



eureKING

limited liability company with a Board of Directors (*Société anonyme à Conseil d'administration*)

128 rue la Boétie, 75008 Paris, France

**INTERIM FINANCIAL REPORT
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023**

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1 INTERIM ACTIVITY REPORT

eureKING (the “**Company**”) was created by eureKARE and six other shareholders (the “**Founders**”). It was incorporated on March 21, 2022 and exceptionally closed its first financial year on March 31, 2022, i.e. a first 11-day exercise. The second financial year ran for from April 1, 2022 to December 31, 2022 and as such, the Statement of income and comprehensive income for the six-month period ended June 30, 2023 is compared with the six-month period ending September 30, 2022.

This interim financial report is prepared for the six-month period since January 1, 2023. The information provided in this report is therefore presented as of and for the six-month period ended June 30, 2023.

1.1 Activities of eureKING - Significant Events

1.1.1 Governance

The Company is a limited liability company (*société anonyme*) with a Board of Directors (*Conseil d'Administration*) incorporated under the laws of France. The Company aims at acquiring target businesses or companies with principal business operations in the biomanufacturing sector in Europe (the “**Initial Business Combination**”).

As of the date of this report, the Company’s Board of Directors has 10 members (*administrateurs*) and 2 observers (*censeurs*). The two observers were appointed to benefit from the expertise of MM. Mouradian and Besserve, while keeping the number of Board members at 10 and the proportion of independent members at 50%.

The Company has adopted the corporate governance code for listed companies (*Code de gouvernement d'entreprise des sociétés cotées*), drawn up jointly by the French employers’ associations, AFEP (*Association française des entreprises privées*) and MEDEF (*Mouvement des entreprises de France*) (the “**AFEP-MEDEF Code**”), in its version revised and made public on December 2022.

The Board of Directors of the Company is this composed as follow:

- Gérard Le Fur (Chairman)
- Michael Kloss (CEO)
- Christophe Jean
- Hubert Olivier
- Kristin Thompson (eureKARE’s representative)
- Anne-Marieke Ezendam (InvestinMind Ltd’s representative - Independent Member)
- Carri Duncan (Independent Member)
- Bénédicte Garbil (Independent Member)
- Pascale Augé (Independent Member)
- Lily Geidelberg (Independent Member)
- Rodolphe Besserve (observer)
- Alexandre Mouradian (observer)

The Board of Directors resolved that Mrs. Anne-Marieke Ezendam, Mrs. Carri Duncan, Mrs. Bénédicte Garbil, Mrs. Pascale Augé and Mrs. Lily Geidelberg qualify as independent Board members in accordance with the AFEP-MEDEF Code.

The Board of Directors decided to adopt internal regulations, to create two committees (the Audit Committee and the Appointments and Compensation Committee) and to appoint their respective members and chairman, in accordance with AFEP-MEDEF Code.

The Audit Committee is chaired by one of the above-mentioned independent members, it being specified that the appointment or renewal of the chairman of the Audit Committee, proposed by the Appointments and Compensation Committee, is subject to a specific review by the Board of Directors. The Audit

Committee is chaired by Mrs. Anne Marieke Ezendam and is composed of Mr. Christophe Jean and Mrs. Pascale Augé.

The Appointments and Compensation Committee is chaired by one of the above-mentioned independent members. The Appointments and Compensation Committee is chaired by Mrs. Bénédicte Garbil and is composed of Mrs. Carri Duncan and Mr. Hubert Oliver.

1.1.2 Completion of the offering of Units to certain qualified investors in France and outside of France, and admission to listing and trading of the Units

Offering of Units

In order to provide the Company with the adequate funds necessary to achieve its main purpose, the Company offered on May 12, 2022, 15,000,000 of its class B redeemable preferred shares with a nominal value of €0.01 per share (the “**Market Shares**”) and 15,000,000 of its class B warrants (the “**Market Warrants**”).

The Market Shares and the Market Warrants were offered only in the form of units (*actions de préférence stipulées rachetables assorties de bons de souscription d’actions ordinaires de la Société rachetables*) (the “**Units**”), each consisting of one (1) Market Share and one (1) Market Warrant, at a per Unit price of €10 (the “**Offering**” or “**IPO**”), pursuant to the prospectus dated May 6, 2022 and approved by the *Autorité des Marchés Financiers* under no. 22-134 (the “**Prospectus**”), exclusively to certain qualified investors in France and outside of France.

The Units have only been offered to qualified investors (*investisseurs qualifiés*) within the meaning of Article 2 point (e) of Regulation (EU) 2017/1129 or other investors who do not meet this criteria but number less than 150, all in accordance with Article L. 411-2-1° of the French *Code monétaire et financier* (“**Qualified Investors**”), inside or outside of France, who belong to one of the following three targeted categories:

- Qualified Investors investing in companies and businesses operating in the biomanufacturing industry; or
- Qualified Investors meeting at least two of the three following criteria set forth under Article D. 533-11 of the French *Code monétaire et financier*, i.e., (i) a balance sheet total equal to or exceeding twenty (20) million euros, (ii) net revenues or net sales equal to or exceeding forty (40) million euros, and/or (iii) shareholders’ equity equal to or exceeding two (2) million euros; or
- investors in Units who are otherwise investing in Founder’s Units (as defined below).

The Company announced the launch and the success of the Offering through press release published respectively on May 9, 2022 and May 10, 2022. The Offering resulted in proceeds of €150,000,000, before transaction costs of €3,133,000 that were paid to various service providers.

The settlement and delivery of the Units occurred on May 12, 2022 (the “**Listing Date**”). On this date, the Market Warrants were detached from the Market Shares, and trading of the Market Shares and the Market Warrants on the professional segment of the regulated market of Euronext in Paris (“**Euronext Paris**”) commenced.

Founders’ Shares and Founders Units

On May 5, 2022, the combined shareholders’ meeting of the Company decided to create new categories of preferred shares (the “**Class A1 Founders’ Shares**”, the “**Class A2 Founders’ Shares**” and the “**Class A3 Founders’ Shares**”, together the “**Founders’ Shares**”).

Prior to the Offering, on May 5, 2022, eureKARE and the Founders participated in a share capital increase and subscribed to 308,000 new ordinary shares, with a nominal value of €0.01, without share premium. It resulted in a share capital increase of €3,080.

On May 10, 2022, the Founders subscribed to 507,000 units (the “**Founders’ Units**”), composed of one (1) ordinary share with a nominal value of € 0.01 per share and one (1) class A warrant (the “**Founders’ Warrants**”), for a unit price of €10 and eureKARE subscribed to 390,000 Founders’ Units, for a unit price of €10. It resulted in a share capital increase of €8,970 and a share premium of €8,961,030.

On the Listing Date, each ordinary share held by such holders were converted into one (1) Founders’ Share, with a nominal value of €0.01 per Founders’ Share. Founders’ Shares are preferred shares (*actions de préférence*) issued pursuant to provisions of Articles L. 228-11 et seq. of the French *Code de commerce*, the rights and obligations of which are defined in the articles of association of the Company as in effect on the Listing Date.

1.1.3 Transfer of funds raised by the Company on a dedicated Escrow Account

The cash proceeds of the Offering of the €150,000,000 Market Shares are not available for general corporate purpose and were transferred, along with the €3,900,000 cash proceeds resulting from the offering of 390,000 Founders’ Units to eureKARE (which aim to cover a possible redemption premium), to a secured deposit account managed by (the “**Escrow Account**”).

As of June 30, 2023, the Escrow Account showed a positive balance of €154,594,000, including €694 thousands of interests.

1.1.4 Allocation of the share capital of eureKING and declarations regarding crossing of thresholds

As of June 30, 2023, the share capital (from a legal and statutory perspective) amounts to €200,000 divided into:

- 5,000,000 Founders’ Shares (corresponding to 5,000,000 voting rights) of which:
 - 2,500,000 are Class A1 Founders’ Shares, each of which can be converted into one ordinary share upon completion of the Initial Business Combination;
 - 1,250,000 are Class A2 Founders’ Shares, each of which can be converted into one ordinary share if, at any time after completion of the Initial Business Combination, the volume weighted average price of the ordinary shares of the Company for any 20 trading days within a 30-trading day period exceeds €12.00;
 - 1,250,000 are Class A3 Founders’ Shares, each of which can be converted into one ordinary share if, at any time after completion of the Initial Business Combination, the volume weighted average price of the ordinary shares of the Company for any 20 trading days within a 30-trading day period exceeds €14.00; and.
- 15,000,000 Market Shares (corresponding to 15,000,000 voting rights).

