



## Information related to EUROAPI 2024 Corporate Officers Compensation published in accordance with the AFEP-MEDEF Code of Corporate Governance

**09 April 2024** - Meeting on 27<sup>th</sup> March, EUROAPI Board of Directors, upon the recommendation of the Nomination and Remuneration Committee and in accordance with the compensation policy for Corporate Officers approved on May 11<sup>th</sup>, 2023, decided the following in relation 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 (except the representatives of Sanofi Aventis Participations and Bpifrance Investissement who will not receive any remuneration, and of the Chairman 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 2023

### Directors' compensation

A total of €508,250 in remuneration was paid to Directors in 2023.

| In €   | FY 2023<br>Gross amount<br>due | FY 2023<br>Gross amount<br>paid |
|--|--------------------------------|---------------------------------|
| <b>Elizabeth Bastoni</b>                                 |                                |                                 |
| Remuneration (including fixed and variable remuneration) | 111,750                        | 101,750                         |
| Other remuneration <sup>1</sup>                          | 28,000                         | 28,000                          |
| <b>Emmanuel Blin</b>                                     |                                |                                 |
| Remuneration (including fixed and variable remuneration) | 81,500                         | 81,500                          |
| Other remuneration                                       | 0                              | 0                               |
| <b>Cécile Dussart</b>                                    |                                |                                 |
| Remuneration (including fixed and variable remuneration) | 67,750                         | 67,750                          |
| Other remuneration                                       | 0                              | 0                               |
| <b>Claire Giraut</b>                                     |                                |                                 |
| Remuneration (including fixed and variable remuneration) | 89,750                         | 89,750                          |
| Other remuneration                                       | 0                              | 0                               |
| <b>Corinne Le Goff</b>                                   |                                |                                 |
| Remuneration (including fixed and variable remuneration) | NA                             | NA                              |
| Other remuneration                                       | NA                             | NA                              |
| <b>Mattias Perjos</b>                                    |                                |                                 |
| Remuneration (including fixed and variable remuneration) | 65,500                         | 65,500                          |
| Other remuneration                                       | 0                              | 0                               |
| <b>Rodolfo Savitzky</b>                                  |                                |                                 |
| Remuneration (including fixed and variable remuneration) | 74,000                         | 74,000                          |
| Other remuneration                                       | 0                              | 0                               |

### Chair of the Board of Directors

For the year ending December 31, 2023, Mrs. Viviane Monges, Chair of the Board of Directors, received a fixed remuneration of €300,000.

The Board of Directors held on October 25, 2023, decided to grant an additional remuneration, in the form of an exceptional compensation, to Viviane Monges to take into account the combination of her functions of Chair of the Board of Directors of the Company and the functions of the Chief Executive Officer for an interim period and the corresponding change in the scope of her responsibilities. This exceptional remuneration for the 2023 fiscal year is composed of:

- a fixed time-based remuneration for November and December 2023 with 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 for November and December 2023, to pay for housing in Paris for a maximum total amount of €3,000 per month for the duration of her term of office as Chair of the Board and Interim Chief Executive Officer, and to refund her direct travel expenses between her residence and Paris, subject to submission of receipts.

## Chief Executive Officer

During its meeting held on October 25, 2023, the Board of Directors decided to set Karl Rotthier's remuneration for his duties as the Company's Chief Executive Officer for the period starting on January 1, 2023, and ending on October 30, 2023, as follows, subject to the approval of the 2024 Annual Shareholders' Meeting.

- **Annual fixed remuneration:**

In respect of his fixed remuneration, Karl Rotthier has received €420,269 calculated *pro rata temporis* until October 30, 2023.

- **Variable annual remuneration:**

The following performance criteria were planned for financial year 2023:

| Criteria   | Weighting   |
|--|-------------|
| Amount of revenue  | 20%         |
| Core EBITDA margin expressed as a percentage of revenue  | 30%         |
| Core Free Cash Flow conversion (Core FCF conversion) expressed as a percentage   | 20%         |
| Drive growth by supporting key initiative including double digit growth of sales to other clients than Sanofi (API solutions and CDMO) | 7.5%        |
| Improve productivity by focusing on operational excellence and accelerating our transformation   | 7.5%        |
| Ensure key leadership positions are filled with the right talent   | 7.5%        |
| ESG criteria focus on environment including a decrease of consumption of energy Scope 1&2 versus 2022                                  | 7.5%        |
| <b>TOTAL</b>   | <b>100%</b> |

For the financial objectives, on a strict application of the achievement levels for the objectives set for 2023, the achievement rate for the amount of revenue was at 48.9% of the target, the achievement rate for the Core EBITDA margin was 0% of the target, the achievement rate for the Core Free Cash Flow Conversion was 0% for the target.

The objective linked to the growth including double digit growth of sales to other clients than Sanofi was not achieved. Sales to Other clients grew 7,1% and CDMO + 7,2%, below target.

The objective linked to productivity and transformation was not delivered in a sufficient way. Core EBITDA margin ended at 9,2% compared to 12% to 14% initial objectives.

The objective linked to the key leadership positions has been partially achieved with the recruitment of the COO. Relevant coaching has been implemented for selective people.

The objective linked to ESG with the decrease of consumption of energy 1&2 has been overachieved with more than 4% decrease versus 2022.

