

Information related to EUROAPI 2023 Corporate Officers Compensation published in accordance with the AFEP-MEDEF Code of Corporate Governance

Paris - 03 April 2023 - Meeting on 07th March, EUROAPI Board of Directors, upon the recommendation of the Remuneration Committee and in accordance with the compensation policy for Corporate Officers approved on May 4th, 2022, decided the following in relation with to the compensation of EUROAPI's Corporate Officers:

2023 Compensation Policy

Compensation policy for the Directors

Based on a pre-agreed policy described below, and upon recommendation of the Nomination and Remuneration Committee, the Board of Directors distributes to its members the compensation allocated to the Board by the Shareholders' Meeting, taking into account and in accordance with the recommendations of the AFEP-MEDEF Code, the effective participation of Directors in Board and Committee meetings. The Board of Directors regularly examines whether the level of compensation allocated to Directors is appropriate in view of their duties and responsibilities.

The Directors (with the exception of the representatives of Sanofi Aventis Participations and Bpifrance Investissement who will not receive any remuneration, and of the Chair and the Chief Executive Officer, whose compensation policies are described below) receive a fixed remuneration, the amount of which depends on their actual attendance at Board meetings and the scope of the Board's work. If one Board member has an attendance of less than 80% of the meetings (Board and Committee) held through September each year, the fixed remuneration is reduced accordingly.

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.

Compensation policy for the Chair of the Board of Directors

The compensation policy for the Chair of the Board has a single fixed component without any variable compensation. The Chair of the Board does not receive compensation as member of the Board of Directors.

Compensation policy for the Chief Executive Officer

Fixed Compensation - the fixed compensation package for the Chief Executive officer takes into account the level and complexity of its responsibilities, its experience in the position, and market practices for comparable groups and companies.

Variable Compensation – the Chief Executive Officer is entitled to annual variable compensation for which the Board of Directors, upon the recommendation of the Nomination and Remuneration 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.

Remuneration for the fiscal year 2022

Directors' compensation for 2022

A total of €387,000 in remuneration was paid to Directors in 2022.

In €	FY 2022 Gross amount due	FY 2022 Gross amount paid
Elizabeth Bastoni		
Remuneration (including fixed and variable remuneration)	90,000	90,000
Other remuneration ¹	24,000	24,000
Emmanuel Blin		
Remuneration (including fixed and variable remuneration)	61,000	61,000
Other remuneration	0	0
Cécile Dussart		
Remuneration (including fixed and variable remuneration)	52,000	52,000
Other remuneration	0	0
Claire Giraut		
Remuneration (including fixed and variable remuneration)	72,000	72,000
Other remuneration	0	0
Corinne Le Goff		
Remuneration (including fixed and variable remuneration)	58,000	58,000
Other remuneration	8,000	8,000
Rodolfo Savitzky (appointed September 1st, 2022)		
Remuneration (including fixed and variable remuneration)	22,000	22,000
Other remuneration	0	0

Chair of the Board of Directors

For the year ending December 31, 2022, Viviane Monges, Chair of the Board of Directors, received a fixed remuneration of €300,000 and an exceptional bonus of € 349,000 for the completion of the Company's initial listing, for a total of €649,000.

Chief Executive Officer

Structure and amount of Karl Rotthier's 2022 variable compensation

In accordance with the decision of the Board of Directors on May 4th, 2022 the amount of Karl Rotthier's 2022 variable compensation as Chief Executive Officer may vary between 0% and 150% of the 2022 base compensation.

On March 7, 2023, the Board of Directors voted on the determination of the amount of Karl Rotthier's variable compensation for 2022 and proposed the payment of €190,800 total remuneration (53% payout), of which 21% for financial objectives and 79% for individual objectives.

¹ Other remuneration: 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.

Financial objectives

Criteria	Weight	2022 target	2022 achievement	Achievement level	Payout level	Actual to be paid
Net Sales	20%	€ 1,009M	€977M	53%	11%	€39,600
Core EBITDA as % of Net Sales	30%	14%	12.3%	0%	0%	
Free Cash-flow Conversion	20%	10%	-44%	0%	0%	

Individual objectives

As disclosed previously, the individual objectives of the Chief Executive Officer were set around several qualitative objectives. These objectives focused on but were not limited to the implementation of the strategic roadmap, the spin-off from Sanofi, and ESG Criteria.

- **Implementation of the strategic roadmap:** 2022 was the first year as an independent company following the Spin-Off in early May 2022. Despite weaker than initially expected financial results due notably to the voluntary suspension of prostaglandin production on the Budapest site, overall results demonstrated clear progress in the strategy's implementation. Net Sales grew 8.5%, above overall market growth, with CDMO sales growing 18.3%. Commercial activity was robust, with 230 Request For Proposals received in the CDMO business and more than 30 new clients in API Solutions. Price adjustments were successfully activated to mitigate the increase in energy and raw material prices. Large molecules Net Sales increased by almost 80%.
- **The Spin-Off** was a success in a difficult environment, with a well-executed process and the carve-out of operations executed in a timely manner. Many projects have been initiated to enhance competitiveness and drive culture change in line with strategic targets. The thorough management of the documentation issue revealed in our Budapest production site demonstrated a great sense of integrity, urgency, and resilience.
- **The ESG roadmap** with detailed action plans and owners was defined during the year, in particular, those related to energy, water consumption, and waste. Gender diversity has been improved (women represent 28.21% of the company's salaried workforce compared to 27,05% in 2021). The Elbeuf biomass boiler project was approved by the BOD and launched. A strong governance model based on transparency has been established.