1.1.5 Operations of the Company

The Company identified a business combination opportunity to complete the Initial Business Combination (IBC), in accordance with the objectives and procedures described in the Prospectus.

On May 30th, 2023, eureKING announced the signature of a put option for the potential acquisition of Skyepharma (“Skyepharma”). The proposed transaction would value Skyepharma, an innovative and

fully integrated French CDMO player with 20 years of innovation and development experience in drug development and delivery or oral technologies, at an enterprise value of circa. €50 million and an equity value of circa. €52 million.

Terms of the transaction were further detailed after June 30, 2023 and are described in Sections 1.4 and 1.7 and in Note 17 to the interim financial statement.

1.2 Statements of Income and financial position analysis

The financial information of the Company is prepared under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European EU.

1.2.1 Statement of income analysis

For the six-month periods ended June 30, 2023 and September 30, 2022, no revenue has been achieved by the Company.

The operational income for the six-month period ended June 30, 2023 is a loss equal to €(808) thousand compared to a loss of € (737) thousand for the six-month period ended September 30, 2022.

The operational income corresponds to personal costs of €280 thousand for both periods and external expenses of €527 thousand in connection with the payment of legal, accounting, and other general and administrative expenses for the six-month period ended June 30, 2023, against €457 thousand external expenses for the six-month period ended September 30, 2022.

The loss before income tax of €1,496 thousand for the six-month period ended June 30, 2023 compared to a €3,206 thousand loss for the six-month period ended September 30, 2022. It results from the operating loss of a net interest expense of €677 thousand for the six-month period ended June 30, 2023 against €956 thousand for the six-month period ended September 30, 2022 resulting from the effective interest rate applied to the redeemable Market Shares that are treated as financial liabilities under IFRS and interest income resulting from financial assets and another financial expense of €11 thousand for the six-month period ended June 30, 2023, compared to €1,513 thousand for the six-month period ended September 2022.

The net loss of the Company for the six-month period ended June 30, 2023 amounts to €1,496 thousand and no tax effect, compared a net loss amounts of €3,260 thousand including income tax and deferred tax of €(53) thousand for the six-month period ended September 30, 2022.

1.2.2 Statement of financial position analysis

As of June 30, 2023, the Company has cash and cash equivalents of €5 thousand, as well as €(445) thousand bank overdrafts, compared to €660 thousand as of December 31, 2022. The Escrow Account of €154,594 thousand, corresponds to the proceeds from the issuance of the Units and the €3,900 thousand cash proceeds resulting from the offering of 390,000 Founders' Units to eureKARE (which aim to cover a possible redemption premium) held on a secured deposit account managed by UBS Switzerland AG of €153,900 thousand and €694 thousand accrued interests, no interests were accrued as December 31, 2022. The Escrow Account is classified as a current financial asset since the corresponding liability, i.e. the redeemable Market Shares, is classified as a current (see below).

Other current assets of the Company amount to €368 thousand as of June 30, 2023 compared to €414 thousand as of December 31, 2022, which mostly relates to deductible VAT for €289 thousand as of June 30, 2023 compared to €305 thousand as December 31, 2022.

The shareholders' equity of the Company amounts to €2,931 thousand as of June 30, 2023 compared to 4,536 as of December 31, 2022.

The share capital of the Company is equal to €50 thousand and only includes Founders' Shares (it being specified that, from a legal and statutory perspective, the share capital of the Company includes the Market Shares and amounts to €200,000 as described in paragraph 1.1.4 above). The share premium resulting from the subscription of the Founders' Shares is €8,961 thousand. The loss of the period amounts to €1,496 thousand as of June 30, 2023, compared to € 4,402 thousand as of December 31, 2022.

Market Warrants are treated as derivatives under IFRS 9 and are recognized for their fair value on balance sheet date of €1,500 thousand, based on available market price for these warrants (FR0014009OX8/KINGW). These instruments are considered as current due as of June 2023, to the characteristics of the warrants. The change of fair value impacts the financial expense (income). No variation occurred during the period.

Deferred tax liabilities result from the different accounting treatment under French Generally Accepted Accounting Principles (FR-GAAP) and under IFRS of the Market Warrants and the redeemable Market Shares.

As of June 30, 2023, Redeemable market shares amount to €149,702 thousand, compared to €148,456 thousand as of December 31, 2022. It corresponds to Market Shares offered on May 12, 2022 in the context of the Offering. The Company determined that these instruments should not be classified as equity but rather as financial liabilities under the applicable IFRS standard IAS 32 – *Financial Instruments: Presentation*. These instruments are recognized at fair value at issuance on May 12, 2022 for €150,000 thousand, before transaction costs corresponding to IPO costs of €3,133 thousand.

This amount could be reimbursed to the holders of Market Shares (“**Market Shareholders**”) after October 31, 2023 after the extension approved during the extraordinary general meeting, should no Initial Business Combination occur before this date (17 months as from the Listing Date). This liability is thus classified as current as of June 30, 2023.

The transaction costs are amortized over this 15-months maturity and results in an effective interest rate of 1.70% per year.

As of June 30, 2023, debts due to suppliers amount to €396 thousand, compared to €601 thousand as of December 31, 2022.

1.3 Investments

No material investment has been completed during the first semester 2023.

1.4 Material events that occurred since the closing of the first semester

Modifications to the terms of the Proposed IBC with Skyepharma and progress in the implementation of the IBC

On May 25, 2023, the Company, the shareholders of Oleron Pharma SAS (“Oleron Pharma”) and Bpifrance signed a put option agreement (the “Skyepharma Put Option Agreement”) for 100% of the share capital of Oleron Pharma SAS (“Oleron Pharma”), the 100% holding company of Skyepharma Production SAS (“Skyepharma” and the “Proposed IBC with Skyepharma”). Skyepharma is a leading French fully integrated contract development and manufacturing organization player. The shareholders of Oleron Pharma are Mr. David Lescuyer, Mr. Benoit Mougeot, Mr. Xavier Mathiot, Mr. Frédéric Checot, Mr. Laurent Rigaudeau, Mrs. Isabelle Cachard (the “Skyepharma Rollover Shareholders”, who are managers and employees, or former employees of Skyepharma).

On August 8, 2023, the parties to the Skyepharma Put Option Agreement agreed to revise certain terms of their agreement so that eureKING would acquire:

- (i) for €23 million in cash, circa. 44.2% of the share capital (including Bpifrance stake and on a fully diluted basis) of Oleron Pharma, instead of 58.01% for €30.2 million in cash initially (the “Skyepharma Cash Acquisition”),
- (ii) the remaining circa. 55.8% (instead of 41.99%) through the contribution by the Rollover Shareholders of their Oleron Pharma shares in exchange for newly issued shares of eureKING (the “Skyepharma Contribution”).

This change in the proportion of the Oleron Pharma shares acquired in cash versus those acquired against the issuance of eureKING shares does not modify the overall consideration for the Proposed IBC with Skyepharma, which remain c. €52 million.

The exercise of the put option included in the Skyepharma Put Option Agreement by the Skyepharma Rollover Shareholders and Bpifrance (and thus the execution of the "Skyepharma Sale and Purchase Agreement" appended to the Skyepharma Put Option Agreement by the parties) was subject to:

- the completion of the information and consultation process of Skyepharma’s workers’ council, and
- the approval by eureKING’s different categories of securities holders at the August 11, 2023, extraordinary and special meetings of the changes to eureKING’s Articles of Association necessary for eureKING to be able to proceed with the Proposed IBC with Skyepharma and launch the redemption of its Market Shares as soon as possible and independently from the completion of the Proposed IBC with Skyepharma.

Skyepharma’s workers’ council issued a favourable opinion on the IBC in early July.

On August 11, 2023, eureKING’s security holders approved the proposed changes to eureKING’s Articles of Association (see below).

On August 21, 2023, eureKING published the Redemption Notice opening the Market Shares’ 30 calendar days redemption period (see below).

On August 24, 2023, the board of directors of eureKING met to formally approve the Proposed IBC with Skyepharma at the “required majority” (i.e., an affirmative vote of the majority of the members composing the board of directors, including approval by two-thirds of the independent members composing the board of directors). The board of directors gave a unanimous approval.

On August 24, 2023, the Skyepharma Rollover Shareholders and Bpifrance exercised the put option.

On September 4, 2023, eureKING, the Skyepharma Rollover Shareholders and Bpifrance signed the Skyepharma Sale and Purchase Agreement.

