

## H1 2023 RESULTS

### Solid performance driven by the continued execution of the strategic roadmap On track to achieve FY2023 guidance and mid-term perspectives

**€496.6 million in Net Sales, up 2.6%<sup>1</sup>**

- **API Solutions (+0.2% sales growth, +1.9% with Other Clients, and -1.2% with Sanofi)** pursued the deployment of its commercial roadmap, with 35 new clients added in H1 in both small and large molecules, the acceleration of the cross-selling strategy, and pricing optimization. H1 sales included the residual impact of the suspension of prostaglandin production in Budapest, which fully resumed in mid-April (approximately €(15) million on H1 2023 sales performance).
- **In CDMO (+9.8% sales growth), the solid results from sales to Other Clients (+18.5%)** were partially offset by the **decrease in sales to Sanofi (-1.8%)**, due to the discontinuation of two late-stage programs at the end of 2022 (approximately €(6) million on H1 2023 sales performance). 106 RFPs were received in H1, compared to 117 in H1 2022, with 18.1% increase in average value per proposal<sup>2</sup>. 79 projects were active at the end of June, with a portfolio gradually de-risked towards late-stage projects.

**€62.5 million Core EBITDA, with a 12.6% Core EBITDA margin**, down from 14.5% in H1 2022, mainly reflecting the negative impact of the suspension of prostaglandin production over the period, and **€2.5 million provision reversal from the pharma tax in Hungary accrued in 2022, as EUROAPI did not fall within the scope in 2022 while remaining eligible in 2023.**

**€62.8 million Net income**, compared to €16.7 million in H1 2022, and including €46.8 million deferred tax income related to the revaluation of EUROAPI Hungary assets<sup>3</sup>.

**€69.3 million Capex (14.0% of Net Sales)**, compared to €51.4 million in H1 2022, of which 51% in growth investments.

**€(90.6) million Core Free Cash-Flow**, compared to €(40.2) million in H1 2022, notably impacted by the seasonality of the business and the impact of inflation on inventories' value.

#### Key growth initiatives to support future profitable growth

- €50 million capex investment in **prostaglandin production capacity**
- **Enhanced offer** in Regulatory Starting Materials (RSM) and Intermediates

Gradual ramp-up of **the €50 million annual run rate value creation program** by 2026 on top of the initial performance plan.

*“We started 2023 with solid results, driven by the continued roll-out of our strategy. We have successfully executed our commercial roadmap and advanced major projects to sustain future profitable growth, including a strategic investment in prostaglandins at our Budapest site and the launch of an enhanced offer in Regulatory Starting Materials and Intermediates. Capitalizing on global repatriation trends, I am particularly proud of our contribution to French and European health sovereignty. In the first half of the year, we committed to significant R&D investments and projects to increase our production capacities for several active pharmaceutical ingredients listed as essential medicines. Based on the first half performance, we are confident in our ability to achieve our full-year 2023 guidance and our mid-term perspectives,”* said **Karl Rothier, CEO of EUROAPI.**

<sup>1</sup> All comments in this press release are made compared to H1 2022 figures unless stated otherwise

<sup>2</sup> Based on RFPs with a value

<sup>3</sup> See detailed explanation page 12

## H1-2023 Key figures

<i>(in € millions)</i>	H1-2023	H1-2022
<b>Net Sales</b>	<b>496.6</b>	<b>483.8</b>
<i>Year-on-Year change in %</i>	<i>+2.6%</i>	
<b>Gross profit</b>	<b>97.0</b>	<b>97.7</b>
<i>Gross Profit Margin</i>	<i>19.5%</i>	<i>20.2%</i>
<b>EBITDA</b>	<b>52.1</b>	<b>60.8</b>
<b>Core EBITDA</b>	<b>62.5</b>	<b>70.3</b>
<i>Core EBITDA Margin</i>	<i>12.6%</i>	<i>14.5%</i>
<b>Net Income</b>	<b>62.8</b>	<b>16.7</b>
<b>Basic EPS (in euros)</b>	<b>0.67</b>	<b>0.18</b>

