses that are not offset, in accordance with the applicable regulations.

Derivative financial instruments

The Company uses derivative financial instruments to limit exposure to changes in exchange rates on commercial and financial transactions denominated in foreign currency.

Accordingly, the Company uses the following instruments to hedge against the risk of changes in exchange rates:

- spot and forward purchases/sales;
- interest rate swaps.

EUROAPI hedges its foreign exchange risk in full on highly probable trade receivables and payables denominated in foreign currency. The overall risk is hedged by entity and by currency. All hedges are held by the parent company, which transfers to the subsidiaries the impact of hedging transactions concerning them on a monthly basis.

EUROAPI also hedges its foreign exchange risk on financial transactions in full.

The Company does not use financial instruments for speculative purposes.

The Company applies ANC rule no. 2015-05 on forward financial instruments and hedging transactions, applicable since January 1, 2017. For risks that are not transferred to subsidiaries, income and expenses arising from these instruments are recognized in the income statement symmetrically with the income and expenses incurred on the underlying hedged items. In accordance with the applicable accounting standards, unrealized gains and losses on derivative instruments are recognized in the hedging reserve and are offset against foreign exchange gains or losses on the underlying hedged items.

Note 2. Significant events of the year

Change in governance

On December 9, 2024, EUROAPI announced the appointment of David Seignolle as Chief Executive Officer and Emmanuel Blin as Chair of the Board.

FOCUS-27: short and long-term financing

EUROAPI has initiated different short and long-term financing actions:

- On October 10, 2024, EUROAPI announced the agreement with Sanofi on a €200 million investment though a Perpetual Subordinated Hybrid Bond (see Note 3.5), upon the completion of a new secured €451 million Revolving Credit Facility with a maturity in February 2029 (see Note 3.7).

Lock-up extended until December 2025 for Sanofi and EPIC BpiFrance

On February 28, 2024, EUROAPI announced that Sanofi and EPIC BpiFrance have agreed to extend the duration of their lock-up until December 2025.

EUROAPI share-based payments

On May 22, 2024, the Board of Directors granted several new stock option plans, performance shares and free shares. Detailed information concerning the terms and conditions of these plans and the financial impacts on the consolidated financial statements is presented in Note 5.4.

Capital increase

By decision of June 3, 2024, the Board of Directors carried out a capital increase resulting from the definitive allocation of free shares to its employees for a total amount of €536,093.

Note 3. Notes to the balance sheet

3.1. Non-current financial assets

Changes in non-current financial assets in gross value

(in € millions)	Opening balance	Increase	Decrease	Closing balance
Other equity investments	1,850.4	—	—	1,850.4
Other non-current financial assets	1.5	0.7	0.9	1.3
Non-current financial assets	**1,852.0**	**0.7**	**0.9**	**1,851.8**

Equity investments

At December 31, 2024, the gross amount of equity investments held by EUROAPI totaled €1,850.4 million.

Liquidity agreement

Purchases and sales under the liquidity agreement in 2024 were as follows:

- Acquisition of 2,187,281 shares for €8.9 million;
- Sale of 2,041,261 shares for €8.7 million.

At December 31, 2024, a total of 361,610 shares were held under the liquidity agreement, representing all of the treasury shares held by EUROAPI. The carrying amount of the shares was €1.0 million, including a depreciation of unrealized capital loss of €0.3 million (determined at a price corresponding to the difference between the average acquisition price of the shares and the closing price at December 31, 2024). The net cash position under the liquidity agreement was €1.8 million at the reporting date.

Subsidiaries and affiliates

Detailed information on each entity:

	Share capital	Equity (excluding share capital)	Interest held	Net income/ (loss) for the year [b]	Book value of equity investments (gross)	Book value of equity investments (net)	Loans and advances	Guarantees granted [a]	Dividends received [b]	Turnover (without VAT) for the year [b]
EUROAPI UK LTD	0.1	3.7	100%	(7.7)	91.1	—	9.6	—	—	40.9
EUROAPI HUNGARY KFT	1.8	596.6	100%	(36.5)	758.9	568.8	(26.7)	—	—	171.3
EUROAPI US INC	—	9.2	100%	0.8	10.6	10.6	(4.8)	—	—	15.9
EUROAPI ITALY SRL	5.0	10.9	100%	(39.6)	77.1	—	(1.9)	1.2	—	33.3
EUROAPI SHANGHAI LTD	—	0.1	100%	—	—	—	—	—	—	—
EURL FRANCOPIA	18.2	102.4	100%	0.5	132.5	132.5	(10.8)	—	—	97.0
SAS EUROAPI France	146.1	182.5	100%	(35.3)	426.4	359.3	211.8	—	—	439.6
EUROAPI GERMANY GMBH	1.0	77.3	100%	(23.2)	339.3	80.9	9.0	0.2	—	271.3
EUROAPI JAPAN	0.7	15.1	100%	0.4	14.5	14.5	—	—	—	15.9
EUROAPI H1	—	—	100%	—	—	—	—	—	—	—
EUROAPI H2	—	(4.8)	100%	(4.4)	—	—	5.0	—	—	—
EUROAPI H3	—	—	100%	—	—	—	—	—	—	—
TOTAL	**173.0**	**993.0**		**(144.9)**	**1,850.4**	**1,166.6**	**191.4**	**1.4**	**—**	**1,085.1**

(a) See note 5.6.
(b) Amounts converted at the closing or average rate of December 31, 2024 for countries out of the Eurozone.

3.2 Current assets

Breakdown of receivables by maturity

At December 31, 2024, total gross receivables amounted to €255.5 million, breaking down as follows by maturity:

(in € millions)	Gross	Due in less than one year	Due in more than one year
Current receivables	**255.5**	**255.5**	**—**
Trade receivables	14.4	14.4	—
Accrued income	0.8	0.8	—
Current accounts with subsidiaries [(a)]	240.3	240.3	—

(a) This item includes current account with subsidiaries in application of cash pooling and tax consolidation group agreements.

3.3 Impairment of assets

(in € millions)	Opening balance	Increases	Decreases	Closing balance
Non-current financial assets	(684.1)	(0.3)	0.3	(684.1)
Receivables	(47.9)	(5.0)	47.9	(5.0)
Total	**(731.9)**	**(5.3)**	**48.1**	**(689.1)**

EUROAPI performed impairment tests on each of its investments by comparing their net carrying amount to their value in use.

The main assumptions used to assess the value in use are as follows:

CGU	Discount rate	Perpetual growth rate
France	8.3 %	2 %
Germany	8.3 %	2.8 %
Italy	8.3 %	— %
Hungary	9.9 %	3 %

The rates determined in 2024 for asset depreciation are in line with those used in 2023.

At the end of December 31, 2024, EUROAPI is in advance negotiation in the sale of EUROAPI UK. In this frame, a fair value of EUROAPI UK has been estimated, which resulted in maintaining the impairment of the investments in this company booked in 2023.

Equity investments impairment

As of December 2024, the investments in EUROAPI H2 have been fully impaired for an amount of 1 000 euros following the depreciation of the investments held by this subsidiary in BianoGMB's company.

Current accounts receivables impairment

Impairment tests have led:

- to the impairment on current account with EUROAPI H2 for €5.0 million, following the depreciation of the investments held by this subsidiary in BianoGMB's company;
- to the release of the impairment on current account with EUROAPI Italy S.r.l recognized in 2023 for €43.9 million. Debt waivers have been recorded in the item "interests and similar expense" of the financial result for €78.4 million;
- to the release of the impairment on current account with EUROAPI UK Limited for €4.0 million.

3.4. Shareholders' equity

Share capital

At December 31, 2024, the Company's share capital is composed of 95,589,777 shares with a par value of €1.00.

(in €)	Number	Par value
Number of shares comprising the share capital at January 1	95,053,684	1.00
Shares issued during the year	536,093	1.00
Shares redeemed during the year	0	0.00
Number of shares comprising the share capital at December 31	95,589,777	1.00

Statement of changes in equity

(in € millions)	Opening balance	Appropriation of net income/(loss)	Increases	Decreases	Closing balance
Share capital [(a)]	95.1		0.5		95.6
Additional paid-in capital [(a)]	1,861.9			(0.5)	1,861.4
Retained earnings	(51.6)	(698.9)			(750.4)
Net income/(loss) for the period	(698.9)	698.9		(48.1)	(48.1)
Total shareholders' equity	**1,206.5**	**—**	**0.5**	**(48.6)**	**1,158.4**

(a) See Note 2.

3.5. Other equity

Perpetual Hybrid Bond subscribed by Sanofi

In October 2024, the Group issued a Perpetual Deeply Subordinated Hybrid Bond for a total amount of €200 million subscribed by Sanofi.

The characteristics of the instruments are:

- No maturity date;
- The hybrid bond is carrying an 8.113% annual coupon until the first reset date, scheduled for February 2029 and callable after 5 years;
- Absence of mandatory repayment. On any interest payment date, EUROAPI may decide to defer the interest payment, subject to certain conditions, including the absence of dividend payment or share repurchases.

This non dilutive instrument is presented in other equity for €200 million.

Transaction costs linked to this operation have been recorded in the item “Other purchases and external charges” in the income statement for an amount of €2.8 million (see Note 4.1).

The interests are recognized in the item “Financial expenses” in the income statement in counterpart of “Other borrowings and financial liabilities” for €3.5 million in 2024 (see Note 3.7).

3.6. Provisions for liabilities and charges

Schedule of provisions

(in € millions)	Opening provisions	Increases	Reversals	Closing provisions
Litigation	—	—	—	—
Fines and penalties	—	—	—	—
Foreign exchange losses	2.9	0.1	—	3.0
Pension and other benefit obligations	—	—	—	—
Other provisions for liabilities and charges	—	—	—	—
Total	**2.9**	**0.1**	**—**	**3.0**

3.7. Liabilities

Breakdown of liabilities by maturity

At December 31, 2024, liabilities amounted to €110.6 million, breaking down as follows by maturity:

(in € millions)	Gross	Due in less than one year	Due between one and five years	Due in more than five years
Bank borrowings(*), of which:				
- due within one year at inception [1]	54.1	54.1		
- due beyond one year at inception				
Other borrowings and financial liabilities [2]	51.1	47.6		3.5
Trade payables	4.9	4.9		
Tax and employee-related liabilities	0.4	0.4		
Amounts payable on non-current assets and other				
Other liabilities	0.1	0.1		
Total	**110.6**	**107.1**	**0**	**3.5**
(1) Of which RCF Loan	*50.0*	*50.0*		
(2) Current accounts with subsidiaries	*47.3*	*47.3*		
(2) Of which TSSDI coupons	*3.5*			3.5

Characteristics of the new RCF credit contract

EUROAPI has set up a new secured RCF Loan Agreement for €451 million, drawable in euros, with an extended maturity till February 26, 2029, which replaced the former one, to manage its liquidity in connection with ordinary operations.

The purpose of the revised RCF Loan Agreement is to finance the Group's general corporate purposes and the FOCUS-27 plan. It is governed by French law. As a general rule, drawdowns are not subject to prior authorization from the Lenders but are subject only to the absence of an early repayment event and the accuracy of the customary representations.

The RCF Loan Agreement contains certain affirmative and negative commitments, subject to the usual exceptions for this type of financing, including:

- the commitment not to divest more than €200 million of consolidated assets (excluding EUROAPI UK and Italy) over the life of the facility;
- the commitment not to make acquisitions exceeding €25 million over the life of the facility;
- permitted indebtedness: factoring basket of €100 million (with recourse factoring up to €50 million), other financial indebtedness basket of €50 million;
- the commitment not to create certain security interests (pledges);
- the commitment not to enter into any amalgamation, demerger or merger;
- the commitment not to declare, make or pay any dividend;
- the commitment not to amend, vary, novate, supplement, supersede, waive or terminate any term of the Sanofi Subordinated Debt Instrument or grant any consent under the Sanofi Subordinated Debt Instrument without the consent of all the Lenders;
- the commitment not to grant loans to third parties or enter into transactions involving derivatives of a speculative nature;
- A covenant tested every three months on Available Liquidity (including Available Commitments) stipulating that the level is no less than €50 million. On December 31, 2024, available liquidity is €476.2 million;
- From June 2027 onwards, a covenant tested every six months stipulating that the ratio of total net debt to consolidated core EBITDA may not exceed 4.00. The covenant represents total net debt being defined as the consolidated financial debt less available cash and cash equivalent investments and the consolidated Core EBITDA as disclosed in the financial report of the Group for the relevant testing date adjusted by disapplying IFRS 16;

- It also provides for, inter alia, an event of repayment and/or early cancellation in the event of a change in control of the Company at the request of any lender after a conciliation period of at least 60 days. A change of control would occur in the event that (i) Sanofi ceases to hold, directly or indirectly, on a fully diluted basis, at least 15% of the capital and voting rights of the Company and ceases to hold, directly or indirectly, the right to appoint or dismiss a member of the Board of Directors of the Company, (ii) any person (other than Sanofi) or group of persons acting in concert (unless Sanofi would hold a majority share in such a group), would acquire more than 50% of the voting rights of the Company or (iii) all or a substantial portion of the Group's assets would be sold to a non-Group member (in one or more transactions).

Accrued expenses

(in € millions)	**Amount**
Provision on bank borrowing and loan	4.0
Invoices not received	1.6
Provision for bonuses	0.3
Provision for social security charges	0.1
Other expenses	0.1
Total	**6.1**

Note 4. Notes to the income statement

4.1. Operating expenses and revenue

The revenue item amounts to €7.4 million as of December 31, 2024 and is linked to restructuring costs expensed on the company and re-invoiced to its subsidiaries.

The other purchases and external charges item amounts to €15.2 million as of December 31, 2024 and is mainly linked to managements fees and to refinancing costs (TSSDI and RCF renewal).

4.2. Financial income and expenses

(in € millions)	2024	2023
Other interest income [(a)]	19.0	11.9
Reversals of provisions and expense transfers [(b)]	48.0	3.7
Foreign exchange gains	3.0	2.4
Total financial income	70.1	17.9
Financial amortization and provision expense [(b)]	(5.3)	(695.6)
Interest and similar expense [(c)]	(99.2)	(11.9)
Foreign exchange losses	(3.9)	(2.6)
Total financial expenses	(108.4)	(710.2)
Net financial income/(expense)	(38.3)	(692.2)

(a) This aggregate amounts to €19.0 million as of December 31, 2024 and is mainly composed of:

- *€13.1 million of financial interests invoiced to its subsidiaries under the cash pool agreement;*
- *€5.9 million of interests received on overnight investments.*

In 2023, this aggregate amounted to €11.9 million as of December 31, 2023 and was mainly composed of:

- *€11.2 million of financial interests invoiced to its subsidiaries under the cash pool agreement;*
- *€0.7 million of interests received on overnight investments.*

(b) During fiscal year 2024, EUROAPI depreciated the receivables in current account with EUROAPI H2 for €5.0 million and released the depreciation of receivables in current account with EUROAPI Italy S.r.l for an amount of €43.9 million and with EUROAPI UK limited for €4.0 million (see Note 3.3).

During fiscal year 2023, EUROAPI depreciated its investments shares and receivables in the current account for €644.6 million and €47.9 million respectively.

(c) During fiscal year 2024, this item amounts to €99.2 million and is mainly composed of:

- *€78.4 million linked to three debt waivers to its subsidiary EUROAPI Italy S.r.l, granted in 2024 (€43.9 million on March 28, 2024, €15.4 million on June 25, 2024 and €19.1 million on December 18, 2024);*
- *€15.5 million of interests and commissions linked to RCF;*
- *€3.5 million of interests linked to TSSDI coupons (as described in Note 3.5).*

During fiscal year 2023, EUROAPI granted three financial support packages to its subsidiary EUROAPI Italy S.r.l. (€1.7 million on June 27, 2023, €1.3 million on October 23, 2023 and €1.4 million on December 15, 2023).

4.3. Income tax

Changes in the future tax liability

The underlying tax position, based on a corporate income tax rate of 25%, shows a future tax receivable of €0.8 million (excluding the payment of any social charges on profits).

(in € millions)	Amount
Deferred tax liabilities	
Unrealized foreign exchange losses at December 31, 2024	3.0
A. Total deferred tax liability	**3.0**
Deferred tax assets	
Foreign exchange provisions	3.0
Unrealized foreign exchange gains at December 31, 2024	3.1
B. Total deferred tax assets	**6.1**
C. Tax loss carryforwards	
D. Long-term capital losses	
Estimated amount of the future receivable	**0.8**

Income tax – Tax consolidation

Since January 1, 2023, EUROAPI and its French subsidiaries have formed a tax consolidation group, as provided for in Articles 223 A to 223 U of the French Tax Code *(Code général des impôts).*

In accordance with Article 223 A of said Code, as head of the tax group, EUROAPI is solely liable for the payment of corporate income tax and any additional levies on profits.

The tax consolidation agreement stipulates that, for each financial year, each member of the tax group is liable for the corporate income tax and any additional levies on taxable profit, calculated based on its own net income and determined as if it had not opted for tax consolidation, as well as any additional levies on profit or distributions payable, and for which the parent company may be liable, less any deductions that the member of the tax group would have been able to apply in the absence of tax consolidation. Any member of the tax group that records a tax loss will have no claim on the parent company in this respect.

In 2024, the individual tax result of EUROAPI is a profit of €33.9 million. The tax result of the tax integration group presents a loss of €8.3 million. As a result, no tax was recorded for the year 2024.

A research tax credit is also noted for SAS EUROAPI France, a subsidiary of EUROAPI, of €2.8 million for the year 2024.

Income tax – Pillar 2

Pillar 2 is a global tax reform introducing a global minimum tax rate of 15% for MNEs with revenues exceeding €750 million.

The global minimum tax would be charged as a “top-up tax” in the tax jurisdiction of the parent company, or as the case may be, locally. This reform is entering in force in 2024 in all the European countries.

The Group is eligible to the safe harbour rules and no top-up tax is required at the end of December 2024.

Note 5. Other information

5.1. Subsequent events

None

5.2. Headcount

Average headcount: 1 management employee (*cadre*).

5.3. Compensation of members of the Board of Directors

During fiscal year 2024, EUROAPI paid a gross total amount of €0.6 million to the members of the Board of Directors.

5.4. Share based payment and stock options

EUROAPI free share plans

On June 3, 2022, EUROAPI's Board of Directors approved free share plans for all employees and certain executives and managers (the Employee free share plan and the Special Management Incentive share plan) in the context of the listing on Euronext. These plans are subject to a service condition.

On May 30, 2022 and June 3, 2022, EUROAPI's Board of Directors approved free share plans for key executives and the Chief Executive Officer (Executive Committee matching performance share plan and CEO matching performance share plan) in the context of the listing on Euronext. These plans are subject to performance and service conditions (see section 2.3 of the Universal Registration Document).

During the first half of 2024, the Board of Directors carried out a capital increase resulting from the definitive allocation of free shares approved in 2022 to employees (see Note 2 above).

On May 22, 2024, EUROAPI's Board of Directors approved free share plan for the Group's key executives and managers, including the Chief Executive Officer.

EUROAPI performance share and stock option plans

On June 3, 2022, EUROAPI's Board of Directors approved the implementation of a long-term incentive plan for the Group's key executives and managers, including the Chief Executive Officer, through free share and stock option plans subject to performance and service conditions.

On June 5, 2023, EUROAPI's Board of Directors approved the implementation of a new long-term incentive plan for the Group's key executives and managers, including the Chief Executive Officer, through free share and stock option plans subject to performance and service conditions.

On May 22, 2024, EUROAPI's Board of Directors approved the implementation of a new long-term incentive plan for the Group's key executives and managers, including the Chief Executive Officer, through free share and stock option plans subject to performance and service conditions.

The principal features of the plans granted are set out below:

	Executive Committee matching performance share plan[b]	CEO matching performance share plan	2022 performance share plan[c]	2022 stock option plan	2023 performance share plan[d]	2023 stock option plan	Plan d'actions gratuites 2024	Performance share plan 2024 [e]	Stock option plan 2024
Date granted by the Board	May 30, 2022	June 3, 2022	June 3, 2022	June 3, 2022	June 5, 2023	June 5, 2023	May 22, 2024	May 22, 2024	May 22, 2024
Total number of shares or options granted *(in thousands)*	461.2	181.2	216.3	327.1	357.9	405.4	526.4	602.3	623.0
Vesting period France	3 years	3 years	3 years	4 years	3 years	1 to 4 years	2 years	3 years	1 to 4 years
Exercise period				June 3, 2026 to June 3, 2031		June 5, 2024 to June 3, 2032			May 22, 2025 to May 22, 2033
Exercise price				13.91		10.3			3.30
Shares or options canceled	401.6	181,2	64.3	161.9	96.6	190.0	19.0	38.5	152.0
Outstanding shares or options at December 31, 2024	59.6	—	152.0	165.1	261.3	215.3	507.4	563.8	471.0
Share price at grant date in euros[a]	13.45	14.20	14.20	14.20	10.18	10.18	3.30	3.30	3.30

(a) Quoted market price per share at the grant date.

(b) The Executive Committee matching share plan was approved by the Board of Directors on May 30, 2022, based on principles similar to the CEO matching performance share plan as described in the Listing Prospectus with regards to internal performance and external conditions. These include internal performance conditions for 75% of the grant (growth in revenue, Core EBITDA margin and inventory coverage, each representing 25% of the grant) and a Total Shareholder Return (TSR) condition versus a panel of companies and an index, for 25%.

(c) The 2022 performance share plan is subject to internal performance conditions (growth in revenue, core EBITDA margin and inventory coverage).

(d) The 2023 performance share plan is subject to internal performance conditions (growth in revenue, core EBITDA margin and ESG indicators).

(e) The 2024 performance share plan is subject to internal performance conditions (CDMO, highly differentiated products and two ESG indicators: carbon footprint of main 30 products and reduction production hazardous waste).

5.5. Pension obligations

Not applicable for EUROAPI

5.6. Off-balance sheet commitments

RCF Agreement

Details of the RCF Loan Agreement, which is drawable in euros and matures on February 26, 2029, are provided below:

At December 31, 2024 *(in € million)*	Initial amount	Drawn amount	Net amount
RCF Loan [(a)]	451.0	50.0	401.0

(a) The new RCF Loan Agreement includes the following securities:
- *Share security over EUROAPI France, EUROAPI Germany and EUROAPI Hungary*
- *Security over intercompany receivables into the pledged companies*

Commitments to subsidiaries

At December 31, 2024, off balance sheet commitments related to the Group's operating activities were as follows:

At December 31, 2024 *(in € millions)*	Total	Payments due by period Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Irrevocable purchase commitments					
• given	1.4		1.2		0.2
• received					
Total - net commitments given	**1.4**		**1.2**		**0.2**

In compliance with its VAT obligations, Euroapi Italy filed its annual VAT return for 2022 in May 2023, then filed a corrected return in November 2023 reporting excess output VAT of €1.1 million charged by the Company.

The Italian tax authorities enjoined Euroapi Italy to refund the excess amount over a three-year period, together with interest of €75 000, making a total of €1.2 million.

Pursuant to parent-subsidiary rules, Euroapi SA is standing surety for the payment of Euroapi Italy's debt.

4.7.2 Statutory Auditors' report on the statutory financial statements

Year ended December 31, 2024

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of Euroapi,

Opinion

In compliance with the engagement entrusted to us by decisions of the sole shareholder, we have audited the accompanying financial statements of Euroapi for the year ended December 31, 2024.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2024 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from January 1st, 2024 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of investments in subsidiaries

See paragraph "Equity investments and other long-term investments" of "Note 1. Summary of significant accounting policies" and Note "3.3 Impairment of assets" to the financial statements.

Risk identified	Our response
As at December 31, 2024, the net carrying amount of investments in subsidiaries is recorded in the balance sheet of your Company for a total amount of M€ 1,166.6, i.e. more than 79% of total assets. Investments in subsidiaries are recognized at their cost or transfer value. They are tested for impairment at each period end, and are impaired when their value in use, estimated in accordance with the methods described in the notes to the financial statements, is lower than their carrying amount. As presented in Note 3.3 to the financial statements, your Company recognized new impairment losses of equity investments for an amount of K€ 1 leading to a cumulated impairment of M€ 683.8 as at December 31, 2024. We considered that the valuation of investments in subsidiaries constitutes a key audit matter due to the materiality of these assets in the financial statements, and Management's use of estimates and assumptions to determine their value in use.	Our audit procedures notably consisted in, with the assistance of our valuation specialists: ◦ obtaining an understanding of processes and analyses performed by Management for the purpose of these valuations; ◦ verifying the arithmetical accuracy of the model used to determine values in use; ◦ analyzing the main assumptions used to determine values in use, in particular through: ◦ interviews with Management and relevant executives; ◦ reconciliation of cash flow projections with the strategic plan approved by your Board of Directors; ◦ comparison with the data used for previous impairment tests as well as the historical performance of subsidiaries; ◦ analyzing discount rates and long-term growth rates used, considering our own calculation and available market data; ◦ performing sensitivity analyses on the main assumptions used. Finally, we assessed the appropriateness of the information disclosed in the notes to the financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code (*Code de commerce*).

Information relating to Corporate Governance

We attest that the section of the management report on Corporate Governance sets out the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (*Code de commerce*) relating to the remuneration and benefits received by, or allocated to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled thereby, included in the consolidation scope. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (*Code de commerce*), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Format of preparation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the preparation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (*Autorité des marchés financiers*) agree with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Euroapi by decision of the sole shareholder dated March 18, 2022 for BDO Paris and October 1, 2021 for ERNST & YOUNG Audit.

As at December 31, 2024, BDO Paris was in the third year of total uninterrupted engagement and ERNST & YOUNG Audit was in the fourth year of total uninterrupted engagement (including three years since the securities of the Company were admitted to trading on a Regulated Market).

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company'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 it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards 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 made on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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.
- Obtains 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 internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements.
- Assesses the appropriateness of Management's 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 Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 821-27 to L. 821-34 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris et Paris-La Défense, March 28, 2025

The Statutory Auditors

French original signed by

BDO Paris
Eric Picarle

ERNST & YOUNG Audit
Pierre Chassagne

4.7.3 Five-year financial summary (data provided pursuant to Article R. 225-102 of the French Commercial Code)

(In € millions)	31/12/2023	31/12/2022	31/12/2021	31/12/2020	31/12/2019
SHARE CAPITAL AT YEAR-END					
Share capital	95,1	94,5	90,0	0,2	
Number of existing ordinary shares	95,053,684	94,549,488	90,000,000	150,000	
RESULTS OF OPERATIONS FOR THE FISCAL YEAR					
Pre-tax revenues	0,0	0,6	0,0	0,0	
Earnings before tax, employee profit-sharing, amortization and provisions	(9,7)	(5,7)	(2,9)	0,0	
Coporate income tax	(2,8)	0,0	0,0	0,0	
Earnings after tax, employee profit-sharing, amortization and provisions	(698,9)	(46,5)	(5,1)	0,0	
Dividends paid	0,0	0,0	0,0	0,0	
EARNINGS PER SHARE					
Earnings before tax, employee profit-sharing, amortization and provisions	(0,1)	(0,1)	(0,0)	0,0	
Earnings after tax, employee profit-sharing, amortization and provisions	(7,4)	(0,5)	(0,1)	0,0	
Net dividend per share	0,0	0,0	0,0	0,0	
PERSONNEL					
Average headcount during the fiscal year	1,0	1,0	1,0	0,0	
Total payroll and employee benefits	1,6	1,6	0,9	0,0	

Euroapi - Vertolaye (France)

5

SUSTAINABILITY STATEMENT NFPS

5.1 GENERAL INFORMATION

The present corporate social responsibility report follows for the first year the Corporate Sustainability Reporting Directive (the “CSRD”).

This directive was adopted on December 14, 2022 as part of the EU Commission’s Action Plan on Financing Sustainable Growth to achieve the objectives of the European Green Deal.

The Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022 has been partially transposed into French law by an ordinance dated December 6, 2023 and harmonized with the corporate social responsibility obligations framework, notably within the French Code of commerce.

EUROAPI is part of the first set of "sector agnostic” standards that was adopted by the European Commission on July 31, 2023 and should report according to the standards that have been established by the European Financial Reporting Advisory Group (the “EFRAG”) from January 1, 2024.

This report refers to other chapters of this Universal Registration Document (URD) by incorporation by reference:

- Chapter 1 presents the Group and its business model;
- Chapter 2 presents the Group’s Governance, including skills and expertise of the Board of Directors in the field of ESG; The integration of sustainability-related performance (including climate-related targets) within incentive schemes is also to be found in the section 2.3 of this URD;
- Chapter 3 presents the Group’s main risks and its risk management framework

Identity

The Group is the result of a reorganization of part of the Sanofi group’s activities in the development, manufacture, marketing and distribution of APIs. Its listing as a company on the regulated market of Euronext Paris took place on May 6, 2022.

With more than 150 years of experience in the API market, the Group is composed of six chemical manufacturing sites and development centers equipped with state-of-the-art technology, all located in Europe (Vertolaye and Saint-Aubin-lès-Elbeuf in France, Frankfurt in Germany, Budapest in Hungary, Brindisi in Italy and Haverhill in the United Kingdom) and since 2023 a R&D center in Gera, Germany.

Thanks to a customer oriented structure, these European sites oversee the commercialization and marketing of EUROAPI’s products around the world.

On December 31, 2024, the Group employed around 3,430 people. With approximately 200 APIs, EUROAPI offers one of the largest portfolios in the industry, addressing a wide range of consumers (Rx patients, OTC consumers, animals) and providing coverage for more than 80 countries.

With more than €900 million in sales in 2024, EUROAPI is a leader in small molecules APIs, and our strong innovation and R&D capabilities allow us to accelerate our development in more complex molecule segments through CDMO activities.

Vision

EUROAPI is focused on reinventing active ingredient solutions to sustainably meet customers’ and patients’ needs around the world.

Mission

Every day, we are hard at work developing, manufacturing and supplying active ingredient solutions for our healthcare partners around the world. Drawing on a combination of scientific excellence, industrial expertise and wide ranging technologies, we deliver solutions that meet the highest quality, social and environmental standards – all while pursuing our efforts to ensure stakeholder satisfaction.

Our aim is to become Europe’s leading API company by reliably delivering high-quality APIs. EUROAPI is a global leader in small molecule APIs. As a player in innovation and R&D, we are able to accelerate development in more complex-molecule segments through our contract development and manufacturing organization (CDMO) activities.

Our commitment to sustainability

The Group believes that sustainable growth and performance go hand in hand with the deployment of an ambitious Environmental, Social and Governance (ESG) strategy embedded in its vision and mission.

ESG is about integrating stakeholder expectations into the Group's strategy, facilitating the identification of growth opportunities, positioning the company in a competitive landscape, and improving its risk management.

EUROAPI's ESG strategy supports its business purpose, and is aligned with its vision, strategy, and culture.

EUROAPI places non-financial performance at the heart of its development strategy and its corporate culture.

EUROAPI's ESG strategy is aligned with the 17 United Nations Sustainable Development Goals (SDGs). More specifically, drawing on the company's added value and its business model, it contributes to five key SDGs.

EUROAPI has developed a robust ESG organization and governance arrangements, and, in line with its ESG reporting framework, its performance will be reported each year in its sustainability statement that is audited by an independent third party.

5.1.1 Methodology note on data reporting

General basis for preparation of sustainability statements

Considering the novelty and complexity of this new set of regulations (aka "CSRD"), EUROAPI wants to raise attention to the following contextual elements:

- notwithstanding any uncertainties highlighted, the sustainability statement was prepared and presented in accordance with the requirements of the ESRS and applicable legislation;
- a better understanding of the requirements may be available when additional implementation guidance or Q&A will be available;
- estimates may be refined in future reporting periods when more relevant information becomes available;
- there may be limited information to assess some industry benchmarks and these may only emerge as the number of reporters increases and reporting practices become more established;
- internal control practices related to sustainability reporting are being further strengthened;
- comparatives progressively available after the first year of reporting would make the information more useful in applying the materiality assessment process. It is expected that the materiality assessment process will be refined over time.

Unless indicated otherwise, the scope taken in consideration for the sustainability statement is identical to the scope considered for financial statements.

The list of the companies included in the scope of financial consolidation is presented in note 10.8 of section 4.6 "Consolidated Financial Statements" of this Universal Registration Document.

The sustainability statement covers EUROAPI's manufacturing operations, as well as our non-industrial sites (commercial sites, HQ) in some cases (see table below). It covers information regarding the upstream, including Tier 1 suppliers (in our value chain), and the downstream value chain that were identified as material during the analysis of impacts, risks and opportunities within the double materiality assessment.

Biano site, acquired in 2023, is not included in the environmental statement section (ESRS E), neither in the Health & Safety section of the social section (ESRS S1).

Compared to the rest of the activities of the Group, Biano does not have a significant impact on the sustainability statement (21 employees in 2024). It is a CDMO focusing on small-scale, early-phase (pre-clinical and phase 1), complex and customized projects, based in Gera, Germany. It produces small quantities of API for early phase research and development.

Reporting	Coverage
Health & safety at work	100% of the own workforce (employees, interims and subcontractors, working on site) excluding Biano, HQ and commercial sites
Human resources	100% of employees (including Biano, HQ and commercial offices), except when mentioned
Environment	Environmental reporting covers our six production sites with exception for scope 3 greenhouse gas emissions, that also include the HQ, commercial offices and Biano

In the (rare) cases of a different coverage for specific data points, it is stated within the relevant section of the sustainability statement.

Disclosures in relation to specific circumstances

Events and circumstances that have (or might have) influenced the present sustainability statement:

- The strengthening and the streamlining of the Group's Executive Committee (Press releases 04/09/2024; 05/13/2024; 12/09/2024);
- The launch of EUROAPI's new strategic plan FOCUS-27 and its financing, (PR 10/10; 15/10; 26/06; 06/06) - having no significant change on its ESG strategy;
- The presentation and content of this report differ from previous years. They are based on the requirements of the European Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

Value Chain Estimates

The present sustainability statement takes into consideration our value chain: starting with our Tier 1 suppliers, upstream, up to the patients, downstream.

Most of our greenhouse gas (GHG) emissions from the value chain (scope 3) are estimated based on volume (mass) purchased and emission factors by raw materials, and purchase expenditures for services and capital goods.

Sources of uncertainty associated with estimates and results

Uncertainties can arise from the quality of the data regarding the value chain (such as GHG emission factors). We are using the lastest Ecoinvent database v3.10 to limit uncertainties. We updated our emissions factors for the past years.

Other results presented in the report are not subject to high level of measurement uncertainty.

The information collection and calculation methodology is specified in the methodology below in this section.

EUROAPI did not use the option to omit specific pieces of information corresponding to intellectual property, know-how or results of innovation. Likewise, the Option allowed by Member State to omit disclosure of impending developments or matters in course of negotiation has been used.

Change in the preparation of information and revision of figures disclosed in preceding period

In order to comply with the CSRD and ESRS requirements, several KPIs calculation methodology were revised in 2024.

Overall, all environmental data are disclosed on a full year basis, on real data for the major part. A change *vs.* 2023 disclosure, which was on rolling quarter to Q3 N-1 of year of disclosure). Specification is mentioned if done on estimation (*e.g.* pollution data, December data is estimated). Therefore all data, with the exception of solvents and Volatile Organic Components (VOC), that were already disclosed on full year basis, have also been updated on the historical data.

The solvent data were updated as in the past years as an additional product was included in the scope for Frankfurt.

In addition, the group had initially set the GHG emission reduction target to 30% by 2030 *vs.* 2020 as baseline year. From this year, the Group decided to reset our GHG emissions reduction target against baseline year 2022, date of listing of EUROAPI and a representative year in terms of activity. This target related to direct CO_2 emissions from owned or controlled operations (scope 1) and indirect CO_2 emissions from the generation of purchased or acquired energy such as electricity, steam, heating and cooling, consumed by the Group (scope 2). EUROAPI also seized the opportunity to review the GHG emissions methodology, as an on-going fine-tuning year after year, with main changes relating to scope 3 calculation:

- Update of emission factors that are secondary data provided by public and acknowledge publications. This information is updated regularly, resulting in historical data updates.

Scope 2 calculations have been updated with revised emission factors for purchased steam for our Budapest and Frankfurt sites.

This may result in differences between figures disclosed in preceding period and revised comparative figures.

metric tons of CO_2e	2023	Previous methodology 2023
Total GHG emissions - location-based	**637,310**	**N/A**
Total GHG emissions - market-based	**631,870**	**796,765**
Scope 1 GHG emissions	60,846	63,086
Location-based scope 2 GHG emissions	41,066	N/A
Market-based scope 2 GHG emissions	35,626	28,614
Scope 3 GHG emissions	535,398	705,065
1. Purchased goods and services	355,896	397,812
2. Capital goods	13,522	16,086
3. Fuel and energy-related activities	18,393	29,648
4. Upstream transportation and distribution	15,665	23,719
5. Waste generated in operations	40,770	144,505
6. Business travel	464	996
7. Employee commuting	6,829	6,237
8. Upstream leased assets	N/A	N/A
9. Downstream transportation and distribution	N/A	N/A
10. Processing of sold products	82,900	76,235
11. Use of sold products	N/A	N/A
12. End-of-life treatment of sold products	960	9,828
13. Downstream leased assets	N/A	N/A
14. Franchises	N/A	N/A
15. Investments	N/A	N/A
Total GHG Intensity - location based GES (t CO_2/ €M)	**699**	**N/A**
Total GHG Intensity - market based GES (t CO_2/ €M)	**693**	**N/A**

Water consumption calculation was updated according to the CSRD definition, therefore the portion of water used that is returned to the original water source after being withdrawn (water withdrawal) is not considered as consumed. Evaporated water is considered as consumed water in EUROAPI's activity. The calculation methodology has been updated on historical data.

Methodologies

Environmental indicators

Environmental data are consolidated for all Group companies with an industrial activity, specifically the six industrial sites located in Europe, that are also fully consolidated for financial reporting purposes.

In order to assess environmental impact at group level, the scope of environmental reporting also includes sales and administrative sites for certain indicators when available. Generally speaking, the environmental impacts of these sales and administrative sites are considered marginal when compared to industrial sites. Data pertaining to the Group's sales and administrative sites were factored into the calculation of scope 3 GHG emissions.The Group applies environmental reporting standards to ensure the consistency and reliability of indicators across operations. These standards set out the methodologies, definitions, calculation methods and emission factors to be used. The Group also uses standard data collection tools.

The SHERPA system is used to collect and consolidate environmental data for the Group's six industrial sites.

Most environmental data are collected on a quarterly basis, with the exception of solvent consumption and VOC emissions, collected annually.

Data are reported for the full year ending December 31, 2024.

Certain environmental data, notably data required for the calculation of scope 3 GHG emissions, are collected by the department concerned using different systems, and are consolidated for reporting purposes.

GHG indicators

CO_2 emissions associated with the Group's activities follow the GHG Protocol methodology.

Direct emissions (scope 1) include emissions from the use of natural gas, fuels and refrigerants at the Group's six industrial sites. Emissions from electricity sold are subtracted from the Group's emissions. Scope 1 does not currently include emissions from VOC deemed to be non-material (est. < 2% of total scopes 1&2 GHG emissions).

Indirect emissions (scope 2) are those from the generation of energy such as electricity or steam by external suppliers, purchased by the Company and are calculated using relevant emission factors. Emission factors are obtained from databases published by the International Energy Agency (IEA), and the Department for Environment, Food and Rural Affairs (DEFRA), and are updated annually for our six industrial sites. Emissions generated by the production of steam are calculated based on site-specific factors or estimated using the Group's own internal standards.

Indirect emissions (scope 3) that occur in the Group's value chain primarily include emissions associated with purchased goods and services, waste disposal and the processing of sold products:

- purchased goods and services (category 1) is calculated based on quantities (mass) purchased for raw materials and intermediates;
- waste generated in operations (category 5) is calculated based on quantities and type of waste generated and type of treatment. For 2024 figures, the methodology slightly changed by removing the weight of water and salts mixed with solvent as their incineration does not release GHG, the only impact being the energy involved in heating up these components (water and salts). Therefore the methodology take solvent quantity + 10%; and
- processing of sold products (category 10) is calculated based on quantities sold.

Emission factors used to calculate scope 3 emissions are obtained from official databases including those published by Ecoinvent, the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA) and the Department for Environment, Food and Rural Affairs (DEFRA).

Although the Group continuously makes efforts to improve the reliability of the data related to its scope 3 emissions, a certain degree of uncertainty remains.

Unlike scope 1 and 2 emissions, changes in scope 3 emissions from one year to the next are due to the updated methods of calculation or to the quality of the data available and not necessarily to a variation in performance.

According to the GHG protocol, certain scope 3 categories do not apply to the Group's business activity or are accounted for under other emissions categories. These categories include:

- Category 8 (Upstream leased assets): associated emissions are included in scope 1 and 2 calculations for energy use;
- Category 9 (Downstream transportation and distribution): all transportation and direct distribution to EUROAPI customers are included in Category 4;
- Category 11 (Use of sold products): in the pharmaceutical industry, impact of sold products is concentrated on medical devices and propellant gases in inhalers. The majority of EUROAPI APIs are formulated in solid forms and their manufacturing impact is included in Category 10;
- Category 13 (Downstream leased assets): this category is not relevant to the Group's business activities;
- Category 14 (Franchises): the Group does not operate franchises; and
- Category 15 (Investments): the Group does not have non-consolidated subsidiaries or participations.

The update and change in the methodology for scope 3 for 2024 is described above in the part: "Change in the preparation of information and revision of figures disclosed in preceding period".

Waste

The distinction between hazardous and non-hazardous operational waste is made according to European regulations, for the sites based in the EU and according to local regulations for the other countries (United Kingdom).

Waste containing solvents is reported as hazardous waste.

Hazardous waste is defined as any waste having one or more of the hazardous properties listed in annex III of the European Directive 2008/98/EC and US CFR part 261 subpart C.

Waste arising from soil decontamination, construction and deconstruction operations (one-time waste) is reported separately in the SHERPA system, only for generated quantities and is not included in the published total for the Group's operating activities.

Recovery rate concerns operational waste only and corresponds to waste (both hazardous and non-hazardous) that is recycled (material recovery) or incinerated off-site using waste-to-energy technology (energy recovery).

Energy, GHG, Water and Waste Intensities

Intensities are calculated according to the ESRS requirements.

Refers to the quantity used/wasted for each category in ratio to the revenue (Net Sales) of the company, expressed as follows:

$$\frac{\text{Mwh (Energy)/t } CO_2 \text{ e. (GHG)/ } m^3 \text{ (Water) / tons (Waste)}}{\text{Turnover (Monetary Unit)}}$$

Social indicators

Workforce data is reported for all Group employees with a fixed-term or permanent employment contract on December 31, 2024. The reporting methods used to collect workforce data:

- The majority of workforce data indicators is collected and consolidated using the Workday Global HR platform used to record workforce numbers and movements for all site locations, at the exception of parental leave data, disability data, training data, absenteeism and collective bargaining;
- certain indicators (notably the gender pay gap and absenteeism rate) are collected *via* the payroll systems used in each country where the Group has operations and are consolidated for reporting purposes; and
- certain data points (participation in programs and events, etc.) are collected by the department concerned at individual sites and are consolidated for reporting purposes.

New hires and departures

New hires and departures for the Group exclude all intragroup movements such as international, inter-company or inter-site transfers. Conversions of fixed-term contracts into permanent contracts are not included unless there is a gap of more than one day between the two contracts, in which case they are counted as a departure and a new hire.

Turnover

Indicates the turnover rate for the Group distributed by country of work: France, Hungary, Germany, United Kingdom, Italy and Other. Other includes countries with commercial operations only and proportionally fewer employees: United States, Slovakia, Russia, China and Japan.

Women in extended leadership team and senior leadership positions

The **extended leadership team** includes Executive Committee members, Country Heads and key senior leadership positions.

A **senior leadership position** is defined based on grading 14 or 15, it is either a Group Leadership function or a Local Head function. People in these positions have financial objectives.

Scope for pay ratio and gender pay gap

Data is effective as of December 31, 2024 and includes all employees in main countries and based in Europe at the exception of Biano, and excluding the other sites as considered non significant for these ratios (i.e representing less than 2% of employees at Group level). Only permanent and fixed term contract employees, with at least six months of presence, are included in the base calculation. Apprenticeship contracts and employees with less than 6 months of presence are excluded from the scope of calculation of these ratios.