On September 18, 2023, the French Ministry of the Economy gave its foreign investment clearance pursuant to Articles L. 151-3 et seq. and R. 153-1 et seq. of the French Code monétaire et financier.

The Skyepharma Sale and Purchase Agreement also provides that, should the shareholders of eureKING fail to approve the Skyepharma Contribution, eureKING will repay the Skyepharma Rollover Shareholders and/or the Skyepharma and/or Oleron Pharma (as applicable) certain duly documented fees of their accountants, auditors, lawyers and consultants and certain duly documented traveling expenses, all incurred in connection with the Proposed IBC with Skyepharma, up to a maximum amount of €300,000.

As consideration for the Skyepharma Contribution, eureKING will issue c. 2.9 million new ordinary shares (the “Skyepharma Contribution Shares”, and one “Skyepharma Contribution Share”). The value of one Skyepharma Contribution Share for the purpose of determining the exchange ratio would amount to €10.00, representing a c. €29 million contribution value. Mr. Olivier Courau (Finexsi) and Mr.

Stéphane Schwedes have been appointed as contribution appraisers (commissaires aux apports) by the Ordonnance of September 5, 2023, to assess the value of the ordinary shares of Skyepharma to be contributed to eureKING in the context of the Skyepharma Contribution, to confirm that it is not over-valued and that it corresponds at least to the share capital increase of eureKING, increased by the contribution premium and to confirm, in accordance with the AMF recommendation DOC-2020-06, that the exchange rate is fair.

Proposed Acquisition of SCTbio

In addition to the Proposed IBC with Skyepharma, on August 9, 2023, eureKING and PPF Biotech B.V. (“PPF”) signed an agreement (the “SCTbio Purchase Agreement”) to purchase full ownership interest, under which eureKING would acquire 100% of SCT Cell Manufacturing s.r.o. (“SCTbio”), a full-service contract development and manufacturing organization (“CDMO”) specializing in cell-based therapy and viral vectors.

The proposed acquisition of SCTbio (the “Proposed Acquisition of SCTbio”) would complement eureKING’s ongoing proposed acquisition of Skyepharma. By joining Skyepharma with SCTbio, eureKING is taking a step closer in its ambitious plan to build a new European bio-CDMO leader.

The Proposed Acquisition of SCTbio would be completed (i) through the acquisition by eureKING, for a cash consideration of €13.08 million, of c. 67% of the shares of SCTbio held by PPF, the sole shareholder of SCTbio (the “SCTbio Cash Acquisition”), and (ii) through the contribution to eureKING by PPF of their remaining c. 33% shares of SCTbio, in exchange for new ordinary shares of eureKING (the “SCTbio Contribution”, and, together with the Skyepharma Contribution, the “Contribution”). After completion of both the SCTbio Cash Acquisition and the SCTbio Contribution, SCTbio will be fully owned by eureKING. The proposed transaction values SCTbio at an enterprise value of c. €17.5 million, plus land acquired by eureKING and separately valued at €2.025 million.

Pursuant to the terms of a side agreement to the SCTbio Purchase Agreement, entered into on the same date by eureKING and PPF, the parties’ respective obligations to actually effect the closing of the SCTbio Cash Acquisition and the SCTbio Contribution are suspended upon the execution, following the exercise of the put option signed on May 23, 2023, of the Skyepharma Sale and Purchase Agreement relating to Skyepharma.

Once the SCTbio Purchase Agreement fully comes into force, the closing of the SCTbio Cash Acquisition and the SCTbio Contribution remain subject to:

- the closing of the Proposed IBC with Skyepharma;
- approval of the shareholders of eureKING; and
- the prolongation of two contracts with third-parties:
 - the lease for the premises (offices and laboratories) in Prague, whose term is up by the end of September 2023, both parties having an option to renew it or not; and
 - one of SCTbio’s insurance contract, which could be terminated by the insurance company.It is expected that the lease will be renewed and the insurance contract will not be terminated.

As consideration for the SCTbio Contribution, eureKING will issue c. 644,325 new ordinary shares (the “SCTbio Contribution Shares”). The value of one SCTbio Contribution Share for the purpose of determining the exchange ratio would amount to €10.00, representing a c. €6.44 million contribution value. Mr. Olivier Courau (Finexsi) and Mr. Stéphane Schwedes have been appointed as contribution appraisers (commissaires aux apports) by the Ordonnance of September 8, 2023, to assess the value of the ordinary shares of SCTbio to be contributed to eureKING in the context of the SCTbio Contribution, to confirm that it is not over-valued and that it corresponds at least to the share capital increase of eureKING, increased by the contribution premium and to confirm, in accordance with the AMF recommendation DOC-2020-06, that the exchange rate is fair.

The Proposed IBC with Skyepharma is not conditioned upon the Proposed Acquisition of SCTbio. The Proposed Acquisition of SCTbio will however not take place if the Proposed IBC with Skyepharma is not completed. eureKING intends to complete the Proposed Acquisition of SCTbio as soon as possible after completion of the Proposed IBC with Skyepharma. To this effect, an extraordinary meeting of the shareholders of eureKING has been convened to approve, on October 18, 2023, the Skyepharma Contribution. If the Proposed Acquisition of SCTbio is sufficiently advanced, this shareholders' meeting may also decide on the SCTbio Contribution so that the two closings can occur one shortly after the other.

Amendments to eureKING's Articles of Association

On August 11, 2023, the holders of the different securities issued by the Company at the time of its initial public offering met in separate extraordinary security holders' meetings and approved:

- an extension of the deadline to complete the IBC from previously August 13, 2023, to October 31, 2023,
- a waiver of the requirement that the fair market value of the target of the IBC be at least 75% of the funds raised in the IPO, i.e. at least €115.4 million, and
- other amendments to the Company's articles of association enabling the opening, as soon as possible after the extraordinary meetings of a 30-calendar-day period during which holders of Market Shares may request the redemption of their shares at the agreed price of €10.30, such redemption to take place no later than five business days after the end of this 30-day period, whether or not the Proposed IBC with Skyepharma has occurred.

Redemption of the Market Shares

On August 21, 2023, following these changes to its articles of association, the Company published the Redemption Notice (as defined in the revised eureKING's articles of association) for the Market Shares. The 30-calendar day redemption period ended on September 20, 2023. The results of the redemption process will be published on September 22, 2023.

As of the date of this Report, the Company has not received any commitments not to redeem their Market Shares from their holders, except for those who had agreed not to redeem them at the time of the initial public offering, which represent an amount of €5.8 million. Therefore, the remainder of the €150 million raised in the initial public offering through the issuance of the Market Shares, could have been repaid to the holders of Market Shares who would have asked for the redemption of their shares.

Financing of the cash components of the Proposed IBC with Skyepharma and the Proposed Acquisition of SCTbio

eureKING intends to finance the combined purchase price for the Skyepharma Cash Acquisition and the SCTbio Cash Acquisition, and certain expenses related to the completion of both acquisitions, through (i) the amount that will remain available to eureKING following the completion of the redemption of the Market Shares on September, and/or (ii) additional equity funding raised from existing shareholders and/or new investors through a private placement of new ordinary shares of eureKING conducted ahead of the closing of the Proposed IBC with of Skyepharma (a "PIPE" financing).

As indicated above, the cash portion of the Proposed IBC with Skyepharma amounts to €22.97 million and the cash portion of the Proposed Acquisition of SCTbio amounts to €13.08 million (i.e. a total of €36.05 million). In addition, eureKING will need to finance an estimated €6 million to €8 million of IBC-related expenses.

To finance these amounts, eureKING will have available €5.8 million worth of Market Shares that cannot be redeemed (see above).

As of the date of this report, eureKING therefore needs to raise an amount €24 million to €26 million to complete the Proposed IBC with Skyepharma alone. For the completion of the Proposed IBC with

Skyepharma and the Proposed Acquisition of SCTbio, the financing needs amount to €37 million to €39 million.

eureKING is currently seeking funding commitments for the PIPE, and both acquisitions remain therefore subject to financing.

1.5 Risk factors

In addition to the risk that the Proposed IBC with Skyepharma and/or the Proposed Acquisition of SCTbio fail to be completed for lack of financing as described in Section 1.4 above, the risks identified by the Company to have a significant adverse effect on its business, financial condition, results of operations or prospects, and which are important for investment decision-making, are those set out in the “*Risk Factors*” section of the Prospectus and have not changed significantly since that date. Investors’ attention is drawn to the fact that the list of risks presented in the Prospectus is not exhaustive and that other risks, not identified as of the date hereof or not identified as likely to have a significant adverse effect on the Company’s business, financial condition, results of operations or prospects, may exist or arise.