## 2023 outlook and mid-term perspectives

In light of H1 2023 results, the Group expects in 2023:

- **Net Sales** to increase between +7% and +8% (unchanged), with both API Solutions and CDMO growing double-digit in H2
- **Core EBITDA margin between 12.5% and 13.5%** (vs 12% to 14% initially communicated)
- **Capex** between €120 million to €130 million (unchanged)

Mid-term perspectives are confirmed, with:

- **+7% to +8% Net Sales increase on average between 2023 and 2026<sup>4</sup>**, driven by double-digit growth of Sales to Other Clients (including API Solutions and CDMO).
- **A Core EBITDA margin above 20% in 2026** and above 18% in 2025.
- **€510 million** Capex investments for the period 2022-2025, **50% to 53% Core Free Cash-Flow** conversion by 2025.

<sup>4</sup> At constant currencies and constant perimeter

## H1-2023 Net Sales

EUROAPI H1-2023 Net Sales reached €496.6 million, +2.6% versus the comparable period in 2022, and +2.7% at Constant Exchange Rates.

### Net sales per type of activity

<i>(in € millions)</i>	H1-2023	H1-2022	Change
API Solutions – Other clients	169.8	166.6	+1.9%
API Solutions – Sanofi	192.7	195.1	(1.2%)
<b>API Solutions</b>	<b>362.4</b>	<b>361.6</b>	<b>+0.2%</b>
CDMO – Other clients	82.7	69.8	+18.5%
CDMO – Sanofi	51.4	52.3	(1.8%)
<b>CDMO</b>	<b>134.2</b>	<b>122.2</b>	<b>+9.8%</b>
<b>Net sales</b>	<b>496.6</b>	<b>483.8</b>	<b>+2.6%</b>
<i>Total Net Sales – Other clients</i>	<i>252.5</i>	<i>236.4</i>	<i>+6.8%</i>
<i>Total Net Sales – Sanofi</i>	<i>244.1</i>	<i>247.4</i>	<i>(1.3%)</i>

### API Solutions

API Solutions' Net Sales increased 0.2% to €362.4 million.

- Sales to **Other clients** rose 1.9%, including the residual impact of the suspension of prostaglandins' production, which fully resumed mid-April (approximately €(15) million on H1 2023 sales performance). The overall performance was driven by the deployment of the commercial roadmap, with 35 new clients added in H1 in both small and large molecules, the acceleration of the cross-selling strategy, and pricing optimization. The impact of input cost inflation was fully compensated by price increases, as expected.
- Sales to **Sanofi** decreased by 1.2%. The Global Manufacturing and Supply Agreement raw material pass-through and energy compensation clauses were activated, and a €6 million additional payment from Sanofi was agreed upon, on top of the contractual clauses<sup>5</sup>.

### CDMO

CDMO sales grew by +9.8% to €134.2 million.

- **Sales to Other Clients grew 18.5%**, driven notably by the increase in sales from late-stage projects, which more than compensated for the negative impact of the completion of a COVID-19-related commercial project (approximately €(3)m on H1 2023 sales performance).
- These solid results were partially offset by the decrease in **sales to Sanofi (-1.8%)**, due to the discontinuation of two late-stage programs at the end of 2022 (approximately €(6) million on H1 2023 sales performance).

### Number of RFPs received in H1 2023

106 incoming RFPs were received in H1 2023, compared to 117 during the same period last year, of which 27% were related to Large Molecules and 58% to Complex Chemistry. The decrease in the number of RFPs was driven by Biotech (-7%), while proposals received from large pharmaceutical companies increased by 10.5%. More importantly, **the average value per RFP grew 18.1% on average**<sup>6</sup>, fueled by an increased proportion of late-stage projects.