For both ratios the calculation method follows the ESRS requirements:

Gender pay gap: (average gross hourly pay level of male employees - average gross hourly pay level of female employees)/average gross hourly pay level of male employees.

Pay ratio: annual total remuneration for the undertaking's highest paid individual/median employee annual total remuneration (excluding the highest - paid individual). For 2024 the highest paid individual refers to the successive CEOs' compensations, the pay ratio is calculated on a *pro-rata temporis* basis.

Health and safety Data

Overall, health and safety data are consolidated for the six manufacturing sites within the Group, as well as for on-site subcontractors and temporary workers, for the year ended December 31, 2024. It excludes HQ, commercial sites and Biano.

The Group applies reporting standards for health and safety information to ensure the consistency and reliability of indicators monitored across all operations. These standards specify the methodologies, definitions and calculation methods to be used. The Group also uses standard data collection tools. SHERPA system is used to collect and consolidate health and safety data from all manufacturing sites.

Percentage of own workforce, covered in the H&S Management system

The perimeter taken is all Group employees + temporary workers at December 31, 2024.

Lost Time Injury frequency rate (LTI)

Lost Time Injury (LTI) frequency rate refers to the number of accidents resulting in lost time of one day or more during the reporting year, per one million hours worked.

Hours worked refers to the time during which any employee, subcontractor or temporary worker is exposed to occupational risks. Accidents occurring during a home-workplace commute are not included in this indicator; however, they are included for travelling medical representatives, in accordance with internal reporting rules. Work accidents occurring when working remotely are included in this indicator.

Total Recordable Injury frequency rate (TRI)

It is the number of occupational injuries with or without lost time during the reporting year, per one million hours worked.

Accident severity rate (voluntary KPI as per ESRS)

It refers to the number of lost days per one million hours worked. Lost days are the number of calendar days during which a person does not work following a work-related injury.

Societal and Governance data

Ethics and Compliance Indicator/Functions at risk trained on corruption and bribery risks

It includes two training sessions and the indicator is completed when the two sessions are fully accomplished:

- Code of Ethics;
- Alert Management.

Anti-corruption indicator (voluntary)/ Functions at risk trained against corruption and bribery (mandatory)

This indicator includes 3 training sessions:

- Fighting corruption;
- Anti-bribery and due diligence;
- Gift and invitations.

The functions most at risk identified at EUROAPI are: Executive Committee and their direct reports, Site Leadership Teams, Sales department, Procurement and Maintenance Department and Employees with Power of Attorney.

New suppliers of raw material response rate to the qualification process

The indicator relative to the respondents rate compliant with our qualification process (Signature of the Code of Ethics and of the Supplier Code of conduct) includes only new suppliers of raw material in 2024. 100% of them were asked to sign those 2 documents available on a platform EUROAPI shares with its suppliers.

Raw material expenditure

This indicator includes effective products purchased and paid. It excludes products in transit, freight, accounting adjustment and custom duties.

Standard terms of payment

This indicator is calculated based on all entities of the group (*incl.* commercial sites), at the exception of Biano, deemed not significant (< 2%). The standard terms at EUROAPI is 60 days, however our system enables to capture the specific terms negotiated with our suppliers and therefore to consider the different terms of payment as agreed, within our calculation.

Targets

As described previously, from this year the Group decided to take as a new reference year 2022, date of creation of EUROAPI, for the calculation of its GHG targets. It has also been the possibility to review the methodology of GHG emissions calculation, fine-tuned year after year.

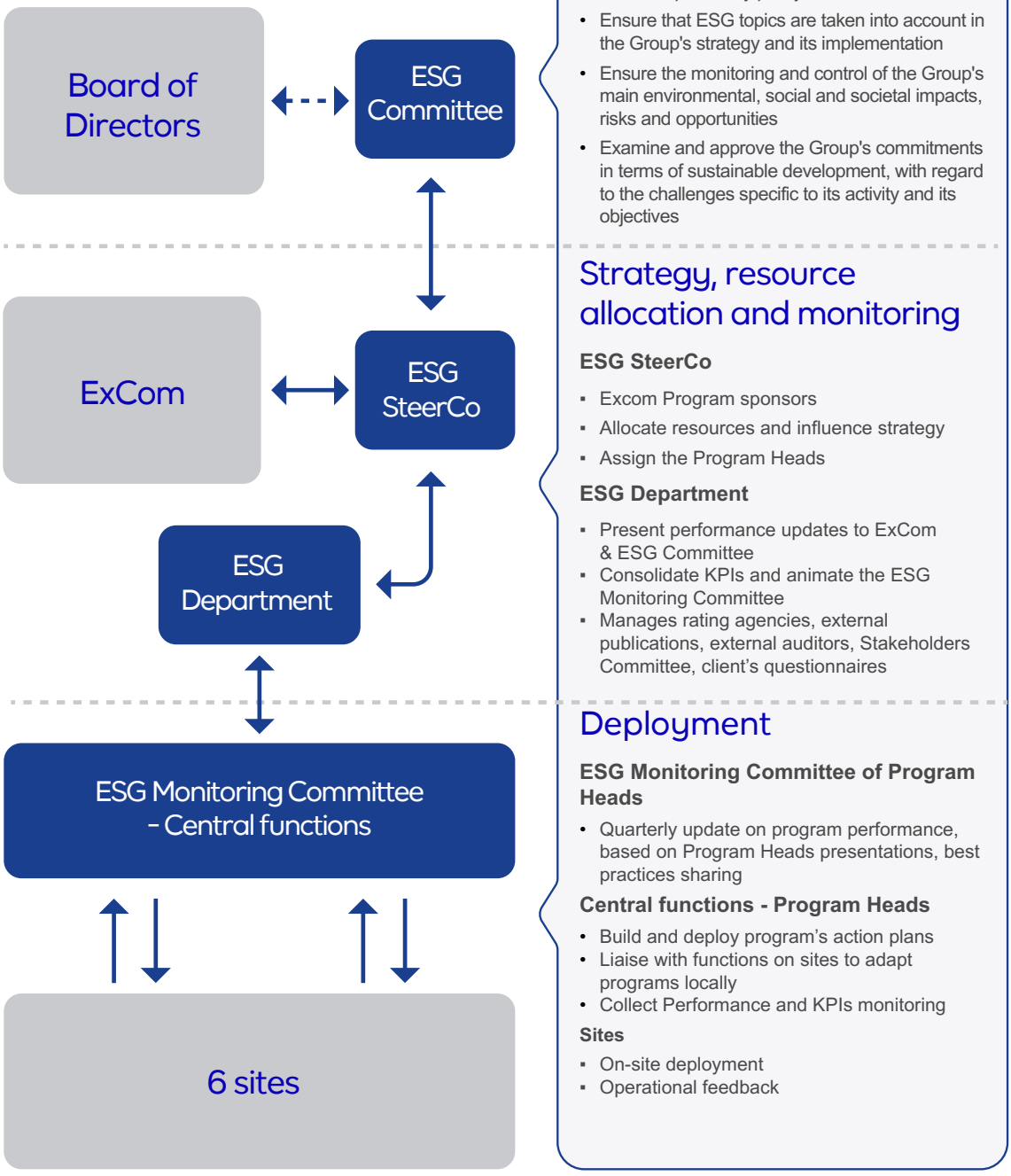
In order to develop its sustainable roadmap, the Group has in some cases set internal targets that are not disclosed but they are part of its internal management. The non-disclosure of those target is related to the different changes in the governance of the company in 2024. Therefore except when mentioned no additional targets were defined in 2024 *vs.* 2023. The targets and achievement set are mentioned in the commitment table published in the section 5.1.3 “ESG Strategy”.

5.1.2 ESG Governance

EUROAPI governance has been adapted to its structural challenges. This resulted in several changes as mentioned in chapter 2 of the URD that impacted the ESG governance of the company in 2024.

However, ESG governance is integrated at all levels of the Group. It ensures that the strategy is deployed fully *via* programs on specific topics.

Role of the administrative, management and supervisory bodies are detailed in the graph below.



In 2024, the frequency and members were as follows:

	Members Composition	Frequency
ESG Committee	3 board members + ESG SteerCo	3 + Joint ESG - Audit Committee
ESG SteerCo	A selection of members of the ExCom + Head of Investor Relations + Head of ESG	4

The skills and expertise of the Board of Directors in the field of ESG are presented in the Board's competencies matrix in section 2.1.1. (i) of the URD. Board members have undergone a dedicated CSRD training in 2023.

EUROAPI pays particular attention to the diversity and independence of its Board of Directors. The Board is composed of 11 members, all being non-executive members.

The board comprises 45% women and has an independence ratio of 54%.

The results and projections of the ESG roadmap were presented and discussed by the ESG committee throughout the year. In 2024, the information provided to the ESG committee included:

- ESG KPIs monitoring and performance;
- Environmental roadmap;
- Decarbonization roadmap;
- Responsible procurement roadmap;
- R&D green chemistry roadmap;
- CSRD implementation and deployment;
- Strengthening our Safety culture;
- EUROAPI strategic review impact on ESG roadmap.

After each ESG Committee meeting, a summary is then presented to the Board of Directors by the Chair of the ESG Committee.
Each quarter, the ESG SteerCo reviews the progresses made on the ESG Roadmap to check that they are in line with expectations and will enable the Group to meet the internal targets set.

The various departments (Operations, Human Resources, etc.) involve their own management committees in the monitoring of the sustainability topics, actions and targets for which they are responsible.

Performance schemes

The integration of sustainability-related performance (including climate-related targets) within incentive schemes is done at several levels in the company, with key characteristics (criteria, proportion, eligible population, alignment on selected priority ESG programs) approved by the Board. There are sustainability-related criteria in the:

- Annual variable compensation package of the new CEO, with 10% of variable remuneration dependent on sustainability-related targets (focusing on Environmental and Social impacts), of which 5% is applicable to climate-related targets;
- Annual variable compensation package within the short-term incentive (STI) plan of the Extended Leadership Team (ELT) -(focusing on Environmental and Social impacts). The ELT includes the Executive Committee and senior corporate positions;
- Long-term incentive (LTI) plan of the company.

Total remuneration and benefits paid or granted during the 2024 financial year to all executive officers are detailed in section 2.3 and more specifically 2.3.1 of this Universal Registration Document. Details on incentive schemes for senior leadership team (CEO, ELT...), including percentage of variable remuneration linked to climate related considerations and percentage of variable remuneration linked to sustainability targets can be found in section 2.3.1 of this Universal Registration Document.

Due diligence and Risk Management in relation to Sustainability Reporting

Core elements of due diligence	Paragraphs in the sustainability statement
Embedding due diligence in governance, strategy and business model	5.1.2
Engaging with affected stakeholders in all key steps of the due diligence	5.1.2; 5.1.4
Identifying and assessing adverse impacts	5.1.2; 5.1.4
Taking actions to address those adverse impacts	Section 5.2 (except 5.2.7), section 5.3 and 5.4
Tracking the effectiveness of these efforts and communicating	Section 5.2 (except 5.2.7), section 5.3 and 5.4

Risk management plays an integrated part with sustainability reporting. The implication of the company risk manager has been instrumental.

For the CSRD that implication focuses on:

1) Double materiality assessment
    - Alignment of double materiality matrix with internal risk management framework: thresholds, likelihood definition...,
    - Contribution to the establishment of the double materiality Matrix: quantitative and qualitative.
2) Integration of topic specific risk analysis (*e.g.* climate risks and associated natural hazards.)

Internal controls over sustainability reporting

No significant risks have been identified on certain types of data.

Our internal reporting framework describes the source of the data, the functions in charge of consolidation and quality control of data, the process and IT systems in place for the reporting and defines as well the KPIs used by EUROAPI.

All quantitative data are collected in our IT systems, with main reporting tools being SHERPA for environmental and safety data collection, Workday and the associated payroll systems for employee-related data, and SATI/SAP for finance and procurement related data.

Most of the data being collected at industrial site level, they are further consolidated at corporate level and reviewed by corporate functions for consistency and reliability. Furthermore, results are systematically compared to historical data, for consistency control.

Internal control department is gradually integrated into sustainability reporting, and Audit Committee informed about the sustainability reporting process that has been implemented throughout 2024.

The Sustainability statement is approved by the Board of Directors.

5.1.3 ESG Strategy

In order to set the Group's ESG strategy, a large stakeholders consultation took place in March 2021 of more than 1,200 participants and resulted in a materiality matrix.

A wide range of internal and external stakeholder groups were consulted and, on the basis of emerging trends and observations, 17 topics were identified as material and classified as High, Very High or Critical.

This analysis was updated by conducting a double materiality assessment in 2023, presented in the forthcoming section 5.1.4.

EUROAPI's ESG strategy is relying on the company business model, the ESG risk profile of the company, as well as its stakeholders' expectations and compliance with regulatory requirements.

Offer safe products and a resilient & responsible supply chain

We provide high quality products and strive to be a reliable partner in the pharmaceutical supply chain.

Accelerate innovation for environmental sustainability

We propose innovative processes and services sustainable by design.

Create a safe & multicultural workplace

We ensure our employees' safety and a fulfilling environment for all.

Uphold best in class corporate governance

We work continuously with our internal and external stakeholders to promote compliance and fair practices.

To promote transparency, EUROAPI responds to numerous requests to assess and rate its ESG performance, which allows its non-financial performance to be recognized.

The Group is awarded or featured in the following international ESG ratings that have proven good alignment with stakeholder expectations.

A special section for ESG analysts is available on the Group's website: https://www.euroapi.com/en/about-us/environmental-social-and-governance.

Agency	MSCI	ISS	ISS ESG	EthiFinance	SUSTAINALYTICS	ecovadis	CDP
Rating	BBB	Governance: 3 Social: 1 Environment: 1	B- (prime status)	74/100	Low risk	Silver Medal	Climate: B Water: B-
Year	2024	2024	2024	2024	2024	2023	2024
Scale	From AAA to CCC	From 1 to 10	From A+ to D-	From Platinum (above 80/100 and no ESG controversies identified) to Bronze (above 50/100 and no significant ESG controversies identified)	From Negligible to Severe risk	From Platinum (top 1%) to Bronze (top 50%)	From A to D-

All significant markets and customer groups, as well as all our major product lines are included in our sustainability-related goals. Our company strategy relates to sustainability matters as a whole.

Our Resources

People

- ≈ 3,430 employees from 47 different nationalities
- 350 scientists including 45% of PhDs or engineers
- Experienced with 14 years of seniority on average

6 industrial sites

- 100% in compliance with GMP standards
- 100% of the sites are ISO 14001 and ISO 50001
- The Saint-Aubin-lès-Elbeuf factory is the only Western API manufacturing site of vitamin B12

Planet

- 2024 Carbon footprint (scopes 1 & 2): 96,472 tCO_2e (-13% *vs.* 2022)
- Energy consumption: 506,534 MWh (-11,5% *vs.* 2022)
- Waste generated in metric tons: 60,384 (-28% *vs.* 2022)
- Solvent consumed in metric tons: 70,564 (-14% *vs.* 2022)
- Water consumption in thousand m^3: 553 (-17% *vs.* 2022)
- CDP (Carbon Disclosure Project) Climate score : B

Partnerships

- 500+ clients in 80 countries
- Numerous R&D partnerships and 430 patents
- 58 CDMO projects
- Approx. 4,000 suppliers

Finance

- €911.9 million in revenue in 2024
- 5.5% Core EBITDA margin in 2024
- €350-400 million in planned investments (between 2024 and 2027)
- Two major shareholders: Sanofi and Bpifrance

Business Model

Our Mission

Our core business is to develop, manufacture and supply active-ingredient solutions for our healthcare partners around the world. We combine our scientific excellence with industrial expertise and a wide range of technologies to deliver solutions that meet the highest quality, social and environmental standards

EUROAPI, a Global leader in

Quality and innovation

- High quality level throughout the manufacturing chain including raw material sourcing

Strategy

- Strengthening of API solution leadership
- Growth and expansion in must-win CDMO platform
- Operational excellence

API Solutions — 73% of Sales

CDMO Platforms & services — 27% of Sales

Culture & Values:

how we do things is as important as what we do

Pharma Research & Development

Chemical Development and Manufacturing of Active Pharmaceutical Ingredient (API)

The healthcare

GMP: Good Manufacturing Practice
API: Active Pharmaceutical Ingredient
CDMO: Contract Development and Manufacturing Organisation
EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortization
BPI: Banque Publique d'Investissement (the French Public Investment Bank)

Our Impacts

What we do

CDMO and API solutions

- Quality and regulatory support services
- Numerous Innovation projects

4 ESG commitments

1. Offer safe products and a resilient & responsible supply chain
2. Accelerate innovation for environmental sustainability
3. Create a safe & multicultural workplace
4. Uphold best in class corporate governance

TAKING OWNERSHIP
ACHIEVING TOGETHER
CARING FOR ALL
DRIVEN BY YOUR CLIENTS

Drug Product manufacturing

Patient

value chain

EMA (European Medicines Agency) inspections are performed by local agencies
IPCEI: Important Projects of Common European Interest
*As compiled by WHO (Jul 2023), EU (Dec 2024), BfArM (Jul 2023), ANSM (Sep 2024), FDA (Oct 2020)

Society

- 53% of sales (in value) from APIs used for essential medicines*
- 5 EMA inspections without remarks
- Contributes to EU and national health sovereignty initiatives: IPCEI, Critical Medicine Alliance
- 97% of employees in functions at risks have done the anti-bribery/anti-corruption training program

People

- Reached our objective of 30% of leadership positions held by women by 2025
- LTI = 3.1 and TRI= 4.6 with dedicated focus and improvement plan
- 12.5 hours training per employee on average in 2024
- Over 4% of employees took a family-related leave

Planet

- Product Carbon Footprint available for more than 70 APIs
- 27% of energy consumed coming from renewable sources
- Waste recycling increased to 60%
- 4,807 thousand m^3 of water is recycled or reused
- +74% of solvent consumed is recycled

Partnerships

- 100% successful inspections by client
- Notified by the European Commission for the IPCEI Med4Cure in France
- 100% of new suppliers of raw material signed Supplier Code of Conduct
- Member of Responsible Care© initiative
- Partnerships with ~20 schools in 3 countries

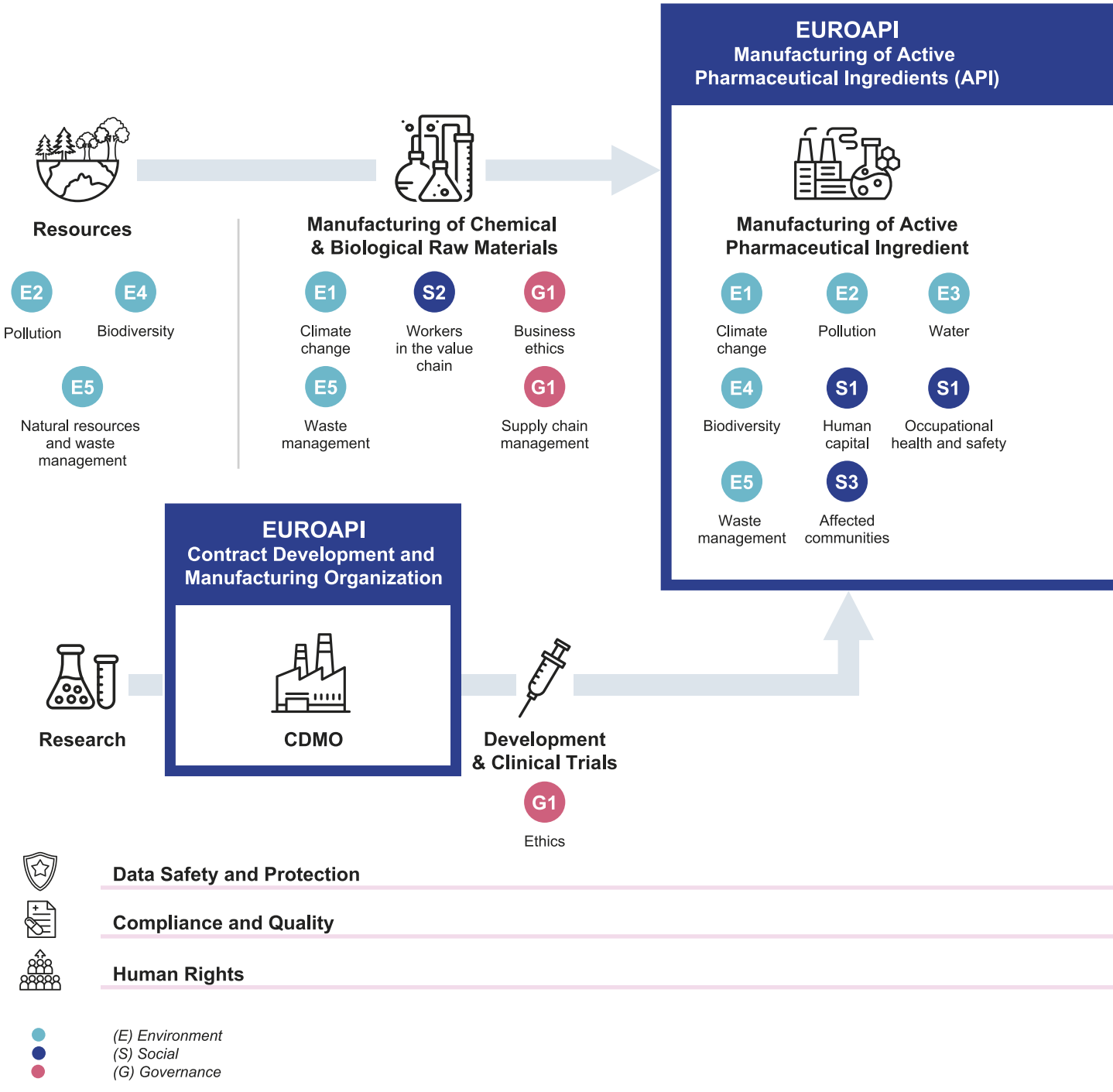
Finance

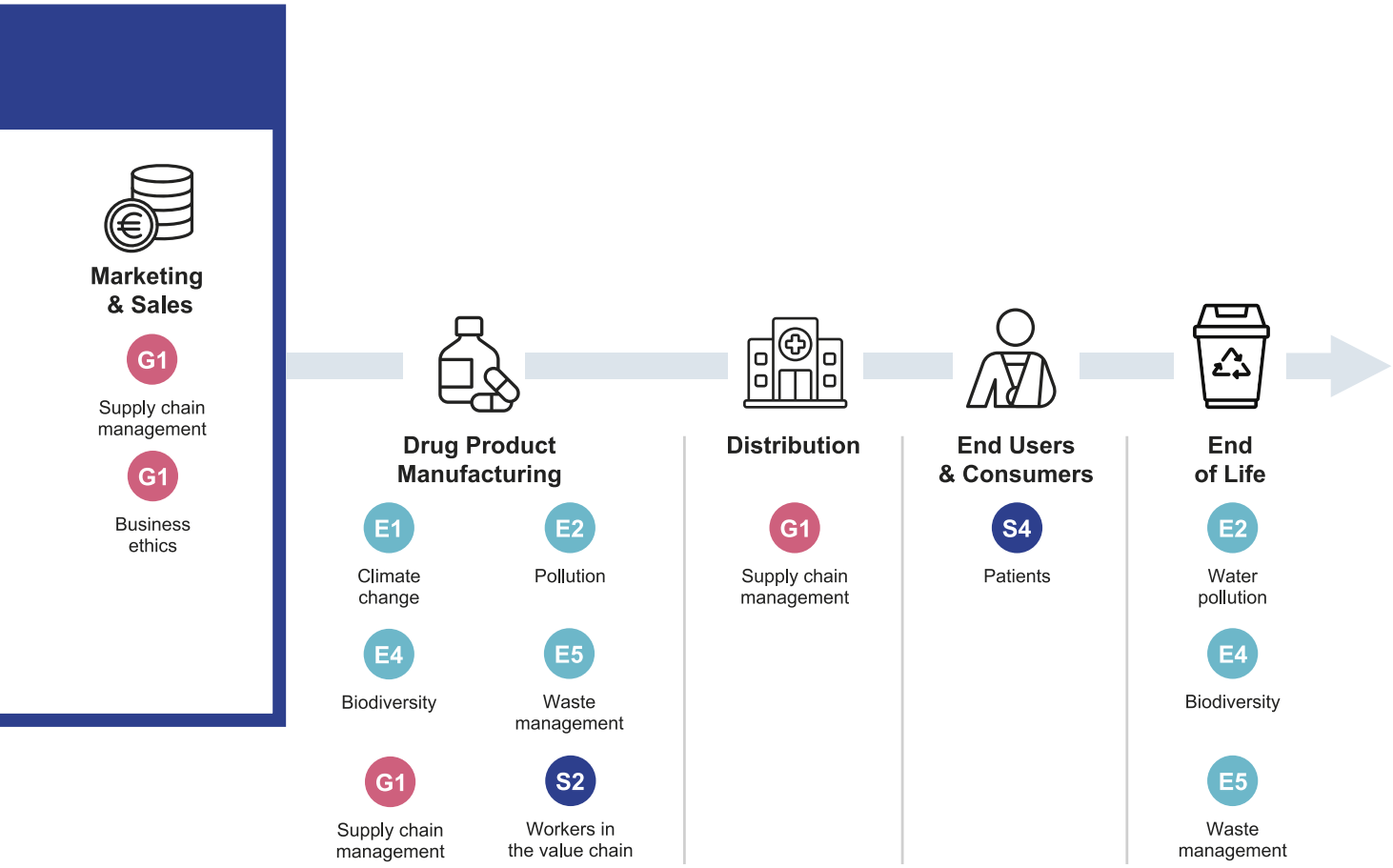
- ISS ESG Rating: B-, High level of transparency
- ESG part of remuneration package of CEO and senior management (10%)

Our contribution to 5 sustainable Objectives

Value Chain

EUROAPI is a key player in the healthcare value chain, and more specifically in the pharmaceutical value chain.



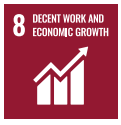

Marketing & Sales
G1
Supply chain management
G1
Business ethics
Drug Product Manufacturing
E1
Climate change
E2
Pollution
E4
Biodiversity
E5
Waste management
G1
Supply chain management
S2
Workers in the value chain
Distribution
G1
Supply chain management
End Users & Consumers
S4
Patients
End of Life
E2
Water pollution
E4
Biodiversity
E5
Waste management

ESG Commitments

This strategy results in the following sustainability-related goals for the company:

Commitments	ESRS	Programs	Policies
Offer safe products and a resilient & responsible supply chain	S4	Product quality & safety	Sustainable Procurement Factsheet
	G1	Responsible Procurement	Supplier Code of Conduct
	S3	Positive impact on society	Ethics and Business Integrity Factsheet
	G1	Responsible supply chain	Supplier relationship charter
Accelerate innovation for environmental sustainability	E5	Towards responsible Innovation	Environmental Sustainability Factsheet
	E1 E2 E3 E4	Environmental	
Create a safe & multicultural workplace	S1-14	Safety	HSE Policy
	S1	Wellbeing	Right to disconnect
		Internal Development	DE&I and Talent Management Factsheet
		Diversity & Equal Opportunity	
Uphold best in class corporate governance	G1	Compliance and Business Ethics	Code of Ethics
			Ethics and Business Integrity Factsheet
			Human Rights Factsheet
			Ethics Line
			Responsible Lobbying Charter

For each program, detailed risks analysis were carried out or are going to be done. In line with the Group risk management framework, that are addressed in the material ESRS in the sections below.

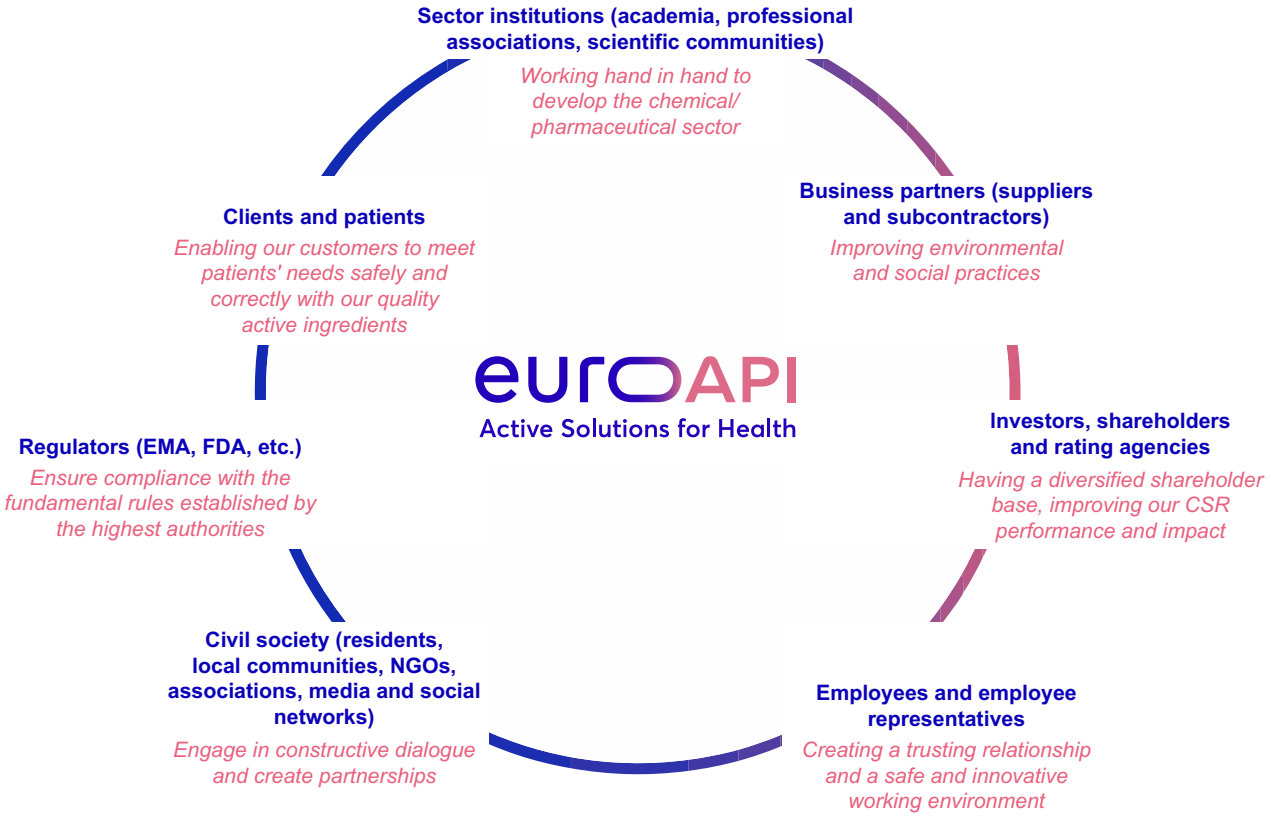
SDG	Targets	Progress 2024
	100% new raw material suppliers sign our supplier Code of Conduct	100%
 	100% sites ISO14001/50001 certification by 2023	100% since 2023
	100% sites purchase electricity from renewable sources by 2025	83% in 2024 100% since Jan 1, 2025
	42% reduction in GHG emissions (*vs.* 2022) by 2030 (scopes 1 & 2)	31%
	LTI (Lost Time Injury) to 1.5 per 1,000,000 hours worked by 2025	3.1
	TRI (Total Recordable Injury) to 2.5 per 1,000,000 hours worked by 2025	4.6
	30% women in leadership position by 2025	100%
	100% training completion on anti-corruption and anti-bribery among functions at risks	97%
	100% completion of Code of Ethics and Compliance training	96%

Stakeholders' views and interests are reflected within the company's governance through the specific roles and stakeholder interactions (both direct and indirect through their teams) of ExCom members. For example, industry institutions and civil society by the Chief Strategy Officer and R&D Officer; employees by the Chief People Officer; clients by the Chief Commercial Officer; investors by the Chief Financial Officer; business partners and authorities by the Chief Operational Officer. These views will eventually influence EUROAPI's strategy, as can be illustrated by the decision to have its decarbonization roadmap verified by SBTi, with the strong support of key clients. Strategic decisions are being endorsed by the Board of Directors, giving the opportunity to highlight the views of stakeholders contributing to these decisions.

Regular dialogue with stakeholders through different communication channels is maintained. The table below illustrates the type of interactions the Group has with its stakeholders.

Interests and views of stakeholders

EUROAPI's CSR strategy is based on a continuous dialogue with its stakeholders. The Group identifies seven priority stakeholder groups as follows:



Stakeholders	Topics addressed	Illustration of interactions with stakeholders in 2024
Industry institutions (academic, professional associations, scientific communities)	Technological innovation, chemical sector attractiveness for students & employees Economic and environmental framework, lobbying actions	The Group partners with a large number of industry associations and scientific universities (>30), at local or national level. This includes PhD co-fundings and contributions to scientific events. In the context of numerous career events and site visits, the Group offers the opportunity to students to discover our industry and company, benefit from employees' experience with mock interviews, real-world experience and help prepare them for their future. Scholarships, internships and apprenticeships are offered throughout the Group. Participation within industry alliance, in defining and promoting a reference methodology for product carbon footprint calculation.
Business partners (suppliers and subcontractors)	Quality, contractual terms, procurement planning, innovation, cost, risks and compliance with the Code of Ethics and its ESG roadmap	The Group has a supplier portal, allowing timely interactions with all its suppliers and sharing of updated information. In addition, the Group's procurement team organizes regular business reviews, suppliers premises visits and, for important events, sends direct letters from the CPO. The Group's quality and supply chain teams are also key contacts for suppliers, with quality audits and registration documentation updated on an ongoing basis.
Investors, shareholders and rating agencies	Results & forecasts, strategy business models/ product range, news	The Company's Executive Committee members participated in broker conferences and regular investor roadshows. The Group's investor relationship department organized two semi-annual financial and non-financial results conference calls for investors and interacts with ESG rating agencies and banks.
Employees and employee representatives	Working conditions, compensation, business reviews, safety and environmental protection	2 employee representatives are members of the Board of Directors, acting as a voice of our employees, and are informed about any relevant topic as any other Board member, also participating in major decision making. Social dialogue: regular meetings with employee representatives on each industrial site and at country-level. A European Works Council held regular meetings with a view to facilitating information sharing between the countries. In 2024, numerous actions and events took place at site level such as awareness on: • Diversity & Inclusion; • Environment; • Safety culture; • Quality culture. An internal program to promote health and well-being is offered to employees at local or Group level. For example: flu vaccination campaigns, mental health, healthy living habits (food, sports, being physically active), ergonomic work-related posture sessions. Other workers are not explicitly represented.
Civil society (residents, local communities, NGOs, non-profits, media and social networks)	Jobs, safety and environmental protection	The Group is a partner of numerous local NGOs and hospitals that are addressing needs of the local communities. It includes blood donation, clothing and meal donation and fundraising events. Meetings and site visits are organized with local elected representatives (mayor, MP, senator...) to demonstrate the Group's capabilities and address potential concerns. The Company's CEO, Executive Committee Members and site representatives participated in various events with journalists, and the Group published 21 press releases, resulting in several hundred articles in local and international press. More than 20,000 people have followed the Group's LinkedIn account since its creation in May 2022.

Stakeholders	Topics addressed	Illustration of interactions with stakeholders in 2024
Authorities and Regulators (EU, EMA, FDA, etc.)	Compliance, safety and environmental protection	EUROAPI has received official notification from the European Commission that the Company has been selected as one of the 13 companies eligible to share up to €1 billion in total public funding under the Important Project of Common European Interest (IPCEI) dedicated to the pharmaceutical sector, "IPCEI Med4Cure". EUROAPI has submitted sustainable innovative projects to help cover the need for currently imported critical medicines such as macrolide antibiotics and corticosteroids. In line with it is Responsible Lobbying Charter EUROAPI carries out lobbying activities with the aim of promoting the localization in France and Europe of the production of active ingredients and pharmaceutical intermediates.
Clients and patients	Product offering, technology innovation, supply, quality of products, sustainability, regulatory services, pricing, etc.	The Group's sales teams attended more than 20 trade fairs and scientific events in Europe, North America and Japan. The Group conducts regular *ad-hoc* pulse surveys and requests feedback after sales visits/calls. Clients and prospective clients regularly audit the Group's sites, a standard in its industry. A total of 53 audits from clients were conducted on EUROAPI's sites.

This sustainability statement was presented to the Works Council on March 19, 2025.

5.1.4 Impacts, risks and opportunities

Basis of CSRD-reporting framework is a double-materiality assessment at Group level, that includes impact materiality and financial materiality, of relevant sustainability-topics for the Group's activity.

Double Materiality

The presented double materiality assessment (DMA or "Double Materiality Matrix") is based on:

- Impact materiality: impact of the company on its stakeholders, employees and environment;
- Financial materiality: financial impact of materiality topics on the company. Mapping of impacts, risks and opportunities consists in identifying, measuring and ranking the sustainability impacts that EUROAPI can have on society, its stakeholders and the environment, risks and opportunities that may affect the undertaking's performance, its reputation or its stakeholders.

This mapping is highlighting the most material topics for EUROAPI and its stakeholders, and therefore, supports prioritization of actions to be implemented and to manage these material issues as best possible.

DMA Methodology

Alongside with external consultants, the project was launched in Q3 2023 within EUROAPI to update material sustainability-topics and establish a double-materiality matrix, disclosing topics of major importance for the Group. At that given time, no clear guidelines had been defined regarding quotation principles. So the assessment was performed at topic level rather than at Impacts, Risks and Opportunities (IROs) level. Detailed IROs have been mapped according to the assessed material topics.

The following methodology was used:

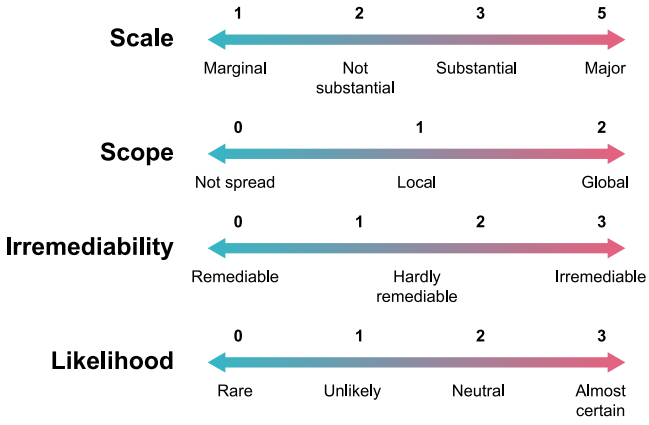
1) Screening of relevant topics for EUROAPI business model within ESRS:
   - Based on the Group's initial materiality assessment that had drawn on large stakeholder consultation, benchmarks and the list of ESRS issues, a first list of relevant topics for EUROAPI has been defined. This list was extensive, however, some might not have been material as assessed in the upcoming steps.
2) Pre-assessment of impact and financial materiality:
   - Based on EUROAPI's knowledge of its activities, existing studies, sectoral documentation etc., a first assessment of each topic's materiality has been performed jointly with the Head of ESG and the Risk Manager to come up with a draft of the DMA to submit to interviewed stakeholders. EUROAPI already identified risks (both ESG and non-ESG) have been considered notably by the Risk Manager.
3) Interviews with stakeholders to challenge pre-assessment:
   - The pre-assessment was shared and challenged by eight internal stakeholders, members of the Executive Committee through individual and group interviews lead by the consultant and through weekly meetings with the Head of ESG and the Risk Manager.
4) Validation of EUROAPI financial materiality and final matrix:
   - Presentation meeting to validate financial materiality and the final DMA and if necessary, bring adjustments.
5) Internal validation by EUROAPI:
   - Validation of DMA by the ESG SteerCo, members of the Executive Committee.
6) Presentation and final validation by ESG Committee, Audit Committee and Board.

Each topic's materiality has been rated based on the following existing risk scoring

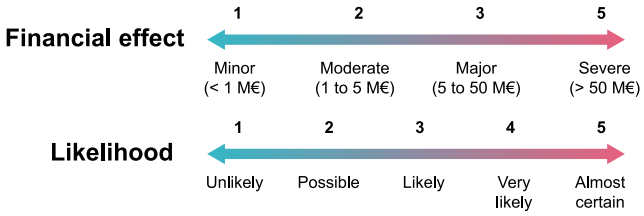
	Minor Rating value: 1	Moderate Rating value: 2	Major Rating value: 3	Severe Rating value: 5
PEOPLE & ENVIRONMENT	Situation which does not cause any threat to the employees and/nor the environment.	Situation which is not likely to cause any damage to employees and/nor the environment.	Situation which could cause damage to employees and/or the environment.	Situation which is potentially threatening to the employees or could cause damage to the environment.
BUSINESS	Situation causing adverse impact on earnings before interest, taxes, depreciation, and amortization (EBITDA) below M EUR 1.	Situation causing adverse impact on earnings before interest, taxes, depreciation, and amortization (EBITDA) between M EUR 1 and M EUR 5.	Situation causing adverse impact on earnings before interest, taxes, depreciation, and amortization (EBITDA) between M EUR 5 and M EUR 50.	Situation causing adverse impact on earnings before interest, taxes, depreciation, and amortization (EBITDA) above M EUR 50.
IMAGE & REPUTATION	Situation causing negative publicity in the absence of any damage or misbehavior caused by EUROAPI or not specifically targeting EUROAPI.	Situation causing a limited loss of reputation triggered either by: • Damage caused by EUROAPI, without impact on the physical or mental integrity of human beings, and/or on the environment; or • Isolated violation of laws, regulations, ethical principles or values.	Situation causing a major loss of reputation triggered either by: • Isolated or reversible impact on the physical or mental integrity of human beings; or • Small scale or reversible impact on the environment; or • Repeated violation of laws, regulations, ethical principles and values.	Situation causing a major loss of reputation with significant impact on share price or Euroapi activities, triggered either by: • Repeated and irreversible impact on the physical or mental integrity of human beings; or • Large scale irreversible impact on the environment; or • Systemic violations of laws, regulations, ethical principles and values.

NB:The DMA risk scoring has been aligned with the company risk management standard.

For Impact Materiality



For Financial Materiality



This initial double materiality matrix will be revised periodically.

The time-horizon considered for these impacts, risks and opportunities (IRO) are short-, medium- and long-term (as these time horizons are defined by CSRD: Short-Term = 1 year; Medium-Term = 1 to 5 years; Long Term = beyond 5 years).

In line with the CSRD methodology, EUROAPI's risk management framework includes material risks identified in the DMA. Management and mitigation of the risks are presented in the company's risk management policy and governance. As a consequence, no significant adjustments to financial statements are expected in relationship to the material risks identified within the DMA.

Non-material ESRS

Based on this analysis, the following topics are considered non-material and have therefore not been included in the disclosure framework:

ESRS	Norms	Topics & Sub-Topics
E2	Pollution	Microplastics
E3	Water and marine resources	Marine resources
E4	Biodiversity and ecosystems	Impact on state of species
S4	Consumers and end-users	Social inclusion of consumers and/or end-users

The ESRS disclosed and related chapters are in the appendices (section 5.5.1 “Legislation and disclosure requirements”) of the present report. The data points disclosed are related to the DMA.