1.6 Related parties’ transactions

Material related party transactions are those set out in the “*Related party transactions*” section of the Prospectus and these presented in Note 16 of the condensed interim financial statements for the six-month period ended June 30, 2023.

1.7 Prospect and main uncertainties for the forthcoming six months

Since the Listing Date, the Company has been looking for targets to complete an Initial Business Combination. Information about the Proposed IBC with Skyepharma and the Proposed Acquisition of SCTbio is set out in section 1.4 above. As indicated in this section 1.4, as of the date of this report, both acquisitions remain subject to financing.

If the Proposed IBC with Skyepharma is not completed by October 31, 2023, the Company will be dissolved within three (3) months from this date. The Company's liquidation operations will then be carried out under the conditions provided for by its current articles of association, as detailed in the Prospectus.

2 CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2023

Statement of income and comprehensive income for the period from January 1, 2023 through June 30, 2023

<i>in thousand euros</i>	Notes	for the 6-month period ended June 30, 2023	for the 6-month period ended September 30, 2022
Revenue		-	-
Personnel costs	5	(280)	(280)
Other operating costs	6	(527)	(457)
Other operating income		-	-
Operating Loss		(808)	(737)
Interest expense	11	(1,370)	(960)
Interest income		693	4
Other financial income or expense	12	(11)	(1,513)
Loss before income tax		(1,496)	(3,206)
Corporate income tax	7	-	(53)
Loss for the period		(1,496)	(3,260)
Other comprehensive income		-	-
Total comprehensive loss for the period, net of tax		(1,496)	(3,260)
Attributable to owners of the company		(1,496)	(3,260)
Attributable to non-controlling interests		-	-
Earnings per share attributable to equity owners (in Euro)	8	(0.2991)	(0.6862)
Net earnings per share (in Euro)		(0.2991)	(0.6862)
Diluted earnings per share (in Euro)		(0.2991)	(0.6862)
Weighted-average number of Founders' shares		5,000,000	4,750,247

Statement of financial position as of June 30, 2023

<i>in thousand euros</i>	Notes	as of June 30, 2023	as of December 31, 2022
ASSETS			
Intangible assets		9	9
Deferred tax assets		-	110
Non-current assets		9	119
Other current financial assets	3	154,594	153,900
Other current assets	9	368	414
Cash and cash equivalents		5	660
Current assets		154,967	154,974
TOTAL ASSETS		154,976	155,094
EQUITY AND LIABILITIES			
Share capital	10	50	50
Share premium		8,961	8,961
Reserves		0	
Retained earnings / (deficit)		(4,585)	(73)
Profit / (loss) for the year		(1,496)	(4,402)
Equity attributable to holders of parent company		2,931	4,536
Non-controlling interests		-	
Total equity		2,931	4,536
Total non-current liabilities		-	-
Trade and other payables		396	601
Redeemable market shares	11	149,702	148,456
Market warrants	12	1,500	1,500
Current financial liabilities		445	-
Other current liabilities		2	-
Total current liabilities		152,046	150,558
TOTAL EQUITY AND LIABILITES		154,976	155,094

Statement of changes in Equity for the period from April 1, 2022 through June 30, 2023

<i>in thousands euros</i>	Number of shares	Share Capital	Share premium	Other reserves and net income of the year	Equity attributable to owners of the company	Non-controlling interest	Total Shareholder's equity
As of April 1, 2022	3,795,000	38	-	(73)	(35)	-	(35)
Profit / (Loss) for the year		-	-	(4,402)	(4,402)	-	(4,402)
Other comprehensive income / (loss)		-	-	-	-	-	-
Total comprehensive income				(4,402)	(4,402)	-	(4,402)
Capital increase dated May 5, 2022	308,000	3	-	-	3		3
Capital increase dated May 10, 2022 (IPO)	897,000	9	8,961		8,970		8,970
Equity as of December 31, 2022	5,000,000	50	8,961	(4,475)	4,536		4,536
Other				(110)	(110)		(110)
Profit / (Loss) for the year		-	-	(1,496)	(1,496)	-	(1,496)
Other comprehensive income / (loss)		-	-	-	-	-	-
Total comprehensive income		-	-	(1,606)	(1,606)	-	(1,606)
Capital increase / (decrease)				-	-	-	-
Reserve				0	0		0
Equity as of June 30, 2023	5,000,000	50	8,961	(6,081)	2,930		2,930

Statement of Cash Flows for the period from January 1, 2023 through
June 30, 2023

<i>in thousand euros</i>	Notes	for the 6-month period ended June 30, 2023	for the 6-month period ended September 30, 2022
Loss for the year		(1,496)	(3,260)
Adjustments for Depreciation		-	-
Income tax expense		-	53
Non-cash financial expenses		552	2,460
Change in current working capital	11/12	(157)	(274)
Cash flows from operating activities		(1,101)	(1,021)
Capital expenditures		-	(9)
Cash flows from investing activities		-	(9)
Issuance of Founders' shares		-	8,973
Issuance of redeemable market shares, net of transaction costs	11	-	146,867
Cash flows from financing activities		-	155,840
Increase (decrease) in cash and cash equivalents		(1,101)	154,810
Opening balance of cash and cash equivalent		660	38
Cash balance held in escrow account		154,594	153,900
Closing balance of cash and cash equivalent		(441)	948

Notes to the Condensed Interim financial statements for the period from January 1, 2023 through June 30, 2023

Note 1. General information

eureKING (the “**Company**”) is a special purpose acquisition company incorporated on March 21, 2022, under the laws of France as a limited liability company with a Board of Directors (Société anonyme à Conseil d’administration) with registration number 911 610 517. Its registered office is located at 128 rue la Boétie, 75008 Paris. These condensed interim financial statements are prepared for the six-month period starting January 1, 2023, through June 30, 2023.

The Company was created by eureKARE and six other shareholders (the “**Founders**”).

The Company has no subsidiaries or equity interests as of June 30, 2023.

The Company has a single employee, its CEO, Mr. Michael Kloss.

The financial year runs from January 1 until December 31.

The Company was incorporated on March 21, 2022 and exceptionally closed its first financial year on March 31, 2022, i.e. a first 11-day exercise. The second financial year ran for from April 1, 2022 to December 31, 2022 and as such, the Statement of income and comprehensive income for the six-month period ended June 30, 2023 is compared with the six-month period ending September 30, 2022.

These condensed interim financial statements have been prepared under the responsibility of the Chairman of the Company and were approved by the Board of Directors of the Company on September 19, 2023.

Note 2. Corporate purpose

eureKING corporate purpose is to conduct the following activities, in France or any other country:

- the exercise, directly or indirectly (including by way of direct or indirect acquisition of equity interests), of all activities in biomanufacturing sector in Europe;
- the direct or indirect acquisition of equity interests in any commercial, industrial or financial companies or other legal entities of any kind and of any corporate purpose, French or foreign, incorporated or to be incorporated, as well as the subscription, acquisition, contribution, exchange, disposal and any other transactions involving shares, corporate shares, interest shares and any other financial securities and movable rights whatsoever, in connection with the activities described above.
- the financing by any means of these operations; the use of borrowings and the granting of intra-group loans, guarantees or sureties, necessary to the achievement of the Company’s purposes;
- the management of its equity interests;
- the sale of its equity interests;
- the provision of advices and assistance, particularly in technical, administrative, accounting, financial or management matters; and
- more generally, any financial, commercial, industrial, civil, movable or immovable transactions that may be directly or indirectly related to, any of the above-mentioned purposes or to any other similar or related purposes, likely to promote directly or indirectly the achievement of the Company’s purposes, its expansion, its development or its corporate assets.

The Company aims at acquiring target businesses and/or companies with principal business operations in the biomanufacturing sector mainly in Europe (the “**Initial Business Combination**”). If the Company fails to complete the Initial Business Combination before the end of a 15-month period as from the Listing Date (as defined below) (the “**Initial Business Combination Deadline**”) (i.e before August 12,

2023), it will be liquidated and will distribute the amount then held in the secured deposit account managed by UBS, after payment of the Company's creditors claims and settlement of its liabilities. However, an Exceptional Shareholders Meeting was held on August 11th, 2023 extending the original 15-month period to a 17-month period and postponing the expiration date to October 31st, 2023.

The Company actively pursues the search and identification of business combination opportunities to complete the IBC, in accordance with the objectives and procedures described in the Prospectus. Uncertainty on the completion of an IBC remains at the date of the preparation of interim financial statements, and, as mentioned above, should the Company fails to complete such IBC on a timely manner, eureKING will be liquidated in less than 12 months. The Company would not be able to continue as a going concern and its operations for the foreseeable future.