<sup>5</sup> Based on customer service performance criteria

<sup>6</sup> Based on RFPs with a value

## Number of CDMO projects at the end of June 2023

Throughout the semester, **18 new contracts were signed, of which 9 were in the pre-approval or commercial phase**, spurred by the increasing demand for RSM and API re-shoring and dual sourcing with European players. 12 projects were stopped, paused, or delayed by customers, including 2 in late-stage with Sanofi, and 8 in early-stage.

<i>(Number of CDMO projects)</i>	Phase 1 and earlier	Phase 2	Phase 3	Commercial Phase	Total
Large molecules	8	6	1	3	18
Highly potent molecules	2		2	2	6
Biochemistry molecules derived from fermentation	1	1		6	8
Complex chemical synthesis molecules	7	7	7	26	47
<b>Total</b>	<b>18</b>	<b>14</b>	<b>10</b>	<b>37</b>	<b>79</b>

## Net Sales per type of molecule

<i>(in € millions)</i>	H1-2023	H1-2022	Change
Large molecules	35.0	47.9	-26.9%
Highly potent molecules	43.7	47.1	-7.3%
Biochemistry molecules derived from fermentation	85.5	65.4	+30.7%
Complex chemical synthesis molecules	332.4	323.4	+2.8%
<b>Net Sales</b>	<b>496.6</b>	<b>483.8</b>	<b>+2.6%</b>

- **Large molecules** decreased by 26.9% to €35.0 million, notably affected by the discontinuation of a CDMO phase 3 project with Sanofi in 2022, and a phasing impact.
- **Highly potent molecules** were down -7.3% to €43.7 million, as the result of the temporary suspension of prostaglandin production which fully resumed in mid-April 2023.
- **Biochemistry molecules derived from fermentation** increased by 30.7% to €85.5 million. The growth was driven by price increases and the stock replenishment of certain anti-infective products by Sanofi in Elbeuf. H1 2022 sales were negatively impacted by a one-off industrial process issue for vitamin B12.
- **Complex chemical synthesis molecules increased by 2.8% to €332.4 million.** The positive impact of price adjustments was partially offset by the discontinuation of a phase 3 CDMO project with Sanofi in 2022, and a COVID-19-related project.

## Financial performance

<i>(in € millions)</i>	<b>H1-2023</b>	<b>H1-2022</b>
Net Sales	496.6	483.8
Other revenues	1.9	2.0
<b>Gross profit</b>	<b>97.0</b>	<b>97.7</b>
<i>Gross Profit Margin</i>	19.5%	20.2%
<b>EBITDA</b>	<b>52.1</b>	<b>60.8</b>
Restructuring costs and similar	10.4	9.6
<b>Core EBITDA</b>	<b>62.5</b>	<b>70.3</b>
<i>Core EBITDA Margin</i>	12.6%	14.5%
<b>Operating Income</b>	<b>16.0</b>	<b>26.1</b>
<i>Finance revenues/costs</i>	(3.3)	(2.3)
<b>Income before tax</b>	<b>12.6</b>	<b>23.8</b>
Income tax expense	50.1	(7.0)
<b>Net income/(loss)</b>	62.8	16.7
<b>EPS (in euros)</b>	<b>0.67</b>	<b>0.18</b>
Average number of shares outstanding (in millions)	93.9	92.8
<b>Fully diluted EPS (in euros)</b>	<b>0.66</b>	<b>0.18</b>
Average number of shares after dilution (in millions)	95.5	93.2

### Gross Profit

**Gross profit was €97.0 million**, compared to €97.7 million in H1 2022, with the gross profit margin down by 70 bps Year-on-Year to 19.5%, including the negative impact of the suspension of prostaglandin production over the period.

<i>Key components of the change in H1 2023 Gross Profit margin</i>	<b>H123/H122 impact in basis points</b>
Volume impact	-180 bps
Price and Mix	+480 bps
Operating performance	+160 bps
Energy and Raw Materials	-860 bps

### EBITDA and Operating Income

**EBITDA was €52.1 million compared to €60.8 million in H1 2022**, including €10.4 million non-recurring, of which:

- €4.3 million costs related to the execution of the value creation plan
- €6.3 million linked to employee share plan, free share plans and forfeited share expenses in connection with the initial listing.