Impacts, Risks and Opportunities

ENVIRONMENT

ESRS Ref.	Sustainability topic	ESRS Sub-Topic	IRO	Upstream Value Chain	Own Operations	Downstream Value Chain
E1	**Fight against climate change**	Climate change adaptation	Negative impact Risk	X	X	X
		Climate change mitigation		X	X	X
E1	**Energy resource**	Energy	Negative Impact Risk	X	X	X
E2	**Pollution**	Pollution of air	Negative Impact Risk	X	X	X
		Pollution of soil				
		Pollution of water				
		Pollution of living organisms and food resources				
		Substances of concern				
		Substances of very high concern				
E3	**Water use and preservation**	Water	Negative Impact Risk	X	X	
E4	**Biodiversity**	Direct impact drivers of biodiversity loss	Negative impact Risk Opportunity	X	X	X
		Impacts and dependencies on ecosystem services		X	X	
		Impacts on the extent and condition of ecosystems		X	X	
E5	**Use of other natural resources**	Resources inflows, including resource use	Negative impact Risk	X	X	
	Responsible waste management	Waste	Negative impact Risk Opportunity	X	X	
	Innovation and technology	Innovation and technology (*inc*. greener chemistry)	Opportunity		X	

SOCIAL

ESRS Ref.	Sustainability topic	ESRS Sub-Topic	Impact	Upstream Value Chain	Own Operations	Downstream Value Chain
S1	**Quality of worklife and compensation**	Working conditions	Negative impact Risk		X	
	Diversity and equal opportunity	Equal treatment and opportunities for all	Positive Impact Risk Opportunity		X	
	Attractiveness and retention of talents	Attractiveness and retention of talents	Positive impact Risk		X	
	Occupational health and safety	Occupational health & safety	Negative impact Risk	X	X	X
S2	**Responsible and resilient supply chain**	Working conditions	Risk Opportunity	X		
		Equal treatment and opportunities for all		X		
		Other work-related rights		X		
S3	**Local anchoring and connectivity**	Communities' economic, social and cultural rights	Positive and negative impacts	X	X	
S4	**Product quality and safety**	Information-related impacts for consumers and/or end-users	Positive impact Risk			X
		Personal safety of consumers and/or end-users			X	X
		Product Quality			X	X
		Animal welfare				X

GOVERNANCE

ESRS Ref.	Sustainability topic	ESRS Sub-Topic	Impact	Upstream Value Chain	Own Operations	Downstream Value Chain
G1	**Corporate culture**	Corporate culture	Positive impact Risk		X	
		Protection of whistle-blowers		X	X	X
	Political engagement and lobbying activities	Political engagement and lobbying activities	Positive impact Risk		X	
	Corruption and bribery	Corruption and bribery	Risk	X	X	X
	Relationships with suppliers	Management of relationships with suppliers		X	X	

5.2 ENVIRONMENT

The manufacture of active pharmaceutical ingredients is especially energy-intensive and involves numerous stages that often require extremely low or high temperatures. It also requires the use of products made of petrochemicals or minerals, and in some cases significant amounts of water (for cooling systems). The Group operates in a restrictive regulatory context due to its chemical activity and with respect to environmental protection, public health and safety.

As part of our responsible manufacturing commitment, the Group is working on improving our practices as described further in this chapter.

5.2.1 Environmental policy and governance

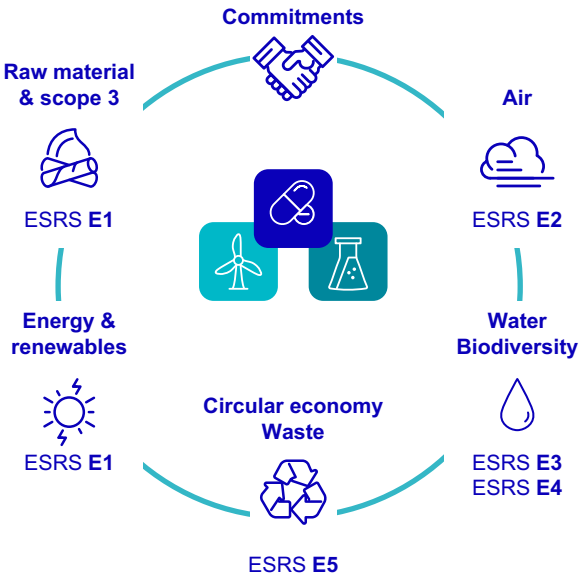
Policies

EUROAPI's Environmental policy is part of our Health, Safety & Environment (HSE) policy set in 2023. This policy shows that the Group is aware about considering and remediating its environmental and climate change impacts, as well as climate risks as described previously (5.1.4 "Management of impacts, risks, opportunities"). It includes climate change, pollutants, water, waste and biodiversity in a global and consistent approach. As a consequence, there are no separate policy documents for each environmental topic.

In 2024, the HSE policy was reinforced by focusing on a sustainable client-oriented business and on climate transition. EUROAPI's policy is based on three guiding principles:

1) Climate transition: driving our company to carbon neutrality by 2050. We engage our value chain with our main suppliers. Adaptation: we anticipate scarcity on water and resources by adapting our assets and processes;
2) The improvement of the environmental footprint of our products;
3) The engagement of our people in taking care of the planet. We apply a strict compliance with European regulations on air and water emissions, and on soil pollution (such as the IED directive 2010/75/EU). We reduce, reuse and recover our waste and solvents.

The strategy is based on six sub-policies with the objective to mitigate environmental impacts, as described in the following illustration.



Commitments & employee engagement

- SBTi (commitment based on Paris agreement), CDP Climate & water
- Management Systems: all sites ISO14001 & ISO50001

Air emissions

- Minimize VOC air emissions *vs.* solvents inputs %
- Full compliance with new European BREFs on waste gas (Best References)

Water stewardship & biodiversity

- Sobriety on water use
- High water quality with final treatment on WWTP
- Biodiversity

Circular economy, waste, solvents

- Reduce, Reuse, Recycle wastes: 3R program including solvents reuse.

Climate: energy and renewables

- Carbon neutral by design for investments and energy sobriety
- Renewables: 100% Renewable electricity purchased by 2025

Climate: raw materials & scope 3

- Product Carbon Footprint for main APIs
- Solvents recycling program
- Raw materials: a top 20 key suppliers' program
- A towards zero air freight Program

Since 1999, EUROAPI's sites have started to be enrolled within the ISO 14001 (environmental management) process and since 2012 in the ISO 50001 Process (energy management). Since 2023, all our manufacturing sites are certified with both certifications.

To ensure good and efficient environmental actions and measurement, the Group subscribed to the CDP Climate (Carbon Disclosure Project), for which EUROAPI obtained a B score in 2023 (2024 score is pending). The Group went further with the submission of the CDP Water project, obtaining a B- score beginning of February.

It provides an external and independent assessment, demonstrating which extent EUROAPI is addressing its climate change impacts and ensures adequate environmental management.

With the intention to further reinforce its climate change policy the Group has decided to engage with the SBTi process in 2025, that will support the company in reaching its decarbonization objectives by 2050.

With the governance changes throughout 2024, the environmental policy as part of the HSE policy has not been updated during the reporting period. However, the arrival of a Head of Environment end of 2023 has enabled the Group to boost its projects to remediate environmental impacts of the company.

Avoiding incidents and emergency situations: Operating in a highly regulated industry, and with five of our six manufacturing sites being Seveso-classified, detailed risk mapping, incident and emergency situations prevention are an essential part of our HSE policy (available on our website) and industry standards. In the unlikely occurrence of an incident, specific mitigation actions are planned and described in our policies, with the aim of protecting people on site and in the neighborhood, as well as the environment. Further information available in the section 5.3.5 “Health and Safety”.

To date the Group set internal objectives, but does not have CSRD-aligned targets.

Governance

Under the responsibility of the Chief Operating Officer, the HSE Department is overseen by the Head of HSE who is responsible for delivering the Group's environmental strategy and overseeing the implementation and management of associated programs.

- The measurement and monitoring of environmental indicators is managed at site level by HSE Site Managers. The Environment Team's responsibilities include energy, water, waste and emissions management. It is also responsible for initiatives across all operations, consumption monitoring and reduction programs;
- These initiatives form an integral part of the Group's global HSE policy and its Environmental factsheet that are available on the Company's website;
- Environmental metrics and performance are reported and reviewed regularly by the Board of Directors' ESG Committee (see section 5.1.2 "ESG Governance", for further details).

The topic of resources and circular economy involves Operations and R&D departments. The latter plays a crucial role to drive the company towards green chemistry, with the aim of producing greener products.

5.2.2 Climate change

Impacts	Risks	Opportunities
• API production processes generate GHG emissions **Energy** • API production is energy dependent, in particular for heating/cooling	**Clients and investors (ST)** • Growing expectations from clients and investors to align with Paris agreement **Climate change physical risks resulting in potential business interruption (MT-LT)** • Due to deviation of processes (supply, production, storage and transportation) • Due to impact on employee health • Due to impact on company assets and sites **Climate change transition risks resulting in loss of competitiveness and reputational damage (MT-LT)** • Shift in norms and technology, stricter environmental regulations, carbon pricing implementation, and reporting requirements **Energy (ST-MT)** • Financial and operational risks due limited energy sources available in Europe (price volatility, supply shortages)	**Commercial and financial opportunity (ST-MT)** • Competitive advantage linked to lower and decreasing carbon footprint • Valuation of the Company's resilience (decrease of dependency towards resources impacted by climate change, business continuity *vs.* climate change impacts) • Being prepared to meet the demand for new API for new treatments linked to climate-related diseases (LT) **Energy (ST-MT)** • Investments in energy saving initiatives and autonomous production capacity of energy would be an opportunity to mitigate the risk of energy supply and energy costs leading to competitive advantage in the future

Climate change IROs are concentrated on own-operations, though upstream value chain and downstream value chain are also involved. Time-horizons for IROs are indicated as Short-Term (ST), Medium Term (MT) or Long Term (LT).

Transition plan for climate change adaptation

On Climate change adaptation, in 2024, an assessment of physical risks, scenario +4°C (IPCC RCP8.5 - as a worst case scenario) up to 2050 was conducted for our six industrial sites and five critical sites of our value chain. This study confirms the need for continuing sites facilities' adaptation to rising temperatures and the necessity to maintain on some sites the existing Business Continuity Plans (BCP) such as the flood BCP for Saint Aubin-lès-Elbeuf site or the water stress BCP for Vertolaye site. After a severe hailstorm on Vertolaye site, roofing is planned to be refurbished to support extreme hail events which may become more frequent due to climate change. Some additional studies will be performed to complete this 2024 assessment in order to define additional adaptation plans where needed.

Being still at the assessment stage, EUROAPI has not defined yet a dedicated policy or associated targets regarding climate change adaptation.

Nonetheless, some initial adaptation actions have been undertaken as described in our examples on reinforced BCP integrating some major risks such as flooding (in Elbeuf). Similarly, our transition plan includes the management of water stress areas, whereby the Group has to adapt to reduce its water consumption on two sites. (see chapter 5.2.4 "Water stewardship").

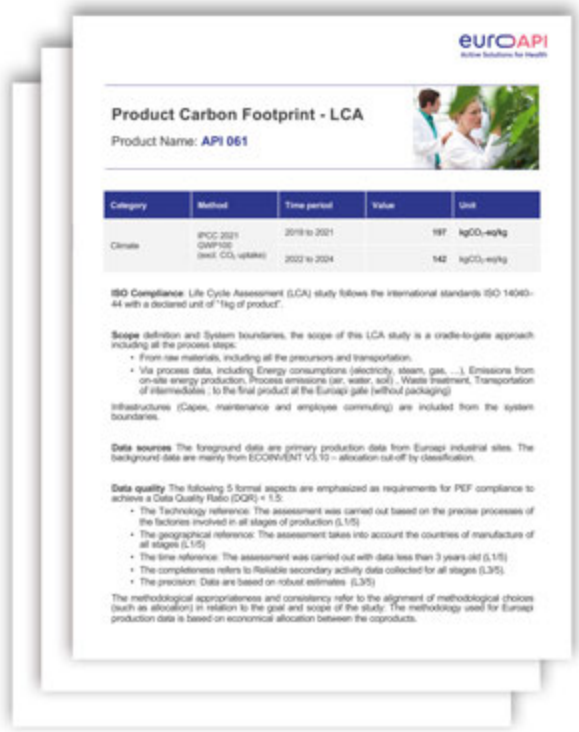
Transition plan for climate change mitigation

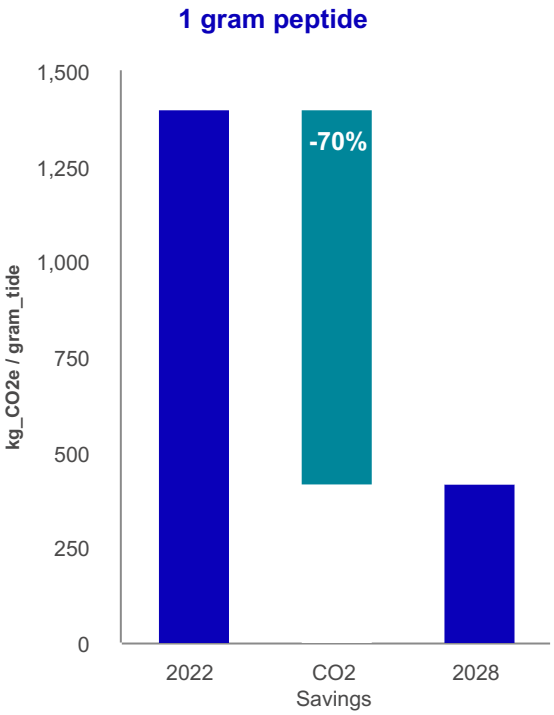
Pursuing compatibility with the Paris Agreement's target about limiting global warming to 1.5°C and to manage neutrality of GHG emissions by 2050, EUROAPI continuously explores, invests and executes a diversity of GHG-reduction projects. Furthermore, our SBTi commitment (effective in February 2025) shall demonstrate our commitment and the reliability of our decarbonization roadmap. Our GHG-reduction objectives have been approved by the ESG Committee and endorsed at site level since 2024.

To reinforce the mitigation process on climate change, the following actions have been set up:

- An internal carbon pricing scheme (€100/tCO_2e) to prioritize CapEx projects and to decarbonize our key raw materials (scope 3);
- For projects above €1 million, a mandatory review of ESG criteria is done, for example: zero fossil fuels for new buildings' heating, clean refrigerants, selection of solvents and their recycling, a better carbon score (scopes 1, 2 and 3);
- A Product Carbon Footprint (PCF) was assessed for our APIs representing 80% of our sales (in revenue). It enables - on demand from our client - to provide them with the specific CO_2e emissions (cradle to gate) of the APIs they buy from us, which should help them to fine tune the CO_2e emissions of their own products as well as their own company carbon footprint. The PCF methodology has been certified by an external third party (Ecovamed);
- Finally as described in the governance section (5.1.2 "ESG Governance") our CEO is subject to an incentive related to climate change performance.

Business case on one of our APIs, demonstrating a reduction of 70% of the GHG emissions of the product after its improvement.

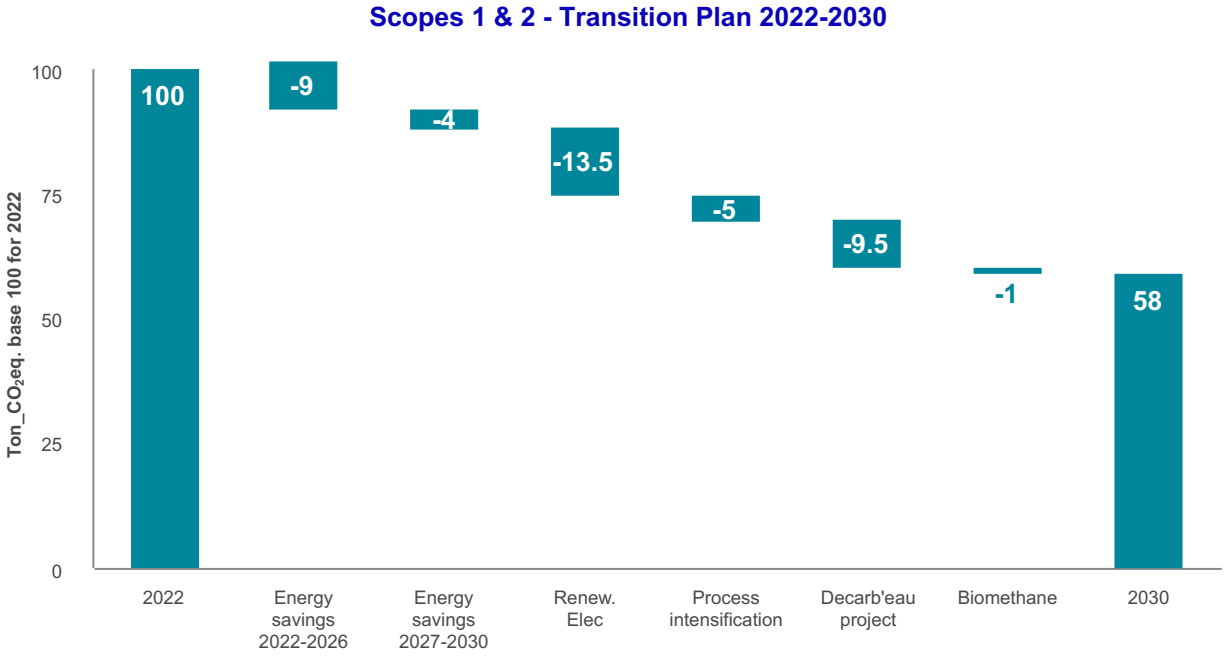




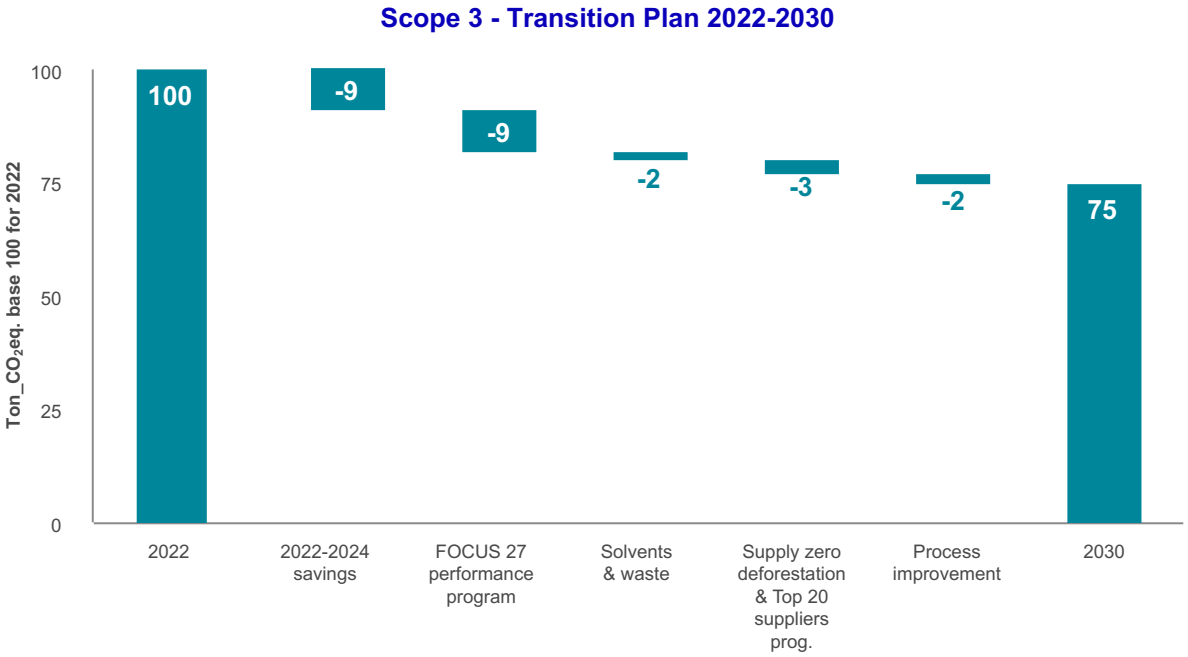
With the aim of being aligned with SBTi 1.5°C trajectory, the Group has decided to set new, more ambitious, decarbonization targets. Previous target was 30% reduction by 2030, with 2020 as a baseline year. The new baseline year is 2022, for which scopes 1+2 emissions are already 20% lower than 2020. 2022 was chosen as a representative year in terms of activity for EUROAPI, and for the pharmaceutical industry in general (*vs.* 2020, affected by Covid pandemic).

Our revised targets are:

- Scopes 1 and 2: **-42% by 2030** (baseline 2022)



Scope 3: **-25% by 2030** baseline 2022



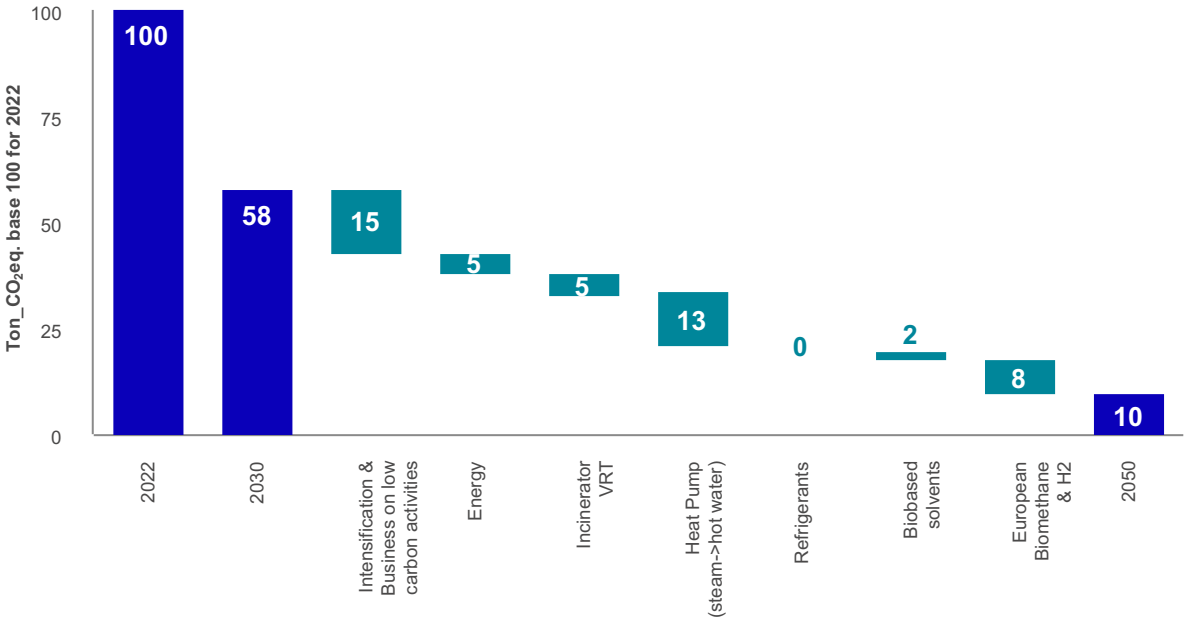
The transition plans are embedded in the business through the SBTi near-term targets 2030 and carbon neutrality by 2050. CapEx and OpEx for the underlying assumptions to reach 2030 targets have been approved by the Board and taken into consideration in the financial planning, as they should represent a global budget of €18 milion. over the period 2025-2030, under current circumstances.

To succeed in our transition plan, the Group invested in 2024 €3,935 K. in CapEx, mostly for energy saving projects and €825 K. in OpEx for renewable electricity.

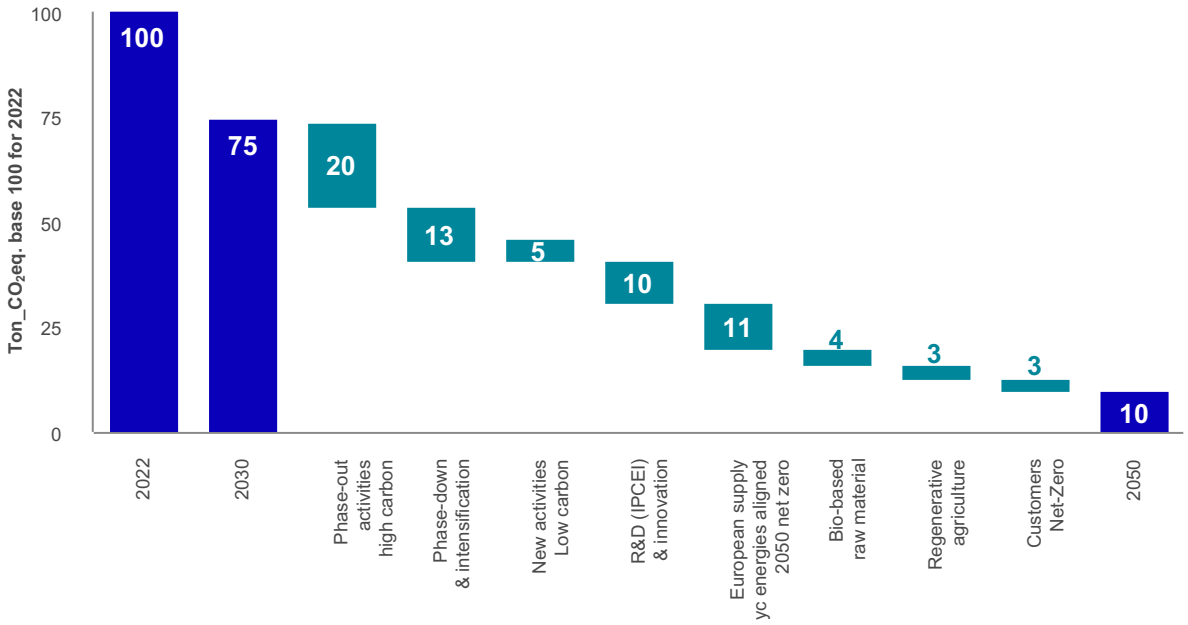
By 2050, EUROAPI forecasts locked-in emissions from non-fossil solvents burning (VOC and waste to energy solvents), fossil fuels for electricity back-up and leaks of refrigerants. These locked-in emissions are taken in consideration in our transition plan and do not jeopardize reaching carbon neutrality for EUROAPI by 2050.

The Group's long-term objective is to achieve carbon neutrality (scopes 1, 2 and 3) by 2050, with a reduction of its own emission by -90% and compensation for the 10% of residual emissions.

Scopes 1 & 2 - Transition Plan 2030-2050



Scope 3 - Transition Plan 2030-2050



Targets related to GHG emissions reduction

GHG emissions reduction targets (in % from baseline year)

(in metric tons of CO_2e) or (reduction in %)	Baseline year 2022	Actual year 2024	2030	2035	2040	2045	2050
Total GHG emission/reduction target	809,694	**631,870**	-27%	-38%	-68%	-81%	-91%
Total GHG Intensity *(T CO_2/ € M)*	829	693					
Scope 1 GHG emission/reduction target	73,318	60,846	-35%	-50%	-80%	-90%	-95%
Scope 1 intensity (*T CO_2/€ M)*	75	67					
Scope 2 GHG emission/reduction target (market based)	37,541	35,626	-55%	-60%	-90%	-92%	-95%
Scope 2 intensity (*T CO_2/€ M)*	38	39					
Scope 3 GHG emission/reduction target	698,835	535,398	-25%	-35%	-66%	-80%	-90%
Scope 3 intensity (*T CO_2/ € M)*	716	587					

The net sales of the Group reached €911.9 million in 2024 (see note 6.1 in "Consolidated financial statements" of the present report). The manufacturing activity of EUROAPI set the company as a high climate impact sector, therefore the whole net sales is taken into account for the calculation of the intensity of the Group.

Actions and resources in relation to climate change

Selection of major projects contributing to our decarbonization roadmap in 2024:

- Energy saving program goes on with new compressed air equipment and chillers.
- Renewable electricity: after a 2 megawatts solar farm at Haverhill, that operationally started at the beginning 2024, a second farm will start at Brindisi with 1.35 megawatts. In parallel, the purchase of Guarantees of Origins has achieved the 100% of renewable electricity purchased on all our manufacturing sites since January 1, 2025.
- Specific decarbonization project (Décarb'eau project): the Elbeuf biomass boiler project initiated in 2023 was replaced by a new project, with more benefits on our environmental impacts, as it is expected not only to decrease our natural gas consumption, but also our water withdrawal. This solution is based on heat recovery and heat pumps reducing the need for natural gas-derived heating, and a hot water loop system that will replace steam. Simultaneously, the heat recovered enables to save cooling water. A first step started in 2024 with heat recovery system;
- Air-to-Sea-Switch program: whenever possible, the supply our APIs by sea freight is proposed rather than by plane, mostly to the United States of America and Japan. This project has reached its goal, for more sustainable supply to our client. An additional project came up end 2024 to explore the possibility of sea transport *via* sailboat.

For a resilient supply of opiates, we are adapting our agriculture to climate change by operating in different regions, working with farms spread all over the French territory, in order to limit the risk related to climate change.

So far EUROAPI does not proceed with any carbon removals nor purchase any carbon credits to improve or counterbalance its CO_2 eq. emissions and does not plan it either for 2025.

The overall budget planned for the climate change actions until 2050 is not estimated yet.

GHG emissions

As mentioned earlier and in introduction of our report regarding GHG emissions: 100% of the data for scope 1 and 2 and 80% of the scope 3 data are based on consumption, see details below.

Scope 1 and 2	*Based on MWh and EFs from IEA, DEFRA, European decrees, suppliers, % of carbon for solvents, refrigerant's gwp from IPCC.* For scope 2, market-based instruments are Guarantee of Origins (GOO) compliant with European AIB. No energy bundled
Scope 3, category 1	*For purchased of goods, method based on weight with emission factors from Ecoinvent and carbon footprints for key raw materials.* For services, economical method and emission factors from Exiobase.
Scope 3, category 2	*Financial EFs from Exiobase.*
Scope 3, category 3	*Based on MWh and EFs from DEFRA.*
Scope 3, category 4	*km for raw material bought and product sold (waste transport in waste cat 05).*
Scope 3, category 5	*Based on waste volumes and EFs from Ecoinvent.*
Scope 3, category 6	*From vendor.*
Scope 3, category 7	*Based on km by individual car per employee. EF from Ecoinvent.*
Scope 3, category 10	*From global external study and the ratio of carbon coming from the active ingredient and the formulation.*
Scope 3, category 12	*Volume of packaging and incineration by our customers (drums).*

EUROAPI is a manufacturing chemical company, therefore 100% of its net sales is related to high impact sectors and to be considered for the calculation of its intensity.

The Group overall emissions have decreased partly due to a reduction of the Group's activity, reflected by decreasing sales and even more in reduced procurement volumes. However the positive impact of actions conducted can be highlighted through the rather good performance of our overall intensity (CO_2 eq/€1 M) that decreased by 15% between 2023 and 2024 (from 819 T CO_2eq/€1 M to 693 T CO_2eq/€1 M). The efforts have particularly impacted our scope 3, especially on purchased of goods and services (-25%), that was representing 70% of our scope 3 emissions in 2023 and was reduced to 66% in 2024.

Gross Scopes 1, 2, 3 and Total GHG emissions

GHG emissions - scopes 1, 2 and 3

metric tons of CO_2e	2024	2023*	2022*	Change *vs.* 2023 (%)	Previous methodology 2023
Total GHG emissions - location-based	637,310	829,352	815,705	-21.9%	N/A
Total GHG emissions - market-based	631,870	823,929	809,694	-22.0%	796,765
Scope 1 GHG emissions	60,846	70,491	73,318	-17.0%	63,086
% from regulated emission trading schemes	62%	60%	63%	-1.6%	N/A
Scope 2 GHG emissions - Location- based	41,066	42,386	43,552	-5.7%	N/A
Scope 2 GHG emissions - Market-based	35,626	36,963	37,541	-5.1%	28,614
Scope 3 GHG emissions	535,398	716,475	698,835	-23.4%	705,065
1. Purchased goods and services	355,896	497,444	475,486	-25.2%	397,812
2. Capital goods	13,522	18,716	14,440	-6.4%	16,086
3. Fuel and energy-related activities	18,393	23,336	24,158	-23.9%	29,648
4. Upstream transportation and distribution	15,665	18,219	19,297	-18.8%	23,719
5. Waste generated in operations	40,770	54,071	59,635	-31.6%	144,505
6. Business travel	464	871	571	-18.7%	996
7. Employee commuting	6,829	7,357	6,903	-1.1%	6,237
8. Upstream leased assets	N/A	N/A	N/A	-%	N/A
9. Downstream transportation and distribution	N/A	N/A	N/A	-%	N/A
10. Processing of sold products	82,900	95,364	97,234	-14.7%	76,235
11. Use of sold products	N/A	N/A	N/A	-%	N/A
12. End-of-life treatment of sold products	960	1,097	1,112	-13.7%	9,828
13. Downstream leased assets	N/A	N/A	N/A	-%	N/A
14. Franchises	N/A	N/A	N/A	-%	N/A
15. Investments	N/A	N/A	N/A	-%	N/A
Total GHG Intensity - location based GES (t CO_2/ €M)	699	819	835	-16.3%	N/A
Total GHG Intensity - market based GES (t CO_2/ €M)	693	813	1,545	-55.1%	N/A

* *2022 and 2023 data were updated with the new methodology and the full annual period vs. last year reporting, that disclosed rolling quarter GHG to Q3 3023.*
NB: the categories non covered in the scope 3 are explained in the methodology section 5.1.1 - "Methodology note on data reporting".

Internal carbon pricing

For all CapEx and OpEx in Energy sourcing we take into account an internal carbon pricing.

For purchase of goods, waste, upstream energy and upstream transport, we take into account CO_2 cost with internal carbon pricing.

GHG emission volumes covered by carbon pricing schemes and share per scope

GHG emission volumes covered by carbon pricing schemes and share per scope

	2024	
	t CO_2 eq	% of t CO_2 eq
GHG emission scope 1 covered by schemes	60,846	100 %
GHG emission scope 2 location-based covered by schemes	41,066	100 %
GHG emission scope 2 market-based covered by schemes	35,626	100 %
GHG emission scope 3 covered by schemes	408,070	76.2 %

EUROAPI used unbundled renewable electricity in 2024, compliant with the European framework AIB as a guarantee of origin.

Energy consumption

Our activity is highly dependent on energy consumption. In order to reduce our GHG emissions and to mitigate the potential impact of volatile energy prices, the Group is constantly working on energy savings, applying an ISO 50001 management system for continuous improvements.

While the energy consumption intensity slightly increased (+1.7% *vs.* 2023), our overall energy consumption decreased on almost all type of consumption, mainly due to a reduced activity, however efforts still remain to be done on purchased or energy related to fossil fuel. Last year EUROAPI slightly started to benefit from the energy generated by its solar panels installed in 2023. Overall our efforts have enabled to increase our share of renewable energies to 27% *vs.*26% in 2023.

Energy consumption and mix

Energy consumption by source

(MWh)	2024	2023	2022	Change vs. 2023 (%)
Total energy consumption	**506,534**	**549,278**	**572,549**	**-7.8%**
Fossil sources energy consumption[37a]	370,160	404,968	427,613	**-8.6%**
% of fossil fuel consumption [AR34]	73%	74%	75%	-0.9%
Fuel consumption from natural gas [38c]	243,025	279,630	302,499	-13.1%
Fuel consumption from crude oil and petroleum products [38b]	162	167	484	-3.0%
Fuel consumption from coal and coal products [38a]	0	0	0	/
Fuel consumption from other fossil sources [38d]	5,303	6,788	6,775	-21.9%
Purchased or acquired electricity, heat, steam, or cooling from	121,670	118,383	117,855	+2.8%
Nuclear energy consumption (electrity) [37b]	361	370	1,281	**/**
% energy consumption from nuclear sources / total energy consumption [AR34]	0.07%	0.07%	0.22%	
Renewable energy consumption [37c]	**136,014**	**143,940**	**143,654**	**-5.5%**
Purchased or acquired electricity, heat, steam, or cooling from	134,380	143,931	143,646	-6.6%
Self generated non-fuel renewable energy (solar panels) [37c iii]	1,634	9	8	+18055.6%
Fuel consumption from renewable sources [37 c i]	0	0	0	
% of renewable energy/total consumption [A34]	**27%**	**26%**	**25%**	**+2.5%**
Energy intensity (total energy consumption per net revenue) in MWh / € M [40]	555	542	586	**+2.5%**

Energy production

(MWh)	2024	2023	2022	Change vs.2023 (%)
Non-renewable energy production [39]	**/**	**/**	**/**	**/**
Renewable energy production [39]	**1,634**	**9**	**8**	**+18055.6%**

5.2.3 Pollution

Impacts	Risks	Opportunities
• Negative impact in case of non-voluntary spill of APIs or chemical raw materials during the processes (supply chain, production, storage, transportation) in air, in water or in soil • Possible negative impact on employees and surroundings in case of accident	• Financial and operational risks related to future, more stringent regulations impacting our operations, sourcing and/or license to operate (MT) • Financial risks linked to fines, insurance costs, prejudice compensation in case of pollution (MT) • Reputational risk in case of pollution or exposure of employees and surroundings to emissions of pollutants or substances of very high concern (ST)	• Opportunity to develop less impactful Pharmaceutical In the Environment (PIE) products (LT) • Competitive advantage derived from recycling of solvents (less costs, more environmentally-friendly process) (MT)

Pollution-related IROs are concentrated on own-operations, though upstream value chain and downstream value chain are also involved. Time-horizons for IROs are indicated as Short-Term (ST), Medium Term (MT) or Long Term (LT).

Our chemical activity implies risks related to pollution that can impact our employees and the neighborhood due to their potential exposition to chemical products in case of accident. Potential impacts are also to be considered on the environment (water, soil and air).

Further risks related to pollution are: the consequences in terms of financial and operational risks pertaining to our license to operate; the risks related to insurance or compensation in case of pollution event; and finally the reputational risk.

However to contain risks of pollution, investments are made to avoid or reduce pollution, such as solvent recycling, that also enables to reduce our dependency to suppliers and decrease our GHG emissions.

Our policy is based on a full compliance with European Best References (BREF CWW and WGC for air and water emissions). To support this ambition, we continuously monitor and strive to reduce our VOC air emissions. From an initial 2,252 tons in 2020, we have already achieved less than 1,000 tons in 2024, though mainly due to reduced activity. Intention is to continue to keep it as low as possible, with continuous monitoring, efforts and projects as detailed here after.

Actions and resources related to pollution of air, water and soil

Our industry is very regulated (esp. the Seveso-class sites) and the Group is ensuring that all normative processes, whether local, national or international, are applied and respected.

Air emissions

Limiting pollution of our activities is mainly related to our own manufacturing process and more especially to air emissions (VOC emissions).

The use of solvent is required for the manufacturing of our products. Solvents are known to be highly volatile, contributing also as GHG. Several projects have been initiated since the creation of EUROAPI to reduce the volatility of those products, resulting from the synthesis of APIs. To achieve that, several initiatives and projects from research to production were conducted to:

- Prioritize clean and the least-toxic solvents by using the guide of solvents (list of solvents banned or undesirable: such as diethyl ether, benzene, propionitrile, etc.) and with which all our industrial facilities comply;

- Use the European Best available Technologies (BREF WGC – Waste Gas Common);
- Integrate the recycling of solvents (see chapter 5.2.6 “Resources and circular economy”); in our CapEx projects thanks to an internal process named “Planet by Design” to ensure an alignment of the CapEx with our long term targets;
- Invest in VOC air treatment (Thermal oxidizer, cryogeny, scrubbers, active carbon);
- Operate VOC assets and monitor air emissions.

In 2024, VOC air emissions were reduced by 24% (924 tons in 2024 vs.1,215 tons in 2023). Despite a significant activity decrease that explains a part of this saving, our Hungarian site has invested to stop leaks, saving in one year 100 tons of VOC.

Wastewater quality

To limit our impact on water, soil and subsoil, the Group is committed to implement the best available technologies for water treatment and monitoring wastewater discharge, at its industrial sites through:

- the reduction of wastewater quantities discharged at source; and
- the use of advanced treatment methods at site level, such as ozone or activated carbon, where appropriate.

Our actions to reduce wastewater discharge and to improve the quality of wastewater are described in the section 5.2.4 “Water Stewardship”.

Soil pollution

Regarding soil pollution, remediation actions are ongoing, through clean up of soil from contamination. The installation of three treatment systems for the water discharged has enabled to improve the overall quality of soils around one of our manufacturing sites. These actions are fully compliant with the regulatory requirements, defined by the Environmental Protection Authority.

A hydraulic barrier replacement (for containment of historic contaminated soil and associated ground water) is on test on one of our site.

A soil remediation action took place in 2024 with the cleaning of historical pollution. The Group spent €7.3 million of OpEx in 2024 and the forecasted expenditure 2025+ is €48 million of OpEx.

In 2024, an innovative bio-treatment of soil was tested in Hungary. It will replace, time to time, the hydraulic barrier with an active carbon treatment. The equipment will be implemented in 2025.

Actions regarding our value chain engagements

Regarding our upstream value chain, please refer to our section G1-Corporate governance, regarding supplier management. So far no strong policy has been applied on our upstream and downstream value chain regarding pollution mitigation, but we are improving our supplier selection and management process with our responsible purchasing screening tool. (see section 5.4.4 “Relationship with suppliers”)

Our impacts on our downstream value chain are mainly related to patients and communities. The management of that type of pollution mainly relies on our clients who manufacture and market the drugs. Addressing the issue of downstream pollution is complex as there are limited possibilities of direct interactions: the pharmaceutical industry is very strictly regulated regarding communication with healthcare professionals and patients.

Indicators

EUROAPI overall works on improving its potential impact on pollution, beyond strict compliance with local applicable and European regulations as listed below. The company proceeds with regulatory analysis to ensure its compliance in terms of pollution:

- Non-methane VOC (NMVOC), dichloromethane, Trichloromethane. Measurement and regulated target: directive 2010/75/EU Annex VII.
- Hydrofluorocarbons (HFCs), measurement: mass balance defined in F-Gas Regulation 2024/573/EU.
- Pollution of water: measurement methodologies and targets.

  Measurement and regulated target: BATAEL conclusions on Decision (EU) 2016/902 on BAT conclusions.
- Dichloromethane, trichloromethane, total organic carbon (TOC) (as total C or COD/3), total nitrogen, total phosphorus, nickel, zinc, phenols, cyanides. Methodology PER (measurement method already prescribed by the competent authority within the framework of a license or operating permit for the establishment concerned) and target mandatory by the permit.

No inferior methodology to quantify emissions.

Pollutants Emissions (air, water)

(in tons)	2024
Non-methane VOC (NMVOC)	924.0
Dichloromethane (DCM)	184
Trichloromethane	59
PCDD+PCDF	0.0
Total organic carbon (TOC) (or COD/3)	173.0
Total nitrogen	143.0
Total phosphorus	16.6
Halogenated organic compounds	0.0
Arsenic and compounds	0.0
Mercury and compounds	0
Nickel and compounds	0.038
Zinc and compounds	0.9
Phenols	0.1
Chlorides	0.0
Cyanides	0.1
Fluorides	0.0

Non significant pollution in soil according to the EU regulation E-PRTR.

Hydro-fluorocarbons (HFCs) are not followed here as they are counted within the GHG emissions.

The pollutants emissions levels listed in the table above are compliant with applicable norms and regulations, at local and national level.
VOCs have significantly decreased *vs.* 2023 (from 1,219), which can be explained by the new methodology applied to evaluate the quantity of incinerated waste, that was including water and salts and now removed from the calculation.

Substances of Concern and Very High Concern

EUROAPI manages Substances of Concerns (SOC) of substances bought, of products sold and of pollutions emitted. The identified volumes of substances of very high concern are also integrated in Substance of Concern class 1. Hazard class are determined according to CLP categorization - Classification, Labelling and Packaging (CLP) Regulation ((EC) No 1272/2008).

Substances of Concern

(tons)	2024
Substances of concern **generated, used or procured**	**18,006**
Hazard class 1	11,547
Hazard class 2	6,093
Hazard class 3	361
Hazard class 4	4
Substances of very high concern **generated or used or procured (class 1 of SOC)**	**2,445**
Total amount of **substances of concern** that **leave facilities** as emissions, as products, or as part of product or services	**2,954**
Substances of concern leaving facilities **as emissions**	**244**
Hazard class 1	1
Hazard class 2	243
Substances of concern leaving facilities **as products**	**2,710**
Hazard class 1	563
Hazard class 2	1,997
Hazard class 3	150
Substances of concern leaving facilities **as part of the products**	**0**
Substances of concern leaving facilities **as services**	**0**

Operating expenditures in conjunction with major incidents and deposits (pollution)

Euros	2024
CapEx	0
OpEx	0

No material incidents and deposits (pollution) in 2024.

5.2.4 Water stewardship

Impacts	Risks	Opportunities
• Negative impact as some API production processes are water-dependent and might be in hydric-stress areas	• Financial and Operational risks in case of change in regulations on fresh water supply and waste water treatment (increased taxes ou costlier treatment, usage restriction...) (ST-MT)	• Investment in reduction, reuse and/or recycling of water on site might be an opportunity to mitigate risks (MT-LT)

Water-related IROs are concentrated on own-operations. Time-horizons for IROs are indicated as Short-Term (ST), Medium Term (MT) or Long Term (LT).

The Group's industrial activity requires significant use of water, an essential element in the production of APIs and necessary for the operation of industrial sites and equipment.

Water usage is necessary at three different steps of the manufacturing processes: for the synthesis of APIs, for heating or cooling some processes and for the cleaning of the production unit.

Mindful of the water-dependent nature of API production and in line with its Environmental Factsheet, the Group has encouraged its sites to set up a water efficiency program, such as recycling methods, in a continuous effort to reduce water usage. For example, in 2024, Vertolaye and Frankfurt sites have implemented new closed water loop systems on specific manufacturing facilities, in order to reuse recycled water.