**Upon recommendation of the Nominations and Remunerations Committee, and considering the Company's performance in 2023, the Board of Directors deemed that Karl Rotthier will not perceive any variable remuneration for the fiscal year 2023**

- **Long term remuneration:** Pursuant to the conditions provided in the Company's long-term remuneration plans, and in accordance with the compensation policy for Executive Corporate Officers, the Board of Directors decided to allow Karl Rotthier to retain the benefit of the stock options and performance shares granted on June 3, 2022, on a pro-rata basis with respect to his length of service over the vesting period of these plans.

The number of stock options is therefore reduced to 21,412 and the number of performance shares is reduced to 8,921. The final number of options and shares acquired by Karl Rotthier will be determined at the end of the vesting period for each of these plans, conditional on the performance conditions being met.

In addition, and in accordance with the plan regulations, the performance shares granted under the "Horizon 2025" plan and the stock options and performance shares granted in June 2023 have now expired.

- **Non-compete indemnities:** Upon recommendation of the Nominations and Compensation Committee, and given the utmost sensitivity of the financial, technical and commercial knowledge and information to which the Chief Executive Officer has access, the Board of Directors acknowledged the benefits of applying the non-compete undertaking approved as a related-party regulated agreement (*convention réglementée*) by the Board of Directors on May 4, 2022, for a 6-month period. The Board has decided not to renew this benefit for an additional six-month period. In return for this non-compete undertaking, a lump-sum gross monthly compensation equal to 75% of his average fixed and variable monthly compensation received during the last 12 months prior to the end of his term of office (i.e., a total compensation of €257,729.44 for the period of the non-compete), will be paid each month from November 1, 2023 to April 30, 2024.
- **Termination indemnities:** Upon recommendation of the Nominations and Remunerations Committee, the Board of Directors decided that, in the absence of misconduct or serious negligence, the compensation payable to the Chief Executive Officer in the event of removal from office is equivalent to 12 months' gross remuneration, calculated based on the average of the last 12 months' remuneration, representing a total of €687,278.49.

The Board noted that this termination does not constitute a forced departure of the Chief Executive Officer following the company's merger or demerger, a change of control, a significant change in the company's strategy, or a profound disagreement with the Board of Directors. Therefore, the severance payment is not subject to performance conditions.

## Remuneration for the fiscal year 2024

### Directors

The total amount of the remuneration allocated to the Board of Directors is unchanged at €1,100,000 for 2024 and subsequent years until a new decision by the shareholders' meeting.

|  |                                 |
|--|---------------------------------|
| Directors' individual Fixed Compensation     | €60,000                         |
| Lead Independent Director                    | €40,000 additional fixed amount |
| <b>Audit Committee</b>                       |                                 |
| • Chair                                      | €25,000 additional fixed amount |
| • Other Members                              | €10,000 additional fixed amount |
| <b>Nomination and Remuneration Committee</b> |                                 |
| • Chair                                      | €25,000 additional fixed amount |
| • Other Members                              | €10,000 additional fixed amount |
| <b>ESG Committee</b>                         |                                 |
| • Chair                                      | €15,000 additional fixed amount |
| • Other Members                              | €10,000 additional fixed amount |

### Chair of the Board of Directors

On the 28th of February, 2024, the Board of Directors decided, on the recommendation of the Nominations and Remunerations Committee that the fixed annual compensation of Viviane Monges as Chair of the Board of Directors for 2024 will remain at 300,000 euros.

## 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, Quadiant, Manitou BF, Somfy, Vetoquinol, Vilmorin & Cie, Virbac
- European companies: Alk -Abello, Corbion, Dechra Pharma, Evotec, Hexpol AB, Polypeptide, Siegfried, Victrex.

**Fixed Compensation** – At its meeting of February 28, 2024, the Board of Directors decided that the Chief Executive Officer, Ludwig de Mot would receive fixed annual compensation of €517,000, which is between the first quartile and the median of the panel.

**Variable Compensation** - At its meeting of March 27, 2024, the Board of Directors set the objectives of the Chief Executive Corporate Officers variable compensation for 2024. The target rate of annual variable compensation is defined as 60% of the annual fixed compensation (varying from 0 to 150%, depending on the achievement of his annual objectives).

For 2024, the Board of Directors decided the following performance criteria as follows:

| Criteria                                    | Weighting |
|---|-----------|
| Free cash Flow (before financing) in amount | 25%       |
| Core EBITDA margin (in %)                   | 25%       |
| Focus 2027 Implementation                   | 30%       |
| People and Culture                          | 15%       |
| ESG target                                  | 5%        |

The financial objectives were set in line with the Group's strategy and based on the budget validated by the Board of Directors on February 28, 2024. The individual objectives and their weighting for 2024 are as follows:

- Implement Focus 27 - 30% :
  - Implement Inventory reduction according to plan to deliver the cash savings (10%)
  - Secure the financing of the strategic plan and the company together (15%)
  - Implement the adjustment of the industrial footprint (5%)
- People and Culture - 15%
  - Ensure Key leadership positions are filled with the right talent
  - Ensure Key leadership positions are empowered with the resources needed to achieve their objectives
- ESG Target
  - Safety; Completion rate of 7 Management Safety Visit in 2024 for eligible managers
  - Increase gender balance (40% women in Senior leadership positions)

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 2024 or granted to the Chief Executive Officer for 2024 under Article L.225-100 of the French Commercial Code.

## 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 3,650 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](#).

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