**Core EBITDA amounted to €62.5 million, down 11.1% compared to €70.3 million in H1 2022. Core EBITDA margin was 12.6%, compared to 14.5% in H1 2022** negatively impacted by

- the suspension of prostaglandin production at the Budapest site until mid-January, with full production resumed in mid-April,
- the extra-profit tax in Hungary of €1.4 million, or cc. (30) bps, based on H1 2023 net sales,
- **H1 2023 Core EBITDA also includes €2.5 million provision reversal from the pharma tax in Hungary accrued in 2022.** Based on a change to the tax decree in H1 2023, EUROAPI Hungary filed a ruling request to the Hungarian authorities to confirm that EUROAPI did not fall within the scope in 2022. **The tax authorities confirmed in June 2023 that EUROAPI was not concerned by this tax in 2022.** Therefore, the provision accrued in 2022 was reversed at the end of June 2023. EUROAPI remains eligible to the tax in 2023 (30 bps estimated impact). The tax has been prolonged for the 2024 fiscal year, with rates halved.

<i>Key components of the change in EBITDA and Core EBITDA</i>	€ millions	As % of Net Sales
<b>H1 2023 EBITDA</b>	<b>52.1</b>	<b>10.5%</b>
Non-recurring items	(10.4)	
<b>H1 2023 Core EBITDA</b>	<b>62.5</b>	<b>12.6%</b>
FY 2022 Hungarian Pharma tax provision reversal	(2.5)	
<i>H1 2023 Core EBITDA excluding the FY 2022 Hungarian Pharma tax provision reversal</i>	<i>60.0</i>	<i>12.1%</i>

**Operating Income** was €16 million compared to €26.1 million in H1 2022.

## Net Income

**Financial income** was €(3.3) million, compared with €(2.3) million in H1 2022.

**Income tax** was €50.1 million, of which €46.8 million deferred taxes from the revaluation of EUROAPI Hungary assets. The revaluation was triggered by the tax treatment applied by Sanofi in 2023 to the transfer of the Hungarian business to EUROAPI as part of the carve-out in 2021 and the subsequent exit of EUROAPI from Sanofi<sup>7</sup>.

**Net income** was €62.8 million in H1 2023. Excluding the impact of the €46.8 million deferred tax asset from the revaluation of EUROAPI Hungary assets, H1 2023 net income would have been €16 million.

<sup>7</sup> See detailed explanation page 12

## Core Free Cash Flow

<i>(in € millions)</i>	30-Jun-23	30-Jun-22
<b>Cash flow provided by operating activities</b>	<b>(38.2)</b>	<b>4.1</b>
Net change in other current assets and other current liabilities and current taxes	10.3	4.9
Acquisitions of property plant and equipment and intangible assets	(73.1)	(79.8)
Intangible assets relating to the carve-out and Group IT set up	3.8	28.4
Restructuring costs and similar items – inflows/outflows	5.5	-
Expenses relating to environmental provisions – inflows/outflows	1.2	2.2
<b>Core Free Cash Flow</b>	<b>(90.6)</b>	<b>(40.2)</b>
<b>Core Free Cash Flow conversion (Core Free Cash Flow/Core EBITDA)</b>	<b>(144.9)%</b>	<b>(57.2)%</b>

**Core Free Cash Flow** was €(90.6) million in H1 2023 versus €(40.2) million in H1 2022. H1 2023 Core Free Cash-Flow was notably impacted by:

- €30.1 million change in trade receivables,
- €(66.0) million change in inventories driven by the seasonality of the business and the impact of input cost inflation (raw materials and energy). Inventory Months On Hand (MOH)<sup>8</sup> was 8.1 in H1 2023 compared to 7.6 in H1 2022.
- €(49.0) million change in payables.