Alliance For Water Stewardship defines water stewardship as the use of water that is socially and culturally equitable, environmentally sustainable and economically beneficial, achieved through a stakeholder-inclusive process that includes both site- and catchment-based actions.

In terms of Risk management, water stewardship sticks to three ESG material risks:

- Environmental footprint of production:
  - Sobriety in water withdrawal or consumption,
  - Quality of water release, zero impact from chemical, pharmaceutical, antibiotic residuals,
  - Performance of Wastewater Treatment Plants;
- Fight against climate change:
  - Water scarcity and Business continuity plan;
- Shared value and stakeholders' engagement:
  - Local/regional requirements to reduce our withdrawal,
  - Industrial eco-system: links with companies linked by the supply or the Wastewater treatment plant,
  - Customers demand CDP Water assessment,
  - Customers ask on water consumption per product.

Two sites are under water scarcity: one in France (Vertolaye), one in Italy (Brindisi). Local authorities define specific thresholds in terms of water consumption and/or water withdrawal to be respected by our sites. Depending on weather and seasonal conditions, local authorities will require our sites to adjust to the defined thresholds.

No specific actions were conducted in Brindisi in 2024 due to its shutdown during the first half of the year. The priority on the site was to restart the production (see section 5.3.8 "Consumers and end-users").

Actions and resources related to water stewardship

EUROAPI's water stewardship roadmap developed in 2024 prioritized the industrial sites with higher water-related risks and was based on:

- Water quality management: increase water quality, released from our Wastewater Treatment Plants (WWTP), though the implementation of a quaternary treatment by ozone in Elbeuf. In 2024, EUROAPI invested ,€9 million to remove the particles from wastewater and to treat the main chemical and pharmaceutical residuals from our operations. The WWTP can treat with ozone up to 200m^3/hour (the equivalent of two Olympic swimming pools per day). This project is expected to reach full operations in Q1 2025.
- Water use sobriety:
  - Vertolaye site is under water scarcity. End of 2023 a €3 million CAPEX for new chillers has enabled to deliver 0.3 million m^3/year saving;
  - In 2024, every new CapEx project complies with our long-term targets (internal process named "PLANET by Design") to be sure we mitigate water consumption for new activities. Example of water efficiency programs:
- Installation of 3 treatment systems (see 5.2.3 "Water and soil pollution");
- Biospargin pilot test is ongoing and could enable to stop using water extraction wells in case of favorable water quality results;
- ELLA Project to save at least 10% of water withdrawal in partnership with local institution;
- internal development of a product water footprint finalized in Q3 2024 and that can be provided on demand to clients.

The Group submitted its CDP water membership in September 2024 to further improve its actions and reduce its dependency to water (reduce water scarcity risks). A B- score was obtained beginning February 2025.

Metrics

Water usage

At EUROAPI, water is used for two main usages: process water for the manufacturing and cleaning (11%), water for cooling and heating (89%).

Water consumption follows CSRD definition.

Disclosure of contextual information regarding water consumption

Water consumption

(in thousand m^3)	2024	2023	2022	Change *vs.* 2023 (%)
Total water consumption	**553**	**650**	**669**	**-14.9%**
Water consumption in areas at water risk (incl. areas of high-water stress)	306	379	410	-19.3%
Water recycled / reused on site	4,807	4,532	4,436	6.1%
Water stored	0	0	0	/
Water intensity	0.60	0.64	0.68	-6.2%

Water withdrawal by source

(in thousand m^3)	2024	2023	2022	Change *vs.* 2023 (%)
Total water withdrawal	**17,181**	**18,312**	**17,561**	**-6.2%**
Public supply	1,110	1,233	1,411	-10.0%
Other supplier	21	15	19	40.0%
Surface water	3,665	4,292	4,216	-14.6%
Groundwater	12,385	12,772	11,915	-3.0%

5.2.5 Biodiversity

Impacts	Risks	Opportunities
• Negative impact on biodiversity as EUROAPI contributes to climate change, consumes natural resources and presents risks of pollution • Plant-based APIs can lead to land conversion for agricultural purposes that may result in the loss of natural ecosystems and their biodiversity	• Financial and operational risks for plant-based APIs raw material availability as biodiversity decreases (LT) • Global risk of supply disruption and price increase on specific raw materials (soy, palm oil...) as global regulation on deforestation enters into force (ST-MT)	• Commercial opportunity in the field of plant-based API extraction that might develop in the future (*vs.* chemical synthesis API) (LT)

Biodiversity IROs are concentrated on upstream value chain, while own-operations are also involved. Time-horizons for IROs are indicated as Short-Term (ST), Medium Term (MT) or Long Term (LT).

The biodiversity program encompasses:

- Impact from six manufacturing sites: one site in France (Elbeuf) lies within less than 5 km distance from a protected area (UICN class IV-V-VI). With local authorities, mitigation plans are in place to preserve trees, animals and plants;
- Impact of our upstream value chain:
  - Zero deforestation tracking with suppliers of soy and glycerin,
  - Natural Products program for key raw materials including poppy agriculture operated by the affiliate Francopia.

Transition plan and consideration of biodiversity and ecosystems

As part of our business as industrial manufacturer, sites are submitted to rules as part of the HSE policy. EUROAPI strictly complies with all applicable regulations pertaining to preservation of biodiversity based on directive 2009/147/CE on the conservation of wild birds, Council Directive 92/43/EU on the conservation of natural habitats and of wild fauna and flora.

However, no further investigation was conducted so far and therefore no policy or transition plan on biodiversity was defined.

The Group owns six sites with manufacturing activities in five European countries and an R&D site based in Germany, where biodiversity can potentially be impacted. Only one site (Elbeuf) lies within the 5 km distance from sensitive areas such as natural parcs or natural areas (ZNIEFF Iles and Berges Seine, Boucles de la Seine amont, Coteaux d'Orival, Forêt Londe-Rouvray - 0.4 to 5 km), with specific biodiversity (*e.g.* specific bird species). Elbeuf site represents a total surface of 18 hectares.

Actions and resources related to biodiversity and ecosystems

In 2024, the main actions undertaken were:

- A four-season study at Elbeuf;
- Zero deforestation: tracking of our supplier's sourcing. End of 2024, almost all of our soy and palm oil derivatives were deforestation-free;
- Assessment of our land use for our natural products: In 2024, we used 10,400 hectares for our business (equivalent to Paris intra-muros area). Our land use is mainly for growing poppies, representing 77% of total land use.

The Group started to implement projects in 2024 related to:

- Biodiversity for each of our site;
- Biodiversity sourcing program:
  - with the objective to get supplied with zero deforestation product by end of 2025: only two of our sourced products have a deforestation potential (soybean meal and glycerin). Our suppliers of these resources have committed to become deforestation free by 2025,
  - also an analysis of our natural and bio-based products has been initiated in order to assess the land use.

Regarding our other sites, not considered within sensitive areas for the biodiversity: one has received certification for bird protection and another one proceeds with regular trees and species inventory and has a tree planting program.

Metrics

Some indicators are internally set and followed to evaluate internal performance:

- Percentage of deforestation-free raw material (soy and palm-oil derivatives);
- Land-use for natural products.

5.2.6 Resources and circular economy

Impacts	Risks	Opportunities
• Negative impact as some API production processes involve rare natural resources • Negative impact as API production generates both hazardous and non-hazardous waste that can lead to environmental degradation, climate change contribution, harm to biodiversity • Positive impact when developing circular business model **Innovation and technology** • Positive impact as innovation plays a key role in maintaining the Group's competitiveness and the product quality/safety in the API industry • Green chemistry and sustainable innovation investments contributes to the decarbonization of the pharmaceutical value chain	• Financial or business interruption risks linked to access constraint to some rare materials resources. (MT-LT) • Reputational, operational and financial risks (fines, limitations to operate...) linked to inappropriate hazardous waste treatment or discharge, and increase of waste treatment costs (MT-LT) **Innovation and technology** • Commercial risk if incapacity to invest in innovation and new technology as it may affect EUROAPI's competitiveness in the marketplace as it will not meet clients and patients needs (MT-LT) • Incapacity to invest in academic and industrial cooperation/eco-system could lead to lack of innovation and technology development (MT-LT)	**Financial and Operational opportunities: reducing the Group's reliance on virgin resources and rare materials** • Improve cost base by implementing processes that enable the reduction, recycling and reuse of resources (MT) • Decrease dependencies on quotas and regulations (LT) • Creation of local eco-systems enabling EUROAPI to recycle or reuse the resources around the production sites could increase resilience and decrease costs (LT) • Innovation and technology **Commercial, social and financial opportunities:** • Optimization and efficient use of resources, reduce waste generation and therefore lower waste treatment costs (ST-MT) • Ability to increase the performance of the production process to enhance productivity (ST-MT) • Ability to strengthen relationships with key industrial and academic stakeholders to innovate and implement at industrial level new technologies or products (MT-LT) • Improving the production process to create innovative products or improve current EUROAPI products (LT)

Resources- and circular economy-related IROs are concentrated on upstream value chain and own-operations.

Innovation and Technology-related IROs are concentrated on own-operations. Time-horizons for IROs are indicated as Short-Term (ST), Medium Term (MT) or Long Term (LT).

The synthesis of APIs is dependent on chemical and bio-fermentation processes. The Group generates, through its industrial activity, hazardous and non-hazardous waste classified according to the legislation in force (Directive 2008/98/EU). For 1 kg of API, 32 kg of raw materials are necessary on average. The circular economy and waste management is key for environmental benefits and for economics.

EUROAPI set a Reduce, Reuse, Recycle (3R) policy and a reduction of waste arising from its operations, especially through greener chemistry, that is one of the Group's environmental focus, since emissions related to waste has accounted for 8% of the Group's total scope 3 emissions.

Actions

The actions integrated in our 3R program:

- **Reduce**: for product improvements and new molecules, the Group assesses different internal indicators as for example the Process Mass Index, the Waste Index and the use of virgin organic solvents and the recycling rate of solvents. The company emphasizes continuous improvement by reducing hazardous waste year on year. In 2024, significant waste reduction was achieved, mostly due to the decrease in our production but also triggered by continuous improvement efforts on our processes (*e.g.* Frankfurt with less solvent used for the major API fexofenadine);
- **Reuse**: the company drives internal actions on solvents recycling, enabling the company to reuse these solvents.(see section 5.2.3 “Pollution”);
- **Recycle**: the levers are focusing on wastewater treatment plants, on aqueous wastes (water with traces of toxics) and inorganic salts. In addition, the company specifically focuses on minimizing hazardous waste to landfill.

Resources inflows

Regarding resources inflow, a material risk has been identified in terms of financial or business interruption risks linked to access constraint to some rare materials.

Within this framework, cobalt - used for the manufacturing of one of our APIs - has been identified as relevant. Cobalt is subject to availability concerns on a worldwide scale, and therefore, on a longer term, subject to potential price fluctuation.

As a consequence, the Ella project was launched beginning of 2023 (press release on our website), with the objective to significantly reduce the use of that critical raw material by at least 50% kg of API produced. ELLA project represents €40million investments. The validation batches are expected to be realized in 2025.

Weight of product; technical and biological materials used

(tons)	2024
Total weight of product; technical and biological materials used (tons)	**206,063**
% of biological materials (incl. Biofuels used for manufacturing of the undertaking's products and services)	19%
Weight of **secondary reused, recycled components, secondary intermediary products and secondary materials** used to manufacture the undertaking's products and services (Solvents)	47,623
% of secondary reused, recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services	23%

Circular technology development

In order to improve our product circularity, projects were developed to decrease the impact of our products on their ecosystem, especially on the environment.

Green process development

Several internal innovation projects launched in 2023, concluded by the end of 2024, with a significant emphasis on maximizing their value, especially for project about reducing solvent usage and/or adopting greener alternatives. Additionally, projects utilizing Data Science capabilities, such as the development of the Bayesian optimization method, are in progress to modernize our methodologies.

Another major innovation program at EUROAPI consists in developing greener and more sustainable methods to extract, purify and isolate alkaloids. This project is currently in R&D phase, focusing on selecting the best technologies to achieve both technical and environmental performance.

Product lifecycle management

Our participation in the IPCEI project enables EUROAPI to conduct research on nanoparticles, in Vertolaye. The goal is to enhance the bioavailability of molecules and discover new therapeutic uses for existing and new active pharmaceutical ingredients. This project aims to improve the lifecycle management and circularity of APIs by developing advanced technology, expanding their medical applications, enhancing their performance (balance benefit/risk) and sustainability.

Resources outflows

Our business model consists in API manufacturing (further information to be found on section 1.3.2 of the URD), that is usually produced on demand. Very few products that we manufacture end-up as waste.

APIs have a determined durability (shelf life from 2 to 5 years). In the eventual case of a remaining stock of products reaching end of shelf-life it is still possible with an adapted treatment to reintroduce them in the manufacturing process. On clients' request, it is possible to re-qualify and proceed with adapted quality test to increase the shelf-life of an API.

However, given the industry in which we are working (pharmaceutical chemistry), our products are being consumed at the end of the value chain by patients, the opportunity for recyclability is limited to non-used drug products and according to the legislation, drug products are not recyclable, yet. APIs have a determined durability, however some of them may be remanufactured. Regarding the recyclability of our packaging, further internal investigations are necessary.

Our waste is mainly related to products used for manufacturing of our APIs or for cleaning our equipments. Our activity generates hazardous waste that requires very specific treatments, however we do not manipulate or generate radioactive waste.

A waste mapping is updated at least once a year based on real consumption. Around 40% of our waste comes alone from our bio-fermentation activities.

Solvent waste management

The Solvent Program that the Group has initiated since 2022 has brought additional results in 2024. One of the larger projects implemented this year was focusing on the capacity increase of an existing acetone recovery system, making sure that all yearly volumes of waste generated in one of the intermediates of olmesartan-medoxomil can be processed.

Solvent Consumption and Recycling (Voluntary)

(in metric tons)	2024	2023	2022	Change vs. 2023 (%)
Solvents consumed	70,564	86,656	82,429	-18.6%
Rate of solvent recycling	74%	73%	69%	+1.8%

Apart from executing and implementing previously initiated projects, the program is continuously exploring other possibilities. In Vertolaye, an on-going study carried out through academic collaboration brings an in-depth evaluation of the solvent waste streams identifying new potentials to act on. In Frankfurt, the recovery process of a large waste stream is being defined, the execution of the investment project and final implementation is set to start in 2025.

Other waste generated and treated

Type of waste produced

(in metric tons)	2024	2023	2022	Change vs. 2023 (%)
Total waste produced	**60,384**	**84,115**	**88,321**	**-28.2%**
Non-hazardous waste	31,196	41,269	42,142	-24.4%
Hazardous waste	29,188	42,846	46,179	-31.9%
Radioactive waste	0.0	0.0	0.0	

Waste treatment

(in metric tons)	2024	2023	2022	Change vs. 2023 (%)
Total waste produced	60,384	84,115	88,321	**-28.2%**
Total recycled waste	36,198	43,870	45,163	**-17.5%**
Total non-recycled waste	24,186	40,245	43,158	**-39.9%**
% non-recycled waste	40%	48%	49%	**-16.3%**

Treatments per type of waste

(in metric tons)	2024	2023	2022	Change vs. 2023 (%)
Hazardous waste diverted from disposal	13,254	18,735	18,122	**-29.3%**
Recycled	5,067	8,494	7,886	**-40.3%**
Recovery operation	8,187	10,241	10,236	**-20.1%**
Hazardous waste to disposal	15,934	24,112	28,058	**-33.9%**
Hazardous waste Incineration	14,667	22,684	26,525	**-35.3%**
Hazardous waste sent to landfill	1,267	1,428	1,533	**-11.3%**
Hazardous waste treated with other methods	0	0	0	/
Non-hazardous waste diverted from disposal	22,943	25,136	27,041	**-8.7%**
Preparation for reuse	0	0	0	/
Recycled	22,380	24,462	25,106	**-8.5%**
Recovery operation	564	675	1,935	**-16.4%**
Non-hazardous waste to disposal	8,253	16,133	15,101	**-48.8%**
Non hazardous waste incineration	4,399	9,017	11,407	**-51.2%**
Non hazardous waste sent to landfill	3,853	7,116	3,694	**-45.8%**
Non hazardous waste treated with other methods	0	0	0	/

5.2.7 European Union Taxonomy Report

The European Union (EU) has adopted European Regulation 2020/852 of June 18, 2020 (the "Taxonomy Regulation") establishing a framework to promote and facilitate sustainable investment in the EU.

Evaluation and methodology

To comply with the Taxonomy Regulation, EUROAPI is required to publish indicators highlighting the proportion of its taxonomy-eligible and taxonomy-aligned turnover, capital expenditure (CapEx) and operating expenditure (OpEx) resulting from products and/or services associated with its economic activities defined as sustainable in the annexes to the delegated acts.

For disclosure on 2024 exercise, the Group, along with the Taxonomy with the EUROAPI experts and the support of external consultants, analyzed the technical screening criteria to determine whether its taxonomy-eligible activities are aligned with the Taxonomy.

The criterion used by EUROAPI for the environmentally sustainable economic activities and alignment follows:

- Eligibility: an activity is selected as eligible when it has substantial contribution to one or more of the six environmental objectives below in accordance with Articles 10 to 16 of Chapter II of the Taxonomy Regulation:

1) Climate change mitigation;
2) Climate change adaptation;
3) Sustainable use and protection of aquatic and marine resources;
4) Transition to a circular economy;
5) Pollution prevention and reduction;
6) Protection and restoration of biodiversity and ecosystems.

An activity is selected as eligible when it complies to one of the three criteria:

1) substantially contribute to the achievement of an environmental objective through its own performance; or
2) directly enable the exercise of other sustainable activities the activity is enabling; or
3) cannot be replaced by low-carbon alternatives, but can promote the transition to a carbon-neutral economy.

- Alignment: an eligible activity is identified as aligned when it complies with the following restrictions:

1) Complies with technical screening criteria that have been established in Article 19 of the Taxonomy Regulation;
2) Does not significantly harm (DNSH) any of the environmental objectives, in accordance with the Delegated Regulation 2023/2486 annex III section 1.1 “”Manufacture of active pharmaceutical ingredients (API) or active substances”;
3) Is carried out in compliance with the minimum safeguards and show alignment with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

In this new regulatory context, EUROAPI’s approach may need to evolve as regulations stabilize and data becomes more available, particularly with regard to technical criteria.

In the light of the regulatory framework described above, the Group has identified the taxonomy-eligible activities within the Group for all environmental objectives and has then analyzed the taxonomy-alignment of the activities described in the six environmental objectives (climate change mitigation and adaptation, water, pollution, biodiversity and circular economy).

The Group does not have any eligible activities under the activities listed in Delegated Act 2022/1214 related to gas and nuclear activities.

The financial information used to establish the eligibility and alignment indicators comes from EUROAPI's information systems that track the Group's revenue, OpEx and investments and which have enabled the consolidation of the Group's figures at the end of the 2024 financial year. An internal Reporting Framework documents the information systems characteristics and data collection flow.

Indicators have been analyzed jointly by the local and central teams, in order to ensure their consistency with the consolidated revenue, CapEx and OpEx for the 2024 financial year and to avoid any double counting of eligible activities in the numerator of the Taxonomy indicators.

Analysis of taxonomy-eligible and taxonomy-aligned activities:

EUROAPI's activities (net sales and investments (CapEx / OpEx), including individual investments) were analyzed to determine their eligibility under the activities set out in the Taxonomy Regulation as described above.

The analysis was conducted jointly by the Group's sustainability, operations and finance teams, based on the Group's financial elements and information systems.

The taxonomy-eligible activities identified in 2024 relate to the following activities:

	Environmental Objective	Taxonomic activity
	**Climate Change Mitigation**	a) 4.25 Heat/cold production by using waste heat b) 6.5 Transport by motorcycles, passenger cars and light commercial vehicles c) 7.3 Installation, maintenance and repair of energy efficiency equipment d) 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings e) 7.6 Installation, maintenance and repair of renewable energy technologies f) 7.7 Acquisition and ownership of buildings
	**Adaptation to climate change**	-
	**Sustainable use and protection of aquatic and marine resources**	a) 1.1 Manufacturing, installation, and associated services for leak control technologies to reduce and prevent leaks in water supply systems
	**Transition to a circular economy**	a) 2.2 Production of new water resources for purposes other than human consumption b) 2.4 Hazardous Waste Treatment
	**Pollution Prevention and Control**	a) 1.1 Manufacture of Active Pharmaceutical Ingredients (APIs) or Active Substances
	**Protection and restoration of biodiversity and ecosystems**	-

For the climate change mitigation objective, a detailed analysis of the investments was carried out in order to assess the compliance with the technical criteria and the DNSH (Does not significantly harm) in order to qualify the alignment of the activities.

Only individual investments have been identified as eligible for the environmental objectives and the technical and DNSH criteria have therefore been reviewed on a project-by-project basis:

a) Activity 6.5. Transport by motorcycles, passenger cars and light commercial vehicles: the entire EUROAPI fleet was analyzed against the technical criteria, and only investments in vehicles meeting the technical criteria and the DNSH in Europe were qualified as aligned;

b) Activity 7.3. Installation, maintenance and repair of equipment to promote energy efficiency: the Group has carried out several projects at its sites in Europe to insulate and install new equipment (compressors, traps, lighting) to reduce energy consumption;

c) Activity 7.5. Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings: the Group has carried out several projects at its sites in Europe for the installation of energy consumption monitoring, meters and leak detectors to optimize consumption;

d) Activity 7.6. Installation, maintenance and repair of renewable energy technologies: the Group has carried out projects at its sites in Europe for the maintenance and repair of photovoltaic panels;

e) Activity 7.7. Acquisition and ownership of buildings: only EUROAPI's headquarters located in Paris were considered aligned, as the rest of the Group's real estate portfolio did not meet all the alignment criteria.

Regarding climate change adaptation (annex A), EUROAPI's approach to climate change adaptation consists of several local initiatives in terms of site resilience, several of which have already committed preventive investments to secure assets and adapt production processes.

Analysis of Aligned Activities – Minimum Safeguards

As defined in article 3 of the Taxonomy Regulation, an activity can only qualify as environmentally sustainable if it is carried out in compliance with the specific minimum safeguards detailed in the Regulation.

The assessment of compliance with the minimum safeguards was carried out on a Group-wide basis.

EUROAPI's ESG strategy is aligned with and complies with the United Nations Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the principles and rights set out in the eight fundamental conventions mentioned in the International Labour Organization declaration. The Group has put in place the Code of Ethics and Human Rights Policies which are set out in section 5.4.2 “Human rights policy”, of this statement.

Regarding the procedures in place to fight corruption, the Group has deployed an Ethics and Compliance program in accordance with the eight pillars of the Sapin II law in France. EUROAPI is also subject to the Bribery Act of 2010 in the United Kingdom and the Foreign Corrupt Practices Act (FCPA) in the United States. With regards to taxation, the Group respects the letter and spirit of tax legislation responsibly and aligns its tax strategy with its business strategy.

A mapping of compliance and ethical risks is drawn up by the Group, which includes legal and corruption risks. EUROAPI's teams undergo training on ethical and compliance standards, in order to promote compliance with legal frameworks.

Revenue key performance indicators

The consolidated revenue, which constitutes the denominator in the Taxonomy calculation framework, amounts to €911.9 million (see section 4.2.1 "Analysis of the Group's income statement"), the eligibility ratio amounts to 94%.

The eligible turnover (€853 million) corresponds in its entirety to activity 1.1 Manufacture of active pharmaceutical ingredients (APIs) or active substances, which is part of annex 3 – Pollution prevention and control. This eligible turnover corresponds to the manufacture of active pharmaceutical ingredients or active substances for human and veterinary use, while our “API trading” activity was not considered eligible.

Eligible activity has been further analyzed against alignment criterion. As it relates solely on our API manufacturing, a thorough analysis has been performed on a representative and material sample of APIs, demonstrating no alignment for none of these APIs, individually assessed.

Indeed, alignment criteria 1.1 of substantial contribution to pollution prevention requires molecules to be easily biodegradable, which has not been demonstrated for APIs, since molecules need to act within the body and on specific organs.

Furthermore, criteria 1.2 requires a public document demonstrating that a new API aligned on criteria 1.1 replaces an API not aligned on criteria 1.1 - None of EUROAPI’s manufactured APIs benefits from such conditions.

As a conclusion, aligned turnover has been deemed as 0.

CapEx key performance indicators

In accordance with the Taxonomy Regulation, the denominator of CapEx includes the acquisition of property, plant and equipment (IAS 16) and intangible assets (IAS 38), the acquisition of right-of-use (in accordance with IFRS 16, the right-of-use being recognized at the beginning of the lease). In 2024, the denominator amounts to €105 million.

In 2024, the amount of eligible activities amounts to €105 million, i.e. 100% of CapEx, in connection with individual investments identified as eligible for the environmental objectives and CapEx related to the activity of manufacturing active pharmaceutical ingredients. Subsequently, a thorough analysis of each investment identified as eligible was performed, in order to determine its alignment For the purpose of this assessment, a materiality threshold of €0.2 million per investment was used.

The result of this analysis is that the amount of CapEx related to aligned activities amounted to €2.1 million in 2024.

Scope of eligible activities CapEx *(€ million)*	December 31, 2024
Aligned	**2.1**
Transport by motorbikes, passenger cars and light commercial vehicles	0.4
Installation, maintenance and repair of equipment promoting energy efficiency	0.5
Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings	–
Installation, maintenance and repair of renewable energy technologies	0.8
Acquisition and ownership of buildings	–
Production of heat/cool using waste heat	0.4
Non-aligned	**102.9**
Production of heat/cool using waste heat	–
Transport by motorbikes, passenger cars and light commercial vehicles	1.0
Installation, maintenance and repair of equipment promoting energy efficiency	–
Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings	–
Installation, maintenance and repair of renewable energy technologies	–
Acquisition and ownership of buildings	1.8
Manufacture of active pharmaceutical ingredients (API) or active substances	99.9
Production of alternative water resources, for other use than human consumption	–
Treatment of hazardous waste	0.2
Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	–
Grand total	**105.0**

OpEx key performance indicators

In accordance with the Taxonomy Regulation, the denominator of OpEx is composed of direct non-capitalizable R&D costs as well as equipment maintenance and servicing costs, building renovation costs, repair costs, rents presented in the income statement and any other expenses related to the daily maintenance of assets.

This OpEx denominator represents an absolute amount of €78.2 million.

The eligible Opex (€71.1 million, *i.e.* 91% of OpEx) relates directly to activity 1.1 Manufacture of active pharmaceutical ingredients (APIs) or active substances, which is part of annex 3 – Pollution prevention and control and has been established by reference to the eligible turnover of the sites or directly to the R&D project to which they relate.

Scope of eligible activities OpEx *(€ million)*	December 31, 2024
Manufacture of active pharmaceutical ingredients (API) or active substances	71.1
Grand total	**71.1**

Eligibility and alignment results for 2024

The results of the Taxonomy KPIs for 2024 are summarized below. More details can be found in the Taxonomy tables at the end of the sections.

In 2024, Taxonomy-eligible CapEx amounted to €105 million, or 100% of total CapEx in the denominator.

Investments related to *(€ million)*	**December 31, 2024**
Eligible and aligned investments	2.1
Share of aligned investments in TOTAL CapEx	0.0
Eligible and non-aligned investments	102.9
Eligible investments	**105.0**
Share of eligible investments	100%
Non-eligible investments	—%
Total CapEx Denominator	**105.0**

Taxonomy-eligible OpEx amounted to €71.1 million or 91% of the total OpEx in the denominator

Operating expenses related to *(€ million)*	**December 31, 2024**
Taxonomy-eligible and Taxonomy-aligned OpEx	0
Taxonomy-aligned OpEx as a proportion of total OpEx	—%
Taxonomy-aligned OpEx as a proportion of Taxonomy-eligible OpEx	—%
Taxonomy-eligible but not Taxonomy-aligned OpEx	71.1
Taxonomy-eligible OpEx	**71.1**
Proportion of Taxonomy-eligible OpEx	91%
Taxonomy non-eligible OpEx	7.1
Total OpEx Denominator	**78.2**

Regulatory Tables

Economic activities Table	Codes	Rotation	Proportion of turnover	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	DNSH criteria: Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Taxonomy-aligned proportion of turnover year 2023	Category (enabling)	Category (transitional)
		M€	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E/T	
A.TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned activities) (A.1)		—	0%														0%		
Of which enabling		—	0%															—%	
Of which transitional		—	0%																—%
A.2. Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC 1.1	853.0	94%	N/EL*	N/EL	N/EL	EL	N/EL	N/EL								0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		853.0	94%	0%	0%	0%	94%	0%	0.0								0%		
A.Turnover of Taxonomy eligible activities (A.1+A.2)		**853.0**	**94%**	**0%**	**0%**	**0%**	**94%**	**0%**	**0.0**								**0%**		
B. Taxonomy non-eligible activities																			
Turnover of taxonomy non-eligible activities (B)		58.9	6%																
Total A + B		**911.9**	**100%**																

	Proportion of Turnover / Total turnover	
	Taxonomy aligned per objective	Taxonomy eligible per objective
Climate Change Mitigation (CCM)	0%	0%
Climate Change Adaptation (CCA)	0%	0%
Water (WTR)	0%	0%
Circular economy (CE)	0%	0%
Pollution (PPC)	0%	94%
(Biodiversity) BIO	0%	0%

N/EL: Non-eligible

CapEx Table

				Substantial contribution criteria						DNSH criteria									
	Codes	CapEx	CapEx proportion	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Taxonomy-aligned proportion of turnover year 2023	Category (enabling)	Category (transitional)
		in M€	%	%	%	%	%	%	%	O/N	O/N	O/N	O/N	O/N	O/N	O/N	%	E/T	
A.TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1.Environmentally sustainable activities (Taxonomy-aligned)																			
Production of heat/cool using waste heat	CCM 4.25	0.4	0.3%	Y	N	N/EL	N/EL	N/EL	N/EL	N	O	O	O	O	O	O	0%	E	
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.4	0.4%	Y	N	N/EL	N/EL	N/EL	N/EL	N	O	O	O	O	O	O	0%		T
Installation, maintenance and repair of equipment promoting energy efficiency	CCM 7.3	0.5	0.5%	Y	N	N/EL	N/EL	N/EL	N/EL	N	O	O	O	O	O	O	0%	E	
Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings	CCM 7.5	–	0%	Y	N	N/EL	N/EL	N/EL	N/EL	N	O	O	O	O	O	O	0%	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.8	0.8%	Y	N	N/EL	N/EL	N/EL	N/EL	N	O	O	O	O	O	O	0%	E	
Acquisition and ownership of buildings	CCM 7.7	–	0%	Y	N	N/EL	N/EL	N/EL	N/EL	N	O	O	O	O	O	O	0%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	N/A	2.1	2%	2%	0%	0%	0%	0%	0%	N	O	O	O	O	O	O	0%		
Of which Enabling		1.7	1.6%	0.0	0%	0%	0%	0%	0%	N	O	O	O	O	O	O	0%	E	
Of which Transitional		0.4	0.4%	0.0						N	O	O	O	O	O	O	0%		T

A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																				
Production of heat/cool using waste heat	CCM 4.25	–	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	1.0	0.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											
Installation, maintenance and repair of equipment promoting energy efficiency	CCM 7.3	–	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											
Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings	CCM 7.5	–	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	–	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											
Acquisition and ownership of buildings	CCM 7.7	1.8	1.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC 1.1	99.9	95.2%	N/EL	N/EL	N/EL	EL	N/EL	N/EL											
Production of alternative water resources, for other use than human consumption	CE 2.2	–	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL											
Treatment of hazardous waste	CE 2.4	0.2	0.2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL											
Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	WTR 1.1	–	0.0%	N/EL	N/EL	EL	N/EL	N/EL	N/EL											
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		102.9	98%	3%	0%	0%	95%	0%	0%											
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		**105.0**	**100%**	**5%**	**0%**	**0%**	**95%**	**0%**	**0%**											
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of taxonomy-non-eligible activities		–	0%																	
TOTAL		**105.0**	**100%**																	

N/EL: Non-eligible.

	Proportion of CapEx / Total CapEx	
	Taxonomy aligned per objective	**Taxonomy eligible per objective**
Climate Change Mitigation (CCM)	2%	5%
Climate Change Adaptation (CCA)	0%	0%
Water (WTR)	0%	0%
Circular economy (CE)	0%	0%
Pollution (PPC)	0%	95%
(Biodiversity) BIO	0%	0%

OpEx Table

				Substantial contribution criteria						DNSH criteria								
Economic activities	Codes	Absolute OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Taxonomy-aligned proportion of turnover year 2023	Category (enabling)	Category (transitional)
		in M€	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E/T	
A.TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		—	0%																
Of which enabling		—	0%																
Of which transitional		—	0%																
A.2 Taxonomy-Eligible but not environmental sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC 1.1	71.1	91%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		71.1	91%	0%	0%	0%	65%	0%	0%								1%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		71.1	91%	0%	0%	0%	65%	0%	0%								1%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of taxonomy-non-eligible activities (B)		7.1	9%																
Total A + B		**78.2**	**100%**																

	Proportion of OpEx / Total OpEx	
	Taxonomy aligned per objective	Taxonomy eligible per objective
Climate Change Mitigation (CCM)	0%	0%
Climate Change Adaptation (CCA)	0%	0%
Water (WTR)	0%	0%
Circular economy (CE)	0%	0%
Pollution (PPC)	0%	91%
(Biodiversity) BIO	0%	0%

N/EL: Non-eligible.

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

5.3 SOCIAL

In this chapter we have chosen to distinguish the social (employees and workers on sites that are covered in the sections 5.3.1 to 5.3.5) from the societal questions related to workforce in the value chain (workforce among suppliers, section 5.3.6), affected communities (population around our manufacturing sites, section 5.3.7) and consumers and end-users who are mainly patients (section 5.3.8).

5.3.1 Human capital

Impacts	Risks	Opportunities
Impact on Employees' well-being (work-life balance) and engagement **Impact on employees capacity to evolve in the company** • Employees' wellbeing (inclusion) and satisfaction **Impact on personal development** • Career growth • Compensation • Work-life balance due to good retention plans **Impact on the Group's attractiveness** • Also deriving from innovation & technology	**The Group's recent creation and strategy requires employee transformation with new skills at the right place at the right time (ST-MT)** • Competition for talent attraction and retention in locally tense labor market and/or some sites located in areas with a lack of attractiveness • High turnover cost to attract and not retain employee • Loss of intellectual capital and knowledge • Disruption of projects, teams and corporate culture leading to put at risk the Group strategy execution **Operational and Reputational risks (ST-MT)** • Talent drain and difficulties with recruitment • High staff churn	**Operational opportunities (MT-LT)** • Employee retention - decrease in costs related to turnover and loss of knowledge • Employee commitment with the company to deliver the strategy/improved productivity **Reputational opportunities (MT-LT)** • Attracting and retaining talent • Reduction in staff churn • Reduction in work stoppage • Enhancing the Group's overall reputation **Innovation & technology** • Commercial, social and financial opportunities (MT-LT) • Improving the production process to create innovative products or improve current EUROAPI products • Attractiveness and talent retention

Human capital-related IROs are concentrated on own-operations. Time-horizons for IROs are indicated as Short-Term (ST), Medium Term (MT) or Long Term (LT).

With more than 3,400 employees worldwide, including sales and production sites in some ten countries, EUROAPI is unveiling its four core values:

- Taking ownership;
- Achieving together;
- Driven by our clients;
- Caring for all.

These values help to define EUROAPI actions and behaviors in its daily decisions, actions, interactions and communication. They contribute to structure the way employees work together.

These values are communicated to all employees through a range of communication campaigns and have been promoted at site level through several workshops. The Group's values have been broken down into behaviors, enabling it to reinforce the organization's new culture.

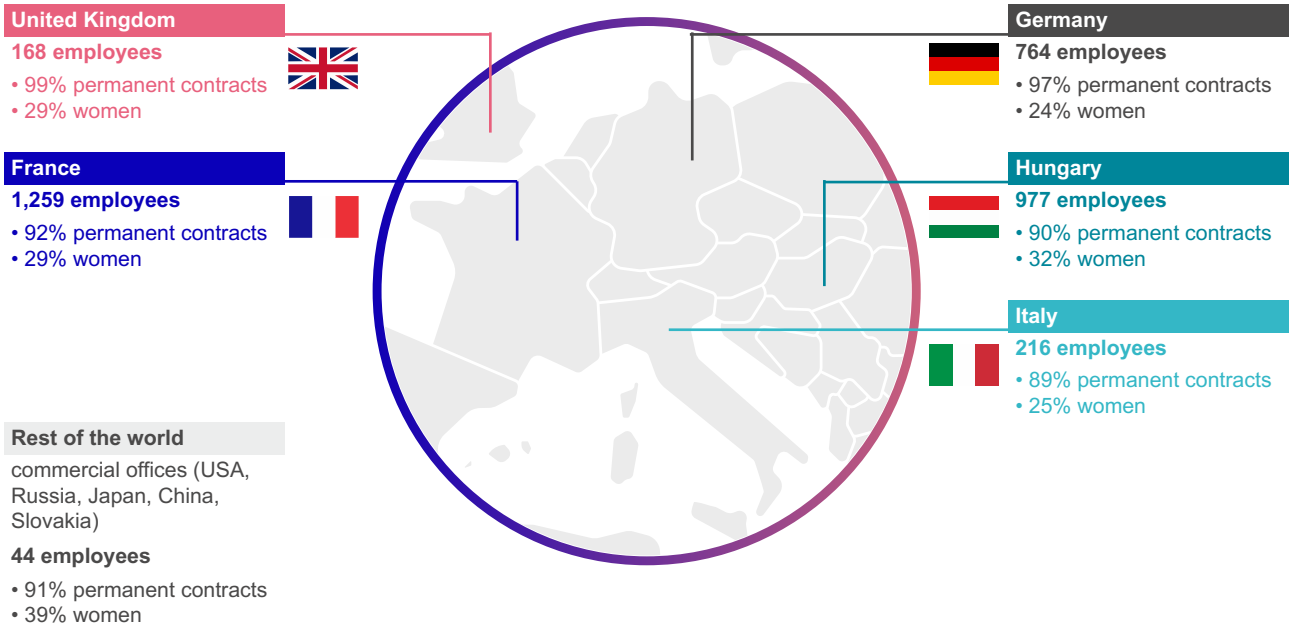
At EUROAPI the workforce is one of the most important sources for generating added value. Human capital is recognized as one of the primary components of the company.

A specific coverage is to be noted for the H&S indicators reported by EUROAPI, as they include not only employees, but also all workers on sites (interim workers and subcontractors), but only for our major major manufacturing sites (therefore excluding Biano, that is a R&D center).

In 2025, EUROAPI will set up a dedicated reporting concerning the temporary workers (around 100 headcount).

Number and distribution of employees

As of December 31, 2024, EUROAPI employed some 3,428 people (excluding temporary workers), of which approximately 1,260 were based in France.



Our Russian office is based in Moscow, therefore EUROAPI's employees are not located in a conflict zone.

Human Resources function is in charge to oversee and manage employees' lifecycle in the company. Under the leadership of the new Chief People Officer appointed in 2024, Corporate HR teams (Compensation and Benefits, Talent and Organization development) and HR sites teams, define and deploy EUROAPI People strategy. Based on consolidation data management, EUROAPI employees cover permanent contracts, fixed-term contracts and apprentices. A special mention shall be made whenever the scope is different from the general scope described in the methodology section (5.1.1 "Methodology note on data reporting"), as for example it is the case for the health and safety workforce questions.

Characteristics of the employees

Characteristics of the undertaking's employees

Number of employees by headcount, gender per country

Country	2024 Women	2024 Men	2024 Total	2023 Women	2023 Men	2023 Total	2022 Women	2022 Men	2022 Total
Total	**985**	**2,443**	**3,428**	**1,050**	**2,619**	**3,669**	**973**	**2,476**	**3,449**
France	367	892	1,259	379	923	1,302	341	894	1,235
Hungary	313	664	977	342	702	1,044	319	616	935
Germany	186	578	764	193	646	839	169	602	771
United Kingdom	48	120	168	64	155	219	79	177	256
Italy	54	162	216	53	167	220	47	161	208
Other	17	27	44	19	26	45	18	26	44

Breakdown by headcount by type of contract

	2024 Women	2024 Men	2024 Total	2023 Women	2023 Men	2023 Total
Total	**985**	**2,443**	**3,428**	**1,050**	**2,619**	**3,669**
Permanent contracts	883	2,304	3,187	917	2,385	3,302
Fixed-term contracts	102	139	241	133	234	367
Non-guaranteed hours employees	0	0	0	0	0	0

Breakdown in % of employees by type of contracts

	2024 Women	2024 Men	2024 Total	2023 Women	2023 Men	2023 Total	2022 Women	2022 Men	2022 Total
Total	**29.0%**	**71.0%**	**100.0%**	**29.0%**	**71.0%**	**100.0%**	**28.0%**	**72.0%**	**100.0%**
Permanent contracts	26.0%	67.0%	93.0%	25.0%	65.0%	90.0%	24.0%	66.0%	90.0%
Fixed-term contracts	3.0%	4.0%	7.0%	4.0%	6.0%	10.0%	4.0%	6.0%	10.0%
Non-guaranteed hours employees	—%	—%	—%	—%	—%	—%	—%	—%	—%

Distribution of employees (headcount) by age group

Distribution of employees (headcount) by age group

	2024		2023		2022	
Total	**3,428**	**100.0 %**	**3,669**	**100.0%**	**3,449**	**100.0%**
<30	428	12.0 %	530	14.4%	489	14.2%
30 to 50	1,842	54.0 %	1,966	53.6%	1,841	53.4%
>50	1,158	34.0 %	1,173	32.0%	1,119	32.4%

Company's employee turnover

Departures (in nb) and departure rate of employees per type of contract

Country	Departures in 2024 Permanent contract	Departures in 2024 Fixed-term contract	Departures in 2024 %	Departures in 2023 Permanent contract	Departures in 2023 Fixed-term contract	Departures in 2023 %	Departures in 2022 Permanent contract	Departures in 2022 Fixed-term contract	Departures in 2022 %
Total	**355**	**143**	**100.0%**	**257**	**141**	**100.0%**	**227**	**129**	**100.0%**
France	99	64	32.7%	79	47	31.7%	71	43	32.0%
Hungary	92	60	30.5%	84	53	34.4%	73	46	33.4%
Germany	83	4	17.5%	33	22	13.8%	41	11	14.6%
United Kingdom	61	5	13.3%	39	15	13.6%	23	19	11.8%
Italy	11	10	4.2%	16	4	5.0%	12	8	5.6%
Other	9	0	1.8%	6	0	1.5%	7	2	2.5%

	Departures per motives		
	2024	2023	2022
Total departures	**498**	**398**	**356**
Voluntary resignation (fixed-term contracts)	35	33	38
Voluntary resignation (permanent contracts)	165	140	102
Mutual agreement	71	51	48
Involuntary dismissal	41	27	19
Expiration of fixed-term contracts	77	75	76
Retirement	85	43	43
Other	24	29	30

			Turnover rate			
Country	Number of hires	Number of terminations	Headcount Jan. 1	Turnover in 2024	Turnover in 2023	Turnover in 2022
Total	**258**	**498**	**3,652**	**10.4%**	**14.7%**	**12.9%**
France	115	163	1,300	10.7%	12.9%	12.4%
Hungary	76	152	1,049	10.9%	20.9%	14.5%
Germany	26	87	821	6.9%	10.7%	9.9%
United Kingdom	13	66	218	18.1%	14.6%	18.9%
Italy	20	21	219	9.4%	12.9%	9.2%
Other	8	9	45	18.9%	13.6%	26.2%

The absenteeism rate is calculated as follow: total number of absences for sickness/total number of hours worked. The absenteeism rates are presented by country and are in line with the best practices in the labor market.

	Absenteeism rate	
	2024	2023
Total	**4.8%**	**4.9%**
France	4.6%	4.5%
Hungary	6.0%	5.5%
Germany	5.2%	5.6%
United Kingdom	1.9%	2.2%
Italy	1.8%	2.8%

Policies related to own workforce

Major HR processes are defined, monitored and promoted at Group level (such as performance, compensation, development…).

The Group policies are put in place for all workers of the company whatever their status. Everyone in the past year was potentially impacted with well being questions, all employees and managers were concerned with risks of turnover, potentially impacting the operations of the services.