In case of liquidation of the Company, the funds available to the Company (other than those deposited on the Secured Deposit Accounts) may be insufficient to cover the costs associated with the Secured Deposit, fees, expenses and any other liabilities to be paid by the Company. In this situation, and in order to preserve the funds deposited in the Secured Deposit Accounts, eureKARE and the other Initial Founders have committed in the Shareholders' Agreement among the Founders, on a several but not joint basis (*conjointement et sans solidarité*) to cover such shortfall (i) up to €500,000 by eureKARE and (ii) for any deficiency higher than €500,000, by the other Initial Founders. Funds deposited in the Secured Deposit Account may only be used in connection with the completion of the Initial Business Combination and the potential redemption of the Market Shares held by Redeeming Market Shareholders. If the Company does not complete an Initial Business Combination by the Initial Business Combination Deadline, the outstanding amount in the Secured Deposit Accounts will, after satisfaction of creditors' claims and settlement of the Company's liabilities, be distributed to the holders of the Market Shares and to the Founders for their Founders' Shares.

Note 3. Significant events of the period

On May 30th, 2023, eureKING announced the signature of a put option for the potential acquisition of Skyepharma ("Skyepharma"). The proposed transaction would value Skyepharma, an innovative and fully integrated French CDMO player with 20 years of innovation and development experience in drug development and delivery or oral technologies, at an enterprise value of circa. €50 million and an equity value of circa. €52 million.

Terms of the transaction were further detailed after June 30, 2023 and are described in Note 17. Subsequent events.

On April 17th, 2023, the €150 million proceeds from the listing of the Market Shares classified under the "Other current financial asset" line of the balance sheet along with €3,900 thousand relating to a possible redemption premium that were on a secured deposit managed by Caisse d'Épargne were transferred to a similar secured account managed by UBS. The funds deposited on that new bank account generate an interest income of ca. 3% per annum resulting in an income of €692 thousand for the period ended June 30, 2023.

Note 4. Significant accounting policies

4.1 Basis of preparation

The condensed interim financial statements for the six-month period ended June 30, 2023 have been prepared in thousand euros, and all amounts have been rounded off to the nearest thousand, unless stated otherwise.

The condensed interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting and IAS 1 - Presentation of Financial Statements.

The condensed interim financial statements do not include all the notes of the type normally included in an annual set of financial statements. Accordingly, the condensed interim financial statements are to be read in conjunction with the annual financial statements of the Company as of and for the period ended December 31, 2022. The accounting policies adopted are consistent with those of the previous financial period except for the adoption of new and amended standards as set out below.

The condensed interim financial statements for the period ended June 30, 2023 are prepared on a going concern basis.

4.2 Compliance with accounting standards

The Company's financial statements have been prepared in accordance with IFRS published by the IASB and adopted by the European Union as of June 30, 2023.

The IFRS standards and interpretations adopted by the European Union are available at the following website:

https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en

Standards, amendments, and interpretations adopted by the European Union for fiscal years starting from January 1, 2023

Application of new and Amended Standards and Interpretations

The following pronouncements and related amendments have been adopted by the Company from January 1, 2023 but had no impact on the financial statements:

- IFRS 17 Insurance Contracts
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (effective immediately but not yet endorsed in the EU – disclosures are required for annual periods beginning on or after 1 January 2023)

Standards, Interpretations and Amendments Issued but not yet Effective

The following pronouncements and related amendments are applicable for accounting periods beginning after January 1, 2023, as specified below. We do not anticipate that the adoption of these pronouncements and amendments will have a material impact on our results of operations, financial position, or cash flows.

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Noncurrent Liabilities with Covenants (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU).

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)

4.3 Estimates and assumptions made by management

The preparation of financial statements implies taking into consideration estimates and assumptions by eureKING management that can affect the carrying amount of certain assets and liabilities, income and expenses, and the information disclosed in the notes to the financial statements. eureKING management reviews these estimates and assumptions on a regular basis to ensure their pertinence with respect to past experience and the current economic situation. Items in future financial statements could differ from current estimates based on changes in these assumptions.

The impact of changes in accounting estimates is recognized during the period in which the change occurs and all affected future periods.

Significant areas of estimation, uncertainty, and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are:

Issuance of equity instruments to the Founders:

The Company determined that the issuance of 5,000,000 Founders' Shares and 897,000 Founders' Warrants to the Founders for an average of €2.70 per share for eureKARE and €1.20 per share for other Founders is in the scope of IFRS 2, Share-Based Payments, reflecting equity instruments issued in exchange for services performed by the Founders, including services related to the preparation and completion of the Initial Business Combination. The Company determined the occurrence of an Initial Business Combination is uncertain at the date of the financial statements since it is dependent from its future conduct of its business and to external circumstances (such as the availability of PIPE investors and redemption) and as such the expense associated with the issuance of equity instruments to the Founders is not recognized in these financial statements.

Deferred tax asset:

A deferred tax asset in respect of the loss incurred has not been recognized as the Board of Directors estimates uncertainty in terms of future taxable profit against which the Company can utilize the benefits therefrom.

Classification of deferred IPO costs:

The occurrence of an Initial Business Combination is uncertain at the date of the financial statements since it is dependent from its future conduct of its business and to external circumstances (such as the availability of PIPE investors and redemption). The Company estimates that certain IPO costs which payment is contingent to the occurrence of the Initial Business Combination do not result in a present obligation for the Company. These amounts are thus considered as contingent liabilities.

Classification of Market Shares:

The entity is unable to avoid the redemption of Market Shares. Market Shares should be classified as a financial debt in application of IAS 32 § 11 and §16C, given the waterfall applicable in case of liquidation.

4.4 Summary of significant accounting methods

4.4.1 *Current assets and current liabilities*

Other current assets and current liabilities are initially recognized at fair value and are subsequently measured at amortized cost.

4.4.2 *Cash and cash equivalents*

Cash and cash equivalents include balances with maturity less than three months from the balance sheet date, including cash and deposits with banks. The carrying amounts of these approximate their fair value. Cash balances held in escrow accounts and therefore not available for general use are presented separately as Other current financial assets.

4.4.3 *Provisions*

Provisions are recognized when:

- the Company has an obligation as a result of a past event,
- it is probable that settlement be required in the future,
- a reliable estimate of the obligation can be made.

Provisions are valued at the amount corresponding to the best estimate that management of the Company can make at the date of the close of the expense needed to settle the obligation. These amounts are discounted if the effect is considered significant.

4.4.4 *Income Tax benefit / (expense)*

Income tax on profit or loss for the period comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items directly recognized in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, calculated using tax rates enacted or substantially enacted at the reporting date, and subject to any adjustment to tax payable in respect of previous years.

4.4.5 *Deferred tax*

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax assets are tested for impairment on the basis of a tax planning derived from management business plans. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

4.4.6 *Classification of financial assets*

Financial assets are recognized in the Company's balance sheet when the Company is a party to the instrument's contractual provisions.

The classification proposed by IFRS 9 determines how assets are accounted for and the method used to measure them. Financial assets are classified based on two cumulative criteria: the management model applied to the asset and the characteristics of its contractual cash flows.

Based on the combined analysis of the two criteria, the Company distinguishes between three categories of financial assets, which are specific to each category:

- Financial assets at amortized cost as of the closing date: these mainly include receivables and other current assets for the Company

- Financial assets at fair value through other comprehensive income: not applicable for the Company
- Financial assets at fair value through profit or loss: these include cash and restricted cash for the Company.

4.4.7 *Classification of financial liabilities*

Financial liabilities are recognized and measured in accordance with IFRS 9 “Financial instruments”.

Financial liabilities are recognized in the Company statement of financial position when the Company is a party to the instrument’s contractual provisions.

The Company distinguishes between two categories of financial liabilities, each subject to a specific accounting treatment:

- Financial liabilities valued at amortized cost: these mainly include trade payables and borrowings applying the effective interest rate method;
- Financial liabilities valued at fair value through profit and loss : these mainly include the Market Warrants that are derivatives instruments at fair value through profit and loss.

4.4.8 *Fair value measurements*

In accordance with IFRS 13 – *Fair Value Measurement*, the fair value of financial instruments accounted for in the Company’s financial statements is determined using different valuation techniques. The Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities;
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as a prices) or indirectly (i.e., derived from prices);
- **Level 3:** inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The Company uses level 1 fair value measurement for the Market Warrants it issued.