Capex reached €(69.3) million (14.0% of Net Sales), of which 51% were dedicated to growth projects. FY 2023 Capex are expected to be in line with the guidance of between €120 and €130 million.

## Net Debt Position

<i>(in € millions)</i>	H1 2023
<b>Net cash/(Debt) position – December 2022</b>	<b>(25.6)</b>
<b>Cash Flow from Operating activities</b>	<b>(38.2)</b>
<i>Of which Operating Cash Flow</i>	56.9
<i>Of which change in Operating Working Capital</i>	(84.9)
<i>Of which change in other current assets and liabilities</i>	(10.3)
<b>Cash Flow from Investing Activities</b>	<b>(73.1)</b>
<i>Of which acquisition of property plant and equipment and intangible assets (CAPEX)</i>	(69.3)
<i>Of which intangible assets relating to the carve-out and Group IT setup</i>	(3.8)
<b>Cash Flow from Financing activities</b>	<b>(6.9)</b>
<b>Exchange rate</b>	<b>0.6</b>
<b>Net Cash/(Debt) position – June 2023</b>	<b>(143.2)</b>

<sup>8</sup> Net Inventory value at the of the period divided by Net Sales



The increase in Net Debt position, €(143.2) million compared to a €(25.6) million at the end of December 2022, is driven by the financing of working capital.

<i>(in € millions)</i>	30 June 2023	31 December 2022
<b>Bank Cash Balances</b>	<b>57.0</b>	<b>74.5</b>
Revolving Credit Facilities	(200.3)	(100.1)
<b>Net Debt Position</b>	<b>(143.2)</b>	<b>(25.6)</b>

## Key initiatives to sustain profitable growth

The first half of 2023 was driven by the continued roll-out of EUROAPI's strategy, including the launch of key growth initiatives in both API Solutions and CDMO, and the ongoing transformation into a "best-in-class" customer-centric company.

### Investing in future growth

- Following the complete recovery of prostaglandin production in mid-April, **the Group announced in June a €50 million capex investment** dedicated to the installation of a new state-of-art production plant at the Budapest site. This investment will more than double the overall **prostaglandin capacity** of the site by 2027 and strengthen EUROAPI's N°1 position in one of the most dynamic components of the API market (5% to 7% annual growth expected<sup>9</sup> between 2022 and 2027).
- **The R&D organization** has been enhanced to support CDMO operations in a more agile and flexible way. R&D platforms are now specialized by molecules and technologies, including Small Molecules early stage, Small Molecules late stage, Peptides and Oligonucleotides, Biotechnology, and Particle Engineering.
- In order to leverage EUROAPI's innovative production processes and asset diversity, **an enhanced offer in Regulatory Starting Materials (RSM) and Intermediates** has been launched.
- Mobilizing to contribute to French and European health sovereignty, EUROAPI announced **R&D investments** at its Vertolaye site, to develop innovative and sustainable processes and technologies that will increase the productivity of the production of morphine and its derivatives by 2027.
- As part of the Important Project of Common European Interest (IPCEI) currently under review by the European Commission, EUROAPI has submitted **innovative projects to help cover the need for currently imported critical medicines** such as macrolide antibiotics and corticosteroids, by 2030.

### Transforming into a "best-in-class" customer-centric company

The company's transformation plan, announced in March 2023, is gradually being implemented. This program aims to deliver €50 million annual run rate value creation by 2026, with a focus on streamlining and simplifying processes, executing the operational excellence strategy, and accelerating the CDMO roadmap.

Three transversal workstreams have been launched during the first half of the year.

- **Value Creation** to improve overall competitiveness, and reduce costs, with a focus on procurement, energy, and the internalization of key intermediates
- **End-to-end processes** to adapt EUROAPI's operational process to a best-in-class CDMO company
- **People and culture** to engage and empower employees to be more customer-centric.

Tangible results are expected by 2024. The main contributors to the €50 million expected value creation will be the implementation of a procurement strategy, energy, and manufacturing efficiencies, including solvent recycling, yield improvement, and waste management.