No further impact identified in 2024 due to an effort of mitigating risks in a context of headcount reduction to meet FOCUS 2027 objectives.

In this perspective, the HR Roadmap set at the arrival of the new Chief People Officer (CPO) mid-2024 is targeting four key dimensions aligned with our impacts, risks and opportunities:

- Attractiveness and Retention of talents: Attracting and retaining talent, to align the Group's human resources with its future needs. This includes offering development opportunities to our employees, creating a continuous learning culture, identifying and supporting talents and fostering performance;
- Diversity and equal opportunity: embracing diversity, equity and inclusion, in our workforce, ensuring that the Group's HR processes comply with the principles of non-discrimination and equal opportunity;
- Quality of worklife and compensation: supporting employee's well-being, health and safety and creating a safe and engaging work environment, aligned with compensation policy described in the section 5.3.4 "Quality of life and compensation".

On top of the Group Policies, several existing local policies contribute to these objectives and shall be presented in the next sections. Our ambition is to align existing policies at the highest standards and define Group policies on DEI in 2025.

As mentioned in our Corporate section (5.4.2 - "Human rights policy") all our workers are entitled with human rights, including labor rights and child labour. All our workforce (either employees or subcontractors) can anonymously use our whistleblowing system, may they need to. Therefore the Group thanks to its overall approach and effort towards DEI actions (section 5.3.2 "Diversity and equal opportunity") and its Human right policy (see section 5.4.1 "Human right policy"), has not had any proven discrimination case during the reporting period (one alert was raised, but the investigation did not demonstrate a discrimination).

No material impact on the workforce is to highlight due to the transition plan. A new organization was set up end 2023 to absorb a major part of the work related to environmental questions and help the company to reach climate neutral objectives. All the other functions (mainly operational and R&D) have been able to adapt to the change regarding these topics and are still in a learning position regarding environmental questions.

5.3.2 Diversity and equal opportunity

The diversity, inclusion and talent development function is endorsed at the central function by the Head of Talent Management & Transformation. Her role is to define EUROAPI Group Strategy in diversity and inclusion fields as well as in the talent and organization development, and to ensure the deployment of these approaches within the different sites of the Group. Developing our DEI policy has for objective to increase the inclusion sentiment of our employees (whatever their origins, religion, gender, sexual orientation...), to demonstrate the Group seriously considers these topics and to increase the potential number of candidates that could apply to a job offer at EUROAPI.

Policies

Diversity, equity and inclusion (DEI) is one of our strengths and convictions. It is both a source of motivation for employees and a source of innovation.

Our workforce is made up of employees from 47 different nationalities, across ten countries.
We are committed to promoting diversity as a strength and asset, to taking action on inclusion, and to combating all forms of discrimination. We define, lead and coordinate initiatives and implement training and awareness-raising actions centrally and in relation with local DEI leaders.

All diversity policies and initiatives are approved, sponsored and monitored by both the Board of Directors and the Executive Committee. Within the Human Resources team, the Head of Talent Management coordinates the diversity and inclusion policy, reporting to the Chief People Officer.

Actions

In 2024, DEI actions were initiated and implemented through training and awareness-raising actions at central level through various channels including Digital Learning contents and live webinars offered to employees across the organization. We highlighted our four priorities:

- Fighting unconscious biases;
- Promoting gender diversity;
- Being inclusive regarding all forms of disabilities;
- Embracing multigeneration workforce.

Each of these topics was discussed between an expert and employees from our various sites during a one hours webinar per topic. The sessions, gathering on average 50 employees, were recorded and made available on our learning portal.

Employees were invited to deepen their knowledge and explore these topics *via* digital learning contents.

The Diversity, Equity and Inclusion Committee set up in 2023, formed of representatives from across the organization (Group and sites) pursued its action and met three times over 2024 to elaborate common actions such as disability awareness (*Duo Days* in France on Vertolaye site to be replicated in Germany and Hungary), reflect on possible common targets around disabilities, monitor our KPIs and define action plans.

In 2024, most senior leaders were trained to unconscious biases *via* open enrollment webinars and targeted digital learning, supporting the main steps of our HR processes (annual appraisal, mentoring…). The objective was to raise manager's awareness on inclusive culture in an engaging, positive and non-mandatory approach.

Gender balance indicators

In our recruitment process, we encourage talented women to apply for positions and take proactive steps to appeal to women, particularly female engineering students, through regular attendance at school and college events.

We encourage recruitment managers and any recruitment agencies we work with to consider diversity in their recruitment practices and to ensure women make up at least 50% of shortlisted candidates.

The Group has set itself the goal of boosting the recruitment and internal promotion of women in order to increase representation at all levels of the Group. EUROAPI already reached the objective set to have 30% of women in the extended leadership position by 2025, with a current rate to 34%.

	Share of women among employees at Dec 31, 2024		
Proportion of women	**2024**	**2023**	**2022**
Proportion of women in the Group's salaried workforce	**28.7%**	28.8%	28.2%

Turnover within the Extended Leadership Team (ELT) triggered a slight decrease of representation of women. In 2024, 34% of its members were women. They were representing 36% in 2023 and 30% in 2022.

Similarly, at Executive Committee level, the representation of women decreased from 36% in 2023 to 33% in 2024.

	Gender distribution at top management level			
	2024			
	Women	**Men**	**Total**	**% women**
Board of Directors	5	6	11	45.0%
Executive Committee	2	4	6	33.3%
Extended Leadership Team*	13	25	38	34.2%
Senior leadership position**	68	117	185	36.8%

* *Extended Leadership Team (ELT): Top 40+ Key people in the company, heading functions, areas, sites or with a significant role and impact in the Company.*

** *Senior Leadership Team (SLT): Members of the Leadership Group - Local heads of functions.*

In addition, EUROAPI works to reduce the pay gap between male and female employees in equivalent roles. On average the gender pay gap shows that men earn -7.5% of annual gross salary than women. The gap is explained by the fact that the proportion of women is above company average in the higher paid roles, when male employees are over-represented in workers positions (ie. with lower remuneration standards).

	2024
Gender pay gap	-7.5%

Multigeneration

Valuing and taking into consideration people of all ages and generations is important to the Group and is valued as a source of performance and productivity, bringing together people with complementary abilities, skills, information and networks. This should lead to better decision-making, productive collaboration and *in fine*, improved overall performance.

At EUROAPI, every employee has its place, regardless of age or experience. We achieve this by aligning key talent management processes across all sites, including recruitment to learning and development and our leadership framework.

To meet these objectives, the Talent Management Group offered awareness-raising sessions on the topic in June 2024 as well as a dedicated digital pathway reinforcing the topic.

Disability

On most of the Group's sites, employees with disabilities are offered the support of a number of internal and external professionals to ensure job suitability and workplace adaptations when necessary.

All disability initiatives are overseen at site level by designated Disability Committee.

Awareness campaigns targeting all employees at site-level ensure people with disabilities are well integrated and successful in their job function.

Haverhill site in the United Kingdom has signed up to the government's Disability Confident scheme and are at stage 1 - disability committed.

Internal metrics are followed especially in France as part of the employees with disability employed in the company.

5.3.3 Attractiveness and retention of talents

Policies

Learning and development

At EUROAPI we are committed to supporting our employees in their learning and development. Like most scientific and pharmaceutical companies, our future success relies on hiring, developing and retaining committed, highly skilled people.

The Group develops our employees' skills through challenging position and development opportunities. Our development policy is based on the 70/20/10 model (70% challenging experiences and assignments, 20% informal learning and exposure, 10% coursework and training) and is employee-led, with support from both the Human Resources department and the line manager.

In the context of a rapid and ambitious transformation, the aim of our learning and development policy is to reflect our strategic priorities, anticipate future skill requirements, address skills gaps and generally support the development of employees and managers through trainings and workshops. It is also designed to adapt in the event of future organizational or operational changes.

Managers are responsible for identifying the needs of their teams, sharing learning opportunities and implementing their learning and development plans with the support of the Group's Human Resources network.

Training offer is overseen both at central and country level, with a significant input from Heads of Department.

In 2024, a focus was put on financial acumen, cross functional collaboration and customer centricity.

Customized Group programs were offered to employees *via* virtual sessions. A new customer centricity program was specifically designed for EUROAPI and will be rolled out until end of 2025.

Leadership competencies model

As a driver to our retention policy, in order to impact our employees' personal development, limit risks of turnover and increase the commitment of our employees, talent management is key to remain at our best. Our ambition is to anticipate human capital requirements, strengthen key competencies and develop the leaders of the future while ensuring our employees reach their full potential and employability.

In keeping with our Group's transformation strategy, we developed a management competency framework to promote agile, inspiring and inclusive leadership. It sets out standard competencies and behaviors aimed at embedding a consistent management culture across the organization. The leadership competency model will be cascaded in 2025.

Actions and Indicators

Annual performance appraisal

Annual performance reviews are held to assess performance against objectives and set new ones for the coming year in accordance with strategic priorities.

In 2024, 100% of employees eligible to short-term incentive had appraisals.

Performance and Career Development Reviews

	2024			2023		
Country	Women	Men	Total	Women	Men	Total
France	100%	100%	100%	96%	98%	97%
Hungary	100%	100%	100%	100%	100%	100%
Germany	100%	100%	100%	98%	100%	100%
United Kingdom	100%	100%	100%	100%	99%	100%
Italy	100%	100%	100%	100%	100%	100%
Other	100%	100%	100%	100%	100%	100%
Total	**100%**	**100%**	**100%**	**99%**	**99%**	**99%**

N.B: Biano employees are excluded from this report as they are not yet integrated in our HRIS system and non significant.

Annual talent review

Each year the Group conducts annual reviews ("Talent Review") at all levels: sites, functions and Group. Talent reviews are a core feature of talent management.

Aligned with our strategy it implies to identify skills gaps by anticipating business continuity, robust succession planning, identifying future leaders and build collective and individual action plans.

- The Executive Committee conducts an annual talent review in order to identify high-potential employees, with a particular focus on potential executive managers;
- Once a year, Executives' succession plan is presented to the Board of Directors.

After each Talent Review, personal development plans are drawn up for high-potential employees.

In 2024, all HR were trained to support managers and teams to create individual development plans for all identified talents - and potentially for all employees. This contributes to create a learning culture and ultimately a learning organization, where all managers commit to the development of their team members through development conversations.

In a context of rapid transformation, we engaged our senior management teams (ExCom & ELT members) into a mentoring program of our Group potentials. This program allowed both to engage senior leaders to provide guidance and clarity on the Company's orientations and challenges, but also to grow our Group's potential by exposing them to senior team leaders and share with them on the Group's challenges, coming closer to this level of responsibility. 18 potentials were engaged into the program, supported by 18 senior leaders.

Learning offer

In 2023, the Group's digital learning platform "iLearn" was rolled out to all employees. It contains over 10,000 courses on a range of topics from job-specific skills to leadership and management, and diversity, equity and inclusion.

We also offer employees to improve their language skills – particularly English – so they gain confidence in working in an international environment.

In addition to company-wide trainings, each site offers its own catalogue courses (digital, face-to-face or blended).

Through these different approaches we aim to provide our workforce, particularly managers, with the skills that are vital to the Group's transformation:

- successfully adopting its values and culture;
- reinforcing the importance of diversity, equity and inclusion;
- developing management and leadership skills;
- developing new skills.

The Group will continue developing its learning and development provision and catalog of courses aimed at embedding our culture and fueling our transformation.

In 2024 we reached an average of 12.5 hours of training per employee.

For 2025, as we develop the usage of our digital platform and tend to focus on transformative topics for the Group, we set the target of 14 h/employee per year.

To reflect our general skills development policy and in keeping with our commitment to develop our workforce and support our transformation, in 2024, we have placed an emphasis on change management. We provided dedicated support to transformation leaders on each site to manage all aspects of transformation including people. Some workshops were held for transformation leaders and HR teams on "managing uncertainty". In addition, all managers at the headquarters and all HR had to follow a half day training on psycho-social risks in a context of transformation in order to ensure the right level of attention was provided to these very exposed employees and equip them to support their teams and identify potential risks.

Trainings by gender

	2024			2023		
	Women	Men	Total	Women	Men	Total
% employees trained	94%	96%	95%	93%	96%	95%
Average number of hours per person trained	8.9	14.1	12.5	10.2	9.4	9.6

N.B: Biano employees (n=21) are excluded from the report below as they are not yet integrated in our HRIS system and learning management system.

5.3.4 Quality of life and compensation

Engaging with own workers

As a major international company, and in line with its purpose of providing "active solutions for health", the Group has a duty of care towards its employees. Providing them with attractive compensation and a good working environment helps to improve the Group's employer brand. It also helps to attract and retain employees more effectively.

Our last employee survey was conducted in 2022, based on which, the Group measured the level of employee engagement through a global index of several criteria:

- whether respondents would recommend the Group as a good place to work;
- whether respondents have the means to do their jobs effectively;
- respondents' level of energy;
- respondents' sense of personal accomplishment.

Next employee survey will be launched in 2025. It will be held in Q3 and will be led by the Group Talent Management in relation with all local HR teams.

No survey was launched in 2024 due to a turnover in the HR central team. Priority was given to local actions in favor of employees' well-being (such as the access to a psychological wellness line or work-life balance actions such as Wellness4 All mentioned after).

Collective bargaining and social dialogue

The Groups aims to uphold local legislation at all times in every country where the Group operates, and to develop the highest labor standards for its employees.

Social dialogue is overseen at country level by local and Human Resources managers working alongside employee representative bodies and trade unions. Most of our manufacturing sites belong to the European Works Council (EWC), a transnational representative information and consultation body with its own powers and a remit that is separate from, but complementary to that of the national representative bodies.

Ordinary plenary meetings are held twice a year.

The European Works Council is informed and, if necessary, consulted on all cross-border issues that have an impact on the Group employees.The Council met five times in 2024.

The EWC is composed of members from Germany, France, Hungary and Italy. The United Kingdom is represented as a permanent guest member.

Employees covered by bargaining agreement and representatives in the most important countries*

	2024			2023		
	Collective bargaining coverage		Social dialogue	Collective bargaining coverage		Social dialogue
Coverage Rate	Employees - EEA c	Employees - Non-EEA	Workplace representation (EEA only)	Employees - EEA	Employees - Non-EEA	Workplace representation (EEA only)
0-19%	/	/	/	/	/	/
20-39%	/	/	/	/	/	/
40-59%	/	/	/	/	/	/
60-79%	Germany	/	/	Germany	/	/
80-100%	France and Hungary	/	France, Hungary and Germany	France and Hungary	/	France, Hungary and Germany

* *for countries with > 50 employees and representing > 10% of total employees*

% of total employees covered by collective bargaining agreement

	2024
% of total employees covered by collective bargaining agreements	86%

So far the workforce representatives do not take part in setting targets, tracking performance or even in identifying improvements. In Q2 2024 the French representatives had a presentation by the Head of ESG on these topics at their requests, showing a level of interest and possibly in the future to engage more into ESG actions and follow-up.

In France, 9 ordinary and extraordinary Central Works Council meetings were held in addition to a number of collective bargaining meetings, which testifies to active social dialogue. The first expertise of strategic orientation was carried out and contributed to constitute a regulatory and documentary basis.

Since EUROAPI's creation, 40 collective agreements were renegotiated. In 2024 11 agreements were signed including 10 unanimously and 1 was not signed.

The reporting period saw positive social dialogue within the Group which is laying the foundations of a robust company with a strong social conscience.

In the United Kingdom, employee engagement is through an Employee Forum made up of a group of elected employee representatives from each division. The forum meets every three months to share information, news and company announcements, to discuss topical issues and promote open dialogue on matters such as:

- Employee engagement;
- Wellness4All;
- Compensation & benefits;
- Community and social, health & safety;
- Improvement programs;
- Site facilities and policies.

Group members discuss issues they wish to raise and submit to the management team.

As mentioned above, a representative of the Forum attends the European Works Council meetings as a guest, to promote inclusion throughout the company.

In Germany, the works council chairman, managing director and human resources manager meet regularly, while the Human Resources department organizes monthly meetings with works council representatives, during which company agreements are reviewed, amended and reformulated. The Works Council held four meetings (it is required to organize at least one per quarter), attended by around 300 employees.
Regular meetings are held between the Managing Director, the Human Resources Director and exempted or senior employee representatives.

In Italy, the period under review was marked by discussions with employee representatives, punctuated by several works council meetings, around half of which were convened to discuss weak sales.

In Italy, the company's Board of Directors held several meetings to maintain good relations with the social partners, despite the difficult economic climate.

Some meetings were attended by national union representatives due to the regional significance of the Brindisi site and the influence exerted by trade unions.

Relations remain positive as confirmed by agreements on the following topics:

- Headcount Redundancy management and voluntary redundancy plan;
- Flexibility on employment contracts;
- Smart working practices;
- Company benefits and budget;
- Collective production bonus.

During this period, the Group relied on the support of CONFINDUSTRIA. The Italian employers' association represented EUROAPI at national level in social dialogue and the resolution of several procedural issues with various public bodies. With the association's help, the Group was able to conclude agreements with the trade unions.

In Hungary, the site manager organized monthly meetings with union representatives to discuss strategy, the company's future, workload, working conditions and topical issues.

Working hours

Working hours are organized to meet the needs of the Group's clients taking into account the production capacity of our industrial sites. Employees are working in shifts in the production area. In France, some collective agreements about the working time organization are in place.

Promote wellness at work

Since 2022 the Group has set the Wellness4All program aiming at positively impacting employees through a better work-life balance. The wellness program is managed at site level by the Health and Safety manager and teams.

Events and initiatives are organized and aim at preventing chronic illness and promoting mental health across the organization under Wellness4All, a company scheme that has been rolled out at all operational, administrative and commercial levels.

They are usually communicated through our intranet and employees are free to attend if they wish to.

This scheme promotes:

- physical activity such as small lifestyle changes aimed at increasing activity levels, enjoying the outdoors and socializing with others;
- prevention and actions that can be taken to reduce the likelihood of lifestyle-related diseases, such as lung cancer due to smoking or type-2 diabetes;
- strategies to boost mental health and advice on maintaining work-life-balance;
- good nutrition through healthy choices, such as incorporating vitamin-rich foods into the diet.

To promote fitness, some sites offer employees access to gyms and sport facilities.

Examples of wellness initiatives offered by our sites in the past year:

- all of our major sites offered free flu vaccinations to all their employees (France, Germany, Italy, Hungary, United Kingdom);
- cardiovascular risk assessment proposed to employees (Brindisi, 02/26/ and Haverill 03/05);
- discussions on how to say "no", to contribute to mental health safety, good sleeping (Frankfurt);
- how to adopt a good posture at the desk office (France 03/05);
- stress management workshop in Brindisi (09/02);
- bike competition (Germany 04/24);
- invisible disability information day (04/25);
- running day in Frankfurt (06/05);
- Healthy Eating Week in Haverhill (06/10-14);
- 100 squat Day Challenge for Cancer Research UK (07/29);
- Altruism month in Budapest (07/08);
- football and walking sessions organized at Elbeuf site (09/23);
- Pink October – cancer conference,Elbeuf (10/04);
- Site Health Day in Frankfurt (10/30-31), promoting physical activity;
- World Diabetes Day , Budapest (11/14);
- Rescue safety training - PSC1, Paris (09/24 and 25) - 2 groups.

Most of the events takes place over one day, but can be planned over several days as for example vaccination was possible to be done over several weeks in Paris office.

Equal parental leave

Since January 1, 2022, any employee welcoming a new child has been entitled to 14 weeks of parental leave, providing they are recognized as the child's parent on the basis of local legislation or practice.

Family-related leave

	2024						2023					
	% of employees entitled to take family-related leave			% of entitled employees that took family-related leave			% of employees entitled to take family-related leave			employees that took family-related leave		
Country	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Total	**100%**	**100%**	**100%**	**1.63%**	**2.42%**	**4.05%**	**100.0%**	**100.0%**	**100.0%**	**1.55%**	**2.26%**	**3.82%**
France	100%	100%	100%	0.73%	0.79%	1.52%	100.0%	100.0%	100.0%	0.44%	1.06%	1.50%
Hungary	100%	100%	100%	0.29%	0.79%	1.08%	100.0%	100.0%	100.0%	0.63%	0.35%	0.98%
Germany	100%	100%	100%	0.35%	0.38%	0.73%	100.0%	100.0%	100.0%	0.33%	0.60%	0.93%
UK	100%	100%	100%	0.15%	0.32%	0.47%	100.0%	100.0%	100.0%	0.11%	0.16%	0.27%
Italy	100%	100%	100%	0.09%	0.15%	0.23%	100.0%	100.0%	100.0%	0.03%	0.08%	0.11%
Other	100%	100%	100%	0.03%	—%	0.03%	100.0%	100.0%	100.0%	0.03%	—%	0.03%

Compensation and benefits

The overall goals of our compensation policy are to boost employee engagement, reward skills acquisition and incentivize individual and collective performance, that should contribute to a better retention of our employees and attraction of talents.

Compensation policy

Our compensation policy is based on principles of competitiveness in local markets, fairness within the organization and differentiating compensation based on performance to attract, motivate and develop the skills of our employees. By regularly consulting compensation surveys and taking into account the Group's financial resources and local market trends in each country, the policy is intended to ensure that our entities offer fair and competitive compensation packages and effectively define salary increases. The policy is adapted in every country where the Group operates, in line with local legislation (collective bargaining, application of industry-wide collective agreements on compensation).

As a group, we have opted to use the WTW's Global Grading System.

In accordance with the Group's policy, the compensation structure may include fixed and variable components.

The Group has implemented short-term variable compensation (for managerial and specialist staff) based on performance against personal and company objectives. See section 2.3. of the Universal Registration Document, "Remuneration and benefits".

Individual pay rises are based on a set budget and benchmarked against both the market and in-house practices. They also take into account assessments of employees' actual and potential performance as well as the skills they have acquired and demonstrated.

Total payroll and changes in payroll information is available in the statutory financial statements (wages and salaries) presented in section 4.7 "Statutory financial statements" of the Universal Registration Document.

In each country a minimum salary, that the Group considers to be an adequate wage, is defined either by law or by local standards (France, UK, Italy, Hungary and Germany). Our employees in Europe represents 99% (we cannot disclose with 100% certainty the cases of a few workers based in Russia, China and Slovakia, an action plan will be set to ensure the level of information for 2025 data) of our workforce and are paid above these minimums:

- France: Minimum defined by chemical collective agreements;
- UK: minimum wages defined in the United Kingdom;
- Germany: minimum defined at country level;
- Italy: minimum defined in the National collective agreements;
- Hungary: guaranteed minimum wage defined at country level;

	2024
Annual total remuneration ratio	11.3

2024 was an exceptional year in terms of governance, triggering an atypical salary for the role of CEO (as the highest-paid position in the company) and a non-representative remuneration ratio. See explanation of the methodology in section 5.1.1.

Our long-term compensation policy is aligned with our three-year strategic objectives. It is based on the attribution of performance shares, the vesting and payment of which are contingent on the Group's share performance and financial performance as well as on the introduction of free share and/or stock option plans, the characteristics of which are determined by the shareholders' meeting and by the Board of Directors of the Company. In this context, on the occasion of the admission of its shares to trading on the regulated market of Euronext Paris, the Company granted free shares of the Company, in the form of an exceptional allocation, and is planning to establish recurring performance share plans. Further information in section 2.3. "Remuneration and benefits" of the Universal Registration Document.

Employee benefits

Employee benefits are an essential component of the Group's compensation system.

Employee benefit plans can significantly vary from one country to the next, as the Group tailors its employee benefits programs to each country to take into account the different levels of legal and tax regulations.

All compensation and employee benefit policies comply with local regulations and collective agreements. They also include employee savings plans (see "Group savings plans and similar plans" hereafter).

Profit-sharing plans

In France, the Group has set up a profit-sharing agreement to collectively associate eligible employees with the results of the Group. The profit-sharing agreement is calculated on the basis of performance indicators (related to the employees' activities), under the conditions provided for by law or negotiated between employees and management in 2024.

Group and other savings plans

In France, under an agreement dated February 25, 2022, a Group Savings Plan (*plan d'épargne groupe* or PEG) was set up allowing eligible employees to participate, if necessary with the help of the Company or its participating subsidiaries, in the constitution of a collective portfolio of securities benefiting from tax and social advantages attached to this form of collective savings, in return for the temporary unavailability of the amounts invested. This scheme also allows eligible employees to participate in any employee stock ownership opportunities offered by the Company. The Group's foreign subsidiaries may also participate, under the conditions provided for by the Group Savings Plan (PEG).

In France, the Group set up:

- a Time Savings Account;
- a collective retirement savings plan *(plan d'épargne retraite d'entreprise collectif,* or PERCOL), which allows eligible employees to invest, including through payments from the equity-interest agreement and the incentive agreement for their retirement. This scheme offers eligible employees the option of benefiting from certain tax and other benefits in return for a lock-up period ending when retiring.

Employee stock ownership plans

In 2024, the free share plan issued in 2022 for French employees vested in June and each beneficiary was offered the possibility of reinvesting these shares in the Group Savings Plan.

Due to the particular context for the company, it has been decided not to launch a shareholding plan in 2024.

5.3.5 Health and safety

Impacts	Risks	Opportunities
Impact on the health and safety of the Group's employees	**Operational risk (ST-MT)** • Increase in work-related accidents and stoppages **Reputational risks (MT-LT)** • Talent drain and difficulties with recruitment	**Reputational opportunities (MT-LT)** Enhancing the Group's reputation: attracting and retaining talent. **Operational opportunities (ST-MT)** High productivity without any accidents

Health & Safety-related IROs are concentrated on own-operations. Time-horizons for IROs are indicated as Short-Term (ST), Medium Term (MT) or Long Term (LT).

As a chemical company with multiple Seveso-classified sites, the safety of our on-site workers is a priority, therefore 87% of our workforce are covered by our health and safety management system (whether employees, interim workers or subcontractors, focussing on our manufacturing sites, whilst employees working at HQ or commercial offices are not tracked within this system, as less exposed to health and safety risks). Our activity and the social context of the company can impact on one side the health and safety of our workers (employees and subcontractors) and on the other side the well being and the attractiveness of the company.

Own workforce covered by H&S management system	2024
% of own workforce	87%

Health and safety culture and prevention play a critical role in reducing the incidence of injuries and diseases.

The HSE Team is overseen by the Head of HSE, who directly reports to the Chief Operation Officer (COO).

The Head of HSE's role is to implement robust occupational health and safety culture and programs designed to meet or exceed the latest health and safety regulatory requirements. The team works closely with shop-floor staff to monitor their exposure to hazardous substances. A network of 50 full-time, in-house HSE specialists continuously monitors the effectiveness of risk control procedures on the plant premises.

Every site holds a regulars HSE governance meeting attended by on-site experts (environment, health and safety officers, etc.) to identify any improvement action plans and any new regulatory standards to be implemented. In parallel, the Executive Committee also receives a monthly briefing and proposed actions to inform their decision-making on a timely manner.

Policies and audits

Our HSE Policy was updated in 2024 with a view to further reducing and eliminating occupational health, safety and environmental risks, strengthening governance and securing increased buy-in from Site Heads in terms of the implementation of HSE priorities. It has for objective to increase the focus on health and safety topics in order to avoid work-related accident and stoppage, as well as high staff churn, and contribute to improve our attractiveness and reputation, while improving our productivity.

In addition, external stakeholders are auditing our sites, to ensure compliance with health and safety and fire safety standards:

- Insurance companies (such as AXA Insurance): each of our manufacturing site was inspected 2024;
- Clients;
- National authorities regularly inspect our five Seveso facilities.

EUROAPI is compliant with Regulation (EC) 1907/2006 of the European Parliament and of the Council of December 18, 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals ("REACH Regulation"). Under REACH any company manufacturing or importing chemicals in excess of 1 MT/Yr are required to register the substances. Regardless of volume, they must also assess their potential impact on human health and the environment, and implement procedures to minimize risk including limiting exposure to such chemicals.

The Group is a member of the national chemical industry associations in France, Italy and the United Kingdom. In 2022 it signed up to the Responsible Care® Global Charter. The members make a commitment to safely manage chemicals throughout their lifecycle, particularly in 6 key areas including continuous improvement with respect to workplace health and safety, public safety, process safety, environmental performance and the security of the company's facilities and products (see the RCGC website).

Two of our sites, Brindisi and Budapest, are ISO 45001-certified, attesting to their health and safety standards.

In 2023 was launched of the Lifesaving Rule process which included an annual audit program focusing on two rules per year. In 2024 the audit process continued and all sites had by end of year been audited for a total of four rules, with the remaining two rules to be audited in 2025 after which the audit cycle will start again.

Actions

In order to reinforce among all our workers of the importance of taking into account health and safety at work, our CEO shared his will to further focus on H&S topics in an internal communication on the World Day of Safety at Work (04/26).

To achieve our goal of zero accident across EUROAPI's sites, our HSE experts and management continuously work on workplace accidents prevention and injuries, raising awareness among our own workers of health and safety issues and promote healthy habits.

Risk-based safety management system

Our approach to health and safety is using a risk-based safety management system to effectively identify and prevent risk. Risk assessments are carried out at site-level and reviewed by local Health and Safety Committees on a regular basis as well as in response to operational changes.

The approach involves a number of steps:

- identifying workplace hazards stemming from jobs, tasks and working conditions;
- reviewing workplace prevention practices and regulations;
- identifying residual risk; and
- implementing risk control measures factoring in all scenarios, processes and activities.

In order to better target the types of actions to be implemented, potential events are classified based on international standards according to their severity. Using this classification, potentially serious events (PSE) are targeted as a priority, and human and organizational factors are factored into the in-depth analysis. In 2024 the HSE event communication process was revised to ensure that all sites alerts are reported within 48 hours after the event. The in-depth investigation is also shared to enable sites to review their own working practices and take preventative improvement actions.

Risk minimization methods can include minimizing exposure to chemicals, radiation and biological agents, as well as physical and ergonomic constraints.

Occupational hygiene programs are also run by the HSE departments in order to maintain good knowledge of all potential exposure to agents hazardous for employees' health.

Health and safety scenarios are included in the Business Continuity Plans and crisis management framework to allow operations to promptly return to business as usual in the event of business disruption.

Increase safety awareness

Training aims to promote the HSE safety culture among all employees, together with the Human Resources department and managers. EUROAPI seeks to raise safety awareness and responsibility to each and every employee, therefore regular training programs on prevention and protection are organized on a regular basis.

Mandatory legal training is routinely provided to all where required, and refresher training is provided in line with the legal framework. A total of 30 modules are available online.

Managers at all levels of the organization are responsible for promoting a safety culture through both statutory and non-statutory measures. To encourage the inclusion of safety topics in routine exchanges with managers, the MSV (Managerial Safety Visits) program, consisting in “shop-floor” visits, has become mandatory for most managers, including ExCom members, visiting the sites. All managers trained must have at least eight MSV per year. An additional training was set up in 2023 about life saving rules.

In order to learn from experience and reap the rewards of continuous improvement, HSE investigations are held when potential serious events occur. The people involved analyze the events, what went wrong and what can be learned for further improvement. The root cause and action plans are shared between sites.

Each new employee receives initial health and safety training appropriate for their job profile so that they can perform their work in strict compliance with the rules.

Regular awareness initiatives are conducted throughout the year. The “One Hour Stop for Safety” event was held on June 4, 2024 on all plants at the exception of Brindisi that was closed at the time. Production was stopped for a focused health and safety session with the staff.

Each site has a weak signal tool in use enabling employees to give early warning of potential danger to property and people that could lead to an incident or accident.It can cover safety issues relating to our office activities, our technical installations and, more generally, our working environment.

These signals can be of a material, human or environmental nature and can be observed at all levels of the organisation.

Weak signals are tracked globally and improvements are planned to ensure the good quality of reports.

Healthcare follow-up

Medical surveillance is made available to all employees at the Group sites by a designated clinician or physician. All personnel are monitored under medical surveillance programs that are based on the results of occupational risk assessments linked to their duties. Designated clinicians or physicians also evaluate occupational injuries or illnesses.

Indicators

Despite EUROAPI's effort to limit injuries among its workers, an increase in the number of minor accidents was observed in 2024. Overall, these accidents could be qualified as minor, but still resulted in conditions where the employee was unable to return to physical activity for a longer period than in 2023. This situation is reflected in higher accident rate and also severity rate.

		Recordable work-related accidents			
Per 1,000,000 hours worked		**2024**	**2023**	**2022**	**Change vs. 2023 (%)**
Lost Time Injury frequency rate (LTI)	**Total workforce**	**3.1**	**2.1**	**1.8**	**+47.6%**
	Employees	2.9	1.7	1.6	+70.6%
	Temporary workers (non-employees)	0.0	3.0	2.9	-100.0%
	Contractors	4.3	3.3	2.2	+30.3%
Number of recordable LTI	**Total workforce**	**22.0**	**16.0**		
	Employees+non employees)	15.0	/	/	/
Recordable work-related accident frequency rate (TRI)	**Total workforce**	**4.6**	**2.8**	**2.9**	**+64.3%**
	Employees	4.1	2.4	2.5	+70.8%
	Temporary workers (non-employees)	8.9	3.0	5.7	+196.7%
	Contractors	5.5	3.9	3.3	+41.0%
Number of recordable TRI	**Total workforce**	**32.0**	**21.0**	/	**+52.4%**
	Employees	21.0	/	/	
	Temporary workers (non-employees)	2.0	/	/	
	Contractors	9.0	/	/	

	Number of fatalities as a result of work-related injuries and work-related ill health		
	2024	**2023**	**2022**
Total workforce	**0**	**0**	**0**
Employees	0	0	0
Temporary workers (non-employees)	0	0	0
Contractors	0	0	0

Work-related ill health and days lost of work among employees	**2024**
Number of cases of recordable work related ill health (employees)	0.0
Number of days lost to work related injuries and fatalities (from work-related accidents, work-related ill health and fatalities from ill health) related to employees.	374.0

	Accident severity rate* (V)			
Per 1,000 000 hours worked	**2024**	**2023**	**2022**	**Change vs. 2023 (%)**
Total workforce	**65.7**	**39.9**	**15.7**	**+64.7%**
Employees	72.4	42.3	16.5	+71.2%
Temporary workers (non-employees)	0.0	116.1	37.1	-100.0%
Contractors	53.5	18.7	9.3	+186.1%

*Number of lost days for the reference period x 1,000,000/ number hours worked for the reference period.

As consequence of these accidents, the Group launched a new Accident Prevention plan in 2024, that has started with a survey. The analysis of this survey will enable the H&S team to build an adapted prevention plan (short and long terms) site by site for 2025.

5.3.6 Workforce in the value chain

Impacts	Risks	Opportunities
• Positive impact by developing fair and ethical business locally and abroad	**Commercial risk (MT-LT)** • Brand image and reputation linked to non-ethics (for example with employees or local communities) or environmental issues in the value chain workers (particularly direct suppliers)	**Operational opportunity (MT-LT)** • Prevent supply disruption and reinforce resilience with supply chain transparency to identify issues early

Above-listed IROs are concentrated on the upstream value chain. Time-horizons for IROs are indicated as Short-Term (ST), Medium Term (MT) or Long Term (LT).

Engaging with value chain workers

Taking into account our workers in the value chain (especially manual workers) ensures that our products are manufactured in an ethical manner in addition to considering our environmental impact. Not only are our clients demanding about how we are considering our value chain, but they also challenge us on this topic and encourage us to continuously improve the way we are working with our suppliers.

EUROAPI's manufacturing activities are only Europe based and 79% of our raw material procurement expenses were to suppliers based in Europe in 2024 (vs. 71% in 2023), a region where regulations are extensive on human rights, health & safety, and with low risks, in particular in the highly watched out chemical and pharmaceutical sector. Still, the Group has a number of suppliers from other regions of the world, especially from Asia, with China and India being important raw material producers.The risk of workers being impacted through our sourcing is analysed through the international Transparency Index .

Our ethic and compliance officer receives, on a daily basis, alerts (through the screening tool operated by Dow Jones) on events regarding our suppliers, including human rights violations, labor law regulations infringement, bribery situations, sanctions, and no alert has come up as very critical. No incident was identified in 2024.

Work is still in progress to better identify and assess our impacts on our value chain workers (either social or environmental).

Policy

As mentioned in the Governance section (chap.5.4.1 "Corporate culture and governance policy"), EUROAPI expects its suppliers to abide by its supplier code of conduct (section 5.4.4 "Relationship with suppliers"), including on the aspects of human rights that EUROAPI expects them to respect, esp. in regard to child labor, forced or compulsory labor, as described in our human rights policy (section 5.4.2). Even though our human rights policy and channels for raising concerns are publicly available on our website and can be used by all external stakeholders including the workers in our value chain, many of them may not be aware of that. In any case they may use that channel to highlight a case and EUROAPI considers they can benefit from the same protection rights than their own employees and should make sure that the identity of the workers in the value chain remain anonymous from the general public/employers.

EUROAPI has not put in place a process to assess the effectiveness of existing process, but is aware that such measure should positively impact the working conditions or the workers in its value chain. Our new chief procurement officer, who joined EUROAPI in 2024 has implemented the analysis of our suppliers through the EcoVadis questionnaire since June 2024, as described in the supplier relationship section (5.4.4-Relationship with suppliers). The EcoVadis tool enables to analyse 21 criteria (governance, environment, ethics and labor and social rights) to get an understanding of the risks associated to the suppliers, *via* the analysis of materiality assessments, intensity factors and risks observed. A focus can specifically be done on labor conditions and human rights for our value chain workers.

In addition, the number of suppliers has significantly decreased since the launch of EUROAPI from 10,000 to 5,000 dividing by two the number of suppliers, which contributes to reduce the risk associated to human rights. By end of 2024, 4,500 of our suppliers had been evaluated in terms of ESG Risks, representing about 9/10 of our suppliers. This overview is helping to develop our roadmap, with the intention to prioritize our actions based on the risk level linked to our suppliers. The current assessment of our supplier has enabled to identify 41 “high risk” suppliers, and no “very high risk” supplier. Actions will be undertaken on those suppliers first.

The head of supply chain is also involved in the projects related to risks and opportunities within our value chain. The objective is to secure the delivery of our products to our clients and to propose alternative and sustainable transportation solutions, which should contribute to reinforce the partnership with our customers.

Actions and targets

As the purchasing department is still being reorganized, action plans and further targets have not been set. EUROAPI needs to further investigate the potential of the most critical issues related to its value chain workers.

However, a new responsible purchasing roadmap was validated end of 2024 by the ESG Committee and contributes to reinforce our engagement within our value chain especially on the environmental pillar. It also raises the opportunity for EUROAPI to capitalize on better control of its suppliers on ESG topics, a potentially differentiating factor for its own clients. It should also contribute to prevent supply disruption and therefore increase our supply chain resilience.

EUROAPI’s membership to PSCI (Pharmaceutical Supply Chain Initiative) was accepted in 2024. PSCI is the leading association of pharmaceutical and healthcare companies driving responsible supply chains, and enabling to pool sustainable activities and audits on their supply chain. This membership will enable the Group to better control its suppliers and risks of supply disruption from its own suppliers and potentially gaining in higher trust from its own clients.

Another objective is to train our purchasing team to use the EcoVadis tool, with the aim to evaluate all potential new suppliers, before deciding to contract with them, and therefore to better ensure its own supply.

Since 2023, EUROAPI has been asking all new suppliers of raw materials to sign our supplier code of conduct, which 100% of them did in 2024 (43/43). From 2025 this request will be extended to all our new suppliers (not only the raw material suppliers).

5.3.7 Affected communities

Impacts	Risks	Opportunities
• Negative impact as activities can have an impact (noise, pollution...) on surroundings and potential physical risks • Positive impact as contributes to economic growth and employment	• EUROAPI sites present risks of pollution or accident (ST-MT)	• Reputational and operational opportunities for developing local eco-systems around the sites for research and technical knowledge (academic, industrial), waste management, energy supply, cost reductions (MT-LT)

Above listed IROs are concentrated on own-operations. Time-horizons for IROs are indicated as Short-Term (ST), Medium Term (MT) or Long Term (LT).

Policy

EUROAPI has not adopted any central policy regarding the potential communities that could be affected by our activity. Still, EUROAPI pays significant attention to the affected communities in the vicinity of its industrial sites, described as “local communities” (inhabitants, local administrations). Indeed, 5 out 6 of our manufacturing sites are Seveso, meaning they have to follow specific rules in regards to the health and safety risks associated, especially on local communities. Additional local rules can be applied by local authorities, therefore each site must respect the norms or requests coming from international, national and also local levels such as “prefecture” in France (regional government authority). Some local authorities have the power, for example, to regulate water consumption and/or withdrawal depending on the geography and climate context. For instance, our site in Vertolaye under local authority request, found a solution to better manage its water consumption in a context of water scarcity management, while minimizing the impact on its production. Another reason for this local governance is that each site manufactures different types of APIs, requiring different specificities in terms of product process, storage, etc. (for example pure chemical product *vs.*fermentation).

In any case, any community affected with our activity is considered and handled when it is highlighted to the Group.They are important stakeholders as neighbors and potential workforce for the company, EUROAPI makes its best to provide them with the rights they are entitled to as citizens or institutions. Also, when a serious concern, as for example odor, noise or pollution, on surroundings or physical risks linked to the activity, is raised by a local community or administration, the Group is usually involved in the discussions to assist the site in finding the best solution. In general, the site director, the HSE, the external communication manager, media manager and the public affair manager at group level are involved when necessary to support the remediation plan. A crisis unit can be deployed in case of a major event (POI). Further resources can be allocated to put in place the required action.

The topic of indigenous people would eventually be related to the affected communities in our upstream supply chain. EUROAPI has not yet elaborated a policy regarding the potential impacts of its value chain activity on these communities.

In addition to our whistleblowing system (available on our website) is accessible to any stakeholder by phone, email or web. The memberships and contacts with local associations (at least once a year in France for example) and local authorities also enable the sites to share and receive feedback about (potential) impacts on the local communities. For example, in 2024 one of our French sites was occasionally generating cumbersome odors, though not dangerous for the local population. Discussions with stakeholders (such as municipality, regional administration, institution for industrial information) have enabled to engage EUROAPI into a remediation plan in two steps (increasing the aeration of the basin, that limits odor generation and the introduction of photosynthetic bacteria to totally remove odors generation), within an agreed timeframe and ensure a back to normal situation. It was due to an issue linked to our wastewater treatment plant and the situation went back to normal within 15 days. Close relationships with the neighborhood population enable as well to evaluate the effectiveness of the measures taken when relevant. As per our Alert management system described in the section 5.4.3 “Corruption, bribery and alert management”, all stakeholders (internal or external) benefit from protection against retaliation.

EUROAPI, by following international, national and local rules, is already well in line with the international standards regarding respect for human rights of the communities. Communities in the neighborhood of our sites are enabled to raise concerns through our communication channels available to our external stakeholders as mentioned in the section 5.4.2 “Human right policy”, as part of our corporate governance.

Actions and mitigations

To mitigate the potential impacts and risks of pollution, noise or incidents that can impact the local population, sites comply with all applicable regulations and instructions from local authorities. The proximity of a Seveso manufacturing site with a population requires, for example, specific evacuation exercises to be done on regular basis. Regular meetings enable to keep the local population aware of potential non-dangerous but impacting situations in case of specific works or maintenance operations at the manufacturing site. Membership to local associations and regular interactions with local representatives (at least once per year, and on *ad-hoc* opportunities for elected representatives’ site visits - *e.g.* mayor, MP...) also help to maintain close relationships and information with the neighborhood on potential risks and adequate behaviors in case of incident. No severe human right issues or incidents within the scope of our operations and connected to local communities around our industrial sites were identified in 2024.

The group also has an impact in terms of economic growth in the area, as an employer it enables families to get revenues and benefits (*e.g.* health insurance) by working for EUROAPI. Furthermore, local population is also important to EUROAPI’s activity as specific know-how and skills are needed on our manufacturing sites, therefore the majority of our sites promote the professions required for API manufacturing, in order to attract new talents.

Partnerships with universities (in R&D projects for example), student and school visits are organized on our sites. Site communication and HR teams are locally involved in promoting the pharmaceutical chemical activities. For example our Vertolaye site was awarded with the “employer of firefighters” label. This label is designed to recognize employers that support the civic commitment of volunteer firefighters.