After deliberation and based on the recommendation of the Committee, the Board determined that the individual performance factor awarded should be 140% of the target, yielding a payout percentage of 42%, or €151,200.

Criteria	Weight	Achievement level	Payout level	Actual to be paid
Personal Objectives, of which: <ul style="list-style-type: none"> • implementation of the strategic roadmap and spin-off from Sanofi (20%), • ESG roadmap (10%) 	30%	140%	42%	€151,200

The total short-term incentive payout for 2022 is, therefore, €190,800.

Remuneration for the fiscal year 2023

Directors

The total amount of the remuneration allocated to the Board of Directors is unchanged at €1,100,000 for 2023 and subsequent years until a new decision by the shareholders' meeting.

Directors' individual Fixed Compensation	€60,000
Audit Committee	
• Chair	€25,000 additional fixed amount
• Other Members	€10,000 additional fixed amount
Nomination and Remuneration Committee	
• Chair	€25,000 additional fixed amount
• Other Members	€10,000 additional fixed amount
ESG Committee	
• Chair	€15,000 additional fixed amount
• Other Members	€10,000 additional fixed amount

Chair of the Board of Directors

Pursuant to the Board of Directors' decision on March 7, 2023, the fixed annual compensation of Viviane Monges as Chair of the Board of Directors for 2023 will remain at 300,000 euros, which has been set at as of her appointment as Chair of the Board of Directors on May 4, 2022.

Chief Executive Officer

The compensation of the Chief Executive Officer is consistent with the annual appraisal of the individual performance of the Group's executives as well as the Company's performance. It also considers 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, the Board of Directors uses a panel of French and European companies with a global scope and transformation challenge similar to that of EUROAPI. The peer group panels for the Chief 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, Polypeptide, Siegfried, Victrex.

Fixed Compensation – As defined by the Board of Directors on May 4th, 2022, Karl Rotthier's fixed annual compensation was set at 450,000 euros, unchanged since he joined Sanofi to prepare the spin-off of the EUROAPI. In light of the panel validated by the Nomination and Remuneration Committee in February 2023, the fixed compensation of the CEO appeared below the first quartile of the panel. Therefore, during the meeting held on March 7th, 2023, and considering the solid performance delivered in the first year as an independent company, the achievement of commercial progress, and the well-managed situation in Budapest, **the Board of Directors, based on the recommendation of the Nomination and Remuneration committee, resolved to increase the CEO fixed annual compensation up to €520,000 (+16%) in order to reach 87% of the panel median** (median being at EUR 600.000) as of the 1st of March 2023.

Variable Compensation - For 2023, the targeted percentage of Karl Rotthier's short-term incentive will remain unchanged at 80% of his fixed annual compensation (varying from 0 to 150%, depending on the achievement of his annual objectives).

For 2023, the Board of Directors decided the following performance criteria as follows:

Criteria	Weighting
Financial Objectives	
Amount of revenue	20%
Core EBITDA expressed as % of revenue	30%
Core Free Cash-Flow conversion expressed as a %	20%
Individual Objectives	
Drive Growth by supporting key initiatives in both CDMO and API Solutions	30%
Improve productivity by focusing on operational excellence and accelerating the transformation	
Ensure key leadership positions are filled with the right talent	
ESG criteria focused on the reduction of CO2 emissions vs. 2020	

These objectives were set in line with the Group's strategy and based on the projected 2023 budget reviewed by the Board of Directors on March 7th, 2023.

The payment of the variable compensation for 2022 and compensation policy for the fiscal year 2023 are contingent on a positive vote of EUROAPI Annual General Meeting that will be held on May 11, 2023. More detailed will be available in EUROAPI 2022 Universal Registration Document.

Financial Calendar

May 11th, 2023: Annual Shareholder General Meeting

August 1st, 2023 (before market): 2023 H1 Results

About EUROAPI

EUROAPI is focused on reinventing active ingredient solutions to sustainably meet customers' and patients' needs around the world. We are a leading player in active pharmaceutical ingredients with approximately 200 products in our portfolio, offering a large span of technologies while developing innovative molecules through our Contract Development and Manufacturing Organization (CDMO) activities. Taking action for health by enabling access to essential therapies inspires our 3,350 people every day. With strong research and development capabilities and six manufacturing sites, all located in Europe, EUROAPI ensures API manufacturing of the highest quality to supply customers in more than 80 countries. EUROAPI is listed on Euronext Paris; ISIN: FR0014008VX5; ticker: EAPI). Find out more at www.euroapi.com and follow us on [LinkedIn](https://www.linkedin.com/company/euroapi).

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