<sup>9</sup> CAGR - compound annual growth rate



## Environment, Social, and Governance

- The silver medal was granted to EUROAPI by EcoVadis (Global Sustainability Rating). This result places EUROAPI among the top 25 percent of companies assessed by EcoVadis (100,000+).
- 100% of EUROAPI's sites are now ISO 14001 (Environmental best practice) and 50% are ISO 50001 (Energy management best practice). 100% of the sites will be ISO 50001 certified by the end of the year.
- On May 10th, 2023, the Board of Directors of EUROAPI proposed the ratification of the appointment by co-optation of Géraldine Leveau. Her appointment will be proposed for ratification at the May 22nd, 2024, Annual General Meeting.

## Main H1 2023 events

- **On May 9th, 2023**, EUROAPI announced the implementation of an initial 4-year manufacturing agreement with Novéal, an integral part of the L'Oréal Group. As part of this collaboration, EUROAPI will develop and industrialize the manufacturing process of innovative cosmetic ingredients through its CDMO activity. This agreement encompasses several projects, the first of which will take place at EUROAPI's Frankfurt site with a dedicated line of complex chemistry production.
- **On June 6th, 2023**, EUROAPI announced a €50 million capex investment for the installation of a new state-of-the-art production plant at its Budapest site. The project will be focused on the debottlenecking of the current capacity and the construction of new multi-purpose manufacturing equipment that will more than double the overall prostaglandin capacity of the Budapest site by 2027 in two phases: 2023-2025 (approximately 2/3 of the total investment) and 2026-2027.
- **On June 13th, 2023**, EUROAPI announced several initiatives to support the supply of essential medicines to France and Europe by increasing its production capacities for several active pharmaceutical ingredients listed as essential medicines by the French authorities. EUROAPI's Francopia subsidiary dedicated to controlled substances, will invest in R&D activities on its Vertolaye (Puy-de-Dôme) site. These R&D activities aim to increase EUROAPI's production of morphine and its derivatives, as well as their antagonists used as antidotes, by 2027. At the plant extraction stage, the Group aims to develop an innovative process that could increase productivity between 20% and 30% and shortening industrial cycle time to help building up strategic stocks. This innovative process would also improve solvent recycling and save energy. At the chemical synthesis stage, EUROAPI plans to invest in more flexible technologies and equipment that would enhance production capacity by 15% to 20%.

## Glossary and definition of non-GAAP indicators

### 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.

Core EBITDA thus corresponds to EBITDA restated for 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.

### Core Free Cash Flow and Core Free Cash-Flow conversion

Core FCF conversion corresponds to the ratio between, on the one hand, (i) cash flow generated by (used in) operating activities less the "acquisitions of property, plant and equipment and intangible assets" items, and restated for the "net change in other current assets and other current liabilities", "current taxes" and cash inflows and outflows relating to Core EBITDA restatements, and on the other hand (ii) Core EBITDA.

### Months on Hand (MOH)

Net Inventory value at the of the period divided by Net Sales

### Early-stage and Late-stage projects

Early-stage: pre-clinical, phase 1, and phase 2

Late-stage: phase3, in validation, and commercial

## Presentation of H1-2023 results

An analysts' conference call will be held by EUROAPI's management today at 9:00 a.m. CET via an audio webcast (live and replay), and the results' presentation are available on the corporate website [EUROAPI 2023 Half year results | EUROAPI](#)

## Financial Calendar

- February 29<sup>th</sup>, 2024 (before market opening): Full Year 2023 results
- May 22<sup>nd</sup>, 2024: Annual Shareholder General Meeting
- July 31<sup>st</sup>, 2024 (before market opening): H1 2024 Results

### Media Relations contact:

Laurence Bollack  
Tel.: +33 (0)6 81 86 80 19  
[mr@euroapi.com](mailto:mr@euroapi.com)

### Investor Relations contact:

Sophie Palliez-Capian  
Tel.: +33 (0)6 87 89 33 51  
[Sophie.palliez@euroapi.com](mailto:Sophie.palliez@euroapi.com)

## 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 3,450 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](http://www.euroapi.com) and follow us on [LinkedIn](#).