The implication of EUROAPI’s site with local communities (populations and institutions) can be illustrated with the following actions that took place in 2024:

- Blood donation (France, Hungary,...);
- Participation in local charity and sporting events;
- Local environment-related events (*e.g.* Frankfurt “cycling together for climate”);
- Employees collected toys for donation to charities.

Targets

The primary target is to ensure that no significant incident or negative impact occurs towards local communities, as expressed during the interactions with local associations or representatives.

An additional goal is to constantly maintain an open communication channel with local communities, enabling to take into consideration eventual concerns expressed. Example described earlier regarding a cumbersome odors on one of our sites (see “Policy” section) demonstrate how such situations are monitored and followed-up by site management.

In terms of attractiveness and retention, the HR Group team follows the hiring indicators as well as the departures, enabling to measure the attractiveness of the company, including at local level with support of local HR managers, whether during recruitment process or with attendance to local recruitment fairs.

5.3.8 Consumers and end-users

Impacts	Risks	Opportunities
• Positive impact on global health improvement, as EUROAPI contributes to access to safe and qualitative API and medicines. • Possible negative indirect impact as some side effects can occur for medicines (opioids, antibiotics...)	**Financial risk and commercial risk in case of quality issue (ST-MT)** • Company's performance and sustainability over time • Customer dissatisfaction with potential associated claims • Decrease in competitive advantages **Operational and reputational risk (MT-LT)** • Risk to lose license to operate • Brand image and reputation • Risks of increasing regulation on veterinary products leading to increased costs	**Commercial and Reputational opportunities for differentiation *vs.* competition and customer value proposal (MT-LT)**

Consumer & end-users-related IROs are concentrated on downstream value chain and on own operations. Time-horizons for IROs are indicated as Short-Term (ST), Medium Term (MT) or Long Term (LT)

As an API manufacturer for the drug manufacturing industry, API quality is key to meet the health needs of populations and more specifically of patients to be cured or relieved, contributing to improve their quality of life.

Our activity impacts prescribed patients (mainly), OTC products consumers and, for a limited range of our products, animals. Our products have the objective to cure and therefore they contribute to global health improvement since EUROAPI has worldwide clients. However, taking a health product (either on prescription or OTC) is not harmless, which explains the strong regulation around the drug manufacturing process and commercialization, starting with the API, at the very beginning of the drug value chain until the launch of the final product on the market. Therefore, our mission is to guarantee the safety of the APIs we produce and distribute. We aim to prevent any unforeseen toxicity that could result in product recalls or negatively impact our patients' treatment or health.
Side effects are gathered by the owner of Marketing Authorization through the pharmacovigilance process (at least in France) and supervised by national health authorities.

Engaging with end-consumers

EUROAPI has no direct contact with the end consumers (direct communication with patients about drugs and substances are strictly regulated in many countries and not always possible). However our Alert Management policy as described in section 5.4.3 enables any patient or relatives to reach us if needed.

Furthermore, our APIs are part of the composition of medicinal products and, depending on the galenic form, are associated with certain excipients. It is the Marketing Authorization holder that has the responsibility to get the feedback from healthcare professionals and end-users through the pharmacovigilance process, put in place by the pharmaceutical company in relation to applicable regulations and coordination with local Health Authorities. To ensure the safety of our APIs, EUROAPI is following all Good Manufacturing Practices (GMP) required for API,manufacturing and extensive Quality Assurance policies, as described later in this chapter.

In case of pharmacovigilance alert potentially linked to an API, the pharmaceutical company would contact EUROAPI for further information and investigation. No case has come up to EUROAPI in the past years.

Regarding the possible impact linked to our opioid activity, EUROAPI would like to highlight that it has voluntarily decided not to market in the USA opioids based product for narcotics drugs (leading to a risk of addiction). It only markets an antidote in case of opioid overdose by a patient.

As specified in the section 5.4 "Corporate Governance – our Human Rights Policy" is applicable to our all stakeholders including our consumers. No severe human rights issues or incidents related to our APIs consumers have been identified.

To avoid any adverse impacts on patients, the company is complying with stringent manufacturing rules and quality controls, and is subject to periodic audits and inspections - internal, by customers or by supervisory authorities, as described below.

In addition, every time one of our APIs is being delivered to a client - *ie.* a drug product manufacturer - APIs, they proceed themselves to additional quality controls before integrating our products into their drug manufacturing process, and again, after having manufactured the drug, which highly limits potential negative impacts for our consumers.In case a patient needs to raise a concern with one of our products, it will go through the pharmacovigilance process or through the final product manufacturer consumer assistance, before being eventually raised to us, in case it is linked to one of our APIs. The pharmacovigilance process is to be set for every drug product by the market authorisation holder and it provides a number that can be reached 24/7. Health authorities in some countries would also propose an alert system that can be used by any relevant stakeholders (healthcare professionals, patients).

In 2024, EUROAPI has not been alerted by its clients on products manufactured with its APIs or components.

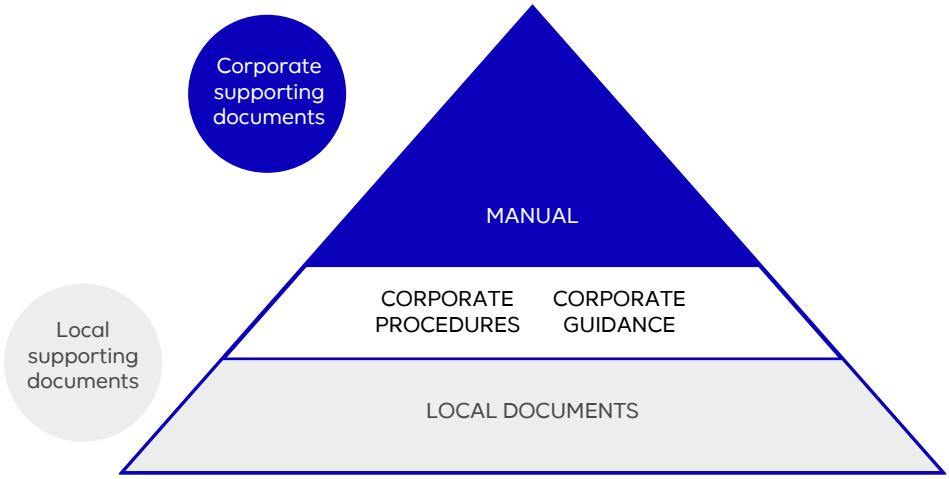
Policies

As an API manufacturer for the pharmaceutical industry, we are subject to stringent regulations designed to protect patient and employee health. With the aim of fully complying with these regulations, and to absolutely minimize risks related to quality issues and reputation, EUROAPI has formalized its own quality policy (available on our website), operates in accordance with applicable laws and regulation requirements requested by international manufacturing standards on quality assurance processes including:

- GMP and GDP and other international standards;
- FDA, MHRA, EMA, EDQM and other national guidelines;
- Guidelines published by the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH) which set out standards for pharmaceutical industry associations and authorities in the United States (FDA and PhRMA), Europe (EC and EFPIA), Japan (MHLW/PMDA and JPMA), Switzerland, China, Brazil and Mexico;
- WHO Guidelines.

The Group also has its own policies in order to maintain good practice documentation and to ensure that quality standards are applied consistently across the organization, and by every person involved in the process. The documentation is aligned with regulations and Good Practice Guidelines (GxP) applicable to manufacturing processes. They are categorized according to the relevant quality process and incorporate GxP regulated activities as well as other health regulations.

The quality management system was updated in Q3 2024, with the objective to better merge the standards with the corporate procedures.



The process to establish, review, approve and distribute internal corporate procedures as well as any supporting documents is detailed in the "Document Lifecycle Management" Procedure.

There is also a specific process to ensure compliance with national regulations in respect of pharmacopoeia, the standards governing products intended for medicinal human or veterinary usage.

At the top of the pyramid, the Group's quality policy represents the cornerstone of our commitment to regulatory compliance and our clients. This policy sets out our aims and direction in terms of quality assurance. Our quality policy is overseen by the Chief Quality Officer, reporting to the Chief Executive Officer. It is communicated to employees across the organization.

In terms of quality EUROAPI has not put in place any direct patient-oriented policy for the reasons mentioned above.

Quality governance

To ensure up-to-date quality corporate documentation and regulatory compliance, Good Manufacturing Practices (GMP) regulations, pharmacopoeia, and other regulatory matters are closely monitored both centrally and locally. Reporting to the Chief Quality Officer, the Heads of Quality assist local quality assurance managers and sales teams across the network in communicating and delivering the Group's quality assurance process and oversee its implementation. An estimated 12% to 15% of our workforce are employed in quality assurance depending on the sites.

When a risk occurs in the management process, regular meetings are planned under the leadership of corporate quality: they can be set at very short and regular intervals such as weekly meetings up to bi-annually meetings (depending on the situation). These meetings would usually include the Chief Quality Officer and key members of site management. At least once a year the CEO gets a summary of the risks related to quality matters and the milestones associated to the risk management of the event.

At the beginning of 2024 EUROAPI had to face the temporary pause of API production at the Brindisi site, following an internal audit (press release available on our website). The deviation was not highlighted by clients or authorities but was the internal decision to review and remediate to the proven deviation, in order to confirm the absence of any patient risk. Following this event, a remediation plan was implemented and the Italian Health Authorities inspected our site. leading to no critical observation. Consequently, the Health Authorities renewed the GMP certificate of the Brindisi site.

Regular inspections and audits

Regular inspections of the Group's sites are conducted by both internal and external auditors, including government health inspection agencies, clients and suppliers. 5 of our 6 sites were audited this year by the EMA, no critical findings were highlighted, more details on sites audited at the end of this section.

Outcomes of the audits generally fall under two main categories:

- critical that requires immediate action and immediate CAPAs (Corrective And Preventive Actions). These are observations representing:

1) A situation of serious violation of the applicable legislation, guidelines or quality documents;
2) A situation that may make the product unfit for use or likely to present a risk for patient health, a missing quality system, an occurrence of fraud *e.g.* falsification of a product or of a piece of information;

- other, including major or minor observations requiring the implementation of corrective actions within a specific time-frame.

Actions

Avoiding a sanitary issue

The major decision to put on hold the manufacturing activity following the deviation in Brindisi, impacted our client's operation/business, but without triggering any product recall.The Brindisi site produces 11 APIs and intermediates, mostly anti-infectives (including spiramycin, rifaximin, rifampicin and teicoplanin). Following the identification of the Data Integrity issue, a full mapping of the gaps was performed, allowing as a first priority the assessment demonstrating that all products potentially on the market, were still safe for their intended use with no risk for the patient. The implementation of an appropriate remediation was to rolled out (Corrective and Preventive actions). The investigation report, product impact assessment and remediation plan was reviewed by the AIFA (Italian Health Authorities) in June 2024 and it fully approved the GMP re-certification delivered to the site on July 12, 2024.

Improving our quality management system to ensure delivery of safe APIs

In addition, the Group is continuously working on improving its quality management system (QMS), with the implementation of the new system Quartz, in replacement of Phenix Quality Management System developed by Sanofi at the time but no longer adapted to EUROAPI's needs to support essential quality processes such as deviations, change controls, CAPAs, customers complaints, third parties and audits.

Quartz is a fully digitalized system, with a user-friendly interface, facilitating tracking and reporting.

Health sovereignty

Our activity in the healthcare value chain offers the ability to contribute to reinforce the sovereignty in terms of drug supply to patients. Having a strong European industrial footprint, and thus contributing directly to EU health sovereignty could constitute a business opportunity, as an important differentiation factor from competition.

Promoting health sovereignty is a key CSR mission. The initiatives to improve the security and the capacity of supply of essential medicines to France and Europe represents a major component of this. As part of our FOCUS-27 plan, investments planned are still on the agenda. From 2025, we expect to commit €70 million in investments, of which approximately 15% on R&D and 85% on CapEx as part of our opiates program. This will be partially funded through the French state's recovery plan, France 2030 (press release available on our website).

- €18 million in capital spending should be committed at St-Aubin-lès-Elbeuf site between 2024 and 2027. As the only Western supplier of vitamin B12, boosting our manufacturing capabilities is vital and will go a long way to reducing our environmental impact;
- €31 million considered in capital investment at our Budapest facility between 2024 and 2027, thereby doubling our prostaglandin production capacity along with more environmentally friendly process.

EUROAPI is the unique supplier of prostaglandins in Europe, ensuring a certain level of sovereignty for these type of molecules in the EU region.

One of our major projects is the "IPCEI Med4Cure" project: EUROAPI has been officially selected as one of the 13 EU companies eligible to share €1 billion to ensure, in particular, sustainable, competitive and integrated production of active pharmaceutical ingredients that are essential for public health, and which has become possible with the support of that public funding program (press release available on our website).

Our proposals were about delivering innovative health infrastructure projects aiming at ensuring security of supply of critical medicines like macrolide antibiotics and corticosteroids.

In addition the Group keeps paying attention to the sourcing of its raw materials, through the follow-up of its suppliers' location and privileging local based suppliers. In 2024, the share of our expenses to raw material suppliers based in Europe amounted to 79% vs. 21% based outside Europe (compared to 71% in 2023)

Indicators

For reasons explained earlier in this section (contact to patients is strictly limited or even prohibited in certain geographies), EUROAPI has not defined any specific target, and does not plan to do so in the future. However, the main goal for EUROAPI is to be subject to zero critical comment during authority inspections or concerns raised by one of our clients related to an API quality-related incident on a patient. EUROAPI is proud to have delivered on that goal: a testimony to the quality level of our internal processes and a direct contribution to the company's reputation regarding the quality of its products. Below an update of the EMA inspection in 2024 and client audits, with no critical findings. Since 2019, Mutual Recognition Agreement applies between FDA and local European Health Authority. All our sites have Japan FMA accreditation.

EUROAPI products were not used in any of the products recalled from the market by the authorities in 2024.

	Last EMA[1] inspection		Client audits
	Date	# of critical findings	# of audits 2024
Vertolaye	2024	0	10
Saint-Aubin-lès-Elbeuf	2024	0	6
Frankfurt	2024	0	10
Budapest	2024	0	17
Brindisi	2024	0	7
Haverhill	2022[2]	0	3

(1) EMA inspections are performed by local agencies (ANSM, AIFA, RP Darmstadt, OGYEII & NEBIH)
(2) MHRA for the United Kingdom

5.4 CORPORATE GOVERNANCE

Impacts	Risks	Opportunities
Corporate culture positively impacts • Ethics • Operations • Health & Safety • Business performance • Company attractiveness	**Operational risk, for a newly formed Group with the challenge to create a unique and cohesive Group culture that includes ESG values (MT)** • Strategy and plan's execution • Non-compliance issues • Ethical issues	**Developing a strong and distinctive Group culture, including ESG values, would yield benefits in (MT-LT)** • Executing the strategic plan effectively • Enhancing employee engagement • Increasing attractiveness for newcomers and employer branding • Retaining current talents **Protection of whistleblowers (MT)** • Early detection: spot problems early, stopping from getting worse -> saves money, avoids legal trouble, protects the company's reputation • Boosting morale: a good whistleblower program makes employees feel heard and builds trust, making them happier and more productive at work

Corporate Governance-related IROs are concentrated on own-operations. Time-horizons for IROs are indicated as Short-Term (ST), Medium Term (MT) or Long Term (LT)

The Ethics and Compliance Department's core mission is to embed integrity in our corporate culture at every level of the organization.

Its role is to partner with the functional teams and employees to drive progress towards our business objectives while ensuring compliance with laws, regulations and industry codes of practice, as well as with the Group's ethics, values and policies. The Ethics and Compliance department is led by the Chief Legal, Compliance and IP Officer, overseen by the CFO and supported by the Head of Ethics, Compliance and Data Privacy. In July 2024, the Group strengthened its Ethics and Compliance governance by revising the composition of its Ethics Committee with representatives of the Executive Committee, Audit, Risk and Legal departments, and on an *ad-hoc* basis other functions depending on the type of alert. This Committee is aimed at ensuring that the Group Ethics and Compliance program meets the applicable standards (for instance the Committee approved the new version of the Code of Ethics) and enables a proper and timely reporting of all compliance matters to the senior management. The Ethics and Compliance Committee is entitled to manage all types of matters whether they come from internal (employees) or from external (clients or suppliers),who can have access to our whistleblowing system.

The Ethics and Compliance department leads a global network of around 40 coordinators – "Compliance Champions" – who support all functions including corporate teams, sales sites and manufacturing facilities. These coordinators are represented across all the required departments within the Group, in order to ensure that compliance is embedded across the organization especially in the most exposed departments. The team benefit from dedicated training sessions (and meetings during on-site visits) by the Head of Compliance and Ethics.
Beside this Ethics and Compliance team stands the Data Protection Officer and local coordinators are responsible for handling questions and complaints concerning the processing of personal data by the Group. They may be assisted, as necessary, by the Legal department, the IT department (cybersecurity) or any other relevant department within the Group, in the evaluation and management of any incidents concerning personal data.

5.4.1 Corporate culture and business conduct policies

We are committed to upholding high ethical standards and behaving with integrity in our business dealings. We understand that ethical values must be embedded in all our interactions, everywhere in order to maintain the trust of our stakeholders, safeguarding our image and reputation, and protecting our employees. The success of the Ethics and Compliance program is facilitated by a cross functional organization gathering the HR department, Quality department, the HSE department, the Internal Audit department and the Procurement department.

Within our corporate culture, personal Data Protection is a key part of our Ethics and Compliance program.

A Data Protection Team (made of members belonging to other departments), whose role is to support employees and functional teams in understanding and applying corporate data protection policies to ensure compliance with all data protection regulations applicable to the Group.

Policies and standards

The rules of conduct and compliance with the Group's values and principles are set out in the Group's Code of Ethics, which serves as a guideline for taking appropriate decisions that helps to establish trustful relationships and to achieve sustainable growth. The Code of Ethics applies to all employees and contractors (including suppliers) of the Group and anyone conducting business on its behalf. Every new employee in his/her onboarding process acknowledges receipt of our Code of Ethics. The Code was enriched in 2024 to reflect the evolution of the Group and for employees to have a better view of the expectations and good practices in terms of Ethics and Compliance. The Code of Ethics followed a review process by key stakeholders (which include the Ethics Committee) and was approved as per our internal quality standards (author, reviewer and approver). In addition to the Code of Ethics, other procedures and policies on other topics related to business ethics such as data protection, anti-bribery, conflicts of interest, gifts and invitations, donations and contributions to organizations, responsible lobbying and whistleblowers alert management have been put in place at EUROAPI.

These policies and standards are reviewed at least every three years, updated and supplemented if necessary, on a context, major events and need basis, in order to ensure they reflect applicable laws and regulations, as well as with the risks associated with the Group's activities.

To ensure compliance with the European General Data Protection Regulation (GDPR), the Global Data Privacy Policy sets standards for the processing of personal data. The policy covers all Personal Data, all Data Subjects (regardless of their citizenship, residence or location). The Policy applies to all entities or affiliates of the EUROAPI Group when the legislation requires it, and, all of their employees. The policy has been approved by the Company's General Counsel.

A Data Protection team (made of members belonging to other departments), whose role is to support employees and functional teams in understanding and applying corporate data protection policies to ensure compliance with all data protection regulations applicable to the Group.

Regarding standards related to animal welfare, EUROAPI as an API manufacturer is not involved with animal welfare in its manufacturing process and does not conduct clinical research. No objective or policy is planned yet regarding our clients involved with animal welfare.

To comfort our ability to conduct our business in consideration of the existing exposures, a bribery risk mapping exercise was carried out in 2024 with the purpose of identifying, assessing and prioritizing any corruption risks to which the Group may be exposed. This mapping identified various bribery risks scenarios and the associated cross functional action plans.

Spreading our culture, ethic and compliance behaviors

EUROAPI has developed and implemented a comprehensive Ethics and Compliance program in line with the requirements of the Sapin II law requirement. It includes procedures and policies (notably Code of Ethics, anti-bribery, gifts), the implementation of different alert channels (email address, phone line, online website) allowing internal and all external stakeholders (clients, suppliers, communities, value chain workers) to raise a concern when necessary. It also includes the design of processes to ensure that our business partners are in line with the applicable ethics and compliance training. Finally, and to help our teams to properly understand the rules and expectations of the Group in terms of Ethics and Compliance, we have built a training program covering different topics (bribery, conflict of interests, gifts and invitations). Over 9/10 employees have done those trainings, out of which 96.7% of the functions at risks.

To ensure that all applicable standards and rules are easily accessible, a dedicated intranet site is available and on which employees can find relevant corporate resources to familiarize themselves with ethics, compliance and data privacy rules that apply to the Group as well as related procedures to follow in case of any data privacy concerns.

Every year, communication events are held around specific awareness days, enabling to remind to the employees of the importance of particular topics, such as:

- International Whistleblowing Day (June 23);
- Global Ethics Day (October 17);
- Global Anti-corruption day (December 9).

In 2025, a new indicator will enable to better follow that all new employees have well received the Code of Ethics.

Following our performance

Finally, to reinforce the effectiveness of the Group's policies and standards and to ensure their application, the Ethics and Compliance department runs a dedicated training program. The Group's employees are required to complete mandatory training sessions that address fundamental topics in the areas of ethics and compliance on an annual basis. These e-learnings cover anti-bribery, gifts and invitations, conflict of interests, data privacy and allow employees to familiarize themselves with the way to act in certain circumstances. To better engage and acculturate the employees, the Ethics and Compliance officer also delivers in person awareness sessions on prioritized topics (speak-up, bribery) to targeted populations, such as the population potentially most at risk of exposure to bribery.

The Group has maintained until 2024 its ambitious objective to have 100% employees trained to ethics and compliance issues on an annual basis. All current and new employees are asked to (re)view the training with the objective to reach the highest level of awareness possible across the whole organization in order building a strong culture and maintaining a high level of compliance.

Despite an ambitious objective of 100% e-learning completion by employees and its quarterly monitoring, EUROAPI's training performance on Code of Ethics and Compliance improved by about 1point in percentage *vs.* 2023 with 96% of employees trained, while anti-corruption training gained 3 points in percentage with 98%% employees having done the training.

The Group's employees have been doing these trainings for 3 years since its creation, with rather high performance rates. For 2025 a new approach will be proposed by our Ethics and Compliance department in order to better adapt to the employees needs and exposure, always with the final objective to avoid any Ethics and Compliance issues in the company and to increase the awareness on the most strategic and exposed functions, when necessary.

Corruption/bribery training programs	2024	2023	2022
% of employees in functions at risk having done the anti-bribery/anti-corruption	97%	/	/
Employees trained on Code of Ethics and Compliance (%)	96%	95%	95%
Employees trained on Anti-Corruption (%)	98%	95%	/

The functions the most at risk identified at EUROAPI are: Executive Committee and their direct reports, the Site Leadership Team, Sales department, Procurement and Maintenance department, Employees with Power of Attorney.

Thanks to the policies and Ethic and Compliance program the Group has so far been preserved from incidents related to corruption and bribery. No convictions and fines are to be declared for the past year.

Incidents for violation of anti-corruption and anti-bribery laws	2024
Nb of convictions related to corruption/bribery	0
Amount of fines €	0

5.4.2 Human right policy

Since its creation, the Group has committed to upholding the principles of the United Nations Global Compact and other international standards concerning human rights for all its employees and stakeholders through its manufacturing process up to the consumers. With employees, suppliers and subcontractors on several continents, the Group understands and assumes its responsibility to conduct its business ethically (see section 5.4.1 “Corporate culture and business conduct policies”) and uphold human rights for all workers across its value chain, including those employed by third parties (such as subcontractors and suppliers, as mentioned in section 5.4.4 “Relationship with suppliers”) and within its own operations and supply chain.

Policies

EUROAPI is committed to following international standards:

- UN Guiding Principles on Business and Human Rights;
- UN Global Compact;
- Children’s Rights and Business Principles;
- Universal Declaration of Human Rights;
- OECD Guidelines for Multinational Enterprises;
- ILO Declaration on Fundamental Principles and Rights at Work.

EUROAPI’s human rights commitments are detailed in our Code of Ethics and Supplier Code of Conduct, available on our website and therefore available to all at any time.

These policies set out the human rights responsibilities for all internal and external stakeholders and partners. More specifically, we expect our suppliers to meet the basic standards set out in EUROAPI’s Supplier Code of Conduct (as described in the section 5.3.6 “Workers in the value chain”):

- human rights and labor practices;
- worker health and safety;
- protecting the population from environmental pollution;
- upholding ethical standards by combating corruption, fraud and bribery; and
- privacy and data protection.

The Group upholds and promotes, notably through its Code of Ethics and Supplier Code of Conduct, the five principles and rights outlined in the 2022 International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. These include freedom of association and the effective recognition of the right to collective bargaining, elimination of all forms of forced or compulsory labor, effective abolition of child labor, elimination of discrimination in respect of employment and occupation, and a safe and healthy working environment.

To ensure human rights are upheld across our operations, we have taken a structured approach that includes:

- general Group policies and dedicated specific policies;
- due diligence procedures (enabling to detect infringement from first tier vendors);
- grievance mechanisms;
- monitoring of policy implementation; and
- education and training

Regarding the human rights related to our end users, as described in the section 5.3.8 “Consumers and end-users”, we are aware that our end-users are fully entitled to be guaranteed to consume safe and health impacting product to improve their quality of life, as part of our mission. Therefore, EUROAPI considers that delivering safe, healthy oriented and ethically manufactured products is part of the human right of end-users.

Governance

At EUROAPI, the human rights questions are lead and supported at the top management, with the support of several key functions: the Human Resources; Procurement; Ethics and Compliance; HSE team and ESG (Environmental, Social, and Governance) departments.

5.4.3 Corruption, bribery and alert management

Impacts	Risks	Opportunities
Impact or indirect influence on • Accessibility • Public health outcomes • Medication affordability	**Financial, operational and reputational risks (ST)** • Fines from the AFA (Agence française anticorruption) can be up to 4% of sales followed by business disruption due to remediation plan in case of non compliance	**Commercial and Reputational opportunities for differentiating *vs.* competition (MT-LT)**

Above-listed IROs are concentrated on own-operations. Time-horizons for IROs are indicated as Short-Term (ST), Medium Term (MT) or Long Term (LT)

Anti-bribery standards and processes

The Group has implemented a comprehensive program in line with the Sapin 2 law requirements.

Our standards include procedures (fighting bribery, anti-bribery due diligence and restricted party screening) and e-learnings dedicated to anti-bribery, and consistent with United Nations Convention against Corruption. Trainings are annually assigned to all employees for a proper understanding and application of the rules defined. All the training courses include a questionnaire validating that the employee properly understood the notions developed in the training module.

Regarding the supporting processes, they are firstly based on the screening and due diligence mechanisms that help to detect potential corruption risks. Secondly, the fight against bribery benefits from the different available reporting channels (see paragraph “Alert Management”) that allow internal and external stakeholders to raise their concern when they face or suspect a corruption situation. Finally, the Group has defined accounting controls in order to verify the high-risk transactions that could be used to cover corruption acts.

The Group conducted a bribery risk mapping in 2024, updating the one performed in 2022 and following the AFA methodology. The results of the mapping were shared and validated with the Executive Committee.

Alert management

The Group has introduced an alert management system to allow employees and external stakeholders to report their concerns since the beginning of the company. If employees or external stakeholders have a concern or believe in good faith that there has been or is about to be a breach of a law, a regulation, an industry code, company policy or standard or any of the principles in the Group’s Code of Ethics, they have the duty to report it through one of the channels available.

Stakeholders (employees or external stakeholders) who raise concerns will not be subject to disciplinary action, provided they act in good faith and without malicious intent, even if the facts reported turn out to be inaccurate and no further action is taken. The procedure for raising a concern and the protection afforded to employee whistleblowers are set out in the Group’s Code of Ethics which is accessible to all employees and contractors (suppliers) as well as anyone conducting business on behalf of the Group. Employees can also consult the Group’s global alert management procedure which describes the steps to be followed when reporting a concern.

The Group’s Ethics Line is a secured helpline that is open 24/7 accompanied by a dedicated web page and toll-free numbers. The helpline allows users to raise concerns anonymously should they choose to do so. A link to the Group’s Ethics Line is available on our intranet site. External stakeholders are also able to report any information that might constitute a breach of the Code of Ethics or of applicable rules or regulations. Ethics and Compliance team will review the alert and provide support and protection to the whistleblower as per the applicable legal standards.

The EUROAPI Ethics Line and telephone numbers can be accessed *via* the Company website. Ethics & Compliance Department acknowledge receipt of alert within maximum 7 days. Pre-analysis is made by Alert Committee to determine whether the alert is receivable. In the latter case, an investigation is launched.

In case of effective violation, it is reviewed and investigated under the supervision of the Alert Committee (which includes representatives of the Executive Committee). The Group will address it with corrective or disciplinary action, and if appropriate, legal proceedings.

Due diligence process

In compliance with the applicable regulations and to secure the integrity of its transactions, the Group has implemented a process assessing the direct commercial partners with which it interacts.

Such process involves the functions in direct relation with our clients, suppliers, banks, insurers and who follow a documented due diligence process consisting of a screening (through a tool) of all our first-tier partners to verify if there is any adverse event that could compromise the contemplated transactions (example: client under sanction, supplier sentenced for violating human rights). For high risk countries, the screening is completed by an anti-bribery due diligence questionnaire filled by our commercial partners in order to collect additional information with regard to specific topics (ownership, links with government officials, use of third parties).

The due diligence process is described in a published global procedure “Restricted Party Screening” available to our employees and dedicated training sessions were delivered by Head of Ethics & Compliance to targeted population (notably Sales and Procurement teams). The procedure includes dedicated governance with an Arbitration Committee (with permanent members from Executive Committee, ESG and Compliance) who decides on escalated situations. When required and based on the screening findings, reinforced due diligence may be conducted and remediation actions may be required from the concerned third party.

Finally, in order to ensure the declarations of our suppliers are aligned with their commitments, the Group plans to perform in 2025 audits (as part of its PSCI membership) among our suppliers on a risk basis.

5.4.4 Relationship with suppliers

Impacts	Risks	Opportunities
Positive impact • By increasing ESG topics integration in the supply chain to impact positively the whole ecosystem • By developing fair and ethical business locally and abroad	**Commercial risk (ST-MT)** • Increasing clients pressure on their suppliers to control their supply chain on ESG commitments lead to loss of business opportunities **Financial and operational risks (ST-MT)** • Supply chain disruption due to natural disasters, geopolitical events, or unexpected crises • Regulatory issues/fines/product recalls due to lack of ESG compliance by suppliers • Reputation risks associated to non-ethical situations or environmental issues in the value chain or affected communities	**Commercial opportunity (MT-LT)** • Capitalise on control of suppliers on ESG topics to differentiate • Prevent supply disruption and reinforce resilience with supply chain transparency to identify issues early

Above-listed IROs are concentrated on own-operations and downstream value chain. Time-horizons for IROs are indicated as Short-Term (ST), Medium Term (MT) or Long Term (LT)

Governance

Procurement practices are a key factor in supply chain security and to improve our environmental impact. Supplier selection and cooperation are vital to remain a partner of choice within the pharmaceutical value chain and achieve future success as a company.

The Procurement department is overseen by our new Chief Procurement Officer (CPO) appointed in spring 2024, bringing with him background in responsible procurement practices. The team works both out of head office and at local sites; and is responsible for performing due diligence checks and ensuring the new suppliers of raw material have signed all documents requested for the qualification process.

Given our large portfolio of APIs, we rely on a wide range of suppliers. To ensure operational continuity, we source raw materials, products and services from some +/- 5,000 suppliers (*ie*., suppliers with business relationships in the last 18 months), either through a process of direct procurement (raw materials such as solvents, organic intermediates, natural resources, mineral products, acids and bases, etc.) or indirect procurement (IT, professional services, consultancy, CapEx, maintenance and repair, etc.).

Supply chain continuity

A new risk mapping was conducted in 2024, categorizing suppliers based on two levels:

- Criticality level: the criticality of a supplier was evaluated based on its supply of resources directly involved in our key strategic APIs production , the mono-sourcing status, direct or indirect procurement;
- Spending level: > €3 M/ between €1 M and €3 M / between €100 K and €1 M.

EUROAPI is still putting efforts on ensuring supply continuity from its suppliers with also the objective to maintain supply to our clients.

- As part of that we make our best effort to maintain our sourcing in Europe: European suppliers accounted for over 79% of our total raw material expenditure (*vs.* suppliers from China and India: 16% *vs.* other countries in the world 5%).

- We pursue our Mono-Sourcing Exit Program (MSEP). A key project at EUROAPI initiated in 2022, involving Operational teams and the Purchasing team to ensure back-up suppliers, when possible, in order to avoid any production disruption. For our ten biggest supply of raw materials, that account for 26% of our total raw material expenditure; 51% of them have at least a dual sourcing.

Our Procurement department also plays a key role in delivering our Mono-Sourcing Exit Program (MSEP), collaborating with our operational teams on business continuity planning.

Partnership requirements

Procurement team has adopted a new responsible procurement roadmap, approved by the ESG Committee in December 2024. It relies on three majors drivers:

1) ESG risk assessment of our suppliers through EcoVadis partnership and remediation plan for suppliers with poor scoring;
2) New suppliers to formally sign up our Supplier Code of Conduct and Supplier Relationships Charter;
3) Integration of Environmental Sustainability Program with suppliers and within procurement action plan.

Of course, the above-mentioned programs with a focus on supply chain continuity are continued, as part of this roadmap.

Two fundamental documents to be shared with its suppliers to be sure they understand and take into account the Group expectation in terms of business relationships:

1) Our Supplier Code of Conduct sets out the basic principles we expect our suppliers to follow, including respect of human rights (as described in the section 5.4.2 “Human rights policy”), working conditions, environmental protection and anti-corruption measures and as published on our website. Our suppliers are also required to sign up to our Code of Ethics. Both of these policies are a mandatory part for the onboarding process for all new suppliers of raw material. To date 100% of new raw material suppliers have signed our Supplier Code of Conduct (43/43).
2) Furthermore our Supplier Relationships Charter (available on our website) sets out the rules of conduct to be observed by all employees in their deals with suppliers. The Charter is intended to raise awareness of our ethical standards, promote respectful relationships with our suppliers and discourage unethical conduct.

In addition to that, EUROAPI is moving from its own questionnaire to the EcoVadis platform to finetune its supplier qualification process. The questionnaire includes topics related to human rights (about salary, trade-unions, child labor, equal treatment, health and safety, local community rights). Further information in the section 5.3.6 “Workforce in the value chain” (policy).

Qualification process

The new responsible procurement roadmaps to be deployed over the next 3 years with the aim to improve our supplier qualification process. A screening of our suppliers (> 80% of them) was performed with the EcoVadis platform in order to better identify our most at risk suppliers. EcoVadis enables to get an overview of the supplier’’s performance on environmental, labor and human rights, ethics and sustainable procurement aspects.

In case a supplier is deemed at risk, procurement ask the supplier to share its EcoVadis Scorecard. For those not having an EcoVadis Scorecard, they are asked to answer the EcoVadis Vitals questionnaire.

Once the Procurement department has identified a potential supplier, when relevant the Quality Assurance department carries out compound screening on the requested product.

Audits, third-party assessment and GMP validation may also be used to assess our suppliers’ compliance and maturity of our suppliers on sustainability criteria.

To further strengthen the sustainability approach in our value chain, EUROAPI received, in June 2024, a positive feedback to become a member of the Pharmaceutical Supply Chain Initiative (PSCI), a non-profit membership organization bringing together pharmaceutical companies and contract manufacturers, with the aim of promoting responsible supply chain practices and joint supplier audits. Our engagement with PSCI will be signed in 2025. This membership will help the Group to get better awareness about effective practices of our suppliers, as mutualized audit will be performed for and available to the other members of the association. EUROAPI as a subcontractor of the pharmaceutical industry got all its sites audited by PSCI: Budapest, Frankfurt, Vertolaye in 2022; Haverhill in 2023; and Brindisi and Elbeuf in 2024.

Payment practices

At EUROAPI payments are processed in a three-way match (PO-GR-IR)[1] for each invoice (or a DOA[2] approval for non-PO invoices). Once the three steps are achieved the invoices are in posted status. The Company's usual payment terms is 60 days, except with local and legal restrictions. In addition, agreement with some suppliers can stipulate different terms according to the contract negotiated with the procurement. The purchasing team enters into the system the payment terms for each supplier.

Then the payment will occur on a due date payment automatically calculated in the system based on payment terms fixed with/by the procurement. Differences exists according to the supplier (*e.g.* 60 days, 30 days), depending on the contract type (payment terms, some of the companies (such as Amex) benefit from a direct debit process). There is no specific payment terms for SMEs. The process is the same for all our suppliers, no difference is to be made.

Payments are ordered on a weekly basis through an AP (authorization process). The AP automatically includes all invoices that are due on the payment day +7 days (all invoices due in the 7 following days of the payment day), which ensures that the invoices are paid before the due date. Usually, this process should not meet any payment delay, due to the automated process. When delays occurred, it is mostly related to a "human" factor within the approval process.

However, delays can also occur when the process upwards is not respected properly, as for example the three-way match or approval (either deliberate or accidental). In this situation, the different validators will be sent/receiving regular reminders to ensure they complete all their workflows related to the incomplete three-way match or approval). Although there is no specific policy to avoid late payments, therefore reminders are useful to detect blocking points and to resume the payment process.

In 2024, 57% of our payments were aligned with standard payment terms. The overall average duration of payment was 44 days in 2024. No legal proceeding for outstanding late payments occurred in the past year.

Payment practices*	2024
Average number of days to pay an invoice	44
% of payments aligned with standard payment terms	57%
Number of legal proceedings outstanding for late payments on Dec.31	0

** effective data calculation based on 100% invoices processed in 2024*

Our performance in terms of percentage aligned with standard payment terms is the consequence of lacks within the process (from EUROAPI's side or vendors' sides). In 2024 a certain number of vendors (40-50) were requiring from EUROAPI a reduced terms of payment and in most cases pre-payments, leading to that gap in the alignment. Therefore, that indicator should improve through 2025 as an agreement was set with the Procurement team, for the payment terms to be updated as of January 2025, following negotiations to get payment terms back to a standard of 60 days as before 2024.

The Company has not set specific targets for payment aligned with the terms, though it is determined to see results improve significantly, relying on different possible actions , such as:

- improving its internal process;
- communicating with vendors on adequate invoices.

In case of effective late payment, the Company is making its best to maintain good relationships with its vendors by handling those files in priority. It ensures supply chain continuity, and avoid operations to be impacted due to payment issues. Key accounts are particularly looked at. In case a dunning letter is received, a process ensures immediate payment.

[1] *Purchase order-good receipt-invoice receipt.*
[2] *DOA: Delegation of authority.*

5.4.5 Lobbying

Impacts	Risks	Opportunities
Impact or influence on • Accessibility • Public health outcomes • Medication affordability	• Reputational risk in case of lack of transparency (MT-LT) • Financial impact if not able to highlight implication of laws and regulations (MT-LT)	• Lobbying can create business opportunities specially on strategic API or medicine (state/ Europe financing) (ST-MT) • Financing or subsidies for the industry (energy, transformation) at national level and European level to guarantee health sovereignty (ST-MT) • IPCEI project (ST)

Lobbying-related IROs are concentrated on own-operations. Time-horizons for IROs are indicated as Short-Term (ST), Medium Term (MT) or Long Term (LT)

Our lobbying activities are aimed at promoting the manufacture of active ingredients and pharmaceutical intermediates at facilities in France and Europe. The lobbying activities are playing an increasing and important role not only for the company but for our stakeholders at a time when API sovereignty is being increasingly weakened in Europe and price competition from Asian players is intensifying. These actions are essential to guarantee or sustain access to medications, thereby meeting public health requirements.

The lobbying activities of the Group follow national, European and international legislation and its own stringent standards, as set out in its responsible lobbying charter (available on its website). EUROAPI reports on an annual basis its interactions with the relevant third parties as requested by the High Authority for Transparency in Public Life (https://www.hatvp.fr/en) in France. As part of its participation in the critical medicines alliance, EUROAPI has made a declaration on the EU transparency register.

In 2024, the lobbying activity at EUROAPI fell under the responsibility of the Strategy department, led by the Chief Strategy Officer, member of the Executive Committee and under the responsibility of the CEO.

At site level, each site manages its lobbying interactions, in line with the responsible lobbying charter, and with the possibility support of Group Public Affairs manager on more significant topics. Usually two to three persons would be responsible for lobbying interaction at local level: site director, site HR manager and site corporate affairs manager. None of the company's public affairs employees has been working in a public administration in the past two years. Examples of interactions or visits with local and national authorities or institutions:

- Prefect, mayor of Brindisi (province) - IT;
- Wiesmann, member of parliament (CDU) - DE;
- Armand Zorn (SPD) visit - DE;
- State secretary of ministry - DE;
- German ministry of health;
- French senators of Puy de Dôme visit / sub-prefect of Ambert visit of Vertolaye- FR EUROAPI is member of different professional associations such as France Chimie and SICOS in France and EFCG at EU level, contributing for example to develop, and roll out at French and European scale, a product carbon footprint methodology in cooperation with French authorities or working on the Critical Medicine Alliance. Examples of association EUROAPI partners with:
  - Aschimfarma/Federchimica, quarterly meetings - IT,
  - Association Make UK (for legal advices, round tables) - UK,
  - MKE (Hungarian Chemist's Association),
  - Business council for sustainable development in Hungary (BCSDH) - HU,
  - KÖVET Association (Association for a Sustainable Economy) - HU,
  - France Chimie (AURA & Normandie) / Union for industrial synergy and economic development (UPSIDE)/GIMRA/MEDEF -FR,
  - Chemical Industry Association (VCI) - DE.

In 2024, within the framework of Important Project of Common European Interest (IPCEI) dedicated to the pharmaceutical sector, “IPCEI Med4Cure” EUROAPI has received official notification from the European Commission that the Company has been selected as one of the 13 companies eligible to share up to € 1 billion in total public funding.

EUROAPI will develop three innovative programs and sustainable production processes in Europe, with the aim to help meeting the demand for critical medicines that are currently imported and offer new drug delivery solutions, by 2030.

The Critical Medicines Alliance was launched by the Health Emergency Preparedness and Response Authority (HERA) in collaboration with the Belgian Presidency of the Council of the EU in January 2024.

EUROAPI is part of the Critical Medicines Alliance, a collaborative initiative aimed at ensuring the availability and accessibility of essential medicines. By joining this alliance, EUROAPI participates in discussions under the auspices of the EFCG (European fine chemicals group), leveraging its expertise in pharmaceutical manufacturing and supply chain management to identify solutions to be implemented at the European level. Our participation underscores our commitment to addressing health sovereignty issues in Europe and contributing to the resilience of the production chain in Europe.

No political or in-kind contributions were made to political parties, elected representatives or related institutions in 2024.