4.4.9 *Transactions with related parties*

Under IAS 24 “Related party disclosures”, a related party is a person or entity that is related to the entity presenting its financial statements. Any of the following may be a related party:

- a member of the company’s management team (or a member of his or her family) or a person in a sensitive position.
- a person or company that controls or has significant influence over the Company
- an entity that is a joint venture of the Company

A related party transaction implies a transfer of goods, services or obligations between the Company and the related party.

Notes to the statement of income

Note 5. Personnel costs

The total compensation of the corporate officer paid by eureKING is €280 thousand for the six-month periods ended June 30, 2023 and September 30, 2022.

Note 6. Other operating costs

<i>in thousand euros</i>	for the 6-month period ended June 30, 2023	for the 6-month period ended September 30, 2022
Insurance Premium	109	70
Other professional fees	371	351
Other operating costs	48	37
Total other operating costs	527	457

Other professional fees are composed of €99 thousand EY audit fees, €110 thousand PwC consulting fees, €80 thousand Pharmaceutaur consulting fees, and €30 thousand Stefan Berchtold consulting fees.

Note 7. Income tax

Income tax expense for the financial period comprises the following items:

<i>in thousand euros</i>	for the 6-month period ended June 30, 2023	for the 6-month period ended September 30, 2022
Current tax	-	-
Deferred tax	-	(53)
Total income tax	-	(53)

<i>in thousand euros</i>	for the 6-month period ended June 30, 2023	for the 6-month period ended September 30, 2022
Profit / (Loss) for the period after tax Income tax	(1,496)	(3,260)
Profit / (Loss) before tax	(1,496)	(3,206)
Theoretical tax charges	374	802
Unrecognized tax losses and deductible temporary differences	(374)	(480)
Unrecognized deductible temporary difference	-	(375)
Permanent differences	-	-
Total income Tax	-	(53)

The tax rate used in reconciliation above is the French corporate income tax rate (25%).

Temporary differences are mainly relating to the deferred tax liabilities arising from the deferred financing costs (refer to note 11 Redeemable Market Shares).

Unrecognized deductible temporary differences are mainly relating to the recognition of the change in fair value of Market Warrants in the IFRS income statement.

Note 8. Earnings per share

Basic earnings (loss) per share is calculated by dividing the loss for the period by the weighted-average number of ordinary shares outstanding during the period. The Company has no ordinary shares outstanding as of June 30, 2023 and used the weighted-average aggregated number of Founders' Shares, which was 5,000,000 for the period.

Diluted earnings (loss) per share is calculated by adjusting profit (loss) for the period and the number of shares at the end of the period by the impact of all potentially dilutive financial instruments.

Notes to the statement of financial position

Note 9. Other current assets

<i>in thousand euros</i>	as of June 30, 2023	as of December 31, 2022
Reported VAT credit	289	214
VAT on invoice not received	53	72
Prepaid expenses	14	109
Other non current assets	13	20
Total other current assets	368	414

Regarding VAT receivables, eureKING has confirmed the option at the time of its incorporation to be VAT-registered and already has a VAT number. The Company considers that, in view of the projects on which it has committed, it carries out an economic activity falling within the scope of VAT. In case eureKING does not acquire targets within the Initial Business Combination Deadline or does not carry out taxable transaction, the deductible VAT would lose its recoverable character.

Note 10. Shareholders' Equity

As of June 30, 2023, the share capital amounts to 50,000 and is composed of 5,000,000 Founders' shares, of which:

- 2,500,000 A1 Founders' shares, each of which can be converted into one ordinary share upon IBC;
- 1,250,000 A2 Founders' shares, each of which can be converted into one ordinary share if, at any time after completion of the Initial Business Combination, the volume weighted average price of the Ordinary Shares for any 20 trading days within a 30-trading-day period exceeds €12.00;
- 1,250,000 A3 Founders' shares, each of which can be converted into one ordinary share if, at any time after completion of the Initial Business Combination, the volume weighted average price of the Ordinary Shares for any 20 trading days within a 30-trading-day period exceeds €14.00.

Note 11. Redeemable Market Shares

<i>in thousand euros</i>	as of June 30, 2023	as of December 31, 2022
Market Shares	150,000	150,000
IPO costs (net value)	(298)	(1,544)
Redeemable Market Shares	149,702	148,456

The redeemable Market Shares are composed of the 15,000,000 Market Shares issued at a subscription price of 10€ per share. As per IAS 39§43, the transaction costs related to the issuance of these instruments (€3,133 thousand) are included in the fair value of the instruments and amortized on a 15-month basis. As of June 30, 2023, the net value of these costs amounts to €298 thousand, and the interest expense amounts to €1,246 thousand for the six-month period ended June 30, 2023.

Note 12. Market Warrants

The Market Warrants for €1,500 thousand are composed of the 15,000,000 Market Warrants. As per IFRS 9, the Market Warrants are derivative financial instruments that are recognized at fair value on balance sheet date. Changes in fair value are recognized in the “Other financial expense” line of the statement of income (nil for the six months period ending June 30, 2023).

The Founders’ Warrants are excluded from the scope of application of IFRS 9 since they are considered as share-based payments under IFRS 2 and they are not recognized at fair value on balance sheet date.

As of the operations of June 30, 2023, the latest observable market price was €0.10.

Note 13. Financial risk management objectives

The Company has conducted no operations since its inception and currently generates no revenue. It does not have significant foreign currency transactions or interest-bearing financial assets or liabilities. Hence currently the Company does not face foreign currency, interest or default risks.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

100% of the gross proceeds of the Offering which occurred on May 12, 2022 was deposited in a secured deposit account. The amount held in the secured deposit account will only be released in connection with the completion of the Initial Business Combination or the Company’s liquidation. Following the completion of the private placement, the Board of Directors believes that the funds available to the Company outside of the secured deposit account, together with net interest proceeds earned on the amount held in the secured deposit account that will be released to the Company, will be sufficient to pay costs and expenses which are incurred by the Company prior to the completion of the Initial Business Combination (including payables accounted for as of June 30, 2023).

The Company monitors costs incurred on an on-going basis. The maturity of the trade and other payables is less than 6 months.

Capital Management

The Board of Directors policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

Note 14. Measurement of financial assets and liabilities

As of June 30, 2023 <i>in thousand euros</i>	Accounting category		Book Value on the statement of financial position	Fair value
	Fair value through profit and loss	Amortized cost		
Financial assets				
Other non-current financial assets	154,594		154,594	154,594
Cash and cash equivalents	5		5	5
Total financial assets	154,599	-	154,599	154,599
Financial liabilities				
Redeemable market shares		149,702	149,702	150,000
Market warrants	1,500		1,500	1,500
Current financial liabilities	445		445	445
Trade and other payables		396	396	396
Total financial liabilities	1,945	150,098	152,044	152,341

Maturity of financial liabilities

The redeemable Market Shares have a maturity of 15 months from the Listing Date, i.e. until August 12, 2023. The Market Warrants will expire on the fifth anniversary of the Initial Business Combination. The maturity of the IBC has been extended to 17 months until October 31, 2023 (refer to note 17. Subsequent events).

Note 15. Contingent Liabilities and off-balance sheet commitments

The deferred IPO costs, mainly relating to underwriting fees to be paid upon Initial Business Combination for € 2,113 thousand, are recognized as contingent liabilities.

Redeeming Market Shareholders are entitled in addition to a redemption amount of €10.00 per Market Share, to a redemption premium of €0.30 per Market Share (the “**Redemption Premium**”) The Cornerstone Investors (as defined in the Prospectus) have decided to forgo their Redemption Premium if they were to decide to redeem their Market Shares. The Cornerstone Investors and the Founders have decided to forgo their Redemption Premium in case of liquidation of the Company. In addition, the Market Shareholders may decide to forgo their Redemption Premium at any time before its payment by written notice to the Company. Therefore, the Company is unable to reliably estimate the portion of redeeming Market Shareholders and thus the amount of Redemption Premium.

The share-based compensation received by the Founders in the scope of IFRS 2 will be valued and recognized when an Initial Business Combination occurs.

Certain service fees rendered by eureKARE under the service agreement described in note 16 are also contingent to the Initial Business Combination and no expense relating to these services were recognized as of June 30, 2023.

Note 16. Related parties

The Company’s related party transactions are transactions with eureKARE and its key management personnel that exercise significant influence over the Company in making financial or operational decisions.