## **Forward-looking statements**

*Certain information contained in this press release is forward looking and not historical data. These forward-looking statements are based on opinions, projections and current assumptions including, but not limited to, assumptions concerning the Group's current and future strategy, financial and non-financial future results and the environment in which the Group operates, as well as events, operations, future services or product development and potential. Forward-looking statements are generally identified by the words "expects", "anticipates", "believes", "intends", "estimates", "plans" and similar expressions. Forward looking statements and information do not constitute guarantees of future performances, and are subject to known or unknown risks, uncertainties and other factors, a large number of which are difficult to predict and generally outside the control of the Group, which could cause actual results, performances or achievements, or the results of the sector or other events, to differ materially from those described or suggested by these forward-looking statements. These risks and uncertainties include those that are indicated and detailed in Chapter 3 "Risk factors" of the Universal Registration Document approved by the French Financial Markets Authority (Autorité des marchés financiers, AMF) on April 14, 2023, under number R.23-009 and the Amendment to Universal Registration Document approved by the AMF on April 25, 2023 under number R.23-015. These forward-looking statements are given only as of the date of this press release and the Group expressly declines any obligation or commitment to publish updates or corrections of the forward-looking statements included in this press release in order to reflect any change affecting the forecasts or events, conditions or circumstances on which these forward-looking statements are based.*

## Appendix

### Consolidated Income Statement

<i>(in € millions)</i>	<b>30-Jun-23</b>	<b>30-Jun-22</b>
Net sales	496.6	483.8
Other revenues	1.9	2.0
Cost of sales	(401.4)	(388.1)
<b>Gross profit</b>	<b>97.0</b>	<b>97.7</b>
Selling and distribution expenses	(21.3)	(17.6)
Research and development expenses	(13.3)	(11.4)
Administrative and general expenses	(42.8)	(40.0)
Other operating income and expenses	0.7	2.2
Restructuring costs and similar items	(4.3)	(4.8)
Other gains and losses, and litigation	0.0	–
<b>Operating income</b>	<b>16.0</b>	<b>26.1</b>
Financial expenses	(5.3)	(2.4)
Financial income	1.9	0.1
<b>Income/(loss) before tax</b>	<b>12.6</b>	<b>23.8</b>
Income tax expense	50.1	(7.0)
<b>Net income/(loss)</b>	<b>62.8</b>	<b>16.7</b>
Number of shares outstandings	93.9	92.8
EPS	0.67	0.18
Diluted number of shares	95.5	93.2
EPS diluted	0.66	0.18

### Deferred Tax Assets

As part of the carve out operation in 2021, Sanofi has transferred the Hungarian business to EUROAPI Hungary. Sanofi has applied for a favorable tax treatment upon this asset transfer, i.e. the deferral of the capital gain taxation. Symmetrically, EUROAPI has maintained the historical value of the assets from a tax perspective. This treatment has been maintained by Sanofi and EUROAPI until the exit from the Sanofi group in May 2022. Upon the filing of their 2022 tax return in May 2023, Sanofi has waived this favorable tax treatment and paid corresponding capital gain tax. As a result, and having received from Sanofi necessary confirmations of capital gain tax payment, EUROAPI Hungary has performed a free step-up based on legal restructuring documentation and in the framework of the ownership change. In other words, EUROAPI would amortize tangible assets based on their FMV and would depreciate the goodwill. The step-up of the tax value of the assets results in the recognition of a deferred tax assets in an amount of €46.8 million in addition to the impact of the recurring amortization of the assets for the period.