5.5 APPENDICES

5.5.1 Legislation and disclosure requirements

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Page
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		241
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		241
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				242
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		270
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		232
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		N/A
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		232
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	263
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		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, Article12.1 (d) to (g), and Article 12.2		263
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 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 6		267

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Page
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				270
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				270
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				270
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	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)		269
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	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)		269
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	267
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		N/A
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.			N/A
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)					N/A N/A
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			N/A

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Page
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		N/A
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				273
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				274
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table #2 of Annex 1				274
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				N/A
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				275
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				275
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				276
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				276
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				N/A
ESRS E4-2 Sustainable land/agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				276
ESRS E4-2 Sustainable oceans/seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				N/A
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				276
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				280
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				280
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				313

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Page
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				313
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				326
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		326
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				326
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				309
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				297
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		312
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				312
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		299
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				308
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				297
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	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)		326
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				313
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				326

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Page
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				313
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		326
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		326
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				326
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				316
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		326
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				316
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				317
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		326
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				318
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				327
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				327

Disclosure Requirement and related datapoint	SFDR (23) reference	Pillar 3 (24) reference	Benchmark Regulation (25) reference	EU Climate Law (26) reference	Page
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		331
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				327

ESRS Disclosure requirement

ESRS	DR	Topics	Section	Page	Partially or non-disclosed
BP	BP1	General basis for preparation of sustainability statements	5.1.1-General information	232	
BP	BP2	Disclosures in relation to specific circumstances	5.1.1-General information	232	
GOV	GOV1	The role of the administrative, management and supervisory bodies	5.1.2-ESG Governance	240	
GOV	GOV2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	5.1.2-ESG Governance	241	
GOV	GOV3	Incentive schemes	5.1.2-ESG Governance	241	
GOV	GOV4	Statement on due diligence	5.1.2-ESG Governance	242	
GOV	GOV5	Risk management and internal controls	5.1.2-ESG Governance	242	
SBM	SBM-1	Strategy, business model and value chain	5.1.3-Strategy	244	
SBM	SBM-2	Interests and views of stakeholders	5.1.3-Strategy	250	
SBM	SBM-3	Impacts, risks, opportunities	5.1.3-Strategy	253	S1.SBM-3 14e (o) / 14fi (o) / 14gi (o)/ S1-6 50f (o) S2.SBM-3 11a,e /12/13 S4.SBM-3 09
IRO	IRO-1	Process to identify and assess material impacts, risks and opportunities	5.1.3-Strategy	253	E1.IRO-1 16d
IRO	IRO-2	ESRS covered by the undertaking's sustainability statement	5.1.3-Strategy	340	
E1	E1-1	Transition plan for Climate Change mitigation	5.2.2-Climate change	267	
E1	E1-2	Policies	5.2.1-Environmental policy and governance	259	
E1	E1-3	Actions and resources	5.2.2-Climate change	267	
E1	E1-4	Target related to climate change	5.2.2-Climate change	267	
E1	E1-5	Energy consumption	5.2.2-Climate change	270	
E1	E1-6	GHG emissions	5.2.2-Climate change	269	
E1	E1-7	GHG removals	5.2.2-Climate change	267	DR 56, 58 - No GHG removals in our actitivy
E1	E1-8	Internal carbon pricing	5.2.2-Climate change	269	
E2	E2-1	Policies related to pollution	5.2.1-Environmental policy and governance 5.2.3-Pollution	259	
E2	E2-2	Actions and resources	5.2.3-Pollution	271	
E2	E2-3	Targets related to pollution	No target set	239	E2-3 MDR-T
E2	E2-4	Pollution of air, water and soil	5.2.3-Pollution	259	E2-4 28a
E2	E2-5	Substances of concerns	5.2.3-Pollution	273	
E2	E2-6	Expenditures	5.2.3-Pollution	273	
E3	E3-1	Policies related to water	5.2.1-Environmental policy and governance	259	E3-1 12a à 12c
E3	E3-2	Actions and resources in relation to areas at water risk	5.2.4-Water stewardship	275	
E3	E3-3	Target in relation to water	No target set	239	E3-3 23a-c
E3	E3-4	Water usage	5.2.4-Water stewardship	275	
E4	E4-1	Transition plan for biodiversity mitigation	5.2.5 -Biodiversity	276	

ESRS	DR	Topics	Section	Page	Partially or non-disclosed
E4	E4-2	Policy related to biodiversity	5.2.1-Environmental policy and governance	259	
E4	E4-3	Biodiversity offset	Not responded		DR 28
E4	E4-4	Ecological thresholds	Not responded		DR 32
E4	E4-5	Areas at risks	5.2.5 -Biodiversity	276	DR 38 (no other relevant metrics)
E5	E5-1	Policies related to circular economy	5.2.6 -Circular economy	259	E5-1 15a/15b
E5	E5-2	Actions and resources	5.2.6 -Circular economy	279	
E5	E5-3	Targets related to circular economy	No target set	239	E5-3
E5	E5-4	Resources inflows	5.2.6 -Circular economy	279	
E5	E5-5	Resources outflows	5.2.6 -Circular economy	280	
S1	S1-1	Policies related to the workforce	5.3.1-Human capital	297	
S1	S1-2	Engaging with own workers	5.3.4-Quality of life and compensation	304	
S1	S1-3	Whistleblowing system	5.4.2-Human rights management	327	See section G1 related to Human rights management
S1	S1-4	Actions on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	5.3.2-Diversity and equal opportunity 5.3.3-Attractiveness and retention of talents 5.3.4-Quality of life and compensation	298 301 304	
S1	S1-5	Targets	5.3.2-Diversity and equal opportunity	299	
S1	S1-6	Characteristics of the undertaking employess	5.3.1-Human capital	295	S1-6 50f (o)
S1	S1-8	Collective bargaining and social dialogue	5.3.4-Quality of life and compensation	304	
S1	S1-9	Gender, age and top management disclosure	5.3.1-Human capital	299	
S1	S1-10	Adequate wages	5.3.4-Quality of life and compensation	307	
S1	S1-12	Diversity metrics	5.3.2-Diversity and equal opportunity	298	
S1	S1-13	Training and skills development metrics	5.3.3-Attractiveness and retention of talents	301	
S1-14-V	S1-14-V	Policy and actions	5.3.5-Health and safety	309	
S1-14	S1-14	Health and safety metrics	5.3.5-Health and safety	312	
S1	S1-15	Work life balance metrics	5.3.4-Quality of life and compensation	307	
S1	S1-16	Compensation metrics	5.3.4-Quality of life and compensation	308	
S1	S1-17	Discrimination metrics	5.3.2-Diversity ans equal opportunity	297	
S2	S2-1	Policies related to value chain	5.3.6-Workforce in the value chain	313	
S3	DR 17, 18, 19	Human rights	5.4.2-Human rights management	326	
S2	S2-2	Engaging with value chain workers about impacts	5.3.6-Workforce in the value chain	313	
S2	S2-3	Remediation process	5.3.6-Workforce in the value chain	327	

ESRS	DR	Topics	Section	Page	Partially or non-disclosed
S2	S2-4	Actions	5.3.6-Workforce in the value chain	314	
S2	S2-5	Targets	No target set	239	
S3	S3-1	Policies related to affected communities	5.3.7-Affected communities	315	
S4	DR 16 -17	Human rights	5.4.2-Human rights management	326	
S3	S3-2	Engaging with communities	5.3.7-Affected communities	315	
S3	S3-3	Remediation process	5.3.7-Affected communities	327	
S3	S3-4	Actions	5.3.7-Affected communities	316	
S3	S3-5	Targets	No quantitative target set	239	
S4	S4-1	Policies related to consumers/patients	5.3.8-Consumers	318	S4-1 15
S4	DR 16 -17	Human rights	5.4.2-Human rights management	326	
S4	S4-2	Engaging with consumers	5.3.8-Consumers	317	
S4	S4-3	Remediation process	5.3.8-Consumers	327	
S4	S4-4	Actions	5.3.8-Consumers	320	
S4	S4-5	Targets	5.3.8-Consumers	321	
G1	G1-1	Corporate culture and business conduct	5.4.1-Corporate culture and business conduct	323	G1-1: 7 G1-4 MDR partial
G1	G1-2	Relationship with suppliers	5.4.4-Relationship with suppliers	329	
G1	G1-3	Corruption and bribery management	5.4.3-Corruption, bribery and alert management	327	
G1	G1-4	Convictions and fines	5.4.3-Corruption, bribery and alert management	331	
G1	G1-5	Financial contributions	5.4.5-Lobbying	333	
G1	G1-6	Payment practices	5.4.4-Relationship with suppliers	330	

5.6 SUSTAINABILITY AND TAXONOMY INFORMATION CERTIFICATION REPORT

Report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852, relating to the year ended December 31, 2024

This is a free translation into English of the statutory auditor's report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852 of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and the H2A guidelines on Limited assurance engagement - Certification of sustainability reporting and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852.

To the Annual General Meeting of Euroapi,

This report is issued in our capacity as statutory auditor of Euroapi. It covers the sustainability information and the information required by Article 8 of Regulation (EU) 2020/852, relating to the year ended December 31, 2024 and included in the management report and presented in section 5 entitled "Sustainability" of the Universal Registration Document (hereafter the "Sustainability statement").

Pursuant to Article L. 233-28-4 of the French Commercial Code, Euroapi is required to include the above-mentioned information in a separate section of its management report. This information has been prepared in the context of the first-time application of the aforementioned Articles, a context characterized by uncertainties regarding the interpretation of the laws and regulations, the use of significant estimates, the absence of established practices and frameworks in particular for the double-materiality assessment, and an evolving internal control system. This information enables an understanding of the impact of the activity of the Group on sustainability matters, as well as the way in which these matters influence the development of the business of the Group, its performance and position. Sustainability matters include environmental, social and corporate governance matters.

Pursuant to Article L. 821-54 paragraph II of the aforementioned Code, our responsibility is to carry out the procedures necessary to issue a conclusion, expressing limited assurance, on:

- compliance with the sustainability reporting standards adopted pursuant to Article 29 b of Directive (EU) 2013/34 of the European Parliament and of the Council of 14 December 2022 (hereinafter ESRS for European Sustainability Reporting Standards) of the process implemented by Euroapi to determine the information reported, and compliance with the requirement to consult the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labor Code;
- compliance of the sustainability information included in the Sustainability statement with the requirements of Article L. 233-28-4 of the French Commercial Code, including the ESRS; and
- compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852.

This engagement is carried out in compliance with the ethical rules, including independence, and quality control rules prescribed by the French Commercial Code.

It is also governed by the H2A guidelines on Limited assurance engagement - Certification of sustainability reporting and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852.

In the three separate sections of the report that follow, we present, for each of the sections of our engagement, the nature of the procedures that we carried out, the conclusions that we drew from these procedures and, in support of these conclusions, the elements to which we paid particular attention and the procedures that we carried out with regard to these elements. We draw your attention to the fact that we do not express a conclusion on any of these elements taken individually and that the procedures described should be considered in the overall context of the formation of the conclusions issued in respect of each of the three sections of our engagement.

Finally, where deemed necessary to draw your attention to one or more disclosures of sustainability information provided by Euroapi in its Sustainability statement, we have included an emphasis of matter(s) paragraph hereafter.

Limits of our engagement

As the purpose of our engagement is to express limited assurance, the nature (choice of techniques), extent (scope) and timing of the procedures are less than those required to obtain reasonable assurance.

Furthermore, this engagement does not provide guarantee regarding the viability or the quality of the management of Euroapi, in particular it does not provide an assessment of the relevance of the choices made by Euroapi in terms of action plans, targets, policies, scenario analyses and transition plans, which would go beyond compliance with the ESRS reporting requirements.

It does, however, allow us to express conclusions regarding the Entity's process for determining the sustainability information to be reported, the sustainability information itself, and the information reported pursuant to Article 8 of Regulation (EU) 2020/852, as to the absence of identification or, on the contrary, the identification of errors, omissions or inconsistencies of such importance that they would be likely to influence the decisions that readers of the information subject to this engagement might make.

Any comparative information that would be included in the Sustainability statement is not covered by our engagement.

Compliance with the ESRS of the process implemented by Euroapi to determine the information reported, and compliance with the requirement to consult the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labor Code

Nature of procedures carried out

Our procedures consisted in verifying that:

- the process defined and implemented by Euroapi has enabled it, in accordance with the ESRS, to identify and assess its impacts, risks and opportunities related to sustainability matters, and to identify the material impacts, risks and opportunities, that led to the publication of sustainability information disclosed in the Sustainability statement; and
- the information provided on this process also complies with the ESRS.

We also checked the compliance with the requirement to consult the social and economic committee.

Conclusion of the procedures carried out

On the basis of the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies regarding the compliance of the process implemented by Euroapi with the ESRS.

We inform you that the requirement to consult the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labor Code has been complied with.

Elements that received particular attention

We present hereafter the elements that received particular attention on our part regarding the compliance of Euroapi's disclosure process with the ESRS.

Concerning the identification of stakeholders

Information on stakeholder identification is provided in the “Interests and views of stakeholders” paragraph of section 5.1.3 of the Sustainability statement.

We obtained an understanding of the analysis conducted by Euroapi to identify:

- the stakeholders who can affect or be affected by the entities within the scope of the information, through their activities and direct or indirect business relationships in the value chain;
- the main users of sustainability statements (including the main users of the financial statements).

We interviewed the ESG department and the persons we deemed appropriate and examined the available documentation.

Our work consisted primarily in assessing the consistency of the main stakeholders identified by Euroapi with the nature of its activities and its geographical location, taking into account its business relationships and value chain.

Concerning the identification of impacts, risks and opportunities

Information on the identification of impacts, risks and opportunities is provided in section 5.1.4 “Impact, risk and opportunities” of the Sustainability statement.

- We particularly obtained an understanding of the process implemented by Euroapi regarding the identification of actual and potential (negative or positive) impacts , risks and opportunities, in relation to the sustainability matters set out in paragraph AR 16 of the "Application requirements" of ESRS 1.

  In particular, we assessed the approach set by Euroapi to determine its impacts and dependencies, which may be a source of risks or opportunities.
- We obtained an understanding of Euroapi’s mapping of the identified IROs, including a description of their distribution within Euroapi’s own operations and value chain, as well as their time horizon (short, medium or long-term), and we assessed the consistency of this mapping with our knowledge of the Group.

Concerning the assessment of impact materiality and financial materiality

Through interviews with the ESG department and the examination of the available documentation, we obtained an understanding of the process implemented by Euroapi to assess impact materiality and financial materiality, and assessed its compliance with the criteria defined in ESRS 1.

We assessed the way in which Euroapi has established and applied the materiality criteria defined by ESRS 1, including the setting of thresholds, to determine the material information disclosed under the metrics relating to the identified material IROs in accordance with the relevant ESRS subjects.

Compliance of the sustainability information included in the Sustainability statement with the requirements of Article L. 233-28-4 of the French Commercial Code, including the ESRS

Nature of procedures carried out

Our procedures consisted in verifying that, in accordance with legal and regulatory requirements, including the ESRS:

- the information provided enables the understanding of the general basis for the preparation and governance of the sustainability information included in the Sustainability statement, including the basis for determining the information relating to the value chain and the exemptions from disclosures used;
- the presentation of this information ensures its readability and understandability;
- the scope chosen by Euroapi for providing this information is appropriate; and
- on the basis of a selection, based on our analysis of the risks of non-compliance of the information provided and the expectations of users, this information does not contain any material errors, omissions or inconsistencies, i.e. that are likely to influence the judgement or decisions of users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified material errors, omissions or inconsistencies regarding the compliance of the sustainability information included in the Sustainability statement, with the requirements of Article L. 233-28-4 of the French Commercial Code, including the ESRS.

Emphasis of matter

Without qualifying the conclusion expressed above, we draw your attention to the information provided in the "General basis for preparation of sustainability statements" paragraph, presented in section 5.1.1 of the Sustainability statement, which highlights the uncertainties and limitations characterizing the first application of the CSRD.

Elements that received particular attention

We describe hereafter the elements to which we paid particular attention concerning the compliance of the sustainability information included in the Sustainability statement with the requirements of Article L. 233-28-4 of the French Commercial Code, including the ESRS.

Information provided in application of environmental standards (ESRS E1 to E5)

Information reported in relation to climate change and, in particular, greenhouse gas emissions (ESRS E1) is mentioned in sections 5.2.1. and 5.2.2 of the Sustainability statement and information on pollution (ESRS E2) in sections 5.2.1 and 5.2.3.

Our work consisted primarily in:

- conducting interviews with the ESG department, to inquire about the process adopted by Euroapi to produce this information and assess it, in particular the description of the policies, actions and targets put in place by Euroapi;
- defining and implementing appropriate analytical procedures, based on this information and our knowledge of Euroapi.

With respect to Euroapi's disclosures for its greenhouse gas (GHG) emissions, we also:

- obtained an understanding of Euroapi's GHG emissions assessment procedure, in particular:
  - assessed the consistency of the scope considered for the assessment of GHG emissions with the scope of the consolidated financial statements, and the upstream and downstream value chain;
  - obtained an understanding of the calculation method used for the estimated data and the sources of information used in the development of the estimates that we considered critical and which Euroapi used to prepare its GHG emissions;
  - with regard to scope 3 emissions, assessed the justification for the inclusions and exclusions of the various categories and the transparency of the disclosures provided in this respect.
- carried out certain specific tests:
  - assessed, on the basis of tests, the emission factors used and the calculation of the related conversions as well as the calculation and extrapolation assumptions, taking into account the uncertainty inherent in the state of scientific or economic knowledge and the quality of the external data used;
  - reconciled, for directly measurable data, such as energy consumption related to scopes 1 and 2 emissions, on the basis of tests, the underlying data used for the assessment of GHG emissions with supporting documentation.

With regard to the transition plan for climate change mitigation, our work also consisted in:

- examining the information set out in section 5.2.2 of the Sustainability statement as part of this transition plan approval by the corporate governance bodies referred to therein;
- assessing whether the information presented under the climate transition plan meets the requirements of ESRS E1 and appropriately describes the structuring assumptions underlying this plan, it being specified that we do not have to report on the appropriateness or the ambition level of the objectives of this transition plan.

With regard to the information published under water, soil and air pollution, and substances of concern and very high concern, we also obtained an understanding of the procedures used by Euroapi for the assessment of pollutant-related indicators, in particular:

- assessed the consistency of the scope considered for the evaluation of the indicators associated with pollutants with the scope of the consolidated financial statements;
- obtained an understanding of the calculation method of the data and the source information used in the evaluation of these indicators, in particular emissions of volatile organic compounds (VOCs) into the air and substances of very high concern generated, used or procured.

Compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852

Nature of procedures carried out

Our procedures consisted in verifying the process implemented by Euroapi to determine the eligible and aligned nature of the activities of the entities included in the consolidation.

They also involved verifying the information reported pursuant to Article 8 of Regulation (EU) 2020/852, which involves checking:

- the compliance with the rules applicable to the presentation of this information to ensure that it is readable and understandable;
- on the basis of a selection, the absence of material errors, omissions or inconsistencies in the information provided, i.e. information likely to influence the judgement or decisions of users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies relating to compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

Elements that received particular attention

We have concluded that there are no such matters to be disclosed in our report.

Paris-La Défense, 28 March 2025
The Statutory Auditor
French original *signed by*
ERNST & YOUNG Audit
Pierre Chassagne

Euroapi - Franckfurt (Germany)

6

SHARE CAPITAL AND SHAREHOLDING STRUCTURE OF THE COMPANY

6.1 ITEMS THAT MAY HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFER

Shareholders holding more than 5% of the capital on the date of the Universal Registration Document

The table below sets out the distribution of the Company's share capital as of the date of the Universal Registration Document, based on the legal threshold filed with the AMF:

Shareholder	Number of shares	% of share capital	Number of voting rights	% of voting rights	Share classes
Sanofi Aventis Participations	28,298,074	29.60%	28,298,074	29.71%	ordinary shares
BpiFrance Investissement	11,283,226	11.80%	11,283,226	11.84%	ordinary shares
L'Oréal	5,140,317	5.37%	5,140,317	5.39%	ordinary shares
Kopernik Global Investors	4,976,393	5.21%	4,976,393	5.22%	ordinary shares
MAK Capital	4,765,047	4.98%	4,765,047	5.00%	ordinary shares and swap exposure
Public	41,126,720	42.60%	40,765,110	42.80%	ordinary shares
Total	**95,589,777**	**100%**	**95,228,167**	**100 %**	**ordinary shares**

Prior to Sanofi's combined Annual Shareholders' Meeting, held on May 3, 2022, and called to decide on the Distribution in Kind, the shares of the Company, representing approximately 70% of the Company's share capital that were be distributed to Sanofi's shareholders (other than Sanofi itself and holders of shares issued upon the exercise of Sanofi stock options since January 1, 2022) and sold as part of the Investment (as defined below), has been purchased by Sanofi from Sanofi Aventis Participations.

Sanofi group is a global pharmaceutical company involved in the research, development and marketing of therapeutic solutions focused on the needs of its patients. The Group is the outcome of numerous mergers and acquisitions, particularly the merger of Sanofi and Synthélabo in 1999, the acquisition of Aventis in 2004 (from the merger of Hoechst and the Rhône-Poulenc Rorer group) and the acquisition of Genzyme in 2011. Sanofi's shares are listed on the regulated market of Euronext Paris, compartment A (Euronext: SAN) and on the Nasdaq Global Select Market (Nasdaq: SNY) as American Depositary Shares.

The Company, Sanofi and EPIC Bpifrance, acting on behalf of the French State under the French Tech Souveraineté protocol of December 11, 2020, as amended (the "Investor"), have entered into an investment agreement (the "Investment Agreement") pursuant to which the Investor has undertaken to acquire from Sanofi a number of shares representing 12% of the share capital of the Company as of the date of payment of the Distribution in Kind, i.e., May 10, 2022, at a price equal to the lowest of (i) the volume-weighted average price of the Company's shares over a period of 30 consecutive trading days from the date of admission of the Company's shares to trading on the regulated market of Euronext Paris, i.e., May 6, 2022, and (ii) €150 million (the "Investment"). The Investor's commitment to invest was subject to several conditions precedent, including the admission of the Company's shares to trading on the regulated market of Euronext Paris and the approval of Sanofi's shareholders, at a meeting on May 3, 2022, on the Distribution in Kind. The settlement and delivery of the EUROAPI shares purchased by the Investor under the Investment took place on the business day following the end of the 30-day period, i.e., on June 17, 2022.

Under the terms of the Investment Agreement, the Investor has the right to propose the appointment of (i) two members of the Board of Directors of the Company, including one member of the Nominations and Compensation Committee, as long as the Investor holds at least 10% of the share capital of the Company, or (ii) one member of the Board of Directors who could also be a member of the Nominations and Compensation Committee, as long as the Investor holds at least 5% and less than 10% of the share capital of the Company.

On March 30, 2022, the sole shareholder of the Company decided, subject to the condition precedent of the admission of the Company's shares to trading on the regulated market of Euronext Paris, (i) to appoint Bpifrance Investissement, represented by Benjamin Paternot as member of the Board of Directors and member of the Nominations and Remuneration Committee of the Company, and (ii) to appoint Mr. Jean-Christophe Dantonel as member of the Board of Directors of the Company upon proposal of the Investor. Sanofi has undertaken to vote in favor of the appointment and/or re-appointment of the candidates proposed by the Investor for a period of 12 years as from the decision of the sole shareholder of the Company deciding on the appointment of Bpifrance Investissement and Mr. Jean-Christophe Dantonel as members of the Board of Directors of the Company, or March 30, 2022, unless the Investor ceases to hold a number of shares representing at

least 5% of the Company's capital and Sanofi ceases to hold EUROAPI shares. In addition, the Investor has undertaken to vote in favor of the appointment of a representative of Sanofi (or one of its successors) to the Company's Board of Directors and Audit Committee, subject to Sanofi's compliance with its voting commitment described above and Sanofi's holding of a number of shares representing at least 5% of the Company's share capital.

In addition, under the terms of the Investment Agreement, the Investor has undertaken in particular to:

- ensure that its representatives on the Company's Board of Directors (the "Representatives") are not appointed to or hold positions on the supervisory or governance bodies of any entity (or its affiliates) whose business competes with that of the Company, unless (i) such appointment has been approved by the Company or (ii) in the event that a Representative is a legal entity arrangements are in place that prevent the exchange of commercially sensitive information relating to the Company and its business between the permanent representative of such legal entity Representative (or its employees, officers or agents with commercially sensitive information relating to the Company and its business) and the employees, officers or agents of such legal entity Representative who directly supervise and manage an investment of the Investor in a competing company; and
- adopt strict compliance rules and conflict of interest procedures to prevent the Investor (including any person or entity controlling, controlled by, or under common control with the Investor) from using any information provided to the Investor as a result of its representation on the Board of Directors in a manner that would be detrimental to the Company or any entity controlled by the Company.

In addition, under the terms of the Investment Agreement, (i) the Investor has undertaken to retain the EUROAPI shares purchased for a period of 24 months from the date of settlement and delivery of the EUROAPI shares purchased under the Investment, i.e., on June 17, 2022, and (ii) Sanofi (including its affiliates) has undertaken to retain the EUROAPI shares held from the date of payment of the Distribution in Kind for a period of 24 months following the date of settlement and delivery of the EUROAPI shares acquired under the Investment, in both cases subject to certain usual exceptions.

Sanofi and the Investor are not acting in concert within the meaning of Article L. 233-10 of the French Commercial Code *(Code de commerce)* with respect to the Company.

In February 2024, the Company, Sanofi and the Investor agreed to extend the duration of the Investment Agreement until December 2025.

Crossing of thresholds

Shareholders have a legal obligation to notify the Company and the French financial markets authority (*Autorité des marches financiers* – the "AMF") by letter when a legal threshold is crossed, specifying in particular their fractional ownership of the Company's shares and voting rights, within the legal deadline. In addition, Article 9 of the Company's Articles of Association provides for the obligation for shareholders to notify the Company when a threshold representing a fraction of the capital or voting rights greater than or equal to 1%, or any multiple of this percentage is crossed (see section 7.4.7 "Statutory disclosure thresholds" of this Universal Registration Document).

From January 1, 2024 to the date of this Universal Registration Document, the Company received the following legal threshold crossing declarations pursuant to Article L. 233-7 of the French Commercial Code and declarations regarding thresholds contained in the Article of Association:

Shareholder	Date of crossing	Type of threshold/ crossing	Threshold crossed	Number of shares	% of share capital	% of voting rights
BlackRock Inc	05/23/2023	Legal, downward	5.00%	4,466,874	4.72%	4.72%
CDC	12/11/2023	Legal, upward	5.00%	4,807,903	5.05%	5.05%
CDC	01/25/2024	Legal, downward	5.00%	4,747,296	4.99%	4.99%
MAK Capital	02/08/2024	Legal, upward	5.00%	4,765,047	5.01%	5.01%
Kopernik Global Investors	03/12/2024	Legal, upward	5.00%	5,401,076	5.68%	5.24%
Goldman Sachs Group	22/01/2025	Legal, upward	5.00%	5,672,672	5.93%	5.93%
GoldmanSachs Group	29/01/2025	Legal, upward	5.00%	5,668,841	5.93%	5.93%
GoldmanSachs Group	31/01/2025	Legal, downward	5.00%	697,148	0.73%	0.73%
GoldmanSachs Group	07/02/2025	Legal, upward	5.00%	5,564,871	5.82%	5.82%
GoldmanSachs Group	11/02/2025	Legal, downward	5.00%	463,720	0.49%	0.49%
GoldmanSachs Group	02/21/2025	Legal, upward	5.00%	5,112,158	5.35%	5.35%
GoldmanSachs Group	02/24/2025	Legal, downward	5.00%	206,616	0.22%	0.22%

Note: % of share capital and voting rights on the date of the declaration.

Transactions performed on the Company's shares by officers and persons treated as such

The table below presents a summary (Article 223-26 of the AMF Regulation) of the transactions mentioned in Article L. 621-18-2 of the French Monetary and Financial Code carried out during the financial year 2024.

First name, Last name, Company name	Position	Financial instrument	Nature of transaction	Date	Price *(in €)*	Transaction amount *(in €)*
N/A	N/A	N/A	N/A	N/A	N/A	N/A

Control of the Company

As of the date of this Universal Registration Document and since the distribution in kind of the Company's shares by Sanofi in connection with its listing on the regulated market of Euronext Paris, Sanofi no longer controls the Company within the meaning of Article L. 233-3 of the French Commercial Code.

Sanofi continues to hold, through Sanofi Aventis Participations, approximately 30% of the capital and voting rights of the Company and is as such in a position to exert significant influence on the Group's strategic decisions.

However, the Board of Directors is composed of six independent members and Sanofi, through its subsidiary Sanofi Aventis Participations, has only one representative out of the 11 members of the Company's Board of Directors.

In addition, the Company has set up an Audit Committee, a Nominations and Compensation Committee and an ESG Committee composed mostly of independent directors.

Agreements likely to result in a change of control

As of the date of the Universal Registration Document, there is no agreement that, if implemented, could lead to a change of control of the Company.

6.2 DIVIDEND POLICY

The Company intends to focus, in the short and medium term, on reinvesting the cash flows generated by its business to support its roadmap and strategy.

6.3 SHARE CAPITAL

Subscribed and authorized but unissued share capital

As of the date of the Universal Registration Document, the Company's share capital is €95,589,777, divided into 95,589,777 shares with a nominal value of €1 each, fully paid up.

The Company's share capital is composed of ordinary shares only.

The financial delegations described below have been approved by the Annual General meeting held on May 11, 2023.

Nature of delegation	Period of validity/ expiration	Ceiling	Price determination methods
Authorization granted to the Board of Directors to purchase the Company's own shares.	18 months	10%	Maximum purchase price per share is set at 200% of the price per share set in connection with the admission to trading of the Company's shares.
Authorization granted to the Board of Directors to reduce the share capital by cancellation of shares under the authorization to buy back its own shares.	18 months	10%	Any excess of the purchase price of the shares over their nominal value shall be charged to the share premium, merger or contribution items or to any available reserve item.
Delegation of authority to the Board of Directors to increase the capital by the issuance of ordinary shares and/or any securities, with preferential subscription rights for shareholders.	26 months	€47 million[(1)(2)]	The price shall be set by the Board of Directors.
Delegation of authority to the Board of Directors to increase the share capital by the issuance of ordinary shares and/or any other securities, without preferential subscription rights for shareholders and with a public offering (other than the offers referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code).	26 months	€9.4 million[(1)(2)]	The issue price of the shares and securities that may be issued pursuant to this delegation shall be set by the Board of Directors in accordance with the provisions of Articles L. 22-10-52 and R. 22-10-32 of the French Commercial Code. On the date of the shareholders' meeting, the issue price of the shares shall be at least equal to the volume-weighted average of the prices of the last three (3) trading sessions preceding the start of the public offering on the regulated market of Euronext in Paris, possibly reduced by a maximum discount of 10%.
Delegation of authority to the Board of Directors to increase the share capital by the issuance of ordinary shares and/or any other securities, without preferential subscription rights for shareholders, in the context of a public offering to qualified investors or a limited circle of investors, as referred to in paragraph 1 of Article L. 411-2 of the French Monetary and Financial Code.	26 months	€9.4 million[(1)(2)]	The issue price of the shares and securities that may be issued pursuant to this delegation shall be set by the Board of Directors in accordance with the provisions of Articles L. 22-10-52 and R. 22-10-32 of the French Commercial Code. On the date of the shareholders' meeting, the issue price of the shares shall be at least equal to the volume-weighted average of the prices for the last three (3) trading sessions prior to the start of the public offering within the meaning of Regulation (EU) 2017/1129 of June 14, 2017, as amended, on the regulated market of Euronext Paris, possibly reduced by a maximum discount of 10%.
Delegation of authority to the Board of Directors to increase the number of shares to be issued in the event of a capital increase with or without preferential subscription rights.	26 months	€47 million[(2)]	Same price as for the initial issuance.
Authorization granted to the Board of Directors, in the event of an issue of shares or any other securities with cancellation of preferential subscription rights for shareholders, to set the issue price within the limit of 10% of the share capital.	26 months	10%	The price, which shall be set by the Board of Directors, shall be at least equal to the volume-weighted average of the prices of the last three (3) trading sessions preceding the setting thereof, possibly reduced by a maximum discount of 20%. It being noted that it may not in any event be less than the nominal value of a Company share on the date of issuance of the shares in question.
Delegation of authority to the Board of Directors to decide to issue ordinary shares or securities giving access to ordinary shares to be issued immediately or in the future by the Company, with cancellation of the preferential subscription rights for shareholders for the benefit of categories of beneficiaries.	18 months	€4.7 million[(1)(2)]	The price, which shall be set by the Board of Directors, shall be at least equal to the volume-weighted average of the prices of the last three (3) trading sessions preceding the setting thereof, possibly reduced by a maximum discount of 20%, it being noted that it may not in any event be less than the nominal value of a Company share on the date of issuance of the shares in question.

Nature of delegation	Period of validity/ expiration	Ceiling	Price determination methods
Delegation of authority to the Board of Directors to issue ordinary shares and securities giving access to the Company's capital, in the event of a public offer with an exchange component initiated by the Company.	26 months	€9.4 million[(1)(2)]	The Board of Directors shall set the terms of the issue, the exchange ratio and, if applicable, the amount of the cash balance to be paid.
Delegation of authority to the Board of Directors to decide to issue ordinary shares of the Company or securities giving access by any means, immediately and/or in the future, to ordinary shares of the Company, up to a limit of 10% of share capital, to remunerate contributions in kind of equity securities or securities giving access to the share capital of third-party companies outside a public exchange offer.	26 months	10%[(2)(3)]	The Board of Directors shall evaluate the contributions and decide and record the completion of the capital increase that remunerates the contribution.
Delegation of authority to the Board of Directors to increase the share capital by incorporating premiums, reserves, profits or other items.	26 months	€9.4 million	N/A
Authorization granted to the Board of Directors to grant options to subscribe to or purchase Company's shares.	26 months	2%[(4)]	The purchase or subscription price per share shall be set by the Board of Directors on the day the option is granted and may not be less than ninety-five percent (95%) of the average of the prices quoted for the 20 trading days preceding the date of the decision by Board of Directors to grant the options on the regulated market of Euronext Paris, rounded up to the nearest euro cent, nor, in the case of purchase options, to eighty percent (80%) of the average purchase price of the Company's own shares, rounded up to the nearest euro cent.
Authorization granted to the Board of Directors to establish a free share plan for existing or new shares.	26 months	3%[(3)(4)]	N/A
Delegation to the Board of Directors to increase the share capital by the issuance of shares and securities giving access to the Company's capital for the benefit of employees adhering to the company savings plan.	26 months	€1.88 million[(2)]	The issuance price of the new shares or securities giving access to the capital shall be determined in accordance with the conditions set out in Articles L. 3332-19 of the French Labor Code.

(1) The maximum nominal amount of debt securities that may be issued under this delegation is set at €750 million.

(2) The maximum aggregate nominal amount of the capital increases that may be carried out under these delegations is set at €47 million and the maximum aggregate nominal amount of the debt securities that may be issued under the delegations granted under the aforementioned resolutions is set at €750 million.

(3) The total number of shares that may be granted under this authorization to corporate officers may not represent more than 0.4% of the Company's share capital.

(4) The sum of (i) the shares that may be issued or acquired upon exercise of the options that would be granted under the delegation described above and (ii) the free shares that would be granted under the delegation described above may not exceed 9.4 million shares with a nominal value of €1 each.

Non-equity securities

As of the date of this Universal Registration Document, the Company has not issued any non-equity securities.

Shares held by the Company

As of December 31, 2024, the Group held 361,610 shares of its own shares.

Other securities giving rights to capital

A free share plan was put in place on June 3, 2022 for all employees and certain executives and managers (see Note 5.11.5 " Share-based payments" to the consolidated financial statements).

A performance share plan was put in place on June 3, 2022 for key executives and managers (see Note 5.11.5 "Share-based payments" to the consolidated financial statements).

A stock subscription option plan was put in place on June 3, 2022 for key executives and managers (see Note 5.11.5 “Share based payments” to the consolidated financial statements).

The definitive allocation of free shares to employees was put in place during the first half of 2023 (see Note 5.11.5 “Share based payments” to the consolidated financial statements).

A new long-term incentive plan was put in place on June 5, 2023, for key executives and managers through free share and stock option plans (see Note 5.11.5 “Share based payments” to the consolidated financial statements).

Conditions governing any acquisition right and/or any obligation attached to capital subscribed but not paid up

None.

Share capital of any member of the Group that is under option or an agreement to place it under option and the details of such options

Please refer to section 2.3.6 “Stock options and Performance Shares”.

History of share capital over the past three years

The Company registered with the Trade and Companies Register on November 10, 2020, with an initial share capital of €150,000, fully paid up.

The table below presents a summary of changes in share capital up to that date.

Date of the transaction	Nature of transaction	Number of shares issued or canceled	Nominal amount *(EUR)*	Issue or contribution premium *(EUR)*	Cumulative nominal amount of share capital *(EUR)*	Total cumulative number of shares in circulation	Nominal value *(EUR)*
November 10, 2020	Formation of the Company	150,000	150,000	0.0	150,000	150,000	1.0
December 10, 2021	Capital increase through issuance of ordinary shares	89,850,000	89,850,000	1,778,150,000	90,000,000	90,000,000	1.0
February 23, 2022	Capital increase through issuance of ordinary shares	4,026,888	4,026,888	79,692,112	94,026,888	94,026,888	1.0
July 21, 2022	Capital increase through issuance of ordinary shares (share plan)	522,600	522,600	0.0	94,549,488	94,549,488	1.0
June 5, 2023	Capital increase through issuance of ordinary shares (share plan)	504,196	504,196	0.0	95,053,684	95,053,684	1.0
June 3, 2024	Capital increase through issuance of ordinary shares (share plan)	536,093	536,093	0.0	95,589,777	95,589,777	1.0

The Company has not pledged a significant portion of its capital.

6.4 STOCK MARKET HISTORY

EUROAPI shares (ISIN: FR 0014 008VX5) are traded on the Euronext regulated market in Paris (Compartment A) (Deferred Settlement Service).

Paris stock exchange volume and share price information over 14 months (source: Euronext)

Date	Volume *(Thousands)*	Capital *(€ million)*	Average price *(€)*	High *(€)*	Low *(€)*	Price at end of month *(€)*
January 2024	10,969	66	5.99	6.62	5.40	6.21
February 2024	9,001	57	6.29	7.02	3.10	3.85
March 2024	19,074	58	3.03	4.04	2.26	2.80
April 2024	6,762	19	2.78	3.09	2.51	2.95
May 2024	7,858	26	3.26	3.79	2.87	3.61
June 2024	6,841	22	3.17	4.10	2.53	2.55
July 2024	4,161	12	2.95	3.80	2.53	3.72
August 2024	3,753	15	4.07	4.54	3.47	4.16
September 2024	4,596	19	4.12	4.40	3.79	3.79
October 2024	2,716	9	3.43	3.99	3.13	3.57
November 2024	2,678	10	3.71	4.15	3.31	4.11
December 2024	6,048	20	3.31	4.46	2.71	2.88
January 2025	2,471	7	3.12	3.33	2.85	3.23
February 2025	3,109	9	2.90	3.24	2.50	2.59

6.5 LIQUIDITY AGREEMENT

On June 1, 2022, EUROAPI implemented a liquidity agreement with Kepler Cheuvreux to enhance the liquidity of the EUROAPI shares admitted to trading on Euronext Paris since May 6, 2022.

€500,000 of resources has been allocated to the liquidity account.

Resources have been raised to €2,000,000, on the 31st day of trading post-listing, in compliance with the terms of the AMF Decision 2021-01 of June 22, 2021.On October 24, 2023, in accordance with the provisions of Article 4 of AMF decision No. 2021-01 of June 22, 2021, EUROAPI announced that it has increased the resources allocated to the liquidity contract entrusted to Kepler Cheuvreux by 2 million euros.

The execution of the liquidity agreement may be suspended under the conditions set out in Article 5 of the AMF Decision.

The liquidity agreement may be terminated:

- at any time by EUROAPI without prior notice;
- at any time by Kepler Cheuvreux, subject to thirty (30) calendar days' notice;
- without notice and without formality if the shares are transferred to another stock market.

The implementation of this liquidity agreement is carried out in accordance with the legal framework in force, and more particularly the provisions of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (MAR), Commission Delegated Regulation (EU) 2016/908 of February 26, 2016 supplementing Regulation (EU) No. 596/2014, Articles L. 225-209 *et seq.* of the French Commercial Code and the AMF Decision 2021-01 of June 22, 2021 (AMF Decision), applicable as of July 1, 2021.

Euroapi - Franckfurt (Germany)

7

ADDITIONAL INFORMATION

7.1 INFORMATION ABOUT THE COMPANY

7.1.1 Legal and commercial name of the Company

The corporate name of the Company is “EUROAPI”.

7.1.2 Place of registration and registration number

The Company is registered in the Paris Trade and Companies Register under number 890 974 413.

LEI: 9695002FT7GGI3CKKJ14

7.1.3 Date of incorporation and duration of the Company

The Company was incorporated on November 10, 2020, for a term of 99 years from the date of its registration in the Trade and Companies Register on November 13, 2020, i.e., until November 13, 2119, unless extended or dissolved earlier.

The financial year begins on January 1 and ends on December 31 of each year.

7.1.4 Registered office of the Company, legal form and governing laws

The Company is a French public limited company *(société anonyme)* governed by French law, and is primarily subject, for its operation, to Articles L. 225-1 *et seq.* of the French Commercial Code by reference to Article L. 227-1 of the French Commercial Code.

The Company’s registered office is located at 15 rue Traversière, 75012 Paris, France.

The Company’s contact information is as follows:

Telephone: +33 (0) 1 89 20 62 00

Email: global_euroapi@euroapi.com

Website: www.euroapi.com

The information provided on the Company’s website is not part of the Universal Registration Document.

7.2 PERSONS RESPONSIBLE, THIRD-PARTY INFORMATION, EXPERT'S REPORTS AND COMPETENT AUTHORITY APPROVAL

7.2.1 Person responsible for the Universal Registration Document

Mr. David Seignolle, Chief Executive Officer of the Company.

7.2.2 Declaration of the person responsible for the Universal Registration Document

"I hereby declare that the information contained in this Universal Registration Document is, to the best of my knowledge, consistent with the facts and that there is no omission likely to alter its scope.

I certify that, to the best of my knowledge, the annual and consolidated financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and profit or loss of the Company and all its consolidated subsidiaries, and that the elements of the Management Report included in this document, as detailed in the concordance table available in Section 7.6, provides a true and fair review of the evolution and results of the business and the position of the Company and all its consolidated subsidiaries, together with a description of the main risks and uncertainties they face, and that it has been prepared in accordance with applicable sustainability reporting standards."

On March 28, 2025,

Mr. David Seignolle Chief Executive Officer of the Company

7.2.3 Expert's reports and declarations of interest

None.

7.2.4 Third-party information

The Universal Registration Document contains statistics, data and other information about the markets, the size of the markets, market share, competitive positions and other market data relating to the Group's business activity and its markets (see, in particular, Chapter 1 "Presentation of the Group and Business overview" of the Universal Registration Document). This information comes from multiple sources from third parties and publicly available information (see general comments of the Universal Registration Document).

To the Company's knowledge, such information has been accurately reproduced, and no fact that would make this information inaccurate or misleading has been omitted. However, the Company cannot guarantee that a third party using different methods to collect, analyze or calculate data on the business segment would obtain the same results.

7.2.5 Person responsible for the financial information

Olivier Falut Chief Financial Officer Address: 15 rue Traversière, 75012 Paris, France

Telephone: +33 (0) 1 89 20 62 00 Email: global_euroapi@euroapi.com

7.3 STATUTORY AUDITORS

7.3.1 Statutory auditors

Ernst & Young Audit

Member of the Versailles and Centre regional institute of statutory auditors (Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre)

Represented by Pierre Chassagne
Tour First
1-2, place des Saisons,
92400 Courbevoie – Paris-La Défense 1

Appointed by decision of the sole shareholder on October 1, 2021, for a term of six financial years, i.e., until the shareholders' meeting called to approve the financial statements for the year ending December 31, 2026.

BDO Paris

Member of the Paris institute of statutory auditors (Compagnie Régionale des Commissaires aux Comptes de Paris)

Represented by Eric Picarle
43 and 47, Avenue de la Grande Armée,
75116 – Paris

Appointed by decision of the sole shareholder on March 18, 2022, for a term of six financial years, i.e., until the shareholders' meeting called to approve the financial statements for the year ending December 31, 2027.

7.3.2 Alternate statutory auditors

Pursuant to the provisions of Article L. 823-1 of the French Commercial Code, the Company has not appointed alternate statutory auditors for Ernst & Young Audit and BDO Paris.

7.4 MEMORANDUM AND ARTICLES OF ASSOCIATION

7.4.1 Corporate purpose

The purpose of the Company, both in France and abroad, either on its own behalf, or on behalf of a third party, or in association with third parties, is:

a) The holding, acquisition or sale of equity or interests, by any and all means, both direct and indirect, in all companies, businesses or groups and, more generally, in any legal entity, in any form, in France or abroad, whether commercial, industrial, financial, securities or real estate, as well as the management of such interests.

b) Any provision of services, assistance, consulting, training, studies or other technical, administrative, financial, commercial services or others that may be directly or indirectly related to its purpose.

c) Participation in any and all transactions that may be related to its purpose, through the formation of new companies, subscriptions to or purchases of securities or corporate rights, mergers or otherwise.

d) In general, any and all commercial, industrial, securities, real estate, financial or other operations relating directly or indirectly to this purpose, to all similar or related purposes or that may facilitate the expansion and development of this purpose.

7.4.2 Provisions of the articles of association governing the administrative and management bodies – Internal rules of the Board of Directors

The following description summarizes the principal provisions of the Articles of Association and internal rules governing the Board of Directors, in particular its method of operations and its powers.

The internal rules entered into effect as of the admission to trading of the Company's shares on the regulated market of Euronext Paris. In addition to the provisions governing the Board of Directors cited above, these rules specify the organizational and operational mode, the expertise and powers of the committees that the Board of Directors has established.

Board of Directors (Articles 12, 13, 14, 15 and 17 of the Articles of Association and internal rules)

Composition

The Company is administered by a Board of Directors composed of at least three and no more than 18 members elected by the ordinary shareholders' meeting pursuant to and subject to exceptions provided for by law.

The Board of Directors ensures that at least half of the members of the Board of Directors, at least two-thirds of the members of the audit committee and the ESG committee, and more than half of the members of the nominations and compensation committee are independent.

The directors representing the employees are not included in establishing the percentage of independent members.

Upon the appointment of a member of the Board of Directors, and at least once a year, preferably at the first meeting after the end of the Company's financial year, the Board of Directors conducts an assessment of the independence of each of its members (or candidates). During this assessment, the Board of Directors reviews the situation of the member or candidate on the basis of the criteria for independence, specific circumstances and the situation of the interested party in relation to the Company, as well as the member's expertise, in order to determine whether it is adequate for the Board's missions, and whether it complements the expertise of the other members of the Board. The shareholders are informed of the conclusions of this review in the corporate governance reports and, if applicable, at the shareholders' meeting during the election of members of the Board of Directors.

The Board of Directors and the shareholders' meeting may name up to two non-voting members. The non-voting members may be individuals or legal entities, freely selected due to their expertise, from among or outside the shareholders. They are named for a period of two years and may be re-appointed. The Board of Directors may remunerate the non-voting members by drawing from the amount of the remuneration allocated to the directors by the shareholders' meeting. Non-voting members study the issues that the Board of Directors or its Chair submits for their review and opinion. The non-voting members attend the meetings of the Board of Directors and participate in deliberations, with an advisory voice only; however, their absence cannot affect the validity of the deliberations.
The Board of Directors may appoint a lead independent director from among its independent members, and determine his or her duties. The term of office of the lead independent director is the same as his or her term of office as a member.

Unless otherwise decided by the Board of Directors, the lead independent director is entrusted with the following missions:

- act as liaison between the independent members, the Chair and the Chief Executive Officer;
- direct and advise the Board of Directors, without undermining the authority of the Chair, in the event of a conflict of interest;
- chair meetings of the independent members and any meetings of the Board of Directors in the absence of the Chair and, where applicable, the Vice-Chair, including closed sessions of the independent members;
- act as mediator in order to facilitate the resolution of any dispute involving the Chair; and
- lead the evaluation of the Chair by the Board of Directors.

Designation

Directors are elected, renewed or dismissed under the conditions provided by the laws and regulations in force and stipulated by the Articles of Association.

Each member of the Board of Directors must own at least 500 shares during the entire duration of the member's term of office and, in any case, within six months after his appointment takes effect. This obligation does not apply to the director representing the Group's employees or, on a decision by the Board, to directors representing shareholders whose internal procedures prohibit direct ownership of shares by their representatives.

Directors are elected for four-year terms. As an exception, the term of office of certain directors may be shorter under the following conditions:

- for the sole purpose of implementing or maintaining the rotation of the terms of directors, if possible, by thirds every year, the ordinary shareholders' meeting may elect one or more directors to a term of one (1) year, two (2) years or three (3) years;
- in order to be able to take into account the elections of the social perimeter, which will take place at the end of 2023, the first term of office of the first director representing the employees will be for two (2) years;
- in the absence of a European CSE, the second director representing the employees as designated in Article 12.3 is appointed for a period of one (1) year, renewable, as long as a European CSE has not been set up.

The term of office of the directors may be renewed. They may be dismissed at any time by the ordinary shareholders' meeting.

The number of directors over the age of 70 may not exceed one-third of the directors on the Board, who are also subject to the laws and regulations that govern the plurality of offices held.

Identity of directors

Directors may be individuals or legal entities. When elected, any legal entity must designate an individual as its permanent representative on the Board of Directors.

The term of office of the permanent representative is the same as the term of the legal entity that the individual represents.

When the legal entity dismisses its permanent representative, it must immediately name a replacement. The same provisions apply in the event of the death or resignation of the permanent representative.

Directors representing the employees

The Board of Directors includes one director who represents the employees. This director is appointed pursuant to Article L. 225-27-1 III, 3° of the French Commercial Code *(Code de commerce).*

When the number of members of the Board of Directors exceeds the number of directors mentioned in the first paragraph of Article L. 225-27-1 II of the French Commercial Code *(Code de commerce),* and provided that this criterion is still met on the date of appointment, a second director representing the employees is appointed by the European CSE, in accordance with Article L. 225-27-1, III, 4° of the French Commercial Code *(Code de commerce).* In the absence of an European CSE, the second director representing the employees is appointed under the same conditions as those provided for the first director.

Directors representing the employees are named for a period of four years, which expires at the end of the annual shareholders' meeting approving the financial statements for the previous year and held in the year in which the term of office expires. The term of office of directors representing the employees may be renewed. As an exception, the term of office of the directors representing the employees may be shorter under the following conditions:

- in order to be able to take into account the elections of the social perimeter, which will take place at the end of 2023, the first term of office of the first director representing the employees will be for two (2) years;
- in the absence of a European CSE, the second director representing the employees as designated in Article 12.3 is appointed for a period of one (1) year, renewable, as long as a European CSE has not been set up.

Directors representing shareholding employees

Not applicable.

Chair of the Board of Directors

The Board of Directors elects a Chair from among the individual members. The Chair may not be older than 70.

The Board of Directors may also name a Vice-Chair from among Board members, who replaces the Chair in the event of absence, temporary inability to serve, resignation, death or non-renewal of the Chair's term. In the case of a temporary inability, this replacement is valid for the limited period of the inability; in all other cases, it is valid until the election of the new Chair.

The Chair is named for a term that may not exceed the Chair's term as director. The Chair may be re-elected indefinitely, subject to the aforementioned provision on the age limit. The Chair may be dismissed at any time by the Board of Directors.

The Chairman's remuneration is set by the Board after consultation with the nominations and compensation committee.

The Chair organizes and directs the work of the Board of Directors and reports on that work to the shareholders' meeting. The Chair ensures the correct functioning of the company's bodies and ensures, in particular, that directors are able to perform their duties.

Deliberations of the Board of Directors

The Board of Directors performs the mission and exercises the powers conferred by law, the Company's Articles of Association and the internal rules of the Board of Directors. The Board of Directors determines the strategies of the Company's business activity and monitors their implementation. Subject to the powers expressly attributed to shareholders' meetings, and within the limits of the corporate purpose, it considers any question affecting the proper functioning of the Company and settles, through its deliberations, matters that concern the Company. The Board of Directors conducts the controls and verifications it deems appropriate.

The Board of Directors meets on the notice of meeting from the Chair as often as the interest of the Company requires; it is specified that the frequency and duration of the meetings of the Board of Directors must be such as to permit an in-depth review and discussion of matters that fall within the jurisdiction of the Board of Directors. The Board of Directors meets at least four times a year.

When the Board of Directors has not met for more than two months, one-third (at least) of the members of the Board may ask the Chair to convene a Board meeting on a defined agenda. The Chair may not refuse to accede to this request. The Chief Executive Officer may also ask the Chair to convene a meeting of the Board of Directors on a defined agenda.

Meetings are held at the registered office of the Company or at any other location indicated in the notice of meeting.

The Board of Directors may validly deliberate, even if a meeting has not been convened, if all members are present or represented.

Board members may participate in the Board meeting via video-conferencing or telecommunications that allow them to be identified and guarantee their effective participation, under the conditions set forth in the applicable laws and regulations. In this case, they are considered present for calculating quorum and majority.

Any director may give a proxy to another director to represent him or her at a meeting of the Board; each director may hold only one proxy per Board meeting.

The deliberations of the Board of Directors are recorded in minutes established as required by law. The minutes of the meeting indicate the participation of Board members via video-conference or telecommunications.

The Board of Directors deliberates validly only if at least half of its members are present. Decisions are made by a simple majority of the members present or represented. In the event of a tie vote, the meeting Chair casts the deciding vote.

Decisions falling under the specific powers of the Board of Directors contained in Article L. 225-24 of the French Commercial Code, the last paragraph of Article L. 225-35 of the French Commercial Code, the second paragraph of Article L. 225-36 of the French Commercial Code *(Code de commerce)* and Section I of Article L. 225-103 of the Commercial Code *(Code de commerce),* as well as decisions to transfer the registered office on French territory, may be made by written consultation of the directors of the Company.

The Board of Directors establishes in its internal rules the limits on the powers of the Chief Executive Officer, if any, by defining the operations for which prior authorization from the Board is required. The following are subject to prior authorization by the Board of Directors ruling by simple majority of the members present or represented (the amounts indicated below are amounts before taxes):

- The approval or modification of the Group's strategic model;
- The approval or modification of the strategy of the Company and its affiliates (annual budget and medium-term business plan of the Group);
- Any acquisition, joint-venture or other long-term partnerships/collaborations (excluding agreements signed with customers or suppliers in the normal course of business) or a material change in the equity interest in the capital of another company;
  - other than those representing a value less than €10 million for transactions relating to a previously authorized strategy,
  - other than those representing a value less than €2 million for transactions that do not relate to a previously authorized strategy,
- Any divestment or sale (including sale of a business or transfer of key assets), termination of joint-ventures or other long-term partnerships (excluding agreements signed with customers or suppliers in the normal course of business) representing net revenue or a net carrying amount greater than €10 million;

- Any merger, split, or spin-off related to the Company or any significant subsidiary, for a unit value greater than €10 million in each case;
- Any commitment of capital expenditures or any other liability (real or contingent) greater than €10 million if it is related to a previously authorized strategy;
- Any commitment of capital expenditures or any other liability (real or contingent) greater than €2 million if it is not related to a previously authorized strategy;
- Any divestment or sale of assets, the net carrying amount of which is greater than €1 million;
- The conclusion, modification or termination of any commercial contract with an annual or total value greater than €50 million, or with a term longer than five years;
- The establishment or modification of any retirement plan or any reorganization of the workforce that results in a total cost greater than €25 million for the Group;
- The adoption or modification of any bonus, profit-sharing or other equivalent mechanism of any member of the Executive Committee;
- The establishment or modification of stock option plans or free share plans of the Company or of any other company in the Group (or any other similar instruments) for Group executives and/or employees or certain categories of employees;
- The delisting of the Company;
- Any decision on commitment, as plaintiff, or settlement, as plaintiff or defendant, in a dispute, arbitration or other legal proceeding, for a stake equal to or greater than €25 million per proceeding, or which could have a material effect on the reputation of the Group;
- The initiation of any insolvency, dissolution or liquidation proceeding (or any similar proceeding in each applicable jurisdiction) with regard to the Company or its significant subsidiaries;
- The application for listing or delisting of debt securities representing a value greater than €100 million;
- Any substantial decision or change in the Company's existing significant financing documentation, including any measure taken or not taken that would result, or would be reasonably likely to result, in a breach of the existing significant financing documentation;
- The conclusion or modification of any loan or debt transaction, in any form (including factoring and finance-leasing) in an amount greater than €100 million, with the exception of: (i) intra-group borrowings; or (ii) draws on any existing revolving credit facility of the Group for working capital requirements;
- The creation or modification of any charge, sale, lease or finance lease or the grant of any security interest by guarantee or any other means on all or some of the Group's assets, including property or intellectual property rights, with the exception of those: (i) connected with the supply of goods and services in the normal course of business, including factoring of suppliers and the financing of the supply chain; or (ii) with a value less than €50 million;
- Any issuance of a financial guarantee or parent company guarantee over a total package of €100 million.

Remuneration of the members of the Board of Directors

The shareholders' meeting may allocate to Board members, as remuneration for their activity, an annual fixed sum, the amount of which is maintained until a new decision. The Board of Directors may distribute this remuneration freely among its members.

The Board of Directors may also allocate exceptional remunerations for specific assignments or mandates entrusted to the directors (independently of the remuneration for participation on the Board's specialized committees).

Internal rules

In its internal rules, the Board of Directors establishes its operating procedures in accordance with the law and Articles of Association. It may approve the creation of committees charged with studying the questions that the Board itself or its Chair may submit to their review for an opinion. The membership and powers of each of these committees, which operated under the Board's responsibility, are defined by the Board of Directors through internal rules.

Any person called to attend the meetings of the Board of Directors must demonstrate discretion with respect to information and data that is confidential and presented as such by the Chair, as well as a general obligation of confidentiality.

Executive Management (Article 16 of the Articles of Association)

Conditions and procedures

The management of the company is assumed, under his or her responsibility, either by the Chair of the Board of Directors or by another individual appointed by the Board from among or outside its members, who holds the title of Chief Executive Officer.

On a simple resolution adopted by a majority of the votes of the directors present or represented, the Board of Directors chooses between the two forms of executive management. The shareholders and third parties are informed of this choice under the legal and regulatory conditions.

The Board of Directors' decision remains in force until a contrary decision is made by the Board or, at the Board's choice, for the duration of the appointment of the Chief Executive Officer.

When the executive management of the Company is performed by the Chair of the Board of Directors, the following provisions on the Chief Executive Officer shall apply to the Chair. In this case, this person carries the title of both Chair and Chief Executive Officer.

Deputy executive management

On the recommendation of the Chief Executive Officer, the Board of Directors may appoint, from among or outside its members, one or more individuals charged with assisting the Chief Executive Officer, who shall have the title of Deputy Chief Executive Officer.

There may be no more than five Deputy Chief Executive Officers.

Age limit – Duration of duties

The Chief Executive Officer and the Deputy Chief Executive Officers may not be older than 65 years of age.

The duration of the term of the Chief Executive Officer or of a Deputy Chief Executive Officer is determined at the time they are appointed, but this duration may not exceed the duration of their office as director, if applicable.

Dismissal

The Chief Executive Officer may be dismissed at any time by the Board of Directors. This is also true for the Deputy Chief Executive Officers, on the recommendation of the Chief Executive Officer. If dismissal is decided without grounds, it may result in damages, except when the Chief Executive Officer is also the Chair of the Board of Directors.

When the Chief Executive Officer ceases to, or is prevented from, performing the CEO's duties, the Deputy Chief Executive Officers retain their duties and powers, unless decided otherwise by the Board, until the appointment of the new Chief Executive Officer.

The Board of Directors determines the remuneration of the Chief Executive Officer and the Deputy Chief Executive Officers.

Powers of the Chief Executive Officer and the Deputy Chief Executive Officers

The Chief Executive Officer is vested with the most extensive powers to act in any circumstance in the name of the Company. The Chief Executive Officer exercises these powers within the limits of the corporate purpose, and subject to those powers expressly granted by law to shareholders' meetings and to the Board of Directors, as well as the limits stipulated by the internal rules of the Board of Directors.

The Chief Executive Officer represents the Company in its relations with third parties. The Company is committed even by the acts of the Chief Executive Officer that do not fall within the corporate purpose, unless the Company proves that the third party knew that the act exceeded this purpose or that the third party could not have been unaware of this given the circumstances; publication of the Articles of Association is not in and of itself sufficient to constitute this proof.

Decisions of the Board of Directors that limit the powers of the Chief Executive Officer are unenforceable against third parties.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers granted to Deputy Chief Executive Officers. With respect to third parties, the Deputy Chief Executive Officers have the same powers as the Chief Executive Officer.

The Chief Executive Officer or the Deputy Chief Executive Officers may, within the limits set by the laws in force, delegate the powers they deem appropriate, for one or more specific purposes, to any and all agents, even outside the Company, considered individually or together in a committee or commission, with or without the option of substitution, subject to the limitations provided by law. Such powers may be permanent or temporary and carry the option of substitution. Delegations granted in this way retain their effects despite the expiration of the duties of the person who conferred them.

7.4.3 Rights, privileges and restrictions attached to the shares (Articles 8, 9, 10 and 11 of the articles of association)

Fully paid-up shares are in registered or bearer form, at the discretion of the shareholder, under the conditions provided by the regulations in force.

Each share gives a right, in the ownership of corporate assets, in the distribution of profits and in the liquidation dividend, to a fraction proportional to the number and nominal value of the existing shares. In addition, each share gives the right to a vote and to representation at shareholders' meetings, under the conditions of law and the Articles of Association. The double voting right provided in Article L. 22-10-46 of the French Commercial Code (*Code de commerce*) is expressly eliminated by the Articles of Association.

Shareholders bear losses only in the amount of their contributions.

The rights and obligations attached to a share follow the share into any hands into which its passes. Ownership of a share automatically carries full adherence to the Articles of Association and the decisions of the shareholders' meetings.

Every time that it is necessary to own several shares or securities in order to exercise any right, shareholders and holders of securities are personally responsible for grouping the number of shares or securities necessary.

Shares are indivisible with regard to the Company.

Co-owners of undivided shares are represented in shareholders' meetings by one of the owners or by a single agent. In the event of a disagreement, the agent is designated by the court at the request of the more diligent co-owners.

If the shares carry beneficial ownership, the registration of the shares in an account must show the existence of the beneficial ownership. Except where otherwise agreed and notified to the Company by registered letter with acknowledgment of receipt, the right to vote belongs to the beneficial owner in ordinary shareholders' meetings, and to the bare owner in extraordinary shareholders' meetings.

Registered or bearer shares are freely negotiable, unless otherwise required by laws or regulations. Shares are registered in an account and the sale of shares, with respect to the Company and third parties, is made by transfer from account to account under the conditions and procedures defined by the laws and regulations in force.

7.4.4 Change in capital and the rights attached to the shares

As the Articles of Association do not stipulate any specific provision, the modification of the rights attached to shares is governed by the law.

7.4.5 Shareholders' meetings (Articles 21, 22, 23 and 24 of the articles of association)

Notice of meeting and meeting location

Shareholders' meetings are called under the conditions, in the forms and with the deadlines provided by the laws and regulations in force. They are held at the registered office or at any other location indicated in the notice of meeting.

Agenda

The agenda for the meeting is indicated in the notices and letters of meeting; it is established by the author of the notice of meeting.

The meeting may deliberate only on the items indicated on the agenda; however, it may, under any circumstance, dismiss one or more directors and replace them.

One or more shareholders representing at least the percentage of equity required by law, and acting under the conditions and within legal deadlines, have the option to require the inclusion of proposed resolutions on the agenda.

Access to shareholders' meetings

Any shareholder has the right to attend shareholders' meetings and participate in the deliberations, either personally or through an agent.

The right to participate in the meetings is governed by the laws and regulations in force.

Under the conditions provided by the laws and regulations in force, the Board of Directors may organize the participation and vote by shareholders at meetings via video-conference or telecommunications that permit shareholders to be identified. This decision by the Board is indicated in the notice of meeting. Shareholders participating in the meeting via video-conference or any one of the other telecommunications methods described above are deemed present for the calculation of the quorum and majority.

Any shareholder may vote by mail or give a proxy pursuant to the regulations in force, using a form prepared by the Company and sent to the Company under the conditions provided by the regulations in force, including electronically or via remote transmission. This form must be received by the Company under regulatory conditions in order to be counted.

The legal representatives of legally incompetent persons and the individuals representing shareholder legal entities participate in the meetings, whether or not they personally are shareholders.

Attendance sheet, staff, minutes

An attendance sheet containing the information required by law is kept at each meeting.

The meeting is chaired by the Chair of the Board of Directors or, in the absence of the Chair, by the Vice-Chair of the Board, by the Chief Executive Officer, by a Deputy Chief Executive Officer if the officer is a director, or by a director specially delegated for this purpose by the Board. In the case of a meeting called by a statutory auditor or by a court agent, the shareholders' meeting is chaired by the author of the notice of meeting. If these persons are not available, the shareholders' meeting itself elects a meeting chair.

The duties of scrutineers *(scrutateur)* are performed by the two shareholders present and consenting to these functions, who hold on their own or as representatives, the largest number of votes.

The officer names the secretary, who may be selected from among or outside the shareholders.

Minutes are prepared and the copies or excerpts of the deliberations are issued and certified as required by law.

Ordinary shareholders' meeting

The ordinary shareholders' meeting is the meeting called to make all decisions that do not amend the Articles of Association. It is held at least once a year, within six months after the end of each financial year, to approve that year's financial statements and the consolidated financial statements, unless an extension is granted under the conditions provided for by law.

The meeting validly deliberates, on the first call, only if the shareholders present or represented, or who have voted by mail, hold at least one-fifth of the shares with a right to vote. On the second call, no quorum is required.

The meeting rules with a majority of the votes cast by the shareholders present, represented or who have voted by mail.

Extraordinary shareholders' meeting

Only the extraordinary shareholders' meeting is authorized to amend all provisions of the Articles of Association. The meeting may not, however, increase shareholder commitments, subject to transactions resulting from a legally executed regrouping of shares.

It validly deliberates only if the shareholders present, represented or who have voted by mail, hold, on the first call, at least one-fourth of the shares with voting rights and, on the second call, one-fifth of the shares with voting rights. If this second quorum is not reached, the second meeting may be postponed to a date no more than two months after the date on which it was called.

The meeting rules with a two-thirds majority vote of the shareholders present, represented, or who have voted by mail.

The extraordinary shareholders' meeting may not, however, under any circumstances, increase the commitments of shareholders or undermine the equality of shareholder rights unless it is by unanimous vote of the shareholders.

7.4.6 Procedure to delay, defer or prevent a change of control

The Company's Articles of Association do not provide for procedures to delay, defer or prevent a change of control.

7.4.7 Statutory disclosure thresholds

As long as the shares of the Company are admitted to trading on a regulated market, in addition to the disclosure thresholds expressly provided by current laws and regulations in force, any individual or legal entity who may own directly or indirectly, alone or in concert, a fraction of the capital or voting rights (calculated in accordance with Articles L. 233-7 and L. 233-9 of the French Commercial Code *(Code de commerce)* and the AMF General Regulation) greater or equal to 1% of the share capital or voting rights in the Company, or any multiple of this percentage, including above the thresholds set by legal and regulatory provisions, must notify the Company of the total number (i) of shares and voting rights that such individual or entity owns, (ii) of the securities giving future access to the Company's equity that said individual or entity owns and the voting rights potentially attached thereto, and (iii) of assimilated shares in application of Article L. 233-9 I, 1 and 4 to 8 of the French Commercial Code. This notification must be given by registered letter with acknowledgment of receipt (or by any other equivalent means) within four trading days from the date the relevant threshold is crossed.

This required disclosure to the Company also applies, under the same deadlines and the same conditions, whenever the shareholder's equity investment or voting rights fall below the aforementioned thresholds.

In the event of non-compliance with the aforementioned disclosure threshold requirement and on a request recorded in the minutes of the shareholders' meeting, from one or more shareholders representing at least 5% of the capital or voting rights, the shares exceeding the fraction that should have been disclosed will lose their voting rights for a period of two years following the date when proper notification is given.

The Company reserves the option to make the public and the shareholders aware either of the information in the disclosure received or the failure of the person in question to comply with the above obligation.

7.5 DOCUMENTS AVAILABLE TO THE PUBLIC

Copies of the Universal Registration Document are available free of charge at the Company's registered office, located at 15 rue Traversière, 75012 Paris, France.

The Universal Registration Document can also be consulted on the Group's website (www.euroapi.com) and on the French financial markets authority — *Autorité des marchés financiers* (AMF) — website (www.amf-france.org).

The Articles of Association, minutes of the shareholders' meetings and other corporate documents from the Company, as well as the historical financial information and any expert assessment or statement requested by the Group that must be made available to the shareholders, in accordance with the applicable legislation, may be consulted at the Company's registered office free of charge.

As of the admission to trading of the Company's shares on the regulated market of Euronext Paris, the regulated information as defined by the provisions of the AMF General Regulation will also be available on the Group's website (https://www.euroapi.com/en/investors/regulatory-information).

7.6 CONCORDANCE TABLES AND INFORMATION INCORPORATED BY REFERENCE

7.6.1 Information incorporated by reference

In accordance with Article 19 of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council of June 17, 2017, this Universal Registration Document incorporates the following information by reference which the reader is invited to refer to:

- the consolidated and parent company financial statements for the year ended December 31, 2023, are presented in Sections 4.6.1 and 4.7.1 and the corresponding Statutory Auditors' reports are presented in Sections 4.6.2 and 4.7.2 of the 2023 Universal Registration Document filed with the French financial markets authority (*Autorité des marchés financiers*) on April 5, 2024, under number R.24-0259;
- the consolidated and parent company financial statements for the year ended December 31, 2022, are presented in Sections 4.6.1 and 4.7.1 and the corresponding Statutory Auditors' reports are presented in Sections 4.6.2 and 4.7.2 of the 2022 Universal Registration Document filed with the French financial markets authority (*Autorité des marchés financiers*) on April 14, 2023, under number R.23-009.

The references to websites contained in this document are provided for reference purposes only; the information contained on these websites is not incorporated by reference in the Universal Registration Document.

7.6.2 Concordance table for the Universal Registration Document

This table enables identification of the information specified by Appendices I and II of the delegated regulation (EU) 2019/980 of March 14, 2019, as amended (supplementing regulation (EU) 2017/1129 of June 14, 2017, as amended).

Table of concordance with information specified by Annex 1 and Annex 2 of Commission Delegated Regulation (EU) 2019/980, as amended

Information		Sections
1	**Persons responsible, third-party information, experts' reports and competent authority approval**	
1.1	Persons responsible for the information	7.2.1 / 7.2.5
1.2	Declaration by the person responsible	7.2.2
1.3	Experts' reports and declarations of interest	7.2.3
1.4	Third-party information	7.2.4
1.5	Declaration relating to the party with the authority to approve the document	Cover page
2	**Statutory Auditors**	
2.1	Information about the Statutory Auditors	7.3.1
2.2	Information about the potential resignation or non-reappointment of the Statutory Auditors	N/A
3	**Risk factors**	**3.2**
4	**Information about the issuer**	
4.1	Legal and commercial name of the issuer	7.1.1
4.2	Place of registration of the issuer, its registration number and legal entity identifier	7.1.2
4.3	Date of incorporation and length of life of the issuer	7.1.3
4.4	Domicile, legal form, website and legislation under which the issuer operates	7.1.4

Information		Sections
5	**Business overview**	
5.1	Principal activities	1.2 / 1.3.2 / 1.3.3 / 5.1 / 4.6.1 Note 1
5.2	Principal markets	1.3.1 / 1.3.2 / 4.1 / 4.6 Note 3 / 4.7.1 Note 2
5.3	Important events in the development of the issuer's business	4.1
5.4	Description of the strategy and objectives	1.4
5.5	Extent to which the issuer is dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	1.3 / 4.6.1 Note 5.4
5.6	Competitive position	1.3.1 / 1.3.3
5.7	Investments	1.3.3 / 3.2.2 / 4.2.5 / 4.6.1 Note 5.1 - Note 5.4
5.7.1	*Description of the issuer's material investments*	*3.2.2 / 4.2.5 / 4.6.1 Note 5.1 - Note 5.4*
5.7.2	*Description of the investments of the issuer that are in progress, including the geographic distribution of these investments, and the investments that the issuer plans to make*	*1.3.3 / 4.2.5*
5.7.3	*Provide information relating to the joint ventures and undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.*	*N/A*
5.7.4	*Describe any environmental issues that may affect the issuer's utilisation of its property, plant and equipment*	*3.2.2 / 5.2 / 5.5*
6	**Organisational structure**	
6.1	Description of the Group	1.2 / 3.1.1 / 3.1.2
6.2	List of significant subsidiaries	3.1.3
7	**Analysis of the financial position and results**	
7.1	Financial position	4.2 / 4.3 / 4.6.1 / 4.7.1
7.1.1	*Review of the issuer's business and position for the periods presented*	*4.1 / 4.2 / 4.3 / 4.6.1 / 4.7.1*
7.1.2	*Indications of the issuer's likely future development and R&D activities*	*1.3.3 / 1.4 / 4.2.5 / 4.5 / 4.6.1*
7.2	Operating results	4.2.1 / 4.2.2 / 4.2.3 / 4.6.1 / 4.7.1
7.2.1	*Events affecting the issuer's income from operations*	*4.2.1 / 4.2.2 / 4.2.3 / 4.6.1 / 4.7.1*
7.2.2	*Reasons for material changes in net sales or revenues*	*4.2 / 4.6.1 / 4.7.1*
8	**Capital resources**	
8.1	Information concerning the issuer's capital	4.2.3 / 4.6.1 Note 5.11 / 6.3
8.2	Sources and amounts of, and a description of, the issuer's cash flows	4.2.2 / 4.6.1 / 4.7.1
8.3	Information on the borrowing requirements and funding structure of the issuer	4.3 / 4.6.1 Note 5.17 / 4.7.1 Note 3.6
8.4	Information regarding any restrictions on the use of capital resources materially affecting the issuer's operations	N/A
8.5	Anticipated sources of funds needed to fulfil the issuer's commitments	4.3
9	**Regulatory environment**	
9.1	Description of the governmental, economic, fiscal, monetary or political policies or factors that have materially affected or could materially affect the issuer's operations	3.4
10	**Trend information**	
10.1	The most significant trends in production, sales and inventory, and costs and selling prices, since the end of the last financial year, any significant change in the financial performance of the issuer	1.3.1 / 4.5.1 / 4.5.2
10.2	Known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year	1.3.1 / 4.5.1 / 4.5.2
11	**Profit forecasts or estimates**	**4.5**
12	**Administrative, management and supervisory bodies and senior management**	
12.1	Information about members of the issuer's administrative, management or supervisory bodies	2.1.1
12.2	Administrative, management and supervisory bodies and senior management conflicts of interest	2.1.2

Information		Sections
13	**Remuneration and benefits**	
13.1	Amount of remuneration paid and benefits in kind granted	2.3
13.2	Total amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits	4.6.1 Note 5.13.2
14	**Board practices**	
14.1	Date of expiration of current terms of office	2.1.1
14.2	Information about members of the administrative, management and supervisory bodies' services contracts providing for benefits upon termination	2.2.3
14.3	Information about the board's committees	2.2.2
14.4	Statement of compliance with the corporate governance regime	2.1.3
14.5	Potential material impacts on corporate governance, including changes in the board and committees composition	2.1.1 / 2.2.2
15	**Employees**	
15.1	Number of employees	5.4.1
15.2	Shareholdings and stock options	2.3.7 / 5.4.6
15.3	Arrangements for involving the employees in the capital of the issuer	2.3.7 / 5.4.6
16	**Major shareholders**	
16.1	Shareholders with more than 5% of the capital	6.1
16.2	Existence of different voting rights	N/A
16.3	Issuer's controlling or non-controlling interests	6.1
16.4	Arrangements the operation of which may result in a change in control of the issuer	6.1
17	**Related party transactions**	
17.1	Details of related party transactions	3.1.1 / 3.7 / 4.6.1 Note 10.6
18	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**	
18.1	Historical financial information	4.6.1 / 4.7.1
18.2	Interim and other financial information	N.A
18.3	Auditing of historical annual financial information	4.6.2 / 4.7.2
18.4	Pro forma financial information	N/A
18.5	Dividend policy	6.2
18.6	Legal and arbitration proceedings	4.6.1 Note 10.3
18.7	Significant change in the issuer's financial position	4.2.2 / 4.3
19	**Additional information**	
19.1	Share capital	6.3
19.1.1	*Amount of issued capital and information about each class of share capital*	*6.3*
19.1.2	*Number and characteristics of shares not representing capital*	*6.3*
19.1.3	*Number, book value and face value of shares held by or on behalf of the issuer itself or by subsidiaries of the issuer*	*6.3*
19.1.4	*Amount of any convertible securities, exchangeable securities or securities with warrants*	*N/A*
19.1.5	*Information about the terms of any acquisition rights and/or obligations over authorized but unissued capital or an undertaking to increase the capital*	*6.3*
19.1.6	*Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option*	*N/A*
19.1.7	*History of the share capital for the period covered by the historical financial information*	*6.3*
19.2	Memorandum and Articles of Association	7.4
19.2.1	*Description of the issuer's objects and purposes and Trade and Companies Register*	*7.1.2 / 7.1.4 / 7.4.1*
19.2.2	*Description of the rights, preferences and restrictions attaching to each class of shares*	*7.4.3*
19.2.3	*Provisions having the effect of delaying, deferring or preventing a change in control of the issuer*	*7.4.6*
20	**Material contracts**	**3.6**
21	**Documents available**	**7.5**

7.6.3 Concordance table for the annual financial report

The table of concordance below enables identification of the main information specified in the annual financial report required by Article L. 451-1-2 of the French Monetary and Financial Code *(Code monétaire et financier)* and Article 222-3 of the General regulation of the AMF.

Table of concordance with the information required in the annual financial report

Themes		Sections
1	**Declaration of the individuals responsible for the annual financial report**	**7.2.2**
2	**Management report**	**7.6.4**
2.1	Objective and comprehensive analysis of changes in the Company's business, results and financial position, especially its debt situation, with respect to the volume and complexity of the business and/or Group	4
2.2	Foreseeable changes in the Company and/or Group	4.5
2.3	Key financial and non-financial indicators of the Company and the Group	1.1 / 4.2 / 5
2.4	Information on the financial risks related to the effects of climate change and presentation of the measures that the Company is taking to reduce them by implementing a low-carbon strategy in all components of its activity	5.1 / 5.3 / 4.6.1
2.5	Information about its objectives and policy for hedging each major category of anticipated transactions for which hedge accounting is used, as well as its exposure to price, credit, liquidity and cash flow risks. This information includes the Company's use of financial instruments	3.2.4 / 4.6 Note 5
2.6	Key characteristics of internal control and risk management procedures implemented by the Company relating to the development and processing of accounting and financial information	3.3.2 / 2.2.2
2.7	Description of the main risks and uncertainties facing the Company	3
2.8	Acquisition and disposal by the Company of its treasury shares (share buyback)	4.6 Note 5.11
3	**Financial statements and reports**	**4.6.1 / 4.7.1**
3.1	Individual financial statements	4.7.1
3.2	Statutory Auditors' report on the individual financial statements	4.7.2
3.3	Consolidated financial statements	4.6.1
3.4	Statutory Auditors' report on the consolidated financial statements	4.6.2

7.6.4 Concordance table for the management report

The table of concordance below enables the identification in this Universal Registration Document of the information that is included in the management report in accordance with the applicable legal and regulatory provisions and in particular with Articles L. 225-100 *et seq*. of the French Commercial Code (*Code de commerce*).

Table of concordance with the information required in the management report

Themes		Sections
1	**Information on the Company's activity**	
1.1	Presentation of the activity (particularly progress made and difficulties encountered) and the profits and losses of the Company, each subsidiary and the Group	1.2 / 1.3 / 4.2 / 4.3 / 4.6.1 / 4.7.1
1.2	Analysis of the change in the business, results, financial position and in particular the debt of the Company and the Group	4.2 / 4.3 / 4.6.1
1.3	Foreseeable developments for the Company and/or the Group	4.5
1.4	Key financial and non-financial indicators of the Company and the Group, particularly information on environmental and staff issues	1.1 / 4.2 / 5.
1.5	Significant events after the closing date of the Company and the Group	4.4 / 4.6.1 Note 10.1 / 4.7.1 Note 5.1
1.6	Information about its objectives and policy for hedging each major category of anticipated transactions for which hedge accounting is used, as well as its exposure to price, credit, liquidity and cash flow risks. This information includes the Company's use of financial instruments	3.2.4 / 4.6.1 Note 9
1.7	Description of the main risks and uncertainties of the Company and the Group	3.2
1.8	Information on the financial risks related to the effects of climate change and presentation of the measures that the Company is taking to reduce them by implementing a low-carbon strategy in all components of its activity	5. / 4.6.1 Note 2
1.9	Information on the R&D of the Company and the Group	1.3.2 / 4.6 Note 6.3
1.10	Key characteristics of the internal control and risk management procedures implemented by the Company relating to the development and processing of accounting and financial information	2.2.2 / 3.3.2
1.11	Existing branches	3.1.3
1.12	Activity and results of the Company as a whole, its subsidiaries and controlled companies by business segment	4.2 / 4.3 / 4.6
2	**Legal, financial and tax information of the Company**	
2.1	Breakdown, identity of persons and changes in share ownership	6.1 / 6.2 / 6.3
2.2	Names of controlled companies participating in the Company's treasury shares and percentage of capital held by them	N/A
2.3	Significant equity interests acquired during the financial year in companies whose registered offices are in France	N/A
2.4	Notification of the ownership of more than 10% of shares in the capital of another company; disposal of cross-shareholdings	N/A
2.5	Share buybacks	4.6.1 Note 5.11 / 6.3 / 6.5
2.6	Acquisition and disposal by the Company of its treasury shares in view of their allocation to employees (share buyback)	4.6.1 Note 5.11 / 6.3 / 6.5
2.7	Statement of employee holdings in the share capital	5.4.6
2.8	Works council opinion on changes to the economic or legal organization	(X)
2.9	Five-year summary table of the Company's results	4.7.3
2.10	Net profit (loss) for the financial year	4.2.1 / 4.6.1 / 4.7.1
2.11	Issue of securities giving access to capital	
	• information on how the adjustment was calculated, and	N/A
	• the results of this adjustment	N/A
2.12	Amounts of dividends approved for distribution in respect of the three previous years	N/A
2.13	Amount of non-tax-deductible expenses and charges	N/A
2.14	Payment terms and breakdown of the balance of trade payables and receivables by maturity date	4.7.1
2.15	Injunctions or monetary penalties for anti-competitive practices	N/A
2.16	Information on regulated agreements with continuing effects during the financial year	3.1 / 3.7 / 4.6.1 Note 10.6
2.17	Securities acquired by employees in the context of an employee buyout operation	N/A

Themes		Sections
3	**Information about corporate officers**	
3.1	In the event of stock-option awards, disclose the information used by the Board of Directors to make its decision to:	2.3.6
	• either prohibit executives from exercising their options before termination of their office,	
	• or require them to hold all or a portion of the shares resulting from options already exercised in registered form until termination of their office (specifying the portion thus set)	
3.2	Summary statement of transactions involving the Company's shares by executives and related persons	6.1
3.3	In the event of free share grants, disclose the information used by the Board of Directors to make its decision to:	2.3.6
	• either prohibit executives from transferring the free shares granted to them before termination of their office,	
	• or set the quantity of such free shares that they are required to retain in registered form until termination of their office (specifying the portion thus set)	
4	**The Company's CSR information**	
4.1	Non-Financial Performance Statement (See concordance table between the Universal Registration Document and the Non-Financial Performance Statement)	5.1
4.2	Information on facilities classified as at risk	N/A
5	**Other information**	
5.1	Corporate Governance Report (See concordance table between the Universal Registration Document and the Corporate Governance Report)	
5.2	The amount of loans with a maturity of less than two years granted by the Company, as an accessory to its main activity, to micro-enterprises, SMEs or mid-cap companies with which it has economic ties that justify it	N/A
5.3	Information on payments made to the authorities of each of the States or territories in which the Company carries out the following activities: exploration, prospecting, discovery, exploitation or extraction of hydrocarbons, coal and lignite, metal ores, stones, sand and clays, chemical minerals and mineral fertilisers, peat, salt or other mineral resources; or the exploitation of primary forests	N/A
5.4	Information about the use of the French Competitiveness and Employment Tax Credit (Crédit d'impôt pour la compétitivité et l'emploi – CICE)	4.6.1 Note 7
5.5	Special report on share subscription and call options granted to corporate officers and employees	2.3.6
5.6	Special report on free share grants to corporate officers and employees made during the financial year	2.3.6
5.7	Vigilance plan	N/A

7.6.5 Concordance table for the Sustainability Statement

Please refer to the Section 5.5.1 "Legislation and disclosure requirements"

7.7 GLOSSARY

AIFA	refers to the Italian Medicines Agency (Agenzia Italiana des Farmaco).
ANSM	refers to the National Agency for the Safety of Drugs and Health Products in France (Agence nationale de sécurité du médicament et des produits de santé en France).
API	means an Active Pharmaceutical Ingredient.
Biocatalysis	refers to the acceleration of a biochemical reaction by a substance (biocatalyst) that is not modified in its composition and concentration when the reaction is completed. Biocatalysis therefore corresponds to the phenomena of catalysis known in chemistry.
Biochemistry molecules from fermentation	refers to molecules of variable size with a complex and differentiated structure whose production requires sophisticated and complex fermentation techniques and whose production cost is average. They are administered orally or can be injected.
Capex	refers to capital expenditures made by the Group.
CDMO	refers to the external manufacture for a customer that owns the intellectual property of the APIs manufactured, starting with a phase to develop the production process by the Group or a transfer of the production process to the Group (Contract Development and Manufacturing Organization).
CEP	refers to a Certificate of Suitability to the European Pharmacopeia.
Chromatography	refers to a physical and chemical method used to separate the various substances present in a mixture.
CLP	refers to Regulation (EC) 1272/2008 of the European Parliament and Council of December 16, 2008, governing the Classification, Labelling and Packaging of substances and mixtures.
Complex chemical synthesis molecules	refers to organic compounds of low to medium molecular weight generally obtained by chemical synthesis whose production cost is variable. Complex chemical synthesis molecules are characterized by a small to medium size that allows them to cross cellular membranes to reach intracellular targets and a structure that is increasingly complex and sophisticated technologically. Most of these molecules can be administered orally, injected or inhaled.
Cytotoxic	refers to the property of a chemical or biological agent to be toxic to cells, possibly to the point of destruction.
DMF	is a Drug Master File.
EDQM	refers to the European Directory for the Quality of Medicines & Healthcare.
EMA	means the European Medicines Agency.
Excipient	refers to elements without therapeutic activity that are included in the composition of a drug or are used in its manufacture. The function of an excipient is to improve appearance or taste, ensure preservation or facilitate the shaping and administration of the drug.
FDA	is the U.S. Food and Drug Administration.
Flow chemistry	also called continuous flow chemistry, refers to chemical reactions initiated in a continuous flow. Reagents are added by pumping into a mixer and then flow into a temperature-controlled pipe, tube or microstructured reactor until the reaction is complete.
GCP	refers to Good Clinical Practices.
GDP	refers to Good Distribution Practices.
GLP	refers to Good Laboratory Practices.
GMP	refers to Good Manufacturing Practices.
GPVC	refers to Good Pharmacovigilance Practices.
HP-APIs	refers to APIs used in very low concentrations (micrograms or nanograms) due to their high level of efficacy that reduces the side effects of the corresponding pharmaceutical specialty.
HSE	represents Health, Safety and Environment.
ICH	designates the International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use.
ICH Q7	designates Good Manufacturing Practice (GMP) for the manufacturing of APIs.
IPCEI	refers to Important Projects of Common European Interest.
JMF	refers to the Japanese Drug Master File.

Ligand	in biology, refers to a molecule that binds reversibly to a targeted macromolecule, protein or nucleic acid and generally plays a functional role such as structural stabilization, catalysis, modulation of an enzymatic activity or transmission of a signal.
MA	designates a market authorization.
MHRA	refers to the Medicines and Healthcare Products Regulatory Agency in the United Kingdom.
Microbial fermentation	refers to fermentations resulting from the action of microbial enzymes on an organic substrate.
Micronization	in chemistry, refers to the process of grinding granules into a very fine powder to increase the reactivity of a product.
Mutagen	in biology, refers to an agent that changes the genome of an organism and thus raises the number of genetic mutations above the natural background rate. Mutagens are usually chemical compounds or radiations.
Oligonucleotides	see Peptides.
Organic synthesis	refers to the branch of chemical synthesis concerned with the creation of organic compounds by means of organic reactions. Organic molecules often have a higher degree of complexity than those called inorganic.
Peptides	with oligonucleotides, refer to medium-sized molecules, mostly injectable with a more or less complex structure, whose production cost is high because of the chemical synthesis necessary to obtain them, most often following a solid phase. Peptides and oligonucleotides combine the characteristics of the complex chemical synthesis molecules (including the possibility of crossing cell membranes) and those of biochemistry molecules derived from fermentation (strong selectivity and reduction of side effects).
PMDA	designates the Pharmaceutical and Medical Device Agency in Japan.
REACH	refers to Regulation (EC) 1907/2006 of the European Parliament and Council of December 18, 2006, concerning the Registration, Evaluation and Authorization of Chemicals.
Spray drying	refers to the process of removing moisture from a liquid by passing it through a hot air stream to obtain a powder.
Synthesis intermediates	refers to the chemical raw materials used as building blocks in the API synthesis process.
TRRP	refers to the “Technological Risk Prevention Plan”.
VOCs	refers to the volatile organic compounds (VOCs) emitted during the synthesis of APIs.

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