Transactions with eureKARE

eureKARE is the largest initial founder of the Company. As of June 30, 2023, eureKARE detained 2,012,349 Founders' Shares, 390,000 Founders' Warrants and 428,026 Market Shares and Market Warrants. eureKARE holds 12.20% of the voting rights of the Company and is represented by one director on the Board of Directors of the Company.

On May 6, 2022, eureKING acquired a license agreement for the use of the tradename "eureKING" and the corresponding website domain name from eureKARE for €10 thousand.

On July 18, 2023, eureKING and eureKARE have entered into a service agreement (Convention de prestation de services) intended to cover the services rendered by eureKARE to eureKING. The services being provided relate to (i) Strategic consulting in connection with the search for a suitable target for the "initial business combination" and (ii) Financial and market communication, and in particular consulting, investor relations, logistics, website maintenance, and IT support.

The services were provided from January 1st, 2023 and continue to be provided to this day. They are billed on a man/hour basis for certain identified personnel of eureKARE and on a fixed fee (overall for the duration of the agreement or on a per diem basis, depending on the services). With respect to the man/hour basis, the rate has been computed, for each eureKARE employee, on the basis of their cost to eureKARE plus a 15% margin. The fixed fees have been computed on the basis of market practice for these types of services.

The agreement provides that any amount due by eureKING to eureKARE will only be billed and become payable after the completion of the Proposed IBC with Skyepharma. Should eureKARE fail to complete the Proposed IBC with Skyepharma, no amount will be due to eureKARE, which has agreed to entirely forgo any payment under the agreement.

Transactions with key management personnel

The Company's unique employee is its CEO, Mr. Michael Kloss, which compensation is detailed in Note 5. Mr. Michael Kloss is also one of the initial founders of the Company.

Note 17. Subsequent events

Modifications to the terms of the Proposed IBC with Skyepharma and progress in the implementation of the IBC

On May 25, 2023, the Company, the shareholders of Oleron Pharma SAS ("Oleron Pharma") and Bpifrance signed a put option agreement (the "Skyepharma Put Option Agreement") for 100% of the share capital of Oleron Pharma SAS ("Oleron Pharma"), the 100% holding company of Skyepharma Production SAS ("Skyepharma" and the "Proposed IBC with Skyepharma"). Skyepharma is a leading French fully integrated contract development and manufacturing organization player. The shareholders of Oleron Pharma are Mr. David Lescuyer, Mr. Benoit Mougeot, Mr. Xavier Mathiot, Mr. Frédéric Checot, Mr. Laurent Rigau, Mrs. Isabelle Cachard (the "Skyepharma Rollover Shareholders", who are managers and employees, or former employees of Skyepharma).

On August 8, 2023, the parties to the Skyepharma Put Option Agreement agreed to revise certain terms of their agreement so that eureKING would acquire:

- (iii) for €23 million in cash, circa. 44.2% of the share capital (including Bpifrance stake and on a fully diluted basis) of Oleron Pharma, instead of 58.01% for €30.2 million in cash initially (the "Skyepharma Cash Acquisition"),

- (iv) the remaining circa. 55.8% (instead of 41.99%) through the contribution by the Rollover Shareholders of their Oleron Pharma shares in exchange for newly issued shares of eureKING (the “Skyepharma Contribution”).

This change in the proportion of the Oleron Pharma shares acquired in cash versus those acquired against the issuance of eureKING shares does not modify the overall consideration for the Proposed IBC with Skyepharma, which remain c. €52 million.

The exercise of the put option included in the Skyepharma Put Option Agreement by the Skyepharma Rollover Shareholders and Bpifrance (and thus the execution of the "Skyepharma Sale and Purchase Agreement" appended to the Skyepharma Put Option Agreement by the parties) was subject to:

- the completion of the information and consultation process of Skyepharma’s workers’ council, and
- the approval by eureKING’s different categories of securities holders at the August 11, 2023, extraordinary and special meetings of the changes to eureKING’s Articles of Association necessary for eureKING to be able to proceed with the Proposed IBC with Skyepharma and launch the redemption of its Market Shares as soon as possible and independently from the completion of the Proposed IBC with Skyepharma.

Skyepharma’s workers’ council issued a favourable opinion on the IBC in early July.

On August 11, 2023, eureKING’s security holders approved the proposed changes to eureKING’s Articles of Association (see below).

On August 21, 2023, eureKING published the Redemption Notice opening the Market Shares’ 30 calendar days redemption period (see below).

On August 24, 2023, the board of directors of eureKING met to formally approve the Proposed IBC with Skyepharma at the “required majority” (i.e., an affirmative vote of the majority of the members composing the board of directors, including approval by two-thirds of the independent members composing the board of directors). The board of directors gave a unanimous approval.

On August 24, 2023, the Skyepharma Rollover Shareholders and Bpifrance exercised the put option.

On September 4, 2023, eureKING, the Skyepharma Rollover Shareholders and Bpifrance signed the Skyepharma Sale and Purchase Agreement.

On September 18, 2023, the French Ministry of the Economy gave its foreign investment clearance pursuant to Articles L. 151-3 et seq. and R. 153-1 et seq. of the French Code monétaire et financier.

The Skyepharma Sale and Purchase Agreement also provides that, should the shareholders of eureKING fail to approve the Skyepharma Contribution, eureKING will repay the Skyepharma Rollover Shareholders and/or the Skyepharma and/or Oleron Pharma (as applicable) certain duly documented fees of their accountants, auditors, lawyers and consultants and certain duly documented traveling expenses, all incurred in connection with the Proposed IBC with Skyepharma, up to a maximum amount of €300,000.

As consideration for the Skyepharma Contribution, eureKING will issue c. 2.9 million new ordinary shares (the “Skyepharma Contribution Shares”, and one “Skyepharma Contribution Share”). The value of one Skyepharma Contribution Share for the purpose of determining the exchange ratio would amount to €10.00, representing a c. €29 million contribution value. Mr. Olivier Courau (Finexsi) and Mr. Stéphane Schwedes have been appointed as contribution appraisers (commissaires aux apports) by the Ordonnance of September 5, 2023, to assess the value of the ordinary shares of Skyepharma to be contributed to eureKING in the context of the Skyepharma Contribution, to confirm that it is not over-valued and that it corresponds at least to the share capital increase of eureKING, increased by the

contribution premium and to confirm, in accordance with the AMF recommendation DOC-2020-06, that the exchange rate is fair.

Proposed Acquisition of SCTbio

In addition to the Proposed IBC with Skyepharma, on August 9, 2023, eureKING and PPF Biotech B.V. (“PPF”) signed an agreement (the “SCTbio Purchase Agreement”) to purchase full ownership interest, under which eureKING would acquire 100% of SCT Cell Manufacturing s.r.o. (“SCTbio”), a full-service contract development and manufacturing organization (“CDMO”) specializing in cell-based therapy and viral vectors.

The proposed acquisition of SCTbio (the “Proposed Acquisition of SCTbio”) would complement eureKING’s ongoing proposed acquisition of Skyepharma. By joining Skyepharma with SCTbio, eureKING is taking a step closer in its ambitious plan to build a new European bio-CDMO leader.

The Proposed Acquisition of SCTbio would be completed (i) through the acquisition by eureKING, for a cash consideration of €13.08 million, of c. 67% of the shares of SCTbio held by PPF, the sole shareholder of SCTbio (the “SCTbio Cash Acquisition”), and (ii) through the contribution to eureKING by PPF of their remaining c. 33% shares of SCTbio, in exchange for new ordinary shares of eureKING (the “SCTbio Contribution”, and, together with the Skyepharma Contribution, the “Contribution”). After completion of both the SCTbio Cash Acquisition and the SCTbio Contribution, SCTbio will be fully owned by eureKING. The proposed transaction values SCTbio at an enterprise value of c. €17.5 million, plus land acquired by eureKING and separately valued at €2.025 million.

Pursuant to the terms of a side agreement to the SCTbio Purchase Agreement, entered into on the same date by eureKING and PPF, the parties’ respective obligations to actually effect the closing of the SCTbio Cash Acquisition and the SCTbio Contribution are suspended upon the execution, following the exercise of the put option signed on May 23, 2023, of the Skyepharma Sale and Purchase Agreement relating to Skyepharma.

Once the SCTbio Purchase Agreement fully comes into force, the closing of the SCTbio Cash Acquisition and the SCTbio Contribution remain subject to:

- the closing of the Proposed IBC with Skyepharma;
- approval of the shareholders of eureKING; and
- the prolongation of two contracts with third-parties:
 - the lease for the premises (offices and laboratories) in Prague, whose term is up by the end of September 2023, both parties having an option to renew it or not; and
 - one of SCTbio’s insurance contract, which could be terminated by the insurance company.

It is expected that the lease will be renewed and the insurance contract will not be terminated.

As consideration for the SCTbio Contribution, eureKING will issue c. 644,325 new ordinary shares (the “SCTbio Contribution Shares”). The value of one SCTbio Contribution Share for the purpose of determining the exchange ratio would amount to €10.00, representing a c. €6.44 million contribution value. Mr. Olivier Courau (Finexsi) and Mr. Stéphane Schwedes have been appointed as contribution appraisers (commissaires aux apports) by the Ordonnance of September 8, 2023, to assess the value of the ordinary shares of SCTbio to be contributed to eureKING in the context of the SCTbio Contribution, to confirm that it is not over-valued and that it corresponds at least to the share capital increase of eureKING, increased by the contribution premium and to confirm, in accordance with the AMF recommendation DOC-2020-06, that the exchange rate is fair.

The Proposed IBC with Skyepharma is not conditioned upon the Proposed Acquisition of SCTbio. The Proposed Acquisition of SCTbio will however not take place if the Proposed IBC with Skyepharma is not completed. eureKING intends to complete the Proposed Acquisition of SCTbio as soon as possible after completion of the Proposed IBC with Skyepharma. To this effect, an extraordinary meeting of the shareholders of eureKING has been convened to approve, on October 18, 2023, the Skyepharma

Contribution. If the Proposed Acquisition of SCTbio is sufficiently advanced, this shareholders' meeting may also decide on the SCTbio Contribution so that the two closings can occur one shortly after the other.

Amendments to eureKING's Articles of Association

On August 11, 2023, the holders of the different securities issued by the Company at the time of its initial public offering met in separate extraordinary security holders' meetings and approved:

- an extension of the deadline to complete the IBC from previously August 13, 2023, to October 31, 2023,
- a waiver of the requirement that the fair market value of the target of the IBC be at least 75% of the funds raised in the IPO, i.e. at least €115.4 million, and
- other amendments to the Company's articles of association enabling the opening, as soon as possible after the extraordinary meetings of a 30-calendar-day period during which holders of Market Shares may request the redemption of their shares at the agreed price of €10.30, such redemption to take place no later than five business days after the end of this 30-day period, whether or not the Proposed IBC with Skyepharma has occurred.

Redemption of the Market Shares

On August 21, 2023, following these changes to its articles of association, the Company published the Redemption Notice (as defined in the revised eureKING's articles of association) for the Market Shares. The 30-calendar day redemption period ended on September 20, 2023. The results of the redemption process will be published on September 22, 2023.

As of the date of this Report, the Company has not received any commitments not to redeem their Market Shares from their holders, except for those who had agreed not to redeem them at the time of the initial public offering, which represent an amount of €5.8 million. Therefore, the remainder of the €150 million raised in the initial public offering through the issuance of the Market Shares, could have been repaid to the holders of Market Shares who would have asked for the redemption of their shares.

Financing of the cash components of the Proposed IBC with Skyepharma and the Proposed Acquisition of SCTbio

eureKING intends to finance the combined purchase price for the Skyepharma Cash Acquisition and the SCTbio Cash Acquisition, and certain expenses related to the completion of both acquisitions, through (i) the amount that will remain available to eureKING following the completion of the redemption of the Market Shares on September, and/or (ii) additional equity funding raised from existing shareholders and/or new investors through a private placement of new ordinary shares of eureKING conducted ahead of the closing of the Proposed IBC with Skyepharma (a "PIPE" financing).

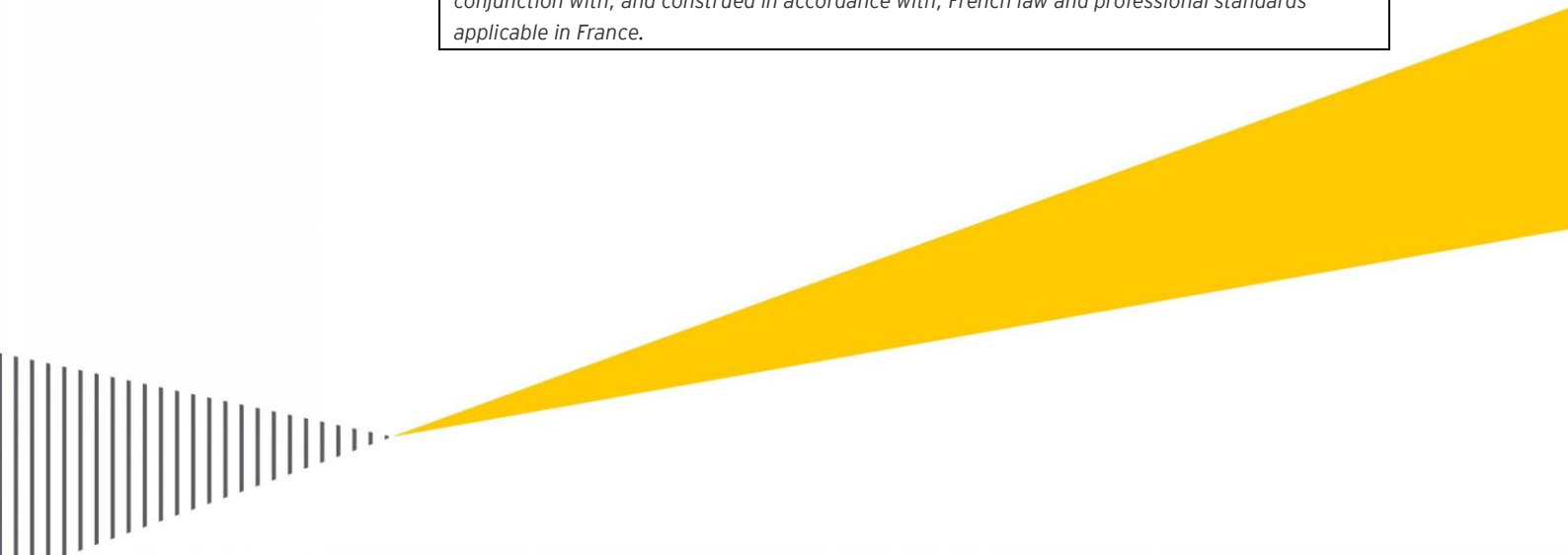
As indicated above, the cash portion of the Proposed IBC with Skyepharma amounts to €22.97 million and the cash portion of the Proposed Acquisition of SCTbio amounts to €13.08 million (i.e. a total of €36.05 million). In addition, eureKING will need to finance an estimated €6 million to €8 million of IBC-related expenses.

To finance these amounts, eureKING will have available €5.8 million worth of Market Shares that cannot be redeemed (see above).

As of the date of this report, eureKING therefore needs to raise an amount €24 million to €26 million to complete the Proposed IBC with Skyepharma alone. For the completion of the Proposed IBC with Skyepharma and the Proposed Acquisition of SCTbio, the financing needs amount to €37 million to €39 million.

eureKING is currently seeking funding commitments for the PIPE, and both acquisitions remain therefore subject to financing.

3 STATUTORY AUDITORS' REPORT



This is a translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

eureKING

Statutory auditor's review report on the half-yearly financial information



eureKING

Statutory auditor's review report on the half-yearly financial information

To the Shareholders,

In compliance with the assignment entrusted to us by your Articles of Association and in accordance with the requirements of Article L. 451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly financial statements of eureKING, for the period from January 1 to June 30, 2023,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

We draw your attention to the matter set out in Note 2 "Corporate purpose" to the condensed half-yearly financial statements regarding the specific purpose of the Company, the timeframe for the initial business combination financing, and its ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly financial statements subject of our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly financial statements.

Paris-La Défense, September 20, 2023

The Statutory Auditor
French original signed by
ERNST & YOUNG Audit

Cédric Garcia

4 DECLARATION BY THE PERSON RESPONSIBLE FOR THE HALF-YEARLY FINANCIAL REPORT

I hereby declare that, to the best of my knowledge, (i) the condensed financial statements for the prior six-month period ended June 30, 2023 have been prepared in accordance with applicable accounting standards and provide a true and fair view of the assets, liabilities, financial position and results of the Company, and (ii) that the Interim Activity Report provides a true and fair view of the significant events that occurred during the first six months of the financial year and their impact on the financial statements, the principal transactions between related parties, as well as a description of the main risks and uncertainties for the remaining six months of the year.

Paris, on September 20th, 2023
Michael Kloss
Chief Executive Officer