## Consolidated Balance Sheet

<i>(in € millions)</i>	30-Jun-23	31-Dec-22
Property, plant and equipment	644.6	597.1
Right-of-use assets	41.4	42.2
Intangible assets	35.7	28.7
Other non-current assets	13.6	14.9
Deferred tax assets	82.0	29.6
<b>Non-current assets</b>	<b>817.3</b>	<b>712.5</b>
Inventories	667.8	594.7
Trade receivables	238.0	264.2
Other current assets	85.1	90.3
Cash and cash equivalents	57.0	74.5
<b>Current assets</b>	<b>1,047.9</b>	<b>1,023.6</b>
<b>Total assets</b>	<b>1,865.2</b>	<b>1,736.1</b>

<i>(in € millions)</i>	30-Jun-23	31-Dec-22
Equity attributable to owners of the parent	1,193.0	1,110.2
<b>Total equity</b>	<b>1,193.0</b>	<b>1,110.2</b>
Non-current lease liabilities	15.7	16.2
Provisions	150.7	146.9
Other non-current liabilities	0.0	0.0
Deferred tax liabilities	7.4	6.3
<b>Non-current liabilities</b>	<b>173.9</b>	<b>169.5</b>
Trade payables	164.8	219.6
Other current liabilities	128.3	132.2
Current lease liabilities	4.9	4.5
Short-term debt and other financial liabilities	200.3	100.1
<b>Current liabilities</b>	<b>498.3</b>	<b>456.5</b>
<b>Total equity and liabilities</b>	<b>1,865.2</b>	<b>1,736.1</b>

## Consolidated Statements of Cash Flow

<i>(in € millions)</i>	<b>30-Jun-23</b>	<b>30-Jun-22</b>
<b>Net income attributable to owners of the parent</b>	<b>62.8</b>	<b>16.7</b>
Depreciation & amortization	36.1	34.7
Net change in current & deferred taxes	(50.1)	(0.2)
Other profit or loss items with no cash effect and reclass of interest	8.2	9.9
<b>Operating cash flow before changes in working capital</b>	<b>56.9</b>	<b>61.1</b>
(Increase)/decrease in inventories	(66.0)	(25.5)
(Increase)/decrease in trade receivables	30.1	(4.3)
Increase/(decrease) in trade payables	(49.0)	(29.6)
Net change in other current assets and other current liabilities	(10.3)	2.4
<b>Net cash provided by operating activities</b>	<b>(38.2)</b>	<b>4.1</b>
Acquisitions of property, plant and equipment and intangible assets	(73.1)	(79.8)
<b>Net cash (used in) investing activities</b>	<b>(73.1)</b>	<b>(79.8)</b>
Capital increases	-	83.7
Repayment of lease liabilities	(4.6)	(2.2)
Net change in short-term debt	100.0	14.5
Finance costs paid	(2.0)	(2.7)
Acquisitions and disposals of treasury shares	(0.2)	(0.2)
Net contribution of Sanofi to the EUROAPI Group	(0.0)	8.9
<b>Net cash provided by financing activities</b>	<b>93.2</b>	<b>101.9</b>
Impact of exchange rates on cash and cash equivalents	0.6	(0.6)
<b>Net change in cash and cash equivalents</b>	<b>(17.5)</b>	<b>25.6</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>74.5</b>	<b>10.3</b>
<b>Cash and cash equivalents at end of period</b>	<b>57.0</b>	<b>35.9</b>

## Reconciliation of Consolidated Operating Income (EBIT) to restated Core EBITDA

<i>(in € millions)</i>	<b>30-Jun-23</b>	<b>30-Jun-22</b>
<b>Operating income</b>	<b>16.0</b>	<b>26.1</b>
Depreciation and amortization	36.1	34.7
<b>EBITDA</b>	<b>52.1</b>	<b>60.8</b>
Restructuring costs and similar items (excluding depreciation and amortization)	4.3	4.8
Allocations net of reversals of unutilized provisions for environmental risks	(0.3)	
Other	6.3	4.8
<b>Core EBITDA</b>	<b>62.5</b>	<b>70.3</b>
<b>Core EBITDA</b>	<b>12.6%</b>	<b>14.5